

# SICO Gulf Equity Fund

Fact Sheet - November 30, 2009

NAV US\$ 108.74 ↓ 3.7%

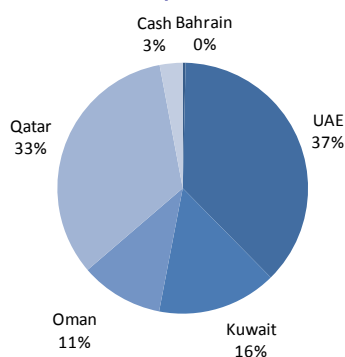
## Manager's Commentary

The Gulf markets posted mixed returns during November as investors remained cautious. Saudi Arabia and Qatar were the only countries to post positive returns of 1.4% and 0.8%, respectively. Oman closed sideways for the month while Bahrain lost 6%. Kuwait, after dropping 6% in October fell by another 5.6% as negative news continued to dampen investor sentiments. The Kuwaiti market was adversely affected after a US court indicted Agility for overcharging on a US Army contract. This drove the stock's share price down 25.9% during the month. Zain – a heavyweight in the Kuwaiti Index - added to the misery by losing 13.8%. This was the third consecutive month of decline for Zain.

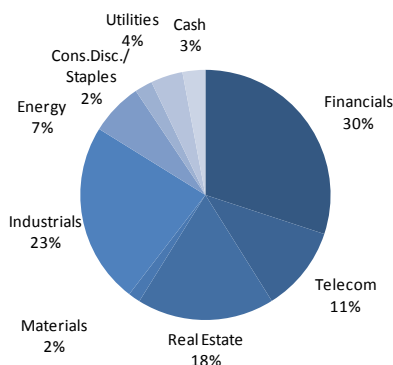
Both the UAE markets declined by 11.7% for the month as investors panicked upon the announcement made by Dubai World that it plans to enter into a standstill agreement regarding their debt payments. This announcement was made shortly after the Government of Dubai raised USD 5bn from two Abu Dhabi banks. The investors were shocked by this announcement and dumped equities in both the UAE markets pushing the indices down by 7-8% on the last trading day of the month. The news stirred a selling spree across the globe and sent jitters through the GCC markets as well. Amidst the negative sentiment, the NAV of SICO Gulf Fund declined by 3.7% as compared to an 8.9% drop in the benchmark. For this year, the fund is up 23.3% as of the end of November, versus a mere 1.8% rise in the benchmark.

Dubai has been full of surprises in the last few weeks. The recent \$10bn bailout by the Govt. of Abu Dhabi has averted a preminent default on Nakheel's bond. This has provided some relief however, a lot of questions regarding the fate of Dubai's state-owned corporates remain unanswered. In such a scenario, we maintain our negative outlook for Dubai as we feel that most stocks may continue to suffer due to uncertainty at a macro level. At the same time, we believe that investors will increasingly differentiate between Dubai and the rest of GCC as each state has its own unique dynamics.

Country Allocation



Sector Allocation



## Fund Statistics

Price Earnings Multiple TTM (x)	10.0
Price to Book Multiple Latest (x)	1.7
Dividend Yield 2008 (%)	3.4
Number of Holdings	29
Annualized Return (%)	4.2
Largest Monthly Gain (%)	12.6 (Apr 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)
% of Positive Months	55
Maximum Drawdown- Peak to Trough (%)	-47.8
Length of Drawdown (months)	9
Recovery from recent trough (%)	37.2

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## 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
Nov 2009	-3.7	-8.9
YTD 2009 (Jan- Nov)	23.3	1.8
Last 3 months	-2.2	-12.7
Last 6 months	3.1	-3.3
Last 1 year	15.2	-14.1
Last 3 years	21.3	-31.3
Last 5 years	n/a	n/a
2008	-30.8	-54.0
2007	37.2	39.7
2006 (Mar – Dec)	-7.2	-21.3
Since Inception (Mar 06 – Nov 09)	8.7	-48.5

## 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

## Top Holdings

Name	Country	(%)
Industries Qatar	Qatar	7.0
Arabtec	UAE	5.3
Sorouh Real Estate	UAE	4.8

## Risk Statistics

Annualised Standard Deviation(%)	20.8
Sharpe Ratio	-0.1
Information Ratio	1.3
Beta	0.7
Alpha (%)	11.3

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