

# SICO Gulf Equity Fund

Fact Sheet - March 2011

NAV US\$108.34 ↑ 3.9%

## Manager's Commentary

Regional bourses rebounded sharply, after touching their YTD lows in early March, as investors started realizing that market fundamentals are intact and that economic/political dynamics of the GCC countries are unique and different from the rest of the MENA region. Buying interest from local institutions and incentives announced by governments were catalysts for the recovery. S&P GCC composite index increased by 15% from its low in first week of March, with Saudi Arabia, Dubai and Qatar appreciating 24%, 14% and 13% respectively during this period. However S&P ex-Saudi Index was up only 1% for the month, as Kuwait which accounts for ca.50% of the index fell 3% and weighed on its performance.

The NAV of SICO Gulf Equity Fund appreciated by 3.9% for the month compared to a 0.9% increase in its benchmark. We maintained our cash allocation at a relatively high level due to prevailing market volatility. This shielded us from declines witnessed in early March. Once the markets bottomed out we made use of the opportunity to invest in stocks that we believe would benefit from recent developments. On year to date basis the fund is down 2.5% while the benchmark has fallen 6.6%.

We believe that higher oil prices, increase in incentives for nationals and acceleration of government spending (especially on housing) would benefit GCC economies and corporations in the short to medium term. Regional petrochemical, consumer goods, construction and industrial companies stand to benefit the most. Investors are likely to assess the sharp rebound experienced in March, on the back of 1Q2011 corporate earnings announcements expected over the next two months, resulting in a consolidation phase. We expect to gradually increase our exposure to equities, based on investment themes that we have identified.

## 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
Mar 2011	3.9	0.9
YTD 2011 (Jan – Mar)	-2.5	-6.6
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	-2.5	-6.6
Last 6 months	5.8	-0.3
Last 1 year	1.3	0.7
Last 3 years	-21.4	-50.0
Last 5 years	11.3	-41.1
Since Inception (Mar 06 – Mar 11)	8.3	-43.9

## 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

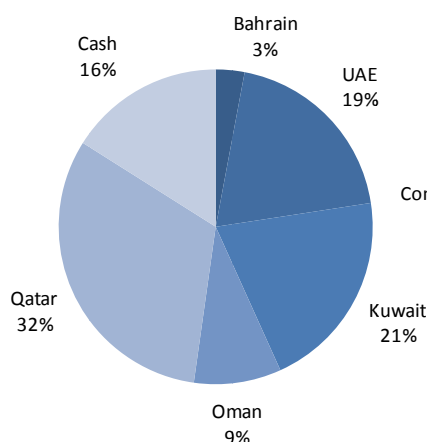
Name	Country	(%)
Qatar Electricity and Water	Qatar	6.6
Mobile Telecommunications Co.	Kuwait	5.0
Industries Qatar	Qatar	5.0

## Risk Statistics

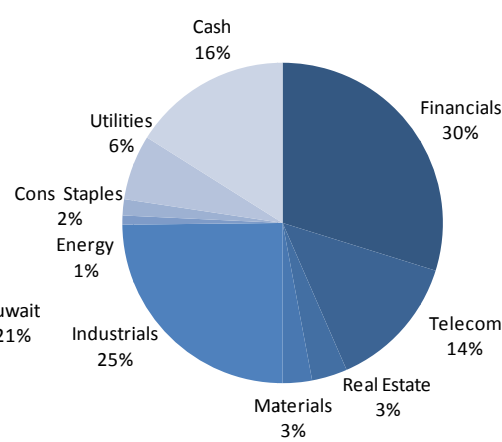
Annualised Standard Deviation (%)	20.0
Tracking Error (%)	11.5
Sharpe Ratio	NA
Information Ratio	1.1
Beta	0.7
Alpha (%)	8.0

\* For further information contact [assetmanagement@sicobahrain.com](mailto:assetmanagement@sicobahrain.com)

## Country Allocation



## Sector Allocation



## Fund Statistics

Price Earnings Multiple TTM (x)	12.7
Price to Book Multiple Latest (x)	1.8
Dividend Yield 2010 (%)	5.0
Number of Holdings	28
Annualized Return (%)	1.6
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 (%)	36.7

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](http://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