

# Khaleej Equity Fund

Fact Sheet - March 31, 2009

NAV US\$157.36 ↑ 5.2%



## Manager's Commentary

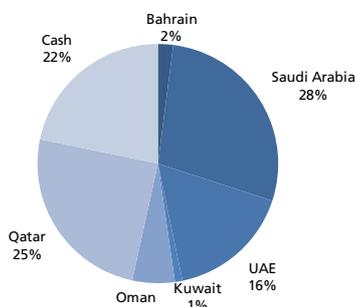
After a prolonged period of negative performances, all GCC markets, with the exception of Oman rebounded and recorded positive returns. The recovery in international markets together with positive regional developments helped restore investor confidence within the GCC bourses. From being the worst performing market during the last two months, Qatar reversed its trend during March and appreciated the highest (+10.1%). This buying spree was triggered by the Central Bank's decision to purchase investment portfolios of commercial banks at attractive terms. Saudi Arabia increased by 7.3% on the back of sharp appreciation in the large caps especially within the banking and petrochemical sectors. Similarly, Kuwait increased by 4.7%, as investors welcomed the Emir's decision to dissolve the parliament, a move expected to end weeks of a deadlock that had stalled a bailout program.

In such a backdrop, the NAV of Khaleej Equity Fund appreciated by 5.2% for the month and is down 3.5% for the year. The MSCI GCC index appreciated by 8.5% for the month and is down 11.5% for the year. Whilst the benchmark benefited from its large exposure to Kuwait and Saudi large caps during March (both contributed to around half of the overall benchmark return), our fund gained from holdings in Qatar and UAE which posted strong positive returns.

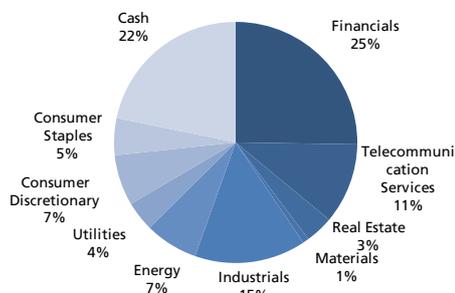
We continued to deploy cash to selected equities in Qatar and the UAE on positive feedback from our rigorous management meetings that were conducted during the month. Resultantly, the cash allocation reduced to 22% from 40% as at the end of February. The forthcoming first quarter results should prove to be critical in determining the future direction of the markets.

We are pleased to inform you that the fund has completed five years since its launch in March 2004. Over this period, the fund has produced a return of 57.4% versus -25.4% of the benchmark. Our fund's performance is a testament of our long term value investment style.

### Country Allocation



### Sector Allocation



## Fund Statistics

Price Earnings Multiple 2008 (x)	8.5
Price to Book Multiple Latest (x)	2.3
Dividend Yield 2008 (%)	5.5
Number of Holdings	34
Annualized Return (%)	9.5
Largest Monthly Gain (%)	14.8 (Mar 05)
Largest Monthly Loss (%)	-20.3 (Oct 08)
% of Positive Months	63
Maximum Drawdown- Peak to Trough (%)	47.4
Length of Drawdown (months)	9
Time to Recovery (months)	na

## 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	MSCI GCC Index*
March 2009	5.2	8.5
YTD 2009 (Jan - Mar)	-3.5	-11.5
Last 3 months	-3.5	-11.5
Last 6 months	-29.0	-46.7
Last 1 year	-39.8	-56.0
Last 3 years	-14.2	-67.3
Last 5 years	57.4	-25.4
2008	-33.9	-56.8
2007	43.9	44.1
2006	-13.9	-45.9
2005	56.8	77.5
2004 (Mar - Dec)	27.0	41.1
Since Inception (Mar 04- Mar 09)	57.4	-25.4

\* Prior to July 2005, a domestic GCC index is used to compute benchmark

Launch Date	March 2004
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Five Business days before month end
Redemption Deadline	Ten Business days before month end
Minimum Subscription	US\$100,000
Reuters Code	LP65038262
Bloomberg Code	KHALEQY BI
Zawya Code	SICOKEF.MF
Fund Listing	Bahrain Stock Exchange
Custodian/ Administrator	HSBC Middle East, Bahrain

## Top Holdings

Name	Country	(%)
Al Marai	Saudi	5.0
Jarir Marketing	Saudi	4.6
Qatar Gas	Qatar	4.3

## Risk Statistics

Annualised Standard Deviation (%)	19.6
Sharpe Ratio	0.2
Information Ratio	0.9
Beta	0.6
Alpha (%)	10.5

For further information contact: [assetmanagement@sicobahrain.com](mailto:assetmanagement@sicobahrain.com)

Securities & Investment Company BSC (c)  
P.O. Box 1331, Manama, Kingdom of Bahrain  
Tel: +973 1751 5000 Fax: +973 1751 4000  
CR No: 33469  
[www.sico-bahrain.com](http://www.sico-bahrain.com)

شركة الأوراق المالية والاستثمار ش.م.ب (م)  
ص.ب: 1331، المنامة، مملكة البحرين  
هاتف: +973 1751 5000 فاكس: +973 1751 4000  
سجل تجاري رقم 33469

بنك استثماري **sico**  
Investment Bank