


SICO Gulf Equity Fund

Fact Sheet - January 31, 2008

NAV US\$131.36  3.1%

Manager's Commentary

In January, world stocks plunged over fears of a recession in the US. GCC markets also felt the tremors and suffered an acute drop yet, managed to recover with mixed performances at the end of the month. Kuwait posted the highest gain of 7.5%. Bahrain, Oman and Abu Dhabi increased slightly. On the other hand, Saudi plunged 13.4%, while Dubai also lost 5.3% of its value in January. Despite the volatility exhibited by the regional markets in January, we remain bullish about the regional markets' outlook and expect healthy returns in 2008 based on strong economic growth rate driven by high oil prices.

The NAV of SICO Gulf Equity Fund appreciated by 3.1%. In contrast, the MSCI GCC ex Saudi index was up by 1.9%. Our holdings in Kuwait, specifically Kuwait Projects Company (KIPCO) (+29%) and Global Investment House (+13%) contributed positively to the fund's performance. KIPCO attracted buying interest in anticipation of strong earnings, while investors also reacted positively to Global Investment's overseas expansion plans. Other positive contributors to the fund's returns were Arabtec (+20%) in the UAE and Gulf Finance House (+16%) in Bahrain. Share price of Arabtec, one of our top holdings, climbed up as the company doubled its annual profit to AED 494m.

During the month, we built positions in Doha Bank and Omantel as we believe these stocks offer good upside potential based on their valuations and future growth prospects. Further, we invested in Kuwaiti equities including KIPCO, Kuwait Asset Management and National Industries. In Bahrain and Qatar, we increased exposure in Ithmaar Bank, Qatar Islamic Bank and Qatar National Bank. At the same time, we exited National Bank of Kuwait and some select Omani equities including Bank Muscat and Oman International Bank. We also booked profits in Industries Qatar and financial stocks such as Ahli United Bank and Gulf Finance House. The net cash allocation at the end of the month stood at 8.8%. Moving forward, we intend to invest in stocks that have strong fundamentals and now offer cheap valuations due to the recent market corrections.

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
January 2008	3.1	1.9
Last 3 months	8.8	2.5
Last 6 months	19.1	11.6
Last 12 months	40.7	39.6
2007	37.2	35.4
2006 (Mar - Dec)	(7.2)	(18.8)
Since Inception (Mar'06-Jan'08)	31.4	12.0

Top Holdings

Name	Country	(%)
Emaar Properties	UAE	6.8
United Gulf Bank	Bahrain	5.7
Arabtec	UAE	5.6

Fund Information

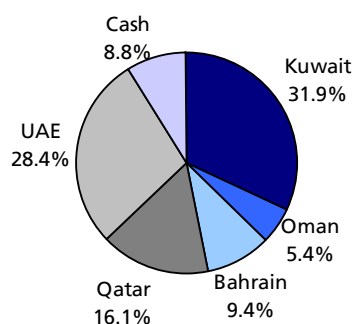
Launch Date	March, 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Five Business days before month end
Redemption Deadline	Ten Business days before month end
Minimum Subscription	US\$100,000
Reuters Code	LP65038264
Zawya Code	SICOGF.MF
Fund Listing	Bahrain Stock Exchange
Custodian	SICO Funds Services
Auditors	Price Waterhouse Coopers

Risk Statistics

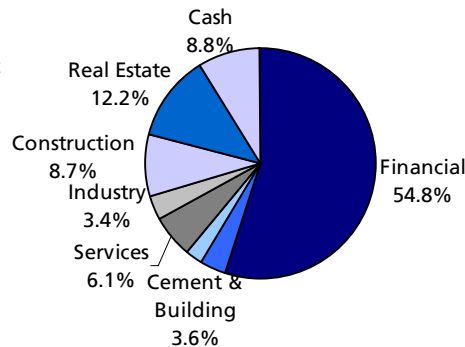
Annualised Standard Deviation	14.9
Sharpe Ratio	n/a
Information Ratio	1.21
Beta	0.74
Alpha (%)	9.49

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

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2007 (x)	12.8
Dividend Yield 2006 (%)	3.5
Number of Holdings	29
Annualized Return (%)	15.3
Largest Monthly Gain (%)	8.4 (Dec 07)
Largest Monthly Loss (%)	-9.2 (Nov 06)
% of Positive Months	65.2
Maximum Drawdown- Peak to Trough (%)	-13.3
Length of Drawdown (months)	6
Time to Recovery (months)	10

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

بنك استثماري sico
Investment Bank

This report should not be considered an offer to sell, or a solicitation to buy, shares mentioned herein. Past performance is no indication of future results. Fund historical performance does not promise the same or similar results in the future. Principal value, share prices and investment returns fluctuate with changes in market conditions. The information contained herein has been compiled from sources believe to be reliable, however Securities & Investment Company ("SICO") does not guarantee its accuracy or completeness. Opinions, forecasts and estimates constitute our judgment as of the date of this report and are subject to change without notice. This report is not a solicitation of an order to buy or sell securities or to provide investment advice or service. SICO or its affiliates may from time to time engage in long or short positions in the securities mentioned herein. SICO or its affiliates may act as principal, agent or market maker or provide other services to the issuers of securities mentioned herein. This report is provided for information purposes only and may not be copied or distributed to any other person without the prior