

SICO Gulf Equity Fund

Fact Sheet - September 2012

NAVUS\$100.6 ↑1.7%

Adjusted (for dividends) NAVUS\$105.8

Manager's Commentary

Global markets rose in the first half of September, leading up to US Fed's announcement of the 3rd round of quantitative easing. These gains were reversed subsequently as global economic worries returned to the fore. With oil prices falling as much as 5%, the Saudi market declined 4.2%, becoming the worst performing GCC market. The rest of the GCC bourses were in the green, led by Kuwait (+4.4%) amidst expectations of a launch of an investment fund by the government and the banks. Buying interest in real estate stocks provided an impetus to the Dubai (+2.0%) and Abu Dhabi (+1.7%) markets. Other markets' returns were between 0 and 1 %.

The fund's NAV increased by 1.7% during the month versus a 3.4% increase in the benchmark. The main reason for the underperformance was the portfolio's underweight position in the Kuwaiti market. This was partially offset by the strong performance in markets such as Oman, where the appreciation of selected small-mid cap stocks helped the fund. Our core holdings in the UAE market such as Aramex also contributed positively. Year to date the fund is up 3.7% compared to a 0.2% increase in the benchmark.

Your fund has generated three consecutive months of positive returns and has appreciated by 4% in the third quarter. In spite of the uncertainty surrounding the global macroeconomic environment, fundamentals of a number of stocks in our universe remain strong. We would be deploying the fund's cash in these issues at attractive entry points. Furthermore, we remain negative on the Kuwaiti market. The on-going political gridlock may get in the way of measures to revive the capital markets and hence the recovery could be short lived.

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
September 2012	1.7	3.4
YTD 2012 (Jan-Sep)	3.7	0.2
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	4.0	4.1
Last 6 months	-2.4	-3.4
Last 1 year	5.6	0.6
Last 3 years	-8.8	-12.3
Last 5 years	-5.4	-48.6
Since Inception (Aug 06 - Sep 12)	5.8	-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

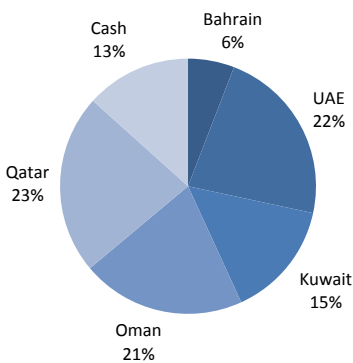
Name	Country	(%)
Industries Qatar	Qatar	5.9
Qatar National Bank	Qatar	5.7
Bank Muscat	Oman	5.5

Risk Statistics

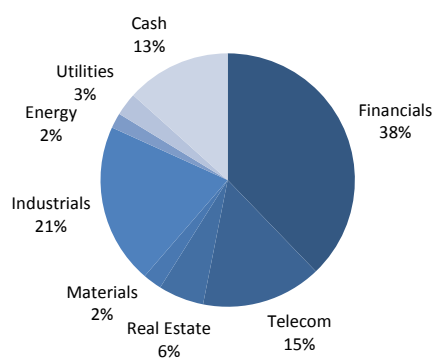
Annualised Standard Deviation (%)	18.0
Sharpe Ratio	NA
Tracking Error (%)	10.6
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.5

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	11.5	11.6
Price to Book Multiple Latest (x)	1.8	1.3
Return on Equity TTM (%)	16.5	11.5
Dividend Yield - 2011 (%)	5.0	4.4
Number of Holdings	27	125
Annualized Return (%)	0.9	-9.5
Annualized Standard Deviation (%)	18.0	22.3
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	54	47
Maximum Drawdown-Peak to Trough (%)	-47.8	-67.5
Length of Drawdown (months)	9	12
Recovery from recent trough (%)	33.2	32.6

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Investment Bank

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