

Khaleej Equity Fund

Fact Sheet - April, 2011

NAV US\$ 216.78 **↑2.4%**

Manager's Commentary

The GCC markets continued their upward movement in April as high oil prices and increased government spending initiatives boosted investor sentiment. Kuwait appreciated by 6.6%, while Dubai rose by 5%. The Dubai bourse continued to attract investor interest on the prospect that it becomes part of the MSCI EM Index. Saudi Arabia, primarily on account of robust petrochemical sector results, posted a 2.3% increase. Oman and Abu Dhabi were up in the range of 3-4% while Qatar appreciated by 1.1%. The Qatari market lagged as conventional financials continued to trend downwards in April due to uncertainty of the impact of recent central bank regulations. Bahrain was the only market to buck the positive trend and declined by 1.4% during the month.

The fund appreciated by 2.4% during the month compared to a 3% rise in the benchmark. The fund benefited from positive stock picking in Saudi Arabia, but was affected by our overweight position in Qatari equities. During the month, we restructured the portfolio by exiting equities we believe would underperform in the current environment. At the same time, we reinvested the cash into existing and fresh investment ideas primarily from Saudi Arabia. As a result, overall exposure to Saudi Arabia increased from 38% to 44%.

We believe that the GCC markets continue to offer good medium to long term prospects. However, as the markets have rallied significantly during the last two months, we expect the markets to consolidate at these levels in the short term. This would provide us an ideal entry level to invest our current cash allocation (9%) in fundamentally undervalued companies across the region.

Investment Objective

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

Fund Returns (%)

	Fund	S&P GCC Index
Apr 2011	2.4	3.0
YTD 2011 (Jan - Apr)	-0.3	-0.6
2010	14.1	12.8
2009	16.9	14.1
2008	-33.9	-55.3
2007	43.9	35.4
2006	-13.9	-40.2
2005	56.8	103.9
2004 (Mar - Dec)	27.0	43.3
Last 3 months	3.7	2.1
Last 6 months	6.1	3.4
Last 1 year	0.7	1.0
Last 3 years	-22.9	-42.8
Last 5 years	20.8	-45.4
Since Inception (Mar 04-Apr11)	116.8	35.3

Fund Information

Launch Date	March 2004
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Weekly
Dealing Date	Thursday
Subscription & Redemption Deadline	Two Business Days before Dealing Day
Minimum Subscription	US\$100,000
Bloomberg Code	KHALEQY BI
Zawya Code	SICOKEF.MF
Fund ISIN Code	BH000A1CZ8W7
Custodian/ Administrator	HSBC, Bahrain

Top Holdings

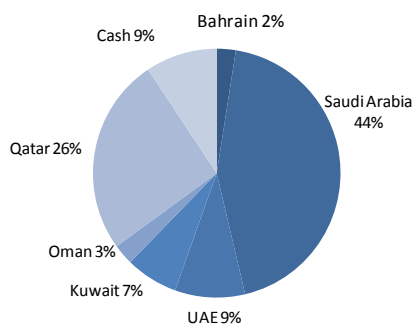
Name	Country	(%)
Saudi Arabia Basic Industries	Saudi	6.0
Ethiad Etisalat	Saudi	5.9
Industries Qatar	Qatar	5.2

Risk Statistics

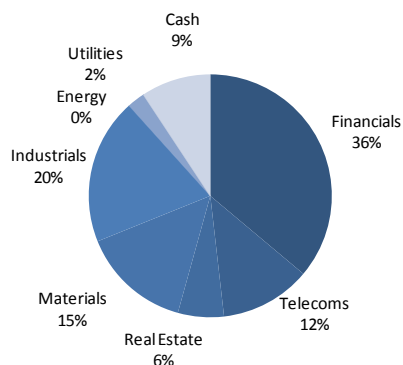
Annualised Standard Deviation (%)	19.3
Tracking Error (%)	14.0
Sharpe Ratio	0.4
Information Ratio	0.5
Beta	0.6
Alpha (%)	7.4

For further information contact: assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	13.6
Price to Book Multiple Latest (x)	2.6
Dividend Yield 2010 (%)	3.3
Number of Holdings	31
Annualized Return (%)	11.7
Largest Monthly Gain (%)	14.8 (Mar 05)
Largest Monthly Loss (%)	-20.3 (Oct 08)
% of Positive Months	61
Maximum Drawdown- Peak to Trough (%)	47.4
Length of Drawdown (months)	9
Recovery from recent trough (%)	44.9