

SICO Gulf Equity Fund

Fact Sheet - February 29, 2008

NAV US\$140.34  6.1%

Manager's Commentary

The mass departure of international funds and panic sell-offs by local investors that clouded GCC market performance in January turned out to be short-lived. All the markets ended in positive territory in February reflecting improved investor sentiment. The highest gains were recorded in the Omani market (13.0%). Qatar also gained pace and appreciated by 10.4% during the month, powered by gains in the banking and industrial sector. The Saudi bourse followed next (6.4%) while in the UAE, Dubai and Abu Dhabi gained 6.1% and 5.4% respectively.

The NAV of SICO Gulf Equity Fund appreciated by 6.1% compared to a 4.8% increase in the MSCI GCC ex Saudi index. Despite having a cash allocation of over 10%, our fund outperformed the benchmark index showcasing our effective stock picking capabilities. Top contributors to our fund's returns comprised of our equity investments in Kuwait and the UAE. Burgan Bank and Fujairah Cement performed extremely well and gained 16% each, after announcing a solid growth in earnings. Our fund also benefited from a 15% increase in Qatar National Bank. However, the best performing stock in February was Gulf Finance House which increased by 21%. The surge in the stock price stemmed from news of GFH's international projects including a \$3.8bn energy hub in Libya and a \$3bn economic zone in Algeria. GFH also got approval for launching the First Energy Bank with a paid up capital of \$750m. The bank aims to capitalize on the huge anticipated demand for investment in the global energy industry.

Our fund strategy for the month was to increase exposure in financial equities including Ithmaar Bank, an attractively valued stock. Ithmaar's recent acquisition of a 19.18% stake in Bank of Bahrain and Kuwait and plans to invest \$4bn in various projects in 2008 outlines the bank's growth potential. We also bought Emaar Properties. Although the stock remained volatile in February, we feel that the company is undervalued based on the potential of its pipeline of international operations and land bank value. We therefore, uphold a bullish outlook in the medium to long term. In Oman, we liquidated our position in Galfar as it had reached our fair value. Our portfolio rebalancing resulted in a net cash allocation of 14%, which we plan to invest after carefully scrutinizing new stock ideas.

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	MSCI GCC Ex Saudi Index
February 2008	6.1	4.8
Year to Date 2008	10.2	6.8
Last 3 months	19.5	12.5
Last 6 months	29.1	17.0
Last 12 months	47.1	41.7
2007	37.2	35.4
2006 (Mar - Dec)	(7.2)	(18.8)
Since Inception (Mar'06-Feb'08)	40.3	17.4

Top Holdings

Name	Country	(%)
Emaar Properties	UAE	6.7
Gulf Finance House	Bahrain	5.3
KIPCO	Kuwait	5.2

Fund Information

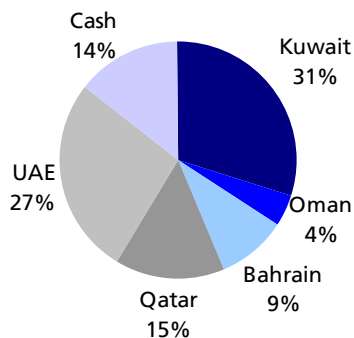
Launch Date	March, 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Five Business days before month end
Redemption Deadline	Ten Business days before month end
Minimum Subscription	US\$100,000
Reuters Code	LP65038264
Zawya Code	SICOGF.MF
Fund Listing	Bahrain Stock Exchange
Custodian	SICO Funds Services
Auditors	Price Waterhouse Coopers

Risk Statistics

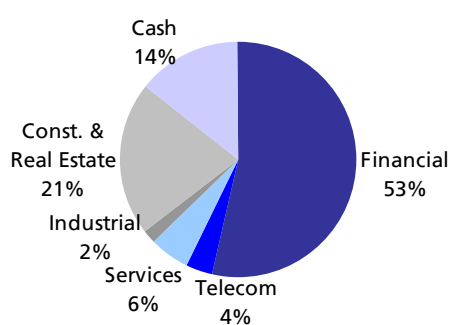
Annualised Standard Deviation	15.1
Sharpe Ratio	n/a
Information Ratio	1.35
Beta	0.75
Alpha (%)	11.0

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Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2007 (x)	12.6
Price to Book Multiple 2007 (x)	3.4
Dividend Yield 2007 (%)	3.9
Number of Holdings	29
Annualized Return (%)	18.5
Largest Monthly Gain (%)	8.4 (Dec 07)
Largest Monthly Loss (%)	-9.2 (Nov 06)
% of Positive Months	65.2
Maximum Drawdown- Peak to Trough (%)	-13.3
Length of Drawdown (months)	6
Time to Recovery (months)	10

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بنك استثماري **sico**
Investment Bank

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