

SICO Gulf Equity Fund

Fact Sheet - February 2012

NAV US\$107.03 ↑4.6%

Manager's Commentary

The GCC markets increased sharply during the month of February, alongside a substantial increase in trading volumes. The average daily traded value in GCC markets year to date has been US\$2.5bn compared to US\$1.4bn in 2010 and US\$1.1bn in 2011. Dubai, which increased by 20.5% was by far the best performing regional market, followed by Saudi Arabia (+9.1%). Abu Dhabi (+6.4) and Oman (+5.0%) also generated positive returns for the month. Their global counterparts also recorded significant gains as reflected in the 5% increase in MSCI World index. The performance of Qatar, Kuwait and Bahrain was relatively muted.

Amongst the Dubai listed companies the largest gains were recorded in the speculative names whose operating performance had suffered in the aftermath of the global financial crisis. These included Tabreed (+160%), Gulf Navigation (+89%) and Arabtec (+81%). Having said this, healthy gains were also associated with better quality names such as Air Arabia (+16%), Emaar (+15%) and Drake and Scull (+15%). In Oman, the cement companies appreciated on the back of improved business outlook provided by the management of Oman Cement. Galfar Engineering announced that they may have won an OMR138m contract, after which the share price increased 18%.

The NAV of SICO Gulf Equity Fund appreciated by 4.6% for the month, versus a 4.2% increase in the benchmark. In spite of not having exposure to aforementioned speculative names, our overweight position in the UAE and the underweight position in Kuwait resulted in the outperformance. Year to date, the fund is up 4.9%, compared to a 3.4% increase in the benchmark. While we remain optimistic about the regional markets prospects, we intend to book profits from the high beta stocks which have rallied substantially and are approaching their fair values.

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	S&P GCC Ex Saudi Index
Feb 2012	4.6	4.2
YTD 2012 (Jan-Feb)	4.9	3.4
2011	-8.2	-14.0
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	5.7	2.9
Last 6 months	3.1	2.6
Last 1 year	2.7	-3.9
Last 3 years	35.1	36.8
Last 5 years	12.2	-32.8
Since Inception (Mar 06 - Feb 12)	7.0	-46.5

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 Bahrain

Top Holdings

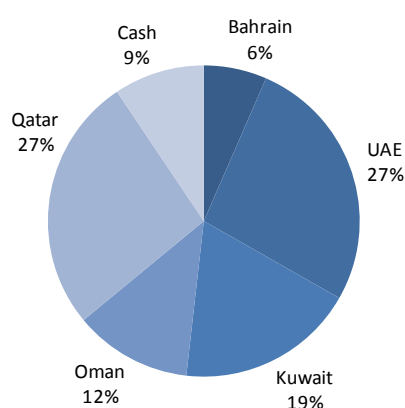
Name	Country	(%)
Bank Muscat	Oman	5.1
Drake and Scull	UAE	5.1
Industries Qatar	Qatar	5.1

Risk Statistics

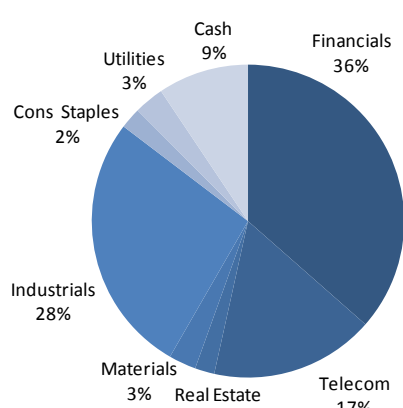
Annualised Standard Deviation (%)	18.7
Sharpe Ratio	NA
Tracking Error (%)	10.8
Information Ratio	1.0
Beta	0.7
Alpha (%)	7.0

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.6	12.0
Price to Book Multiple Latest (x)	1.8	1.6
Return on Equity TTM (%)	16.2	13.6
Dividend Yield - 2011 (%)	5.1	4.4
Number of Holdings	26	141
Annualized Return (%)	1.1	-9.9
Annualized Standard Deviation (%)	18.7	23.6
Largest Monthly Gain (%)	12.6 (Apr 09)	15.4 (May-09)
Largest Monthly Loss (%)	-14.9 (Oct 08)	-24.4 (Oct-08)
% of Positive Months	54	46
Maximum Drawdown- Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	35.1	36.8

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.sicobahrain.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