

SICO Gulf Equity Fund

Fact Sheet - January 31, 2010

NAV US\$ 96.19 ↓ 3.4%

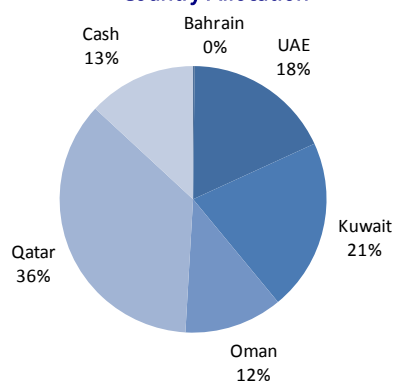
Manager's Commentary

Four of the GCC markets posted negative returns during the month as investors remained concerned over Dubai's debt woes. In addition, weak corporate earnings especially by the banking sector which was plagued with provisions against credit losses and investment impairments also added to the already weak investor sentiment. After a prolonged period of gains, international markets also witnessed profit taking amidst uncertainty over the path of the global recovery.

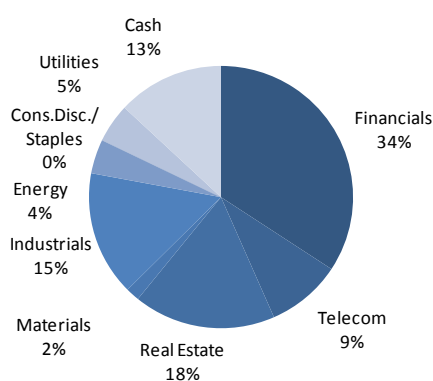
Dubai was the worst performing market and dropped 11.8% for the month. Uncertainty surrounding its debt situation along with expectations of weak fourth quarter earnings weighted on the bourse. This negative sentiment spilled over to Abu Dhabi, that declined by 4%. The Qatari market (-5.8%) dropped on low volumes as the ongoing IPO of Mazaya Qatar absorbed liquidity from the secondary market. The Kuwaiti market, as measured by the market cap weighted index, fell 2.9% as share prices of heavyweight stocks continued to decline. On the positive side, Oman and Bahrain – the relatively smaller markets – were able to buck the negative trend and posted gains of 2-3%.

SICO Gulf Equity Fund's NAV declined by 3.4% for the month as compared to a 6.0% decline in the benchmark. The fund's performance was affected by the drop in its Qatari holdings, while the benchmark was primarily affected by 11% drop in the share price of Zain. During the month, we took advantage of the lacklustre markets and invested in stocks which offer good dividend yields such as ones within the Qatari banking sector. As at the end of the month, the fund still has around 13% cash which we would continue to deploy as and when investment opportunities arise. As a number of companies are still to announce their fourth quarter numbers, especially outside Saudi Arabia, we believe the market would consolidate at around these levels.

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	9.9
Price to Book Multiple Latest (x)	1.6
Dividend Yield 2008 (%)	5.3
Number of Holdings	26
Annualized Return (%)	-1.0
Largest Monthly Gain (%)	12.6 (Apr 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)
% of Positive Months	51
Maximum Drawdown- Peak to Trough (%)	-47.8
Length of Drawdown (months)	9
Recovery from recent trough (%)	21.4

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.sicobahrain.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 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*
Jan 2010	-3.4	-6.0
Last 3 months	-14.8	-15.9
Last 6 months	-10.6	-13.1
Last 1 year	17.3	19.5
Last 3 years	3.0	-31.8
Last 5 years	n.a	n.a
2009	12.9	4.7
2008	-30.8	-52.7
2007	37.2	44.6
2006 (Mar – Dec)	-7.2	-19.6
Since Inception (Mar 06 – Jan 10)	-3.8	-45.9

*This refers to MSCI GCC Ex Saudi USD Total Return Gross

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

Top Holdings

Name	Country	(%)
Industries Qatar	Qatar	7.3
Commercial Bank of Qatar	Qatar	5.5
Doha Bank	Qatar	5.1

Risk Statistics

Annualised Standard Deviation(%)	20.9
Sharpe Ratio	-0.3
Information Ratio	1.0
Beta	0.7
Alpha (%)	6.8

* For further information contact assetmanagement@sicobahrain.com