

SICO Gulf Equity Fund

Fact Sheet - March 31, 2008

NAV US\$137.81 ↓ 1.8%

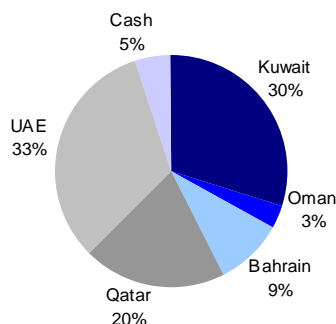
Manager's Commentary

It appears that the downfall of the global markets had a trickle down impact on the Gulf region for the second time during this year. All the GCC markets closed in the red and the MSCI GCC ex Saudi index recorded a decline of 8.7% during March. Clearly, investor confidence dissipated, in the wake of the global financial market turmoil following the US subprime mortgage crisis. On the home front, reduction in interest rates and concerns regarding currency revaluation and inflation further depressed local investors' mood.

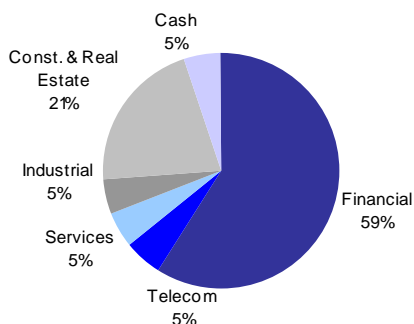
The Saudi market was marred by the highest loss of 12%, while Dubai and Qatar were down by 10% and 9%, respectively. Bahrain and Oman also posted negative returns. On the other hand, Kuwait's official price weighted index gained 2%. Interestingly however, the MSCI Kuwait index dropped by 9%. We believe the MSCI index is a better proxy for the Kuwaiti market as it is a free float market cap weighted index. Despite the negative performance of the GCC markets, we believe future prospects are bright given the dynamics of the regional economy. Corporate earnings are expected to record strong growth during 2008 while market valuations are attractive. As such we believe the markets are likely to recover post first quarter results.

The NAV of SICO Gulf Equity Fund decreased by 1.8%, much lower as compared to the MSCI GCC ex Saudi index. Our cherry picking strategy for stocks came to fruition as our fund benefited from the high dividend yielding stocks in our portfolio. We also took advantage of the slump in share prices and strengthened our exposure in the UAE markets. Consequently, our UAE country allocation increased to 33% from 27%. Further, we bought financial stocks in Qatar and chose to book profits in a few stocks in Kuwait and the UAE as prices had reached our fair value estimates. As a result of our investments, net cash allocation decreased significantly to 5% from 14%.

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2007 (x)	11.7
Price to Book Multiple 2007 (x)	2.8
Dividend Yield 2007 (%)	4.2
Number of Holdings	30
Annualized Return (%)	16.6
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

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
March 2008	(1.8)	(8.7)
Year to Date 2008	8.2	(2.6)
Last 3 months	8.2	(2.6)
Last 6 months	23.2	4.8
Last 12 months	42.9	28.6
2007	37.2	35.4
2006 (Mar - Dec)	(7.2)	(18.8)
Since Inception (Mar'06-Mar'08)	37.8	7.1

Top Holdings

Name	Country	(%)
Emaar Properties	UAE	6.6
United Gulf Bank	Bahrain	5.8
KIPCO	Kuwait	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	SICOGF.MF
Fund Listing	Bahrain Stock Exchange
Custodian/ Administrator	SICO Funds Services
Auditors	Price Waterhouse Coopers

Risk Statistics

Annualised Standard Deviation	14.9
Sharpe Ratio	n/a
Information Ratio	1.57
Beta	0.70
Alpha (%)	12.8

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بنك استثماري sico
Investment Bank

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