

SICO Gulf Equity Fund

Fact Sheet - October 2011

NAV US\$102.84 ↑ 2.7%

Manager's Commentary

The global equity markets experienced a sharp upturn during the month of October, as Investor optimism regarding the efforts of European leaders in tackling the sovereign debt crisis lifted the major indices from their lows for the year. These events culminated in an agreement which included the expansion of the existing stabilization fund and a 50% hair cut for Greek debt. Given the positive global backdrop and healthy third quarter corporate earnings, the GCC markets' performance, however, was relatively muted. Qatar increased the most (+2.4%), while Saudi (+1.8%) and Kuwait (+1.7%) were also in the green. UAE markets and Bahrain fell 1-2% while Oman declined marginally (-0.3%).

The NAV of SICO Gulf Equity Fund appreciated by 2.7% for the month, compared to a 2.3% rise in the benchmark. Its outperformance is mainly because of the holdings in Oman and the sharp rebound of the UAE based stocks which occurred towards the end of the month. In addition, a broad based appreciation in Qatari equities, which reported an earnings growth of ca.40% YoY (+ ca.20% QoQ) for the third quarter, and the rise in certain high quality Kuwaiti names reflected positively on the fund. Year to date your fund's NAV is down 7.5% versus a 12.2% decline in the benchmark.

In spite of the land mark Eurozone deal reached in October, there are significant challenges associated with its implementation. With doubts being cast over the sustainability of emerging economies' growth and US economic recovery as well, we believe that global markets would remain volatile in the near term, which in turn would have a negative impact on the GCC markets. As a result, we will continue to build exposure to defensively oriented and high dividend yielding companies.

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.

Returns (%)

	Fund	S&P GCC Ex Saudi Index
Oct 2011	2.7	2.3
YTD 2011 (Jan - Oct)	-7.5	-12.2
2010	11.6	18.4
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	-2.8	-1.4
Last 6 months	-8.6	-9.5
Last 1 year	-2.2	-9.5
Last 3 years	5.3	-22.8
Last 5 years	4.1	-38.7
Since Inception (Mar 06 - Oct 11)	2.8	-47.2

Fund Information

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

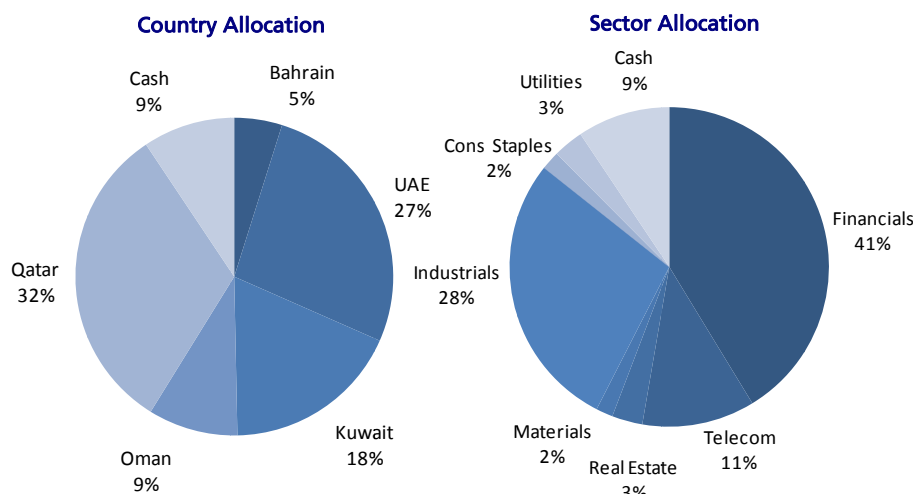
Top Holdings

Name	Country	(%)
Industries Qatar	Qatar	6.0
National Bank of Kuwait	Kuwait	5.2
Bank Muscat	Qatar	5.2

Risk Statistics

Annualised Standard Deviation (%)	19.2
Sharpe Ratio	NA
Tracking Error (%)	11.1
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.9

* For further information contact asselmanagement@sicobahrain.com



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.7	12.0
Price to Book Multiple Latest (x)	1.7	1.4
Return on Equity TTM (%)	15.3	11.5
Dividend Yield - 2010 (%)	5.0	4.7
Number of Holdings	24	141
Annualized Return (%)	0.5	-10.7
Largest Monthly Gain (%)	12.6 (Apr 09)	15.4 (May-09)
Largest Monthly Loss (%)	-14.9 (Oct 08)	-24.4 (Oct-08)
% of Positive Months	53	47
Maximum Drawdown- Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	29.8	35.0

Securities & Investment Company BSC (c)
P.O. Box 1331, Manama, Kingdom of Bahrain
Tel: +973 1751 5000 Fax: +973 1751 4000
CR No: 33469
www.sicobahrain.com

شركة الأوراق المالية والاستثمار ش.م.ب (م)
ص.ب: 1331، المنامة، مملكة البحرين
هاتف: +973 1751 5000 فاكس: +973 1751 4000
سجل تجاري رقم 33469

بنك استثماري sico
Investment Bank