

SICO Gulf Equity Fund

Fact Sheet - June 30, 2007

NAV US\$108.11 ↑ 1.8%

Manager's Commentary

The GCC markets had mixed performances for June, after strong rallies last month. The Kuwaiti bourse gained the most (+5.6%), followed by Bahrain (+4.3%). Both the UAE and Saudi markets ended in negative territory after last month's gains, with the Saudi market suffering its biggest loss since January (-7.0%).

The NAV of SICO Gulf Equity Fund appreciated by 1.8% for the month, compared to the benchmark performance of 0.7%. This marks the fund's seventh consecutive month of positive returns and was the result of continued rallies in the financial sector. During the month, the fund gained from exposure to the financial sector through the likes of Global Investment House (+18%), Gulf Finance House (+16%), Oman International Bank and AUB (+11%).

GFH continued its strong run as the company prepared for its eagerly anticipated UK listing, which is expected to draw strong institutional interest from western outfits. The sale of a 30% stake in the bank's wholly owned subsidiary (Khaleeji Commercial Bank) is also expected to contribute strongly towards the bottom line in 2007.

During the month, we built a position in Qatar Islamic Bank (QIB). We feel the bank's robust growth in Islamic financing and strong profitability are key factors to gain market share. Despite having one of the highest profitability ratios in the region, QIB is trading at a discount compared to both domestic and regional peers

Fund Statistics

Price Earnings Multiple 2007 (x)	10.2
Dividend Yield 2006 (%)	3.6
Number of Holdings	33
Annualized Return (%)	6.0
Largest Monthly Gain (%)	7.4% (May 07)
Largest Monthly Loss (%)	-9.2% (Nov 06)
% of Positive Months	62.5
Annualized Standard Deviation (%)	15.3
Sharpe Ratio	Na
Maximum Drawdown (%)	0

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 Ex Saudi Index
June 2007	1.8	0.7
Year to Date 2007	16.5	22.6
Last 3 months	12.1	19.5
Last 6 months	16.5	22.6
Last 12 months	22.1	22.2
2006 (Mar - Dec)	-7.2	-18.8
Since Inception	8.1	-0.4

Top Holdings

Name	Country	(%)
Emaar Properties	UAE	10.0
Industries Qatar	Qatar	6.5
Arabtec	UAE	5.7

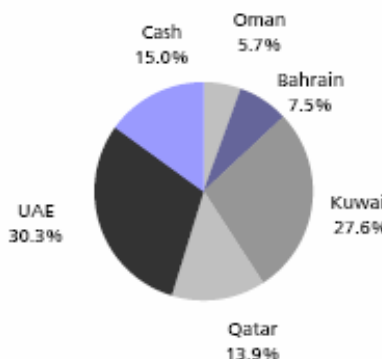
Fund Information

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	<SICO>
Fund Listing	Bahrain Stock Exchange
Custodian	SICO Funds Services
Auditors	Price Waterhouse Cooper

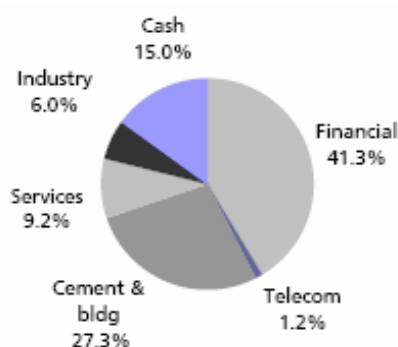
Management Team

Shakeel Sarwar
Serkan Altay
Faisal Jiwani
Khair Fakhro
Hasan Haider
Zainab Mian

Country Allocation



Sector Allocation



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

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

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