

# SICO Gulf Equity Fund

Fact Sheet - Sep 2017

NAV US\$ 110.04 ↓ 0.6%

Adjusted (for dividends) NAV US\$ 163.62

## Manager's Commentary

Majority of the regional bourses posted negative returns during September. Saudi Arabia and Kuwait bucked the trend and witnessed marginal gains (+0.3%) on FTSE upgrade hopes. The official notification at the end of the month saw Kuwait being upgraded to FTSE's secondary emerging market status, while Saudi Arabia was left status quo and would be reviewed in its next meeting. Qatar's downward trend continued with the index declining 5.5% to reach a five year low. UAE bourses also retracted as trading activity remained low due to lack of any catalysts.

In such an environment, the fund declined by 0.6% compared to a 1.8% decline in the corresponding index. On a relative basis, the fund continued to benefit from its minimal exposure to Qatar. Positive contributions also came from our holdings in Kuwait that continued to rise and a recovery in our Egyptian based holdings. On a year to date basis, the fund is up 7.6% compared to a 2.7% rise in the benchmark.

We welcome FTSE's decision to upgrade Kuwait to the secondary emerging markets status which should result in passive flows next year. Moreover, it also improves the chances of Kuwait making the MSCI Emerging Markets index which should be a much bigger development in terms of flows. Nonetheless, we took advantage of the strong gains in Kuwait and started booking profits. As a result, the overall cash allocation has increased to 8% which we intend to deploy in our core conviction ideas.

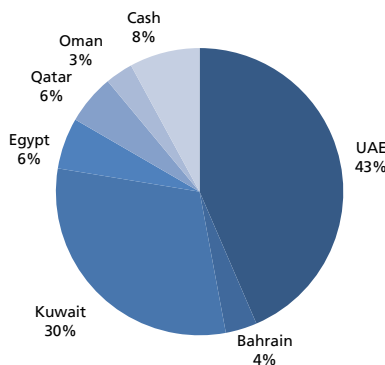
## Investment Objective

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.

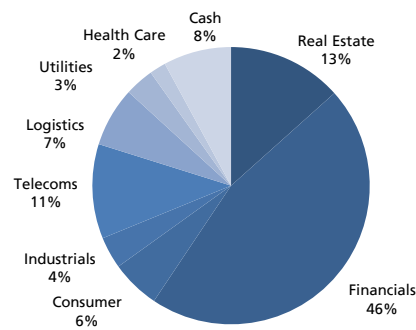
Returns (%)	Fund	Index*
Sep 2017	-0.6	-1.8
YTD (Sep 2017)	7.6	2.7
2016	0.0	9.2
2015	1.8	-17.5
Last 3 Months	4.1	2.4
Last 6 Months	3.8	-1.4
Last 9 Months	7.6	2.7
Last 1 Year	7.1	5.7
Last 3 Years	-5.7	-17.0
Last 5 Years	54.7	37.3
Last 10 Years	46.3	-13.9
Since Inception (Mar 06– Sep 17)	63.6	-8.2

\*S&P GCC ex Saudi Total Return Index

## Country Allocation



## Sector Allocation



## Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.0	14.7
Price to Book Multiple Latest (x)	1.4	1.3
Return on Equity TTM (%)	12.4	9.5
Dividend Yield—2016 (%)	4.2	4.0
Number of Holdings	27	154
Annualized Return (%) - Last 5 years	9.1	6.5
Annualized Std Deviation (%) - Last 5 years	13.1	15.6
Largest Monthly Gain (%) - Last 5 years	9.0 (Apr 15)	9.3 (Jul 14)
Largest Monthly Loss (%) - Last 5 years	-9.0 (Jun 14)	-13.6 (Jun 14)
% Positive Months (%)	58	51
Success Ratio (%) - Last 5 years	58	NA
Latest Drawdown—Peak to Trough (%)	-20.3	-33.0
Duration of Drawdown (months)	(17mths) Aug 14 to Jan 16	(21mths) May 14 to Jan 16
Recovery from Latest Drawdown (%)	18.1 Feb 16 to Sep 17	23.9 Feb 16 to Sep 17

## 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	(%)
Emaar Properties	UAE	7.9
Kuwait Finance House	Kuwait	6.6
Mobile Telecommunication	Kuwait	6.1

## Risk Statistics (last 5 years)

Standard Deviation (%)	13.1
Sharpe Ratio	0.5
Tracking Error (%)	6.0
Information Ratio	0.4
Alpha (%)	3.4
Beta	0.8

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بنك استثماري sico  
Investment Bank

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