

SICO Gulf Equity Fund

Fact Sheet - November 30, 2007

NAV US\$117.48 ↓ 2.7%

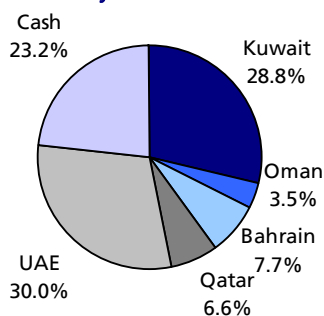
Manager's Commentary

Only three of the seven GCC markets managed to sustain their positive momentum for the month of November. The Saudi bourse posted the highest gain (+9.8%) followed by Oman (+5.3%). Dubai clambered up by 1.4%, supported by the international road show, but adversely impacted by investors seeking liquidity to subscribe to Dubai World's IPO. The rest of the GCC bourses faced a correction. The sharpest decline was witnessed in the Kuwaiti market where weakness in blue chips, combined with news of Kuwaiti companies losing their bid to Saudi Telecom for the third mobile license, drove the market down by 5.6%. In Abu Dhabi, losses in the energy and banking shares negatively impacted the market by 2.5%, while Bahrain and Qatar lost 2.0% and 0.6% respectively.

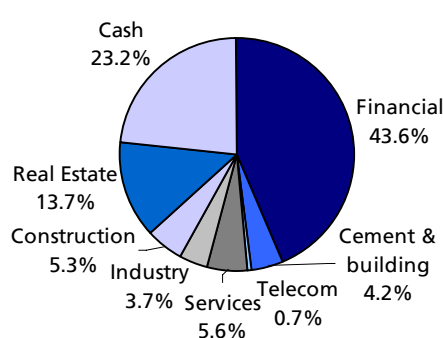
The NAV of SICO Gulf Equity Fund decreased by -2.7%. In contrast, the MSCI GCC ex Saudi index was down by -4.6%. Our fund's performance was impacted by the decline in the Kuwaiti and UAE stocks. One of our top holding, Agility, continued to face selling pressure and lost 18% for the month. The stock bore the brunt of the decline in third-quarter net profits due to higher expenses. However, the recent acquisition of a contract to support US Air Force in Kyrgyzstan has potential value of \$26m and is likely to rekindle investor confidence. In the UAE, Abu Dhabi Islamic Bank decreased by 11% as investors sought profit taking. Emaar Properties, our top holding, declined by 4%. The company shelved a \$11.2-billion project in Saudi Arabia and wrote down \$100 m in the third-quarter due to the sub prime crisis in the U.S where its John Laing Homes unit operates. However, Emaar's management has shrugged off any further sub prime concerns and does not expect any devaluation on land value in the U.S. We believe the company has strong fundamentals and growth prospects in other business units. The stock is also likely to gain in wake of the upcoming IPO in India.

During the month, we increased our exposure in financial stocks like Ithmaar Bank and National Bank of Kuwait. We also booked profits in First Gulf Bank and Tabreed. At the same time, we exited Seef Properties as we feel the stock has limited upside potential. We increased our total cash allocation in November to 23.2% from 17%, as we anticipated some correction since the markets rallied strongly in October. At present, we are in process of restructuring our portfolio to effectively deploy this cash.

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2007 (x)	11.2
Dividend Yield 2006 (%)	4.1
Number of Holdings	31
Annualized Return (%)	9.6
Largest Monthly Gain (%)	8.0 (Oct 07)
Largest Monthly Loss (%)	-9.2 (Nov 06)
% of Positive Months	61.9
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
November 2007	-2.7	-4.6
Year to Date 2007	26.6	28.5
Last 3 months	8.1	4.0
Last 6 months	10.6	5.5
Last 12 months	31.0	34.9
2006 (Mar - Dec)	-7.2	-18.8
Since Inception	17.5	4.3

Top Holdings

Name	Country	(%)
Emaar Properties	UAE	9.3
Gulf Finance House	Bahrain	5.1
Agility	Kuwait	4.9

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>
Zawya Code	SICOGEF.MF
Fund Listing	Bahrain Stock Exchange
Custodian	SICO Funds Services
Auditors	Price Waterhouse Coopers

Risk Statistics

Annualised Standard Deviation	14.5
Sharpe Ratio	n/a
Information Ratio	0.93
Beta	0.70
Alpha (%)	7.9

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بنك استثماري sico
Investment Bank

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