

SICO Gulf Equity Fund

Fact Sheet - June 30, 2008

NAV US\$150.92 ↓ 0.7%

Manager's Commentary

Majority of the regional markets posted negative returns during the month mainly due to mounting geopolitical tensions. Kuwait was the exception and increased by 2.9%. Dubai dropped 4.1% as selling pressure from foreign investors weighed down the index. Oman (-2.0%) and Abu Dhabi (-1.7%) declined inline with the weak sentiment prevalent in the region. Qatar (-0.2%) and Bahrain (-0.5%) witnessed lacklustre trading and closed sideways for the month.

During the first half of the year, the regional markets posted highly divergent returns. Oman (+25.3%), Qatar (+23.8%) and Kuwait (+23.1%) posted healthy returns while Saudi Arabia and Dubai declined by 15.3% and 8.2%, respectively. This divergence provided an ideal scenario for our stock picking investment style and enabled the fund to outperform the benchmark.

The NAV of SICO Gulf Equity Fund declined by 0.7% for the month as compared to a 0.5% drop in MSCI GCC ex Saudi index. On YTD basis, the fund is up 18.5% versus a 1.6% rise in the benchmark. Although most of our holdings traded in a narrow range, the fund's large exposure to Kuwaiti equities contributed positively. In addition, Qatar Islamic Bank (+14.0%) was also in the limelight as investors remain confident on its long term growth prospects.

We took advantage of the dips in the bourses and increased our exposure in stocks that we believe would outperform in the medium to long term. Going forward, we expect the regional markets to re-gather momentum with the onset of the second quarter results season. In this regard, the fund is well positioned to capitalize on the potential upsurge in the markets.

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 |
|---------------------------------|------|-------------------------|
| June 2008 | -0.7 | -0.5 |
| Year to Date 2008 | 18.5 | 1.6 |
| Last 3 months | 9.5 | 4.2 |
| Last 6 months | 18.5 | 1.6 |
| Last 12 months | 39.6 | 12.1 |
| 2007 | 37.2 | 35.4 |
| 2006 (Mar - Dec) | -7.2 | -18.8 |
| Since Inception (Mar 06-May 08) | 50.9 | 11.7 |

Top Holdings

| Name | Country | (%) |
|------------------|---------|-----|
| Emaar Properties | UAE | 7.5 |
| Agility | Kuwait | 7.2 |
| Arabtec | UAE | 5.7 |

Fund Information

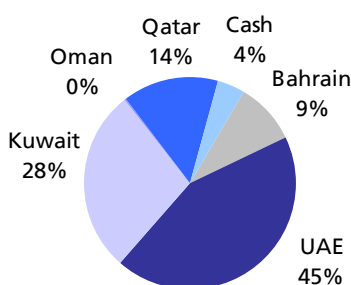
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|---------------------------|-------------------------------------|
| Launch Date | March, 2006 |
| Management Fee | 1.5% |
| Performance Fee | 10% over 10% pa |
| Subscription & Redemption | Monthly |
| Subscription Deadline | Five Business days before 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 | SICO Funds Services |
| Auditors | Price Waterhouse Coopers |

Risk Statistics

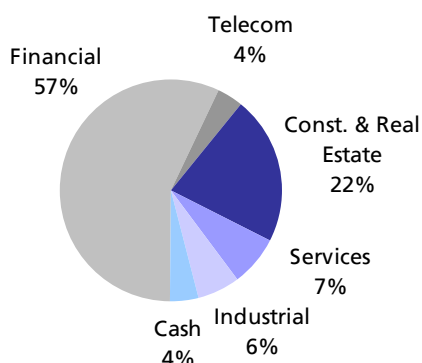
| | |
|-------------------------------|------|
| Annualised Standard Deviation | 14.8 |
| Sharpe Ratio | 0.97 |
| Information Ratio | 1.76 |
| Beta | 0.72 |
| Alpha (%) | 14.4 |

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Fund Statistics

| | |
|--------------------------------------|---------------|
| Price Earnings Multiple 2008 (x) | 11.0 |
| Price to Book Multiple Latest (x) | 3.3 |
| Dividend Yield 2007 (%) | 3.2 |
| Number of Holdings | 32 |
| Annualized Return (%) | 19.3 |
| Largest Monthly Gain (%) | 8.4 (Dec 07) |
| Largest Monthly Loss (%) | -9.2 (Nov 06) |
| % of Positive Months | 64 |
| 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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