

SICO Gulf Equity Fund

Fact Sheet - February 28, 2009



NAV US\$79.24 ↓ 3.4%

Manager's Commentary

Market confidence continued to take a battering in February as the MSCI GCC ex Saudi index declined by over 10%. In a replay of the severe selling pressure seen in Qatar in January, stocks across the board incurred losses resulting in an overall market decline of 16%. Meanwhile, the Kuwaiti bourse lost 5% amidst weakness in the financial sector and the ongoing political instability. On the contrary, the UAE markets reacted favourably to the gov't.'s capital injection into the Abu Dhabi banks and the announcement of a \$20bn Dubai Govt. sovereign bond half of which was subscribed by the UAE Central Bank. Resultantly, Abu Dhabi and Dubai were up by 5% and 3% respectively. Oman managed a modest rebound of 1%.

The NAV of SICO Gulf Equity Fund declined by 3.4% in February compared to the MSCI GCC ex Saudi index which lost 10.4% of its value. While the fund's holdings in most markets remained stable, the fall in the Qatari and Kuwaiti market negatively impacted some of our positions. During the month, we reduced the fund's cash allocation by 10% after investing in stocks in Qatar and the UAE. In our view, the steep fall in Qatari equity prices presented a good opportunity for bargain hunting. Therefore, we invested in selected industrial and financial stocks. We also strengthened our position in some selective stocks in the UAE that have defensive characteristics and are well positioned to counter the regional economic slowdown.

Nonetheless, we cannot dismiss the fact that markets are becoming increasingly directionless and need continuous monitoring. The strong undercurrent of regional project delays and cancellations, credit constraints and job losses have overshadowed the fundamental story and is holding investors at bay. However, we have crafted our fund strategy carefully and will continue to position our holdings defensively until market stability returns.

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.

Fund Returns (%)

	Fund	MSCI GCC Ex Saudi Index
February 2009	-3.4	-10.4
YTD 2009 (Jan-Feb)	-10.1	-24.3
Last 3 months	-16.0	-35.7
Last 6 months	-40.8	-61.7
Last 12 months	-43.5	-67.1
2008	-30.8	-53.7
2007	37.2	35.4
2006 (Mar – Dec)	-7.2	-18.8
Since Inception (Mar 06 – Feb 09)	-20.8	-61.4

Top Holdings

Name	Country	(%)
Qatar Telecom	Qatar	5.3
Etisalat	UAE	5.2
Qatar Electricity & Water	Qatar	4.9

Fund Information

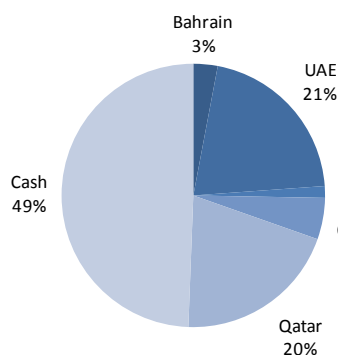
Launch Date	March, 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Five Business days before month end
Redemption Deadline	Ten Business days before month end
Minimum Subscription	US\$ 100,000
Reuters Code	LP65038264
Zawya Code	SICOGF.MF
Fund Listing	Bahrain Stock Exchange
Custodian/ Administrator	HSBC Middle East, Bahrain
Auditors	Price Waterhouse Coopers

Risk Statistics

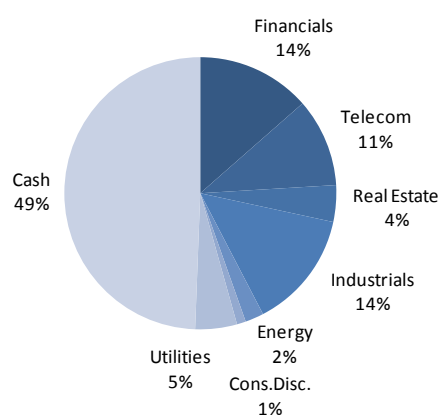
Annualised Standard Deviation(%)	20.2
Sharpe Ratio	-0.6
Information Ratio	1.7
Beta	0.7
Alpha (%)	9.9

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Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2008 (x)	8.6
Price to Book Multiple Latest (x)	1.2
Dividend Yield 2007 (%)	4.2
Number of Holdings	19
Annualized Return (%)	-7.5
Largest Monthly Gain (%)	8.4 (Dec 07)
Largest Monthly Loss (%)	-14.9 (Oct 08)
% of Positive Months	51
Maximum Drawdown- Peak to Trough (%)	-47.8
Length of Drawdown (months)	9
Time to Recovery (months)	n/a

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بنك استثماري sico
Investment Bank

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