

SICO Gulf Equity Fund

Fact Sheet - July 2012

NAV US\$97.4 ↑0.8%

Adjusted (for dividends) NAV US\$102.4

Manager's Commentary

The global markets were lifted towards the end of July amidst hopes of decisive actions by European leaders to solve the eurozone debt crisis. Regional markets broadly mirrored this trend, ending the month in positive territory. Advancers were led by Dubai (+6.3%), followed by Saudi Arabia, Abu Dhabi and Qatar which increased in the range of 2-3%. The biggest decliner for the month was Oman which fell by 5.8%. Kuwait and Bahrain were also in the negative territory, declining by 1.7% and 2.4% respectively.

During the month, S&P GCC (ex Saudi) Index declined by 0.4%. Blue chip names such as Emaar Properties gained appreciably during the month, helped by renewed optimism on the Dubai real estate sector. The Qatari stocks which had been battered during the previous three months, also gained traction. These gains were more than offset by the declines in Kuwait and Oman. Zain Group, which is being hampered with issues in Sudan and Saudi Arabia, fell by 6.8%, while financial stocks such as Gulf Bank (-9.2%) and Kuwait Finance House (-6.8%) dragged down the market as well. In Oman, Ahli Bank (-24.5%) and Renaissance Services (-12.2%) were amongst the biggest decliners.

The fund, which increased by 0.8% and managed to outperform the benchmark thanks to both asset allocation and stock selection. The portfolio had a significant overweight position in the UAE and a lower exposure to Kuwait, compared to the benchmark. We expect that our fundamental based strategy will continue to pay off once market activity levels to pick-up post Ramadan.

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
July 2012	0.8	-0.4
YTD 2012 (Jan-Jul)	0.5	-4.1
2011	-8.2	-14.0
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	-5.2	-5.8
Last 6 months	0.2	-3.3
Last 1 year	-3.2	-7.6
Last 3 years	-4.8	-8.1
Last 5 years	-7.1	-49.4
Since Inception (Mar 06 - Jul 12)	2.5	-50.4

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

Top Holdings

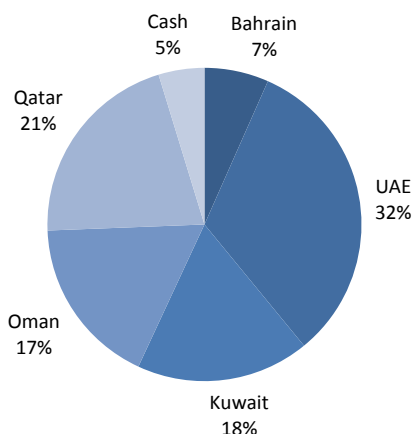
Name	Country	(%)
Qatar National Bank	Qatar	5.9
Industries Qatar	Qatar	5.9
Bank Muscat	Oman	5.5

Risk Statistics

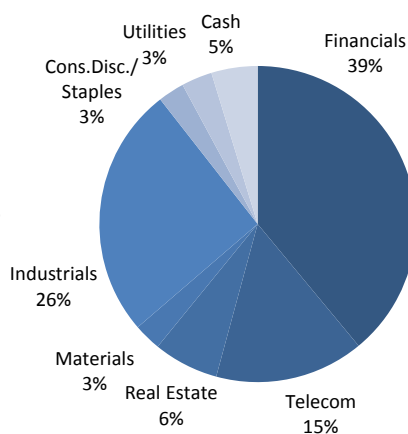
Annualised Standard Deviation (%)	18.2
Sharpe Ratio	NA
Tracking Error (%)	10.6
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.7

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	10.8	11.7
Price to Book Multiple Latest (x)	1.7	1.3
Return on Equity TTM (%)	16.1	11.6
Dividend Yield - 2011 (%)	5.1	4.5
Number of Holdings	28	125
Annualized Return (%)	0.4	-10.4
Annualized Standard Deviation (%)	18.2	22.6
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	45
Maximum Drawdown- Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	29.3	26.9

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