

SICO Gulf Equity Fund

Fact Sheet - July 31, 2008

NAV US\$149.45 ↓ 1.0%

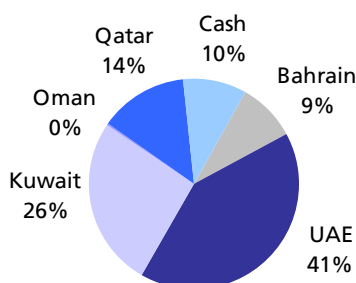
Manager's Commentary

All GCC bourses continued their negative performance that commenced in June with the exception of Abu Dhabi that was marginally up 0.5%. The common characteristic in all the markets was the drop in trading volumes during the month caused by the ongoing holiday season and weak investor sentiment prevalent in the markets. Saudi Arabia was the worst performer for the month retreating 6.5% with selling witnessed across all sectors. Oman, after dropping 2.0% in June, fell by another 5.2% during the month depressed by below than expected result announcements by selected blue chip companies. Kuwait witnessed profit taking resulting in the benchmark declining by 3.1%, while Bahrain, Qatar and Dubai lost 2.2%, 1.9% and 0.7%, respectively.

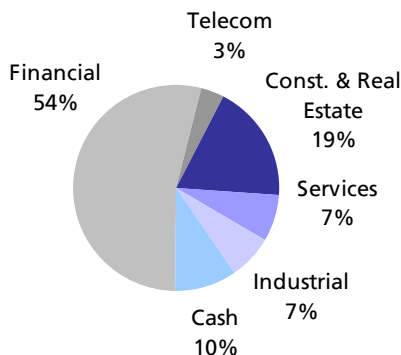
The NAV of SICO Gulf Equity Fund retreated by 1.0% during the month as compared to a 2.0% drop in the MSCI GCC ex Saudi index. On a year to date basis, the fund is up 17.4% versus a 0.5% decline of the benchmark. Arabtec and KIPCO were the fund's main positive contributors during the month. Arabtec obtained new contracts during July and announced first half earnings (PAT +191% YoY) which provided triggers for the share price to increase by 17.6%. Similarly, KIPCO bucked the market trend and appreciated by 12.9% after announcing first half profits (+36% on YoY basis). However, the declines in Qatar Telecom (-11.1%), Gulf Finance House (-5.6%) and Agility (-5.0%) resulted in the overall fund's negative performance.

On the whole, results announced so far have been encouraging although the markets have not reacted positively to them. This we believe is attributable to the holiday season coupled with weak investor sentiment. As a result of our rebalancing exercise carried out during the month, the fund's cash allocation currently stands at 9.6% which we plan to deploy by taking advantage of any further correction.

Country Allocation



Sector Allocation



Fund Statistics

| | |
|--------------------------------------|---------------|
| Price Earnings Multiple 2008 (x) | 10.4 |
| Price to Book Multiple Latest (x) | 3.0 |
| Dividend Yield 2007 (%) | 3.3 |
| Number of Holdings | 31 |
| Annualized Return (%) | 18.1 |
| Largest Monthly Gain (%) | 8.4 (Dec 07) |
| Largest Monthly Loss (%) | -9.2 (Nov 06) |
| % of Positive Months | 62 |
| Maximum Drawdown- Peak to Trough (%) | -13.3 |
| Length of Drawdown (months) | 6 |
| Time to Recovery (months) | 10 |

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 |
|-------------------|------|-------------------------|
| July 2008 | -1.0 | -2.0 |
| Year to Date 2008 | 17.4 | -0.5 |
| Last 3 months | 0.5 | -3.3 |
| Last 6 months | 13.8 | -2.3 |
| Last 12 months | 35.4 | 9.0 |
| 2007 | 37.2 | 35.4 |
| 2006 (Mar - Dec) | -7.2 | -18.8 |
| Since Inception | 49.4 | 9.4 |

Top Holdings

| Name | Country | (%) |
|------------------|---------|-----|
| Emaar Properties | UAE | 7.4 |
| Agility | Kuwait | 6.9 |
| Arabtec | UAE | 5.4 |

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 | SICOGEF.MF |
| Fund Listing | Bahrain Stock Exchange |
| Custodian/ Administrator | HSBC Middle East, Bahrain |
| Auditors | Price Waterhouse Coopers |

Risk Statistics

| | |
|-------------------------------|------|
| Annualised Standard Deviation | 14.8 |
| Sharpe Ratio | 0.97 |
| Information Ratio | 1.76 |
| Beta | 0.72 |
| Alpha (%) | 14.4 |

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بنك استثماري sico
Investment Bank

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