

Case Study

Khaleej Equity Fund Celebrates 20 Years of Outperformance

The Khaleej Equity Fund is one of very few regional funds with a **successful 20-year track record** managed by one of the most stable investment teams in the region.

The Khaleej Equity Fund (KEF) is SICO's flagship fund that invests in equity markets across the GCC and wider Middle East region. The Fund provides investors with a unique opportunity to gain exposure to the fast-growing GCC region and other Middle Eastern markets, selectively. Since its inception in March 2004, KEF has been one of the top performing funds in the region.

What makes KEF special?

Our investment philosophy is consistent.

Since its inception, the Fund has adopted a fundamental research driven approach, investing in businesses that are undervalued and will perform well in the medium to longer-term limiting downside risk.

Our team is stable.

KEF has been managed by largely the same set of investment professionals with minimal turnover during the past two decades. This has played an instrumental role in delivering consistent returns to our investors.

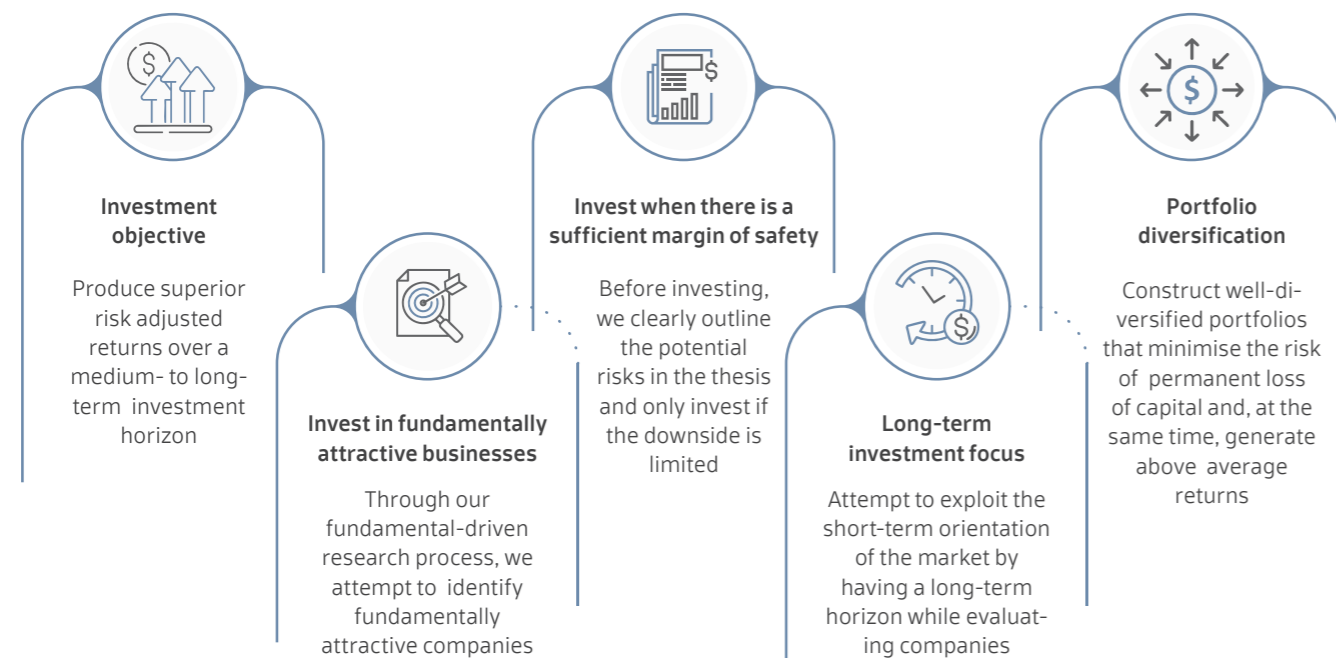
We deliver double-digit returns.

During its 20-year investment tenor, KEF has delivered annual returns that are not only positive but above 10% and well-above the benchmark.

