

Khaleej Equity Fund

Fact Sheet - April 30, 2007

NAV US\$183.25 ↑ 2.8%

Manager's Commentary

With the exception of Saudi Arabia (-3.2%) and Bahrain (-2.5%), the rest of the GCC markets rebounded and posted positive returns. Qatar reversed its downward trend and appreciated by 7.7% on the back of good first quarter earnings announcements. The other markets also witnessed buying interest in selected stocks that helped improve investor confidence.

Khaleej Equity Fund carried on its steady progress and appreciated by 2.8% during the month - its fifth consecutive monthly positive return. Note that over the last few months, the broader markets have more or less remained range bound. However, your fund has been posting steady returns during this period mainly because of our stock picking strategy. During April, stocks such as Burgan Bank (+19.5%), Qatar National Bank (+18.7%), United Gulf Bank (+14.7%) and Industries Qatar (+5.2%) appreciated in value and contributed to the fund's positive performance.

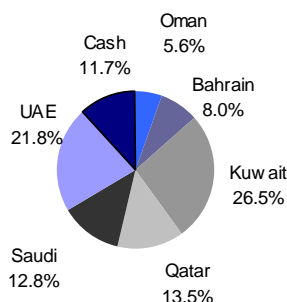
During the month, we took advantage of the correction in Saudi Arabia and built fresh positions in selected blue chip companies. We aggressively built exposure in SABIC (7.2% allocation) as its future prospects look promising due to forthcoming expansions and strong petrochemical prices. Trading at a forward P/E multiple of around 12.4x, SABIC appears undervalued.

In the aftermath of sharp corrections during 2006, it appears that the regional markets have entered into a consolidation phase and are expected to remain range bound. However, at the same time, these markets have started presenting excellent investment opportunities. We believe that stock pickers will continue to produce steady and stable returns.

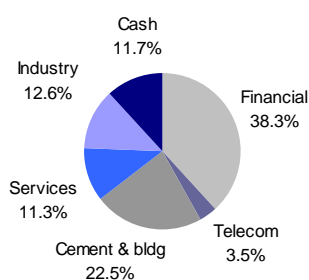
Fund Statistics

Price Earnings Multiple 2007 (x)	10.7
Dividend Yield 2006 (%)	3.1
Number of Holdings	37
Annualized Return (%)	21.1
Largest Monthly Gain (%)	14.7% (Mar 05)
Largest Monthly Loss (%)	-8.2% (May 06)
% of Positive Months	68.4
Annualized Standard Deviation (%)	16.1
Sharpe Ratio	1.00
Maximum Drawdown (%)	-21.8

Country Allocation



Sector Allocation



* For further information contact Marketing at: marketing@sicobahrain.com

Securities & Investment Company BSC (c)
P.O. Box 1331, Manama, Kingdom of Bahrain
Tel: +973 1751 5000 Fax: +973 1751 4000
CR No: 33469
www.sico-bahrain.com

شركة الأوراق المالية والاستثمار ش.م.ب (م)
ص.ب: 1331، المنامة، مملكة البحرين
هاتف: +973 1751 5000 فاكس: +973 1751 4000
سجل تجاري رقم 33469

Investment Objective

The Fund seeks long-term capital appreciation by investing principally in equity securities listed on the stock markets of GCC countries.

Fund Returns (%)

	Fund	MSCI GCC Index
April 2007	2.8	2.5
Year to Date 2007	6.9	2.9
Last 3 months	6.7	7.5
Last 6 months	1.4	-8.9
Last 12 months	2.2	-25.9
2006	-13.9	-45.9
2005	56.8	na*
2004 (April - Dec)	27.0	na*
Since Inception	83.3	na*

* Benchmark was launched in June 2005

Top Holdings

Name	Country	(%)
Emaar Properties	UAE	8.0
SABIC	Saudi Arabia	7.2
United Gulf Bank	Kuwait	5.6

Fund Information

Launch Date	March 15, 2004
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	<SICO>
Bloomberg Code	KHALEQY BI
Fund Listing	Bahrain Stock Exchange
Custodian	Gulf Clearing Company

Management Team

Shakeel Sarwar
Naveed Ahmed, CFA
Serkan Altay
Faisal Jiwani
Khair Fakhro
Hasan Haider

Investment Bank **sico**