

# SICO Gulf Equity Fund

## Fact Sheet - September 2016

NAV US\$ 108.83 ↓ 1.7%

Adjusted (for dividends) NAV US\$152.73

### Manager's Commentary

The GCC markets continued their mixed trend during the month. Qatar wiped out its previous months' gain and declined by 5% as euphoria surrounding the FTSE upgrade subsided. Prior to this, the Qatari market had rallied 15% during the last three months that provided investors an opportunity to book profits. Saudi Arabia continued its downward trend and dropped 7.5% on the back of announcements of a cut in public sector employees' salaries and bonuses. Egypt declined 3.4%, while other markets closed the month sideways.

The fund declined by 1.7% and underperformed the benchmark. The fund was affected by declines in our holdings in Egypt which is a non-benchmark exposure. In addition, some of our long term holdings in the UAE also dropped and contributed to the negative performance.

This year the fund has lagged the benchmark as we chose not to participate in the passive flow led rallies that we have experienced in both UAE and Qatar. Despite being affected due to this, we continue to believe that chasing investments based on flows does not add any value as more often than not, stocks revert back to the norm. Apart from this factor, some of our non-benchmark holdings did not fare well this year and negatively contributed to the returns. However, we remain confident that the tide will turn and share prices of our core holdings will recover as the underlying fundamentals of such companies remain largely intact. We continue to primarily focus on the UAE market investing in companies where the business models are expected to remain resilient such as Aramex and companies that are deriving a large portion of their revenues from recurrent sources such as Emaar Properties.

### 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*
September 2016	-1.7	-0.6
YTD (September 2016)	0.4	6.0
2015	1.8	-17.5
2014	4.2	3.3
Last 3 Months	0.8	4.3
Last 6 Months	-0.4	2.8
Last 9 Months	0.4	6.0
Last 1 Year	-3.5	-2.3
Last 3 Years	10.8	3.3
Last 5 Years	52.6	35.8
Last 10 Years	61.7	0.2
Since Inception (Mar 06-Sep 16)	52.7	-13.2

\*S&P GCC ex Saudi Total Return Index

### Fund Information

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

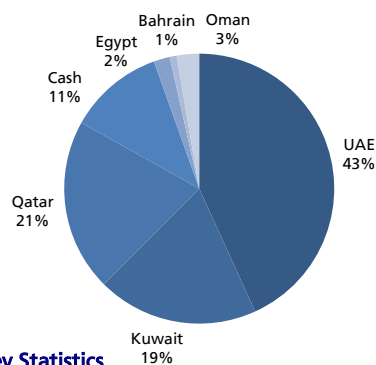
### Top Holdings

Name	Country	(%)
Qatar National Bank	Qatar	6.4
Emaar Properties	UAE	6.2
Aramex	UAE	5.1

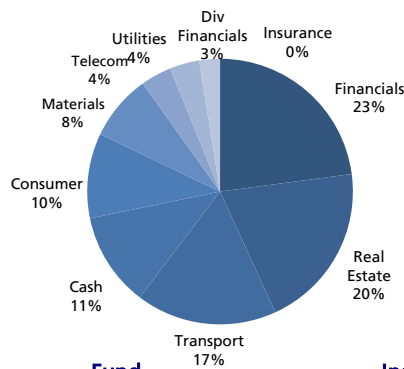
### Risk Statistics (last 5 years)

Standard Deviation (%)	13.1
Sharpe Ratio	0.4
Tracking Error (%)	6.0
Information Ratio	1.1
Alpha (%)	6.6
Beta	0.8

### Country Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.3	13.1
Price to Book Multiple Latest (x)	1.4	1.3
Return on Equity TTM (%)	12.9	9.9
Dividend Yield—2015 (%)	4.3	4.2
Number of Holdings	37	154
Annualized Return (%) - Last 5 years	8.8	2.0
Annualized Standard Deviation (%) - Last 5 years	13.1	14.8
Largest Monthly Gain (%) - Last 5 years	9.0 (Apr 15)	9.3 (Jul 14)
Largest Monthly Loss (%) - Last 5 years	-9.0 (Jun 14)	-13.6 (Jun 14)
% Positive Months (%)	58.3	52.8
Success Ratio (%) - Last 5 years	64	NA
Latest Drawdown-Peak to Trough (%)	-20.3	-35.8
Duration of Drawdown (months)	(17mths) Aug 14 to Jan 16	(21mths) May 14 to Jan 16
Recovery from Latest Drawdown (%)	6.5 Feb 16 to Aug 16	9.4 Feb 16 to Aug 16

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بنك استثماري sico  
Investment Bank

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