

SICO Gulf Equity Fund

Fact Sheet - September 30, 2009

NAV US\$ 115.99 **↑4.3%**

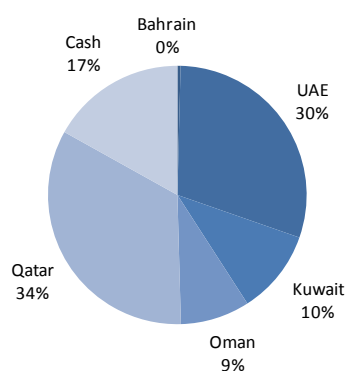
Manager's Commentary

The Gulf bourses recorded decent gains during the month as investor interest for regional equities gathered momentum. Dubai was the best performing bourse as it witnessed increased risk appetite by investors. Financial sector stocks rallied 20-30% while the index heavyweight, Emaar Properties was up 17% on the back of foreign buying. Abu Dhabi also displayed a strong performance helped by 25% increase in the real estate companies. Qatar, Oman and Bahrain were up in the range of 3-4%. Kuwait (-1.2%) was the only market that declined during the month on the back of a 14.5% drop in the share price of Zain. Its share price succumbed to selling pressure after reports that minority shareholders would be sidelined with respect to the proposed sale of its stake.

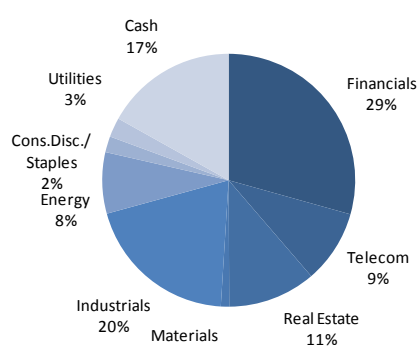
The NAV of SICO Gulf Equity Fund increased by 4.3% for the month and is up 31.5% for the year. The MSCI ex Saudi Index, on the other hand appreciated by 1.7% for the month and is up 18.6% for the year. In September, the fund outperformed the benchmark due to the absence of Zain in our portfolio. As we have repeatedly mentioned in the past, the entire Zain saga does not make any fundamental sense and would not likely benefit minority shareholders. Our belief was vindicated this month as its share price dropped by 14.5% despite an overall positive trend of the markets. The fund's exposure to key Qatari and UAE equities contributed to the fund's positive returns.

During the month we adopted a two pronged strategy whereby we moved out of stocks that we believe were trading close to their fair values and invested in stocks from where the upside is relatively higher. Although the long term prospects of the region remain positive, the short term direction would be primarily determined by third quarter earnings. Any major setback in terms of the earnings announcements can result in these markets losing some of their positive momentum.

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	9.1
Price to Book Multiple Latest (x)	1.9
Dividend Yield 2008 (%)	3.6
Number of Holdings	29
Annualized Return (%)	4.2
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
Time to Recovery (months)	n/a

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

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

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
Sep 2009	4.3	1.7
YTD 2009 (Jan-Sep)	31.5	18.6
Last 3 months	13.1	11.9
Last 6 months	37.2	46.9
Last 1 year	1.1	-32.5
Last 3 years	22.8	-28.1
Last 5 years	n/a	n/a
2008	-30.8	-54.0
2007	37.2	39.7
2006 (Mar - Dec)	-7.2	-21.3
Since Inception (Mar 06 - Sep 09)	16.0	-40.0

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

Top Holdings

Name	Country	(%)
Industries Qatar	Qatar	6.2
Qatar Islamic Bank	Qatar	5.0
Air Arabia	UAE	4.1

Risk Statistics

Annualised Standard Deviation(%)	21.3
Sharpe Ratio	-0.1
Information Ratio	1.3
Beta	0.7
Alpha (%)	11.3

* For further information contact assetmanagement@sicobahrain.com