

SICO Gulf Equity Fund

Fact Sheet - October 31, 2010

NAV US\$105.12 **↑2.7%**

Manager's Commentary

Regional markets went through a consolidation phase in October after a strong performance during the preceding month. Majority of the GCC markets posted positive returns, with Abu Dhabi and Dubai being the top performers for the second consecutive month. Abu Dhabi rose 5.3%, whereas Dubai gained 4.8% as investors' risk appetite improved. Qatar extended its positive run for the fifth consecutive month inching up 1.3%. Third quarter results reinforced the strong underlying fundamentals of companies that resulted in continued inflows into the market. Oman, Bahrain and Kuwait were up in the range of 1-2%.

The NAV of SICO Gulf Equity Fund appreciated by 2.7% for the month as compared to a 3.6% rise in the benchmark. The fund benefited from gains of its key holdings primarily in the UAE and Qatar. In addition, selected holding in Oman also contributed to the fund's return. During the month we took advantage of the rise in selected UAE holdings and booked profits by trimming our positions. At the same time, we continued to build in Qatari stocks that we believe offer decent upside potential in the medium to long term.

As of the month end, the fund has around 8% cash which we intend to deploy in either existing stocks or fresh investment ideas that we have identified after a series of management meetings across the region. We remain bullish on the region, but expect temporary retreat as Eid holidays are around the corner. In addition, majority of the UAE and Kuwaiti companies are yet to announce third quarter numbers, which would be crucial in determining the short term direction of the markets.

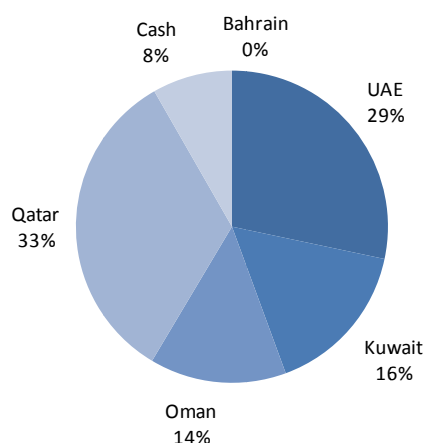
Investment Objective

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.

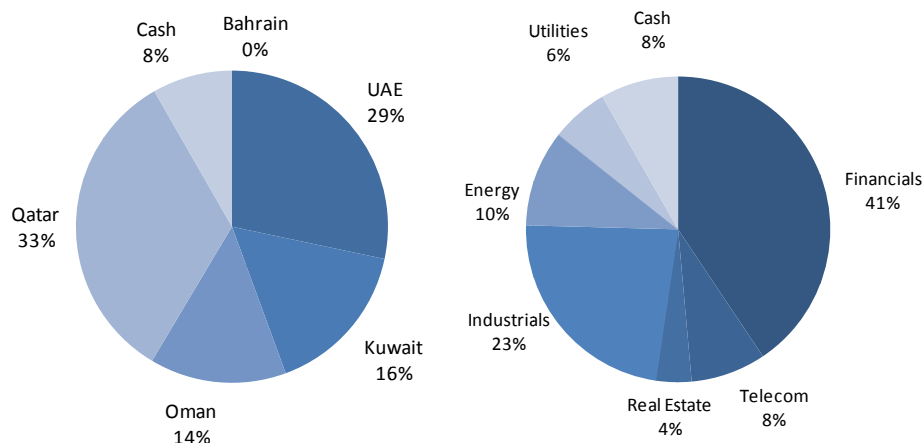
Fund Returns (%)

	Fund	S&P GCC Ex Saudi Index
Oct 2010	2.7	3.6
YTD 2010 (Jan - Oct)	5.6	14.8
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	10.4	14.7
Last 6 months	-2.2	5.4
Last 1 year	-6.9	3.8
Last 3 years	-12.9	-46.1
Last 5 years	n.a	n.a
Since Inception (Mar 06 - Oct 10)	5.1	-41.7

Country Allocation



Sector Allocation



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	6.0
BankMuscat	Oman	5.0
Renaissance Services	Oman	5.0

Risk Statistics

Annualised Standard Deviation(%)	20.5
Sharpe Ratio	-0.2
Information Ratio	0.9
Beta	0.7
Alpha (%)	6.1

* For further information contact assetmanagement@sicobahrain.com

Fund Statistics

Price Earnings Multiple TTM (x)	12.4
Price to Book Multiple Latest (x)	1.6
Dividend Yield 2009 (%)	4.0
Number of Holdings	28
Annualized Return (%)	0.5
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 (%)	32.7

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