

SICO Gulf Equity Fund

Fact Sheet - February 28, 2011

NAV US\$104.24 ↓ 5.8%

Manager's Commentary

Declines in GCC markets accelerated during the month of February, as political turmoil in the MENA region entered a new phase. Stepping down of Egypt's President and its military's promises of political reforms calmed the markets initially. However, as the unrest started spreading into Libya, Bahrain and Oman, heightened risk aversion caused panic selling. Oman, Dubai and Qatar were down in the range of 8-10%, while Kuwait, as measured by its market cap weighted index, fell 5.8%. Bahrain was down 1.2% while Abu Dhabi was flat for the month.

The NAV of SICO Gulf Equity Fund declined by 5.8% for the month as compared to a 6.6% fall in its benchmark. Fund's high cash allocation, which broadly remained the same as last month, was the primary reason for the outperformance. Before the onset of broad-based selling caused by political uncertainty, conventional banks in Qatar took a hit as its Central Bank instructed them to close their Islamic window. Zain's share price also trended downwards due to lingering uncertainty over the fate of Etisalat's bid to acquire it. Attractive dividend announcement by companies in our portfolio, especially ones based in Qatar, provided some respite. On year to date basis the fund is down 6.2% while the benchmark has fallen 7.5%. We are pleased to inform you that the fund has completed five years since inception. During this period it has appreciated 4.2%, versus a 44.4% decline in the benchmark.

We remain cautious on the regional markets in the short term due to the extremely high volatility we are witnessing. We believe that political developments in the region will continue to dictate market movements during this time frame. However, given that selling has been indiscriminate, we believe that medium to long term/risk reward characteristics of certain fundamentally solid companies have become extremely appealing.

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.

Fund Returns (%)

	Fund	S&P GCC Ex Saudi Index
Feb 2011	-5.8	-6.6
YTD 2011 (Jan - Feb)	-6.2	-7.5
2010	11.6	18.4
2009	12.9	-1.1
2008	-30.8	-53.4
2007	37.2	38.2
2006 (Mar - Dec)	-7.2	-20.2
Last 3 months	-1.2	-3.4
Last 6 months	8.6	7.1
Last 1 year	3.5	5.2
Last 3 years	-25.7	-53.8
Last 5 years	4.2	-44.4
Since Inception (Mar 06 - Feb 11)	4.2	-44.4

Fund Information

Launch Date	March 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption Deadline	Two Business days before Dealing Day
Minimum Subscription	US\$100,000
Bloomberg Code	SICGULF BI
Zawya Code	SICOGEF.MF
Fund ISIN Code	BH000A1CZ855
Custodian/ Administrator	HSBC Middle East, Bahrain

Top Holdings

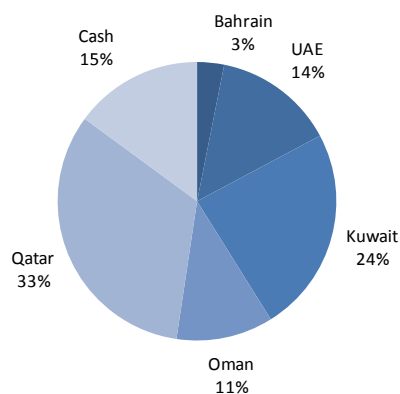
Name	Country	(%)
Mobile Telecommunications Co.	Kuwait	6.8
Qatar Electricity and Water	Qatar	6.4
National Bank of Kuwait	Kuwait	5.6

Risk Statistics

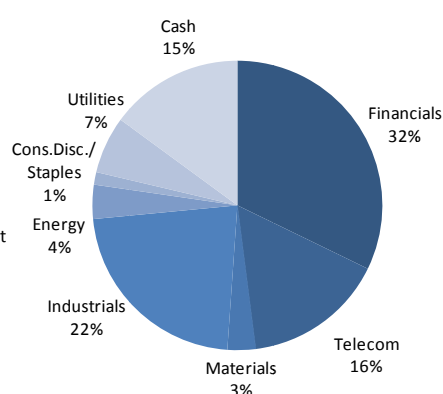
Annualised Standard Deviation (%)	20.1
Tracking Error (%)	11.6
Sharpe Ratio	NA
Information Ratio	0.9
Beta	0.7
Alpha (%)	7.5

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	12.8
Price to Book Multiple Latest (x)	2.2
Dividend Yield 2009 (%)	5.4
Number of Holdings	26
Annualized Return (%)	0.8
Largest Monthly Gain (%)	12.6 (Apr 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)
% of Positive Months	55
Maximum Drawdown- Peak to Trough (%)	-47.8
Length of Drawdown (months)	9
Recovery from recent trough (%)	31.5

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