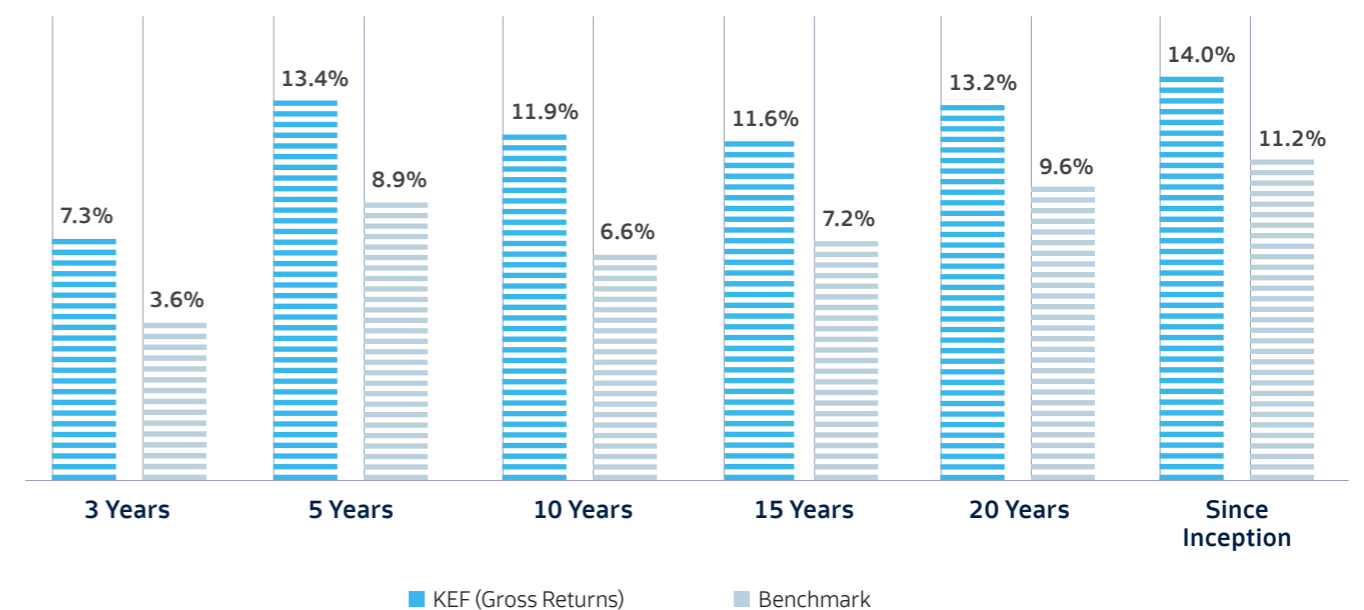
We are resilient during market downturns.

Our ability to deliver strong performance during difficult times and distress has been one of the biggest strengths of our investment strategy. KEF posted positive returns during 17 out of 21 years (80% of the time). The 2006 GCC Markets Crash and the 2008 Global Financial Crisis were the only two years with substantial drawdowns.

KEF Investment Philosophy



Average Annual Returns (Fund vs. Benchmark)



Case Study

AlAbraaj Restaurants Group IPO on the BHB

The BD 9 million (USD 24 million) IPO was met with strong demand, **resulting in a subscription rate of 2.6 times.**

When AlAbraaj Restaurants Group, a leading company in Bahrain's F&B sector, with a portfolio of 16 brands across 37 physical locations and 22 virtual branches, wanted to list its shares on the BHB, it sought out the **unparalleled expertise of SICO's Investment Banking team.**

What role did SICO play?

SICO was appointed as the sole lead manager, underwriter, listing agent, price stabilizer and liquidity provider tasked with carrying out the IPO of 38 million of AlAbraaj's shares, equating to 35% of its total issued share capital. SICO's Investment Banking team, with their extensive expertise and in-depth understanding of regional markets, were able to successfully support AlAbraaj's conversion into a public-listed company.

How was the IPO structured?

The IPO was structured with 70% of the shares on offer allocated to professional investors (i.e., those applying for over 1.5 million shares) while 30% of the shares have been allocated to retail investors (i.e., those applying for less than 1.5 million shares).

What did the IPO mean for SICO?

The IPO reinforced SICO's three-decade long track record as a leading provider of comprehensive and innovative investment banking services. SICO played a pivotal role as lead manager in the IPO, offering investors an opportunity to participate in the growth

of the Kingdom's dynamic F&B sector. The Investment Banking team successfully managed the extensive and rigorous IPO process, generating significant demand on an accelerated timeline. The IPO also showcased the capabilities of SICO's new eIPO system, which attracted 50% of the applicants to the offering.

What did the IPO mean for AlAbraaj?

Entering the IPO market is a pivotal milestone in AlAbraaj's four-decade journey, signifying a bold transformation from a family-owned business to a publicly listed company. This strategic shift necessitated the adoption of a new operational framework with higher levels of transparency and governance. The enhanced transparency and strengthened corporate governance as a regulated publicly listed entity not only bolstered investors' confidence but also unlocked new avenues of future financial solutions, including the issuance of debt securities and secondary offerings.

With tradable shares, AlAbraaj now has a versatile currency for mergers, acquisitions, joint ventures, and talent compensation. The capital infusion from the IPO will also reduce debt and fuel the expansion of new restaurants across the region.

What did the IPO mean for Bahrain?

AlAbraaj Group's IPO resulted in establishing one of the largest publicly traded F&B entities in Bahrain. As

the first IPO in Bahrain in six years, it set a precedent for other companies across various sectors to explore the benefits of listing. The strong investor demand for AlAbraaj shares reflected the growing confidence in the BHB, reinforcing the Kingdom's commitment to

economic diversification. Furthermore, it underscored Bahrain's strategic vision to position its capital markets as a key driver of sustainable growth and long-term economic development.

The AlAbraaj Group IPO marked a number of firsts



First on the BHB to structure dividend payments quarterly



First to allow lead manager discretion on allotment



First to sell new shares and existing shares simultaneously



First to offer an online e-subscription platform with biometric KYC



First to allow subscriptions with deferred funding for institutional investors



First family business to list in 20 years