

SICO Gulf Equity Fund

Fact Sheet - March 2013

NAVUS\$113.1 ↑2.1%

Adjusted (for dividends) NAVUS\$119.0

Manager's Commentary

Global markets ended the month on a positive note despite negative news flow surrounding the Cyprus bail-out. Gains in international markets were underpinned by investor expectations of continued quantitative easing from the Federal Reserve in US and Central Bank of Japan. The performance of the GCC markets' on the other hand was mixed. Saudi Arabia (+1.8%) gained the most, while the returns of Qatar, Kuwait, Oman and Bahrain were also positive. However, Dubai, which experienced a strong rally in the first two months of the year, declined as much as 5.1% as investors turned cautious and resorted to profit taking. Abu Dhabi also ended the month in the red.

The share price declines in the UAE were led by the real estate/construction names such as Arabtec Holding (-22%), Sorouh Real Estate (-13%) and Aldar Properties (-12%). In contrast, UAE financials marginally increased during the month. Your fund's NAV increased by 2.1% during March, whereas the benchmark declined by 0.6%. Our stock selection in the Qatari market was a key determinant of the fund's positive performance. In addition, our financial sector investments in the UAE largely offset the weakness in the other investments in that market. During the first quarter, the fund appreciated by 9.9%, while the S&P GCC ex-Saudi index increased by 5.6%. During the month, we booked profits in selected equities in the UAE and Qatar. As a consequence our cash allocation increased to 11%. We expect to deploy these funds in new investment ideas in the next 1-2 months.

We are pleased to inform you that SICO Gulf Equity Fund has retained the 'Gold' fund grading in the latest review by Standard & Poor Capital IQ. To put things into perspective, only three GCC funds secured 'Gold' rating, all of which are managed by SICO.

Investment Objective

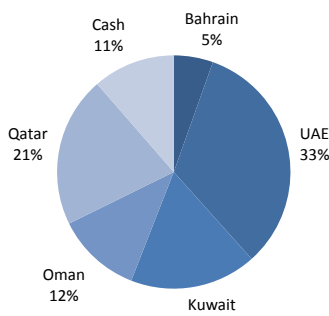
The Fund seeks to achieve long-term capital appreciation by investing principally in equity securities listed on the stock markets of the GCC countries excluding Saudi Arabia.

Returns (%)

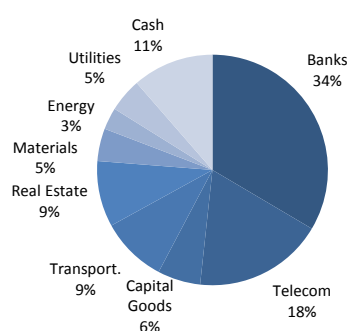
	Fund	Index*
March 2013	2.1	-0.6
YTD 2013 (Jan - Mar)	9.9	5.6
2012	6.1	1.4
2011	-8.2	-14.0
2010	11.6	18.4
2009	12.9	-1.1
2008	-30.8	-53.4
2007	37.2	38.2
2006 (Feb - Dec)	-7.2	-20.2
Last 3 months	9.9	5.6
Last 6 months	12.5	6.8
Last 1 year	9.7	3.2
Last 3 years	11.2	-0.6
Last 5 years	-13.7	-50.7
Since Inception (Feb 06 - Mar 13)	19.0	-44.6

* S&P GCC ex Saudi Index

Country Allocation



Sector Allocation



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	(%)
First Gulf Bank	UAE	6.7
Zain	Kuwait	6.6
Emaar Properties	UAE	5.9

Risk Statistics

Annualised Standard Deviation (%)	17.5
Sharpe Ratio*	0.05
Tracking Error (%)	10.2
Information Ratio	1.0
Beta	0.7
Alpha (%)	7.3

* Sharpe ratio is based on last 3 years' data
For further information contact assetmanagement@sicobahrain.com

Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.6	12.3
Price to Book Multiple Latest (x)	1.8	1.4
Return on Equity TTM (%)	15.5	11.6
Dividend Yield - 2012 (%)	4.4	4.1
Number of Holdings	24	125
Annualized Return (%)	2.5	-8.0
Annualized Standard Deviation (%)	17.5	21.7
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	58	47
Success Ratio (%)	65	NA
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from Maximum Drawdown (%)	49.0	41.7

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

بنك استثماري sico
Investment Bank

This report should not be considered an offer to sell, or a solicitation to buy, shares mentioned herein. Past performance is no indication of future results. Fund historical performance does not promise the same or similar results in the future. Principal value, share prices and investment returns fluctuate with changes in market conditions. The information contained herein has been compiled from sources believed to be reliable, however Securities & Investment Company ("SICO") does not guarantee its accuracy or completeness. Opinions, forecasts and estimates constitute our judgment as of the date of this report and are subject to change without notice. This report is not a solicitation of an order to buy or sell securities or to provide investment advice or service. SICO or its affiliates may from time to time engage in long or short positions in the securities mentioned herein. SICO or its affiliates may act as principal, agent or market maker or provide other services to the issuers of securities mentioned herein. This report is provided for information purposes only and may not be copied or distributed to any other person without the prior written consent of SICO.