

# SICO Gulf Equity Fund

Fact Sheet - July 31, 2008

NAV US\$149.45 ↓ 1.0%

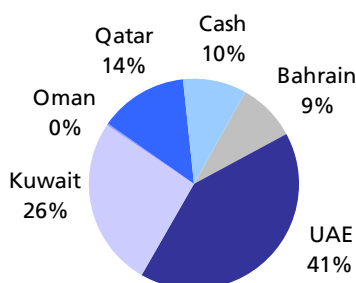
## Manager's Commentary

All GCC bourses continued their negative performance that commenced in June with the exception of Abu Dhabi that was marginally up 0.5%. The common characteristic in all the markets was the drop in trading volumes during the month caused by the ongoing holiday season and weak investor sentiment prevalent in the markets. Saudi Arabia was the worst performer for the month retreating 6.5% with selling witnessed across all sectors. Oman, after dropping 2.0% in June, fell by another 5.2% during the month depressed by below than expected result announcements by selected blue chip companies. Kuwait witnessed profit taking resulting in the benchmark declining by 3.1%, while Bahrain, Qatar and Dubai lost 2.2%, 1.9% and 0.7%, respectively.

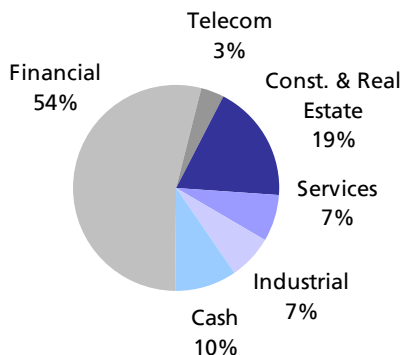
The NAV of SICO Gulf Equity Fund retreated by 1.0% during the month as compared to a 2.0% drop in the MSCI GCC ex Saudi index. On a year to date basis, the fund is up 17.4% versus a 0.5% decline of the benchmark. Arabtec and KIPCO were the fund's main positive contributors during the month. Arabtec obtained new contracts during July and announced first half earnings (PAT +191% YoY) which provided triggers for the share price to increase by 17.6%. Similarly, KIPCO bucked the market trend and appreciated by 12.9% after announcing first half profits (+36% on YoY basis). However, the declines in Qatar Telecom (-11.1%), Gulf Finance House (-5.6%) and Agility (-5.0%) resulted in the overall fund's negative performance.

On the whole, results announced so far have been encouraging although the markets have not reacted positively to them. This we believe is attributable to the holiday season coupled with weak investor sentiment. As a result of our rebalancing exercise carried out during the month, the fund's cash allocation currently stands at 9.6% which we plan to deploy by taking advantage of any further correction.

## Country Allocation



## Sector Allocation



## Fund Statistics

Price Earnings Multiple 2008 (x)	10.4
Price to Book Multiple Latest (x)	3.0
Dividend Yield 2007 (%)	3.3
Number of Holdings	31
Annualized Return (%)	18.1
Largest Monthly Gain (%)	8.4 (Dec 07)
Largest Monthly Loss (%)	-9.2 (Nov 06)
% of Positive Months	62
Maximum Drawdown- Peak to Trough (%)	-13.3
Length of Drawdown (months)	6
Time to Recovery (months)	10

## 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
July 2008	-1.0	-2.0
Year to Date 2008	17.4	-0.5
Last 3 months	0.5	-3.3
Last 6 months	13.8	-2.3
Last 12 months	35.4	9.0
2007	37.2	35.4
2006 (Mar - Dec)	-7.2	-18.8
Since Inception	49.4	9.4

## Top Holdings

Name	Country	(%)
Emaar Properties	UAE	7.4
Agility	Kuwait	6.9
Arabtec	UAE	5.4

## 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	SICOGEF.MF
Fund Listing	Bahrain Stock Exchange
Custodian/ Administrator	HSBC Middle East, Bahrain
Auditors	Price Waterhouse Coopers

## Risk Statistics

Annualised Standard Deviation	14.8
Sharpe Ratio	0.97
Information Ratio	1.76
Beta	0.72
Alpha (%)	14.4

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Investment Bank

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