

SICO Gulf Equity Fund

Fact Sheet - January 31, 2011

NAV US\$110.60 ↓ 0.5%

Manager's Commentary

Egypt's political turmoil was the highlight of the month, as far as regional markets are concerned. With its shockwaves spreading across the world, heightened risk aversion towards middle-eastern markets caused a sell-off in the GCC. Dubai, which was in a downtrend even before the event, lost 5.9% of its value, while Abu Dhabi fell 4.9%. Kuwaiti market also ended the month in red with its official index falling 1.4%. Oman and Bahrain had a positive start for 2011 as they gained 1.2% each and were best performing markets in January. Despite losing most of its gains made during the first two weeks, Qatari market closed the month up 0.7%.

The NAV of SICO Gulf Equity Fund declined by 0.5% for the month as compared to a 1.0% fall in the benchmark. Our underweight position in UAE and overweight position in Qatar were the primary reasons for outperformance. UAE real estate companies, to which we didn't have any exposure, witnessed sharp declines in their stock prices following Aldar's announcement of significant asset impairments. In addition, we increased fund's cash allocation to 15% towards the end of the month by booking profits in Qatar and to a lesser extent in Oman.

The political unrest in the Arab world is causing volatility and de-risking in the regional stock markets. GCC region, however, is politically and economically more stable and richer than its Arab neighbours. Therefore, medium to long term impact on GCC countries in our view may be limited. But in the short term we may continue to see volatility in the GCC stock markets. Further declines in stock prices in our view will provide a good entry point and a buying opportunity for long term investors.

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	S&P GCC Ex Saudi Index
Jan 2011	-0.5	-1.0
2010	11.6	18.4
2009	12.9	-1.1
2008	-30.8	-53.4
2007	37.2	38.2
2006 (Mar - Dec)	-7.2	-20.2
Last 3 months	5.2	2.1
Last 6 months	16.1	17.1
Last 1 year	15.0	22.6
Last 3 years	-15.8	-48.1
Last 5 years	n.a	n.a
Since Inception (Mar 06 - Jan 11)	10.6	-40.5

Fund Information

Launch Date	March 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption Deadline	Two Business days before Dealing Day
Minimum Subscription	US\$100,000
Bloomberg Code	SICGULF BI
Zawya Code	SICOGEF.MF
Fund ISIN Code	BH000A1CZ855
Custodian/ Administrator	HSBC Middle East, Bahrain

Top Holdings

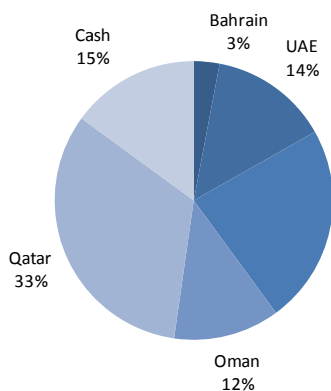
Name	Country	(%)
Mobile Telecommunications Co.	Kuwait	6.8
Qatar Electricity and Water	Qatar	6.4
National Bank of Kuwait	Kuwait	5.4

Risk Statistics

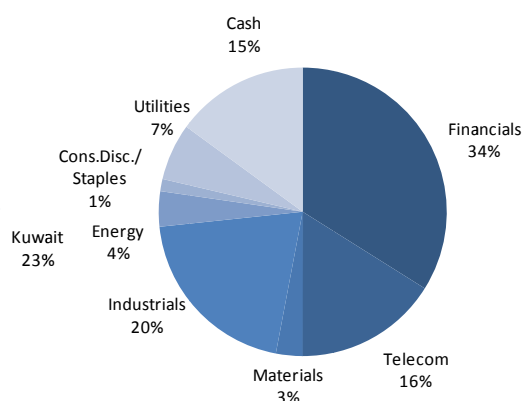
Annualised Standard Deviation (%)	20.1
Tracking Error (%)	13.0
Sharpe Ratio	NA
Information Ratio	0.9
Beta	0.7
Alpha (%)	7.9

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	13.4
Price to Book Multiple Latest (x)	2.2
Dividend Yield 2009 (%)	5.3
Number of Holdings	25
Annualized Return (%)	2.1
Largest Monthly Gain (%)	12.6 (Apr 09)
Largest Monthly Loss (%)	-14.9 (Oct 08)
% of Positive Months	56
Maximum Drawdown- Peak to Trough (%)	-47.8
Length of Drawdown (months)	9
Recovery from recent trough (%)	39.6

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