

SICO Gulf Equity Fund

Fact Sheet - November 30, 2010

NAV US\$105.55 ↑0.4%

Manager's Commentary

The GCC markets closed on a negative note in November, with five out of the even GCC markets ending the month in red. Only Qatar (+4.4%) and Oman (0.6%) posted gains, whereas Dubai and Abu Dhabi were the biggest losers (down 5.4% and 3.1%, respectively). The reasons for these declines were both global as well as region specific. The resurfacing of the Euro Debt crisis fuelled volatility in the global markets that was aggravated by Central Bank of China's announcement to cool down its economy. Internally, GCC markets came under pressure due to concerns regarding Dubai's capacity to repay their debt along with poor third quarter results.

The NAV of SICO Gulf Equity Fund appreciated by 0.4% for the month as compared to a 1.2% decline in the benchmark. The fund benefited from its large allocation to Qatari stocks which were up in the range of 5-10%. Kindly note that we have been significantly overweight in Qatari equities since the start of the year and the steady upward movement during the recent months has benefited the fund. However, modest declines in UAE holdings restricted the overall performance of the fund in November.

During the month, we booked profits in the UAE fearing a market overreaction subsequent to news reports that Dubai Holding may request a standstill on some of its loans. Consequently, the fund's cash allocation increased at 16%. This rise in cash is temporary in nature and we intend to deploy the cash in undervalued equities in the region. With the end of the year approaching and dividend season around the corner, we would be investing a certain portion of the fund in high dividend yielding stocks.

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	S&P GCC Ex Saudi Index
Nov 2010	0.4	-1.2
YTD 2010 (Jan – Nov)	6.0	13.4
2009	12.9	-1.1
2008	-30.8	-53.4
2007	37.2	38.2
2006 (Mar – Dec)	-7.2	-20.2
Last 3 months	9.9	10.9
Last 6 months	10.0	16.1
Last 1 year	-2.9	11.7
Last 3 years	-10.2	-44.7
Last 5 years	n.a	n.a
Since Inception (Mar 06 – Nov 10)	5.5	-42.4

Fund Information

Launch Date	March 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Weekly
Subscription Deadline	Two Business days before Dealing Day
Redemption Deadline	Two Business days before Dealing Day
Minimum Subscription	US\$100,000
Reuters Code	LP65038264
Zawya Code	SICOGF.MF
Fund ISIN Code	BH000A1CZ855
Custodian/ Administrator	HSBC Middle East, Bahrain

Top Holdings

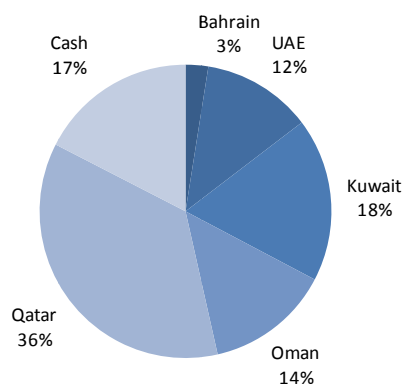
Name	Country	(%)
Qatar Electricity and Water	Qatar	6.2
National Bank of Kuwait	Kuwait	5.0
Renaissance Services	Oman	4.4

Risk Statistics

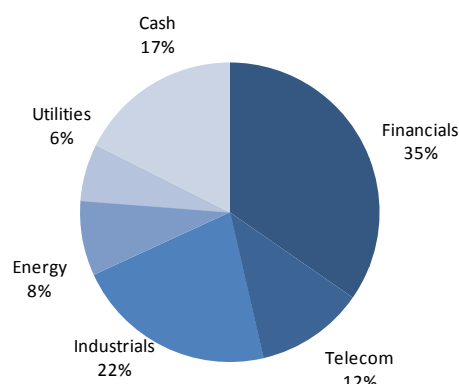
Annualised Standard Deviation(%)	20.3
Sharpe Ratio	NA
Information Ratio	0.9
Beta	0.7
Alpha (%)	7.3

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	12.1
Price to Book Multiple Latest (x)	1.9
Dividend Yield 2009 (%)	5.7
Number of Holdings	24
Annualized Return (%)	0.5
Largest Monthly Gain (%)	12.6 (Apr 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)
% of Positive Months	56
Maximum Drawdown- Peak to Trough (%)	-47.8
Length of Drawdown (months)	9
Recovery from recent trough (%)	33.2

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