

SICO Gulf Equity Fund

Fact Sheet - October 2012

NAVUS\$100.9 ↑0.4%

Adjusted (for dividends) NAVUS\$106.2

Manager's Commentary

The weakness in Kuwaiti and Saudi bourses set a negative tone for the GCC markets during October. Kuwait, which was the best performing GCC market in the previous month, declined by 2.7% to become the worst performer, as the country's political issues resurfaced. The Kuwaiti government has amended the electoral rules ahead of the parliamentary election following which the opposition called for protests. Bahrain also fell by 2.7% whereas the Saudi market declined by 0.7%. On the other hand Dubai (+2.6%), Abu Dhabi (+2.6%) and Oman (+2.3%) maintained their positive momentum. The Qatari market continued to lack direction and ended the month marginally up (+0.4%).

The decline in the Kuwaiti market was broad based. But NMTC (-13.2%), which was subject to a mandatory offer by Qtel, was amongst the worst performers in October, along with National Real Estate which fell by 13.0%. In the UAE, Sorouh (+12.7%) and Aldar (+8.8%) advanced as investors anticipated an announcement related to the impending merger. Industries Qatar, which reported a strong set of 3Q results, was also amongst the biggest gainers (+8.0%). Omantel (+9.4%) and National Bank of Abu Dhabi (+8.8%) made healthy gains as well.

Your fund appreciated by 0.4% during the month versus a 0.2% decline in the benchmark. The portfolio benefited from the lower allocation to the Kuwaiti market and a higher allocation to Oman, compared to the benchmark. Stock selection also played a part, especially with most of our Kuwaiti holding declining marginally or being flat for the month. Year to date the fund is up by 4.1% (benchmark +0.1%). Going forward, we intend to capitalize on the positive momentum in some markets to rebalance the portfolio by booking profits in stocks which have reached their fair values.

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
October 2012	0.4	-0.2
YTD 2012 (Jan-Oct)	4.1	0.1
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	3.6	4.4
Last 6 months	-1.8	-1.7
Last 1 year	3.2	-1.9
Last 3 years	-5.9	-7.9
Last 5 years	-12.1	-52.2
Since Inception (Aug 06 - Oct 12)	6.2	-48.2

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

Top Holdings

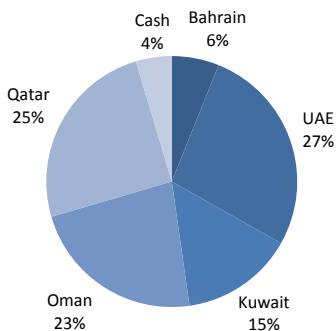
Name	Country	(%)
Industries Qatar	Qatar	7.5
Qatar National Bank	Qatar	5.8
Bank Muscat	Oman	5.8

Risk Statistics

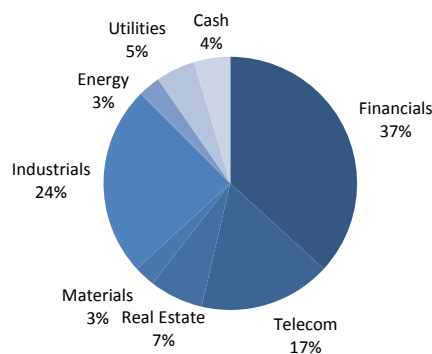
Annualised Standard Deviation (%)	17.9
Sharpe Ratio	NA
Tracking Error (%)	10.5
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.5

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	10.9	11.7
Price to Book Multiple Latest (x)	1.8	1.4
Return on Equity TTM (%)	17.1	12.1
Dividend Yield - 2011 (%)	5.0	4.4
Number of Holdings	26	125
Annualized Return (%)	0.9	-9.4
Annualized Standard Deviation (%)	17.9	22.2
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	55	46
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	33.7	32.4

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Investment Bank

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