

# SICO Gulf Equity Fund

Fact Sheet - March 31, 2009

NAV US\$ 84.56  6.7%

## Manager's Commentary

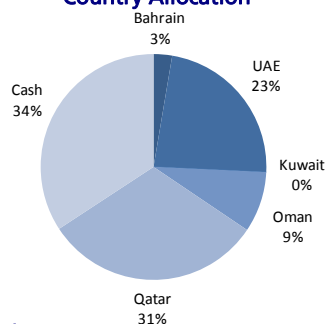
After a prolonged bearish run, all GCC markets except Oman finished in positive territory in March hinting at some possible signs of recovery. The regional markets not only tracked the rally in the international markets but also responded favourably to local developments. In Qatar, for instance, the govt. initiated purchase of listed shares within local bank's investment portfolios. This led to a strong rally led by banks with the Doha Stock Market index up by 10.1% for the month. The Kuwaiti market closed up 4.7% (MSCI Kuwait +10.8%) as investors welcomed the Emir's decision to dissolve the parliament, a move expected to end weeks of a deadlock that had stalled a bailout program. Abu Dhabi also witnessed buying interest and gained 4.7%. In contrast, Oman lost 4.6% as investors sought to consolidate gains following a brief rally which occurred towards mid-month.

The NAV of SICO Gulf Equity Fund increased by 6.7% for the month while the MSCI GCC ex Saudi index appreciated by 9.7%. The benchmark index derived a significant portion (ca 6%) of its monthly return from Kuwait which is heavily weighted (52%) in the index. This contribution was amiss in our fund's returns due to our minimal exposure in Kuwait. However, we are watchful of any developments in Kuwait and await clarity on the govt.'s initiatives before building any exposure. Our fund strategy for the month was to invest in some financial and industrial stocks in Qatar. We also increased our position in some selected UAE equities. This reduced the fund's cash allocation from 49% to 34%. It is worth noting that despite an overall high cash allocation, our effective stock picking strategy resulted in a solid monthly performance as all our holdings stacked up positive returns.

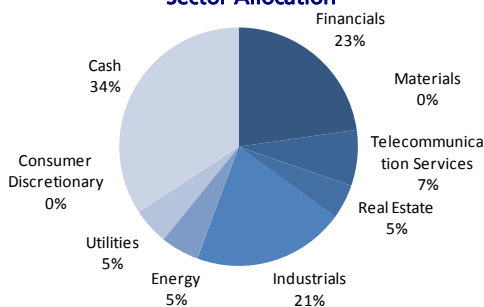
An important calendar event in March was our rigorous round of one-on-one meetings with regional corporate managers. Our analysts held extensive discussions regarding the future outlook and risks. On a long term basis, we remain convinced of the strong fundamentals of regional equities. In the immediate term however, we believe that the first quarter earnings results will command investor's attention and set the tone for market performance.

We are pleased to announce that SGEF has marked its three year anniversary since its launch in March 2006. The fund's return since inception of -15.4% testifies our long term value-oriented investment style as it has significantly outperformed the benchmark's return of -57.7%.

Country Allocation



Sector Allocation



## Fund Statistics

Price Earnings Multiple 2008 (x)	7.9
Price to Book Multiple Latest (x)	1.4
Dividend Yield 2008 (%)	5.8
Number of Holdings	20
Annualized Return (%)	-5.3
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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## 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
March 2009	6.7	9.7
YTD 2009 (Jan-Mar)	-4.1	-17.0
Last 3 months	-4.1	-17.0
Last 6 months	-26.3	-51.8
Last 1 year	-38.6	-60.5
Last 3 years	-15.4	-59.2
Last 5 years	n/a	n/a
2008	-30.8	-53.7
2007	37.2	35.4
2006 (Mar - Dec)	-7.2	-18.8
Since Inception (Mar 06 - Mar 09)	-15.4	-57.7

## Top Holdings

Name	Country	(%)
Qatar National Bank	Qatar	5.5
Qatar Gas	Qatar	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	SICOGEF.MF
Fund Listing	Bahrain Stock Exchange
Custodian/ Administrator	HSBC Middle East, Bahrain
Auditors	Price Waterhouse Coopers

## Risk Statistics

Annualised Standard Deviation(%)	20.3
Sharpe Ratio	-0.5
Information Ratio	1.6
Beta	0.7
Alpha (%)	10.0

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