

SICO Gulf Equity Fund

Fact Sheet - Jan 2018

NAV US\$ 108.45 ↑ 3.3%

Adjusted (for dividends) NAV US\$ 161.25

Manager's Commentary

The regional markets commenced the year on a strong note and the S&P GCC ex Saudi index appreciated by 4.4%. This was primarily led by Qatar which rose 8% and was the best performing bourse. Abu Dhabi was also in the limelight (+4.6%) as renewed investor interest was experienced in the banking sector on the back of decent earnings and high dividend announcements. Kuwait was up 2.6% while Dubai was flat for the month.

In such a backdrop, the fund appreciated by 3.3% and lagged the benchmark. This was primarily due to our lower exposure in Qatari equities which continued to rise. Whilst results were unimpressive, the higher dividend payouts announced by most corporates was well received by investors. In Abu Dhabi, the rise in certain large caps also affected the performance as we did not have any exposure.

Over the last two months, the Qatari market is up over 20% primarily led by foreign flows and strong payouts announced by most corporates. We believe this rally will fizzle out once the dividends season ends as there is no real change in terms of fundamentals hence would rather refrain from increasing our exposure.. We continue to maintain a high conviction portfolio investing in only those companies which we believe are undervalued and offer decent medium to long term prospects.

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*
Jan 2018	3.3	4.4
2017	2.7	-0.1
2016	0.0	9.2
2015	1.8	-17.5
Last 3 Months	-1.0	2.6
Last 6 Months	-0.7	-0.9
Last 9 Months	1.1	0.2
Last 1 Year	4.6	-0.3
Last 3 Years	8.8	-0.1
Last 5 Years	39.9	29.8
Last 10 Years	22.8	-23.2
Since Inception (Mar 06– Jan 18)	61.3	-6.7

*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

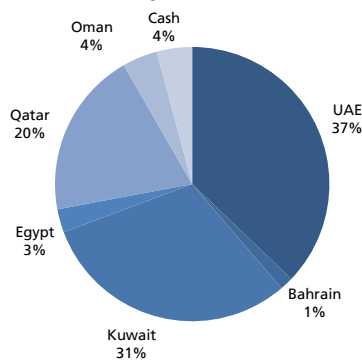
Top Holdings

Name	Country	(%)
DP World	UAE	9.1
National Bank of Kuwait	Kuwait	8.7
Mobile Telecommunication (Zain)	Kuwait	8.8

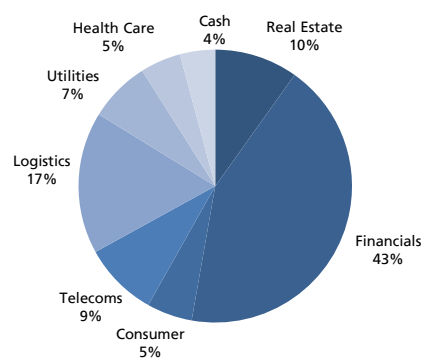
Risk Statistics (last 5 years)

Standard Deviation (%)	13.1
Sharpe Ratio	0.3
Tracking Error (%)	6.2
Information Ratio	0.3
Alpha (%)	2.1
Beta	0.8

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	13.0	14.7
Price to Book Multiple Latest (x)	1.5	1.3
Return on Equity TTM (%)	11.6	9.2
Dividend Yield—2016 (%)	4.0	4.3
Number of Holdings	18	154
Annualized Return (%) - Last 5 years	7.7	5.7
Annualized Std Deviation (%) - Last 5 years	13.3	15.8
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 (%)	57	51
Success Ratio (%) - Last 5 years	57	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 (%)	16.4 Feb 16 to Nov 17	25.9 Feb 16 to Nov 17

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بنك استثماري sico
Investment Bank

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