

Khaleej Equity Fund

Fact Sheet - April 30, 2010

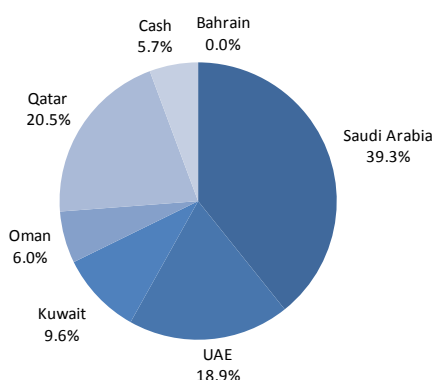
NAV US\$ 215.37 ↑ 1.8%

Manager's Commentary

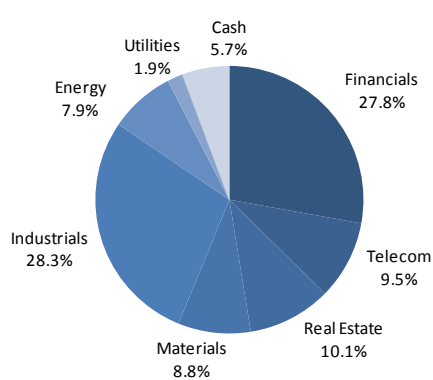
After two consecutive months of strong and steady gains, the GCC markets experienced a mixed performance during the month of April. Both Dubai and Abu Dhabi retreated after showing signs of recovery during March, and dropped 5.6% and 4.5%, respectively. Investor skepticism regarding the Dubai World restructuring plan coupled with poor first quarter earnings by some companies led to profit taking. Kuwait fell by 1.2% due to the absence of any positive triggers and profit taking in anticipation of poor earnings by the banks. On a brighter note, Saudi Arabia continued its upward movement appreciating by 1.0% - its fourth straight positive monthly return. The Saudi petrochemicals were once again in the limelight as first quarter results were better than expected. Qatar continued to see buying activity especially during the first half of the month primarily focused on the blue chip stocks. Oman and Bahrain were up 2.0% and 2.9%, respectively as the rise in the index heavyweights pushed the overall benchmark.

Khaleej Equity Fund increased by 1.8% for the month as compared to a 1.4% rise in the benchmark. The fund benefited from its allocation to Saudi petrochemical companies as share prices were up in the range of 5-10%. Selected companies from Qatar and the Saudi infrastructure theme also contributed to the positive returns. On the flip side, declines in some of the UAE stocks hampered the fund's return. During the month, we took advantage of the rise in some Qatari securities and trimmed our exposure. In addition, we switched from some Saudi holdings where we believed upside was limited to more undervalued securities. As of the end of the month, the fund had 5.7% in cash, which will be used as and when investment opportunities arise.

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	16.1
Price to Book Multiple Latest (x)	2.2
Dividend Yield 2009 (%)	3.1
Number of Holdings	38
Annualized Return (%)	13.4
Largest Monthly Gain (%)	14.8 (Mar 05)
Largest Monthly Loss (%)	-20.3 (Oct 08)
% of Positive Months	63
Maximum Drawdown- Peak to Trough (%)	47.4
Length of Drawdown (months)	9
Recovery from recent trough (%)	44.0

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 2010	1.8	1.4
YTD 2010 (Jan - Apr)	13.0	15.3
Last 3 months	14.2	16.4
Last 6 months	4.1	9.6
Last 1 year	22.5	33.4
Last 3 years	17.5	-10.3
Last 5 years	23.2	-30.1
2009	16.9	22.9
2008	-33.9	-55.8
2007	43.9	51.7
2006	-13.9	-43.6
2005	56.8	80.8
2004 (Mar - Dec)	27.0	43.3
Since Inception (Mar 04-Apr 10)	115.4	38.7

*This refers to MSCI GCC USD Total Return Gross

Launch Date	March 2004
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Weekly
Subscription Deadline	Two Business days before Dealing Day
Redemption Deadline	Two Business days before Dealing Day
Minimum Subscription	US\$100,000
Reuters Code	LP65038262
Bloomberg Code	KHALEQY BI
Zawya Code	SICOKEF.MF
Fund Listing	Bahrain Stock Exchange
Custodian/ Administrator	HSBC Middle East, Bahrain

Top Holdings

Name	Country	(%)
Saudi Basic Industries	Saudi	4.9
Industries Qatar	Qatar	4.7
National Industrialization Company	Saudi	4.1

Risk Statistics

Annualised Standard Deviation (%)	19.4
Sharpe Ratio	0.4
Information Ratio	0.5
Beta	0.6
Alpha (%)	8.1

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