

SICO Gulf Equity Fund

Fact Sheet - June 2011

NAV US\$107.70 ↓ 1.3%

Manager's Commentary

Gulf bourses produced negative returns for the second consecutive month as various negative global and regional developments affected the risk appetite. Greece was in danger of defaulting on its debt, as domestic pressures mounted over austerity measures. With the global economic outlook becoming gloomy, oil prices were down more than 10% at one point. Meanwhile, MSCI decided to postpone the decision to upgrade UAE and Qatari markets to EM status till November this year. Dubai lost the most during June (-2.8%), followed by Saudi Arabia and Kuwait, which lost 2.4% and 2.2% of their value, respectively. While Qatar managed to trim most of its losses by the end of the month, Abu Dhabi was the only market to buck the negative trend (+2.5%).

Your fund's NAV declined 1.3% during the month compared to a 1.8% decrease in the benchmark. While investments in selected Abu Dhabi banking stocks helped the fund's performance, our exposure to smaller markets such as Oman and Bahrain also contributed positively. Although, the fund depreciated by 3.1% during the first half of 2011, it has significantly outperformed the benchmark, which has fallen by 8.8%. One key reason for this has been the lower overall allocation to Kuwaiti equities and stock selection within that market. The Kuwaiti market continues to trend down in absence of any catalysts and has produced negative returns in all but one month during the first half, vindicating our negative stance towards it.

Overall, investor activity should remain muted in July and August, making a broad based rally in regional markets unlikely. With second quarter's earnings starting, we expect to see stock specific movements depending on earnings surprises. We have positioned our portfolio based on this theme.

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.

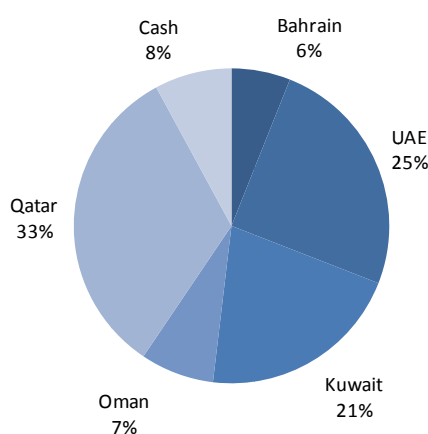
Fund Returns (%)

| | Fund | S&P GCC Ex Saudi Index |
|-----------------------------------|-------|------------------------|
| June 2011 | -1.3 | -1.8 |
| YTD 2011 (Jan - Jun) | -3.1 | -8.8 |
| 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 | -0.6 | -1.8 |
| Last 6 months | -3.1 | -8.8 |
| Last 1 year | 15.7 | 14.3 |
| Last 3 years | -28.6 | -52.6 |
| Last 5 years | 21.6 | -32.4 |
| Since Inception (Mar 06 - Jun 11) | 7.7 | -45.2 |

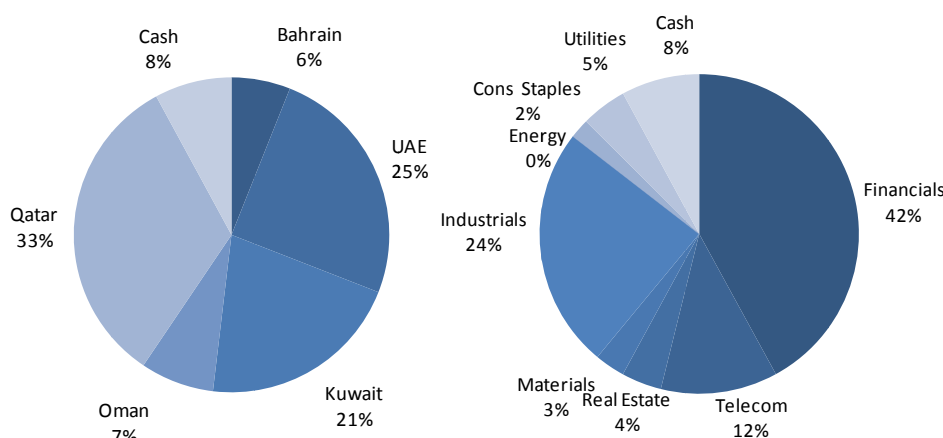
Fund Information

| | |
|------------------------------------|--------------------------------------|
| 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 | SICOGF.MF |
| Fund ISIN Code | BH000A1CZ855 |
| Custodian/ Administrator | HSBC Bahrain |

Country Allocation



Sector Allocation



Fund Statistics

| | Fund | Index |
|--------------------------------------|----------------|----------------|
| Price Earnings Multiple TTM (x) | 14.2 | 12.1 |
| Price to Book Multiple Latest (x) | 1.9 | 1.4 |
| Return on Equity TTM (%) | 15.1 | 10.8 |
| Dividend Yield 2010 (%) | 4.4 | 3.6 |
| Number of Holdings | 26 | 144 |
| Annualized Return (%) | 1.4 | -10.7 |
| Largest Monthly Gain (%) | 12.6 (Apr 09) | 15.4 (May-09) |
| Largest Monthly Loss (%) | -14.9 (Oct 08) | -24.4 (Oct-08) |
| % of Positive Months | 55 | 48 |
| Maximum Drawdown- Peak to Trough (%) | -47.8 | -67.5 |
| Length of Drawdown (months) | 9 | 12 |
| Recovery from recent trough (%) | 35.9 | 40.3 |

Top Holdings

| Name | Country | (%) |
|---------------------|---------|-----|
| Qatar National Bank | Qatar | 6.2 |
| Industries Qatar | Qatar | 5.2 |
| Bank Muscat | Oman | 4.8 |

Risk Statistics

| | |
|-----------------------------------|------|
| Annualised Standard Deviation (%) | 19.6 |
| Tracking Error (%) | 11.3 |
| Sharpe Ratio | NA |
| Information Ratio | 1.1 |
| Beta | 0.7 |
| Alpha (%) | 7.8 |

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Investment Bank

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