

SICO Gulf Equity Fund

Fact Sheet - September 2011

NAV US\$100.10 ↓ 3.6%

Manager's Commentary

European sovereign debt concerns and fears of a global economic slowdown continued to cast a shadow over international bourses, which extended their losses during the month of September. During the past two months, emerging markets have declined by over 25%, while developed market indices are down in the range of 15-20%. The GCC markets have significantly outperformed the emerging and developed markets during the same period falling only 8%. While Saudi's index appreciated 2.2% during the month, Kuwait was up 1.6%. Qatar inched up 0.5% on local support, while Dubai, Abu Dhabi and Oman declined 3-4%. Bahrain was the worst performing GCC market and retreated 7.4%

The NAV of SICO Gulf Equity Fund declined by 3.6% for the month versus a 1% fall in the S&P GCC ex-Saudi Index. The benchmark's outperformance was partly due to second tier and speculative stocks from Kuwait, which appreciated in the range of 30-50% in the absence of any fundamental triggers. Moreover, the portfolio had a small allocation to Aluminum Bahrain that fell sharply with the release of a report by an international research house, following a gas price increase. We believe that the extent of the decline is unjustifiable especially considering that at the current price the stock offers a dividend yield of 10%.

During the month, we realized profits from high beta stocks that could be affected by the challenging global environment. This is a tactical allocation move, as we expect the regional markets to remain volatile and react to international developments. We will use this opportunity to continue to gradually 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.

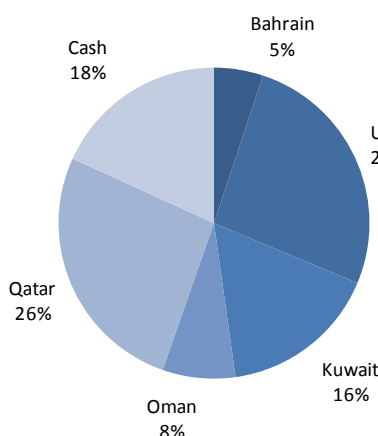
Returns (%)

	Fund	S&P GCC Ex Saudi Index
Sep 2011	-3.6	-1.0
YTD 2011 (Jan - Sep)	-9.9	-14.2
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	-7.1	-5.9
Last 6 months	-7.6	-7.6
Last 1 year	-2.2	-8.4
Last 3 years	-12.7	-43.0
Last 5 years	6.0	-39.2
Since Inception (Mar 06 - Sep 11)	0.1	-48.4

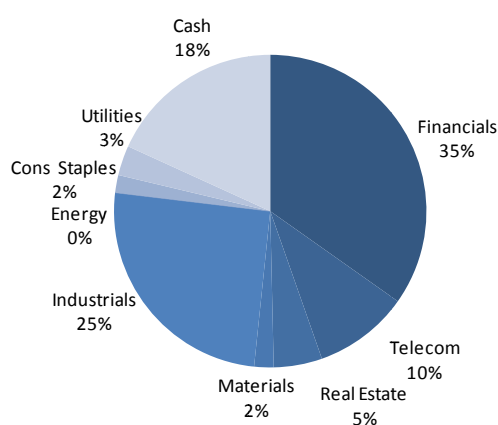
Fund Information

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	SICOGEF.MF
Fund ISIN Code	BH000A1CZ855
Custodian/ Administrator	HSBC Bahrain

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.8	12.2
Price to Book Multiple Latest (x)	1.6	1.4
Return on Equity TTM (%)	14.4	11.5
Dividend Yield - 2010 (%)	4.8	4.8
Number of Holdings	24	141
Annualized Return (%)	0.0	-11.2
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	52	46
Maximum Drawdown- Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	26.3	32.0

Top Holdings

Name	Country	(%)
Industries Qatar	Qatar	5.1
Emaar Properties	UAE	5.0
Qatar National Bank	Qatar	4.7

Risk Statistics

Annualised Standard Deviation (%)	19.3
Sharpe Ratio	NA
Tracking Error (%)	11.1
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.8

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