

# SICO Gulf Equity Fund

Fact Sheet - November 30, 2008

NAV US\$94.37 ↓ 3.3%

## Manager's Commentary

Equity bourses throughout the globe remained unstable as some of the leading world economies entered into recession and global economic outlook softened. Even within the GCC region, the overall sentiment remained negative, although markets recovered briefly during the later part of the month. In such a backdrop, the MSCI GCC ex Saudi index declined by 10.9% for the month and extended its year to date loss to 45.4%.

The UAE markets were the worst performing bourses with Dubai and Abu Dhabi losing 33% and 17%, respectively. The decline in Dubai's property prices triggered a major selloff concentrating on the listed real estate companies. Resultantly, some stocks dropped by over 40% during the month. Furthermore, downsizing plans announced by leading real estate developers / contractors as well as concerns hovering over Dubai's debt repayment capacity added to investors' woes. Kuwait fell by 9% amidst protests by traders that resulted in the market being closed for a couple of days, while, Qatar and Bahrain lost 12-13%. Oman was able to buck the negative trend albeit marginally (+1%) in anticipation of the market support fund announced by the Government.

Despite double digit declines in the MSCI GCC ex Saudi index, the NAV of SICO Gulf Equity Fund fell by 3.3% during the month. We were able to restrict losses owing to the high cash allocation and defensive stock selection. As at the end of the month, the fund had nearly two thirds in cash which we plan to selectively deploy. We would continue to focus on companies in sectors where earnings visibility is high such as telecom, consumer goods and building materials. Minimal investment income and good managements would also be an integral part in selecting companies. The regional markets are expected to remain volatile in the short term. However, over a long term horizon, we remain cautiously optimistic on the region's prospects.

## 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
November 2008	-3.3	-10.9
YTD (Jan 08 - Nov 08)	-25.9	-45.4
Last 3 months	-29.5	-40.4
Last 6 months	-37.9	-46.5
Last 12 months	-19.7	-42.5
2007	37.2	35.4
2006 (Mar - Dec)	-7.2	-18.8
Since Inception (Mar 06 - Nov 08)	-5.6	-40.0

## Top Holdings

Name	Country	(%)
Burgan Bank	Kuwait	4.1
Qatar National Bank	Qatar	3.9
Bank Muscat	Oman	3.7

## Fund Information

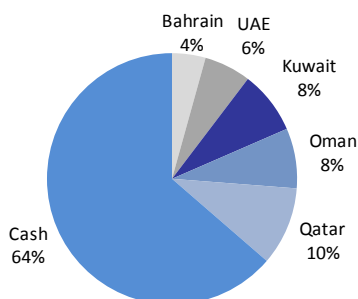
Launch Date	March, 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Five Business days before month end
Redemption Deadline	Ten Business days before month end
Minimum Subscription	US\$100,000
Reuters Code	LP65038264
Zawya Code	SICOGF.MF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

## Risk Statistics

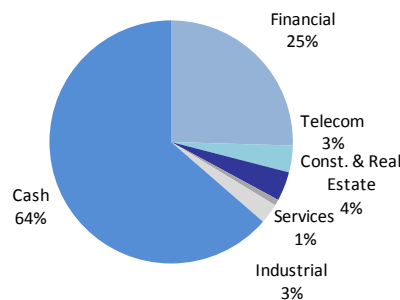
Annualised Standard Deviation(%)	20.3
Sharpe Ratio	-0.35
Information Ratio	1.50
Beta	0.72
Alpha (%)	8.72

\* For further information contact [assetmanagement@sicobahrain.com](mailto:assetmanagement@sicobahrain.com)

## Country Allocation



## Sector Allocation



## Fund Statistics

Price Earnings Multiple 2008 (x)	7.5
Price to Book Multiple Latest (x)	1.6
Dividend Yield 2007 (%)	4.5
Number of Holdings	19
Annualized Return (%)	-2.09
Largest Monthly Gain (%)	8.4 (Dec 07)
Largest Monthly Loss (%)	-14.9 (Oct 08)
% of Positive Months	55
Maximum Drawdown- Peak to Trough (%)	-37.9
Length of Drawdown (months)	6
Time to Recovery (months)	n/a

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Investment Bank

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