

Manager's Commentary

The regional markets witnessed a healthy recovery during February on account of increase in oil prices. The UAE saw the biggest gains with both Dubai and Abu Dhabi rallying by 8.1% and 7.3%, respectively. Qatar and Oman were up 4% while Kuwait and Saudi Arabia rose in the range of 1-2%. Bahrain was the only outlier and declined by 0.7%.

Given this backdrop, the fund appreciated close to 6% and fully participated in the rally. Although we were underweight in Qatar that performed well, our core holdings elsewhere contributed strongly. Our largest holding, Emaar Properties rallied 14.5% in February and recovered its earlier losses. The company announced forth quarter numbers which further instilled confidence in its underlying business by depicting healthy sales during the quarter. Similarly, other investments in the UAE rose on the back of healthy dividends that were announced. On a year to date basis, the fund has recovered a significant portion of its losses and is down less than 4%.

We would also like to take this opportunity to inform our readers that the fund has completed its 10 year track record. During this period, the fund has increased close to 50% as compared to the benchmark that is down 45%. This is a testament of our investment philosophy and demonstrates the significant alpha that bottom up, stock pickers like ourselves can generate over a long term investment horizon.

Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing principally in equity securities listed on the stock markets of the GCC countries excluding Saudi Arabia.

Returns (%)	Fund	Index*
Feb 2016	5.7	5.5
YTD (Feb 2016)	-3.7	-2.4
2015	1.8	-17.5
2014	4.2	3.3
2013	32.4	27.4
2012	6.1	1.4
2011	-8.2	-14.0
2010	11.6	18.4
2009	12.9	-1.1
Last 3 Months	-2.5	-1.6
Last 6 Months	-7.2	-10.3
Last 1 Year	-7.0	-21.2
Last 3 Years	25.6	-0.3
Last 5 Years	40.4	-0.2
Last 10 Years	46.4	-44.5
Since Inception (Mar 06 - Feb 16)	46.4	-44.5

*S&P GCC ex Saudi Index

Fund Information

Launch Date	March 2006
Management Fee	1.5%
Performance Fee	10% over 10%
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption	Two business days before the deadline
Minimum Subscription	US\$ 100,000
Bloomberg Code	SICGULF BI
Zawya Code	SICOGEF.MF
Fund ISIN Code	BH000A1CZ855
Custodian / Administrator	HSBC Bahrain

Top Holdings

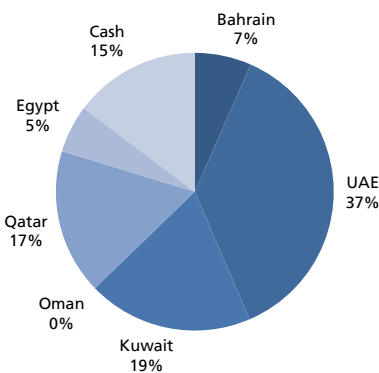
Name	Country	(%)
Emaar Properties	UAE	5.7
RAK Ceramics	UAE	5.2
Al Meera Group	Qatar	5.1

Risk Statistics (last 5 years)

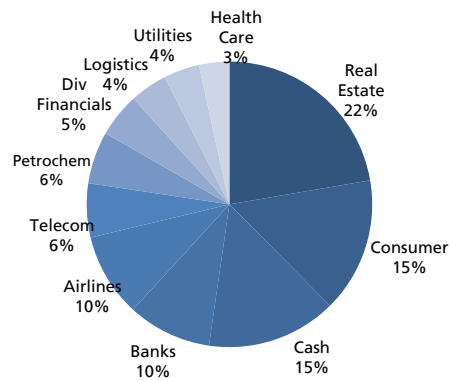
Standard Deviation (%)	13.3
Sharpe Ratio	0.3
Tracking Error (%)	5.6
Information Ratio	1.3
Alpha (%)	6.5
Beta	0.8

For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.3	12.0
Price to Book Multiple Latest (x)	1.4	1.2
Return on Equity TTM (%)	11.6	10.6
Dividend Yield—2014 (%)	5.0	4.5
Number of Holdings	27	135
Annualized Return (%) - Last 5 years	7.0	0.0
Annualized Standard Deviation (%) - Last 5 years	13.3	14.6
Largest Monthly Gain (%) - Last 5 years	9.0 (Apr 15)	9.3 (Jul 14)
Largest Monthly Loss (%) - Last 5 years	-9.0 (Jun 14)	-13.7 (Jun 14)
% Positive Months (%)	59.2	50.0
Success Ratio (%) - Last 5 years	65	NA
Latest Drawdown-Peak to Trough (%)	-20.3	-35.8
Duration of Drawdown (months)	Aug 14 to Jan 16 (17mths)	May 14 to Jan 16 (21mths)
Recovery from Latest Drawdown (%)	5.7	5.5

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