

SICO Gulf Equity Fund

Fact Sheet - January 31, 2009



NAV US\$82.01 ↓7.0%

Manager's Commentary

Most of the GCC markets extended their slide into January as all markets except Saudi reported a decline in their monthly returns. Qatar (-23%) was the worst performer as renewed selling pressure in all sectors erased the strong gains seen in December. Local indices of Kuwait and Oman also reflected poor investor sentiment and lost 13% and 12% respectively. Meanwhile, Bahrain, Dubai and Abu Dhabi lost 6-8%.

The widely anticipated fourth quarter earnings results were disappointing and reaffirmed investor fears regarding deterioration in corporate profitability. Most companies reported a common thread of investment losses, high provisions and impact from weakness in foreign currencies. The financial sector was hit the hardest, particularly in Kuwait and Oman, where lack of swift action concerning the gov't's stimulus plan caused more panic than calm. Amidst all the negative macro news flow, Moody's gave a negative credit outlook for the UAE banks based on the property market correction and liquidity constraints.

The NAV of SICO Gulf Equity Fund declined by 7.0% in January. On the other hand, the MSCI GCC ex Saudi index fell by 15.5%. During the month, we slightly increased our exposure in telecom stocks, utilities and selected financials. However, as market conditions are still unstable we continue to hold a high cash allocation. Our strategy is to remain focused on companies with stable earnings, strong balance sheets and free cash flow generation capabilities.

The recently awarded "AA" rating by Standard & Poor's is a feather in our cap as it recognizes the high quality of standards of our investment process, risk awareness and consistency of objective. This is the first time a rating has been assigned to SICO Gulf Equity Fund.

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
January 2009	-7.0	-15.5
YTD 2009	-7.0	-15.5
Last 3 months	-16.0	-36.1
Last 6 months	-45.1	-60.6
Last 12 months	-37.6	-61.5
2008	-30.8	-53.7
2007	37.2	35.8
2006 (Mar - Dec)	-7.2	-18.8
Since Inception (Mar 06 - Jan 09)	-18.0	-56.9

Top Holdings

Name	Country	(%)
Qatar Telecom	Qatar	5.0
Qatar Electricity & Water	Qatar	3.9
Bank Muscat	Oman	3.6

Fund Information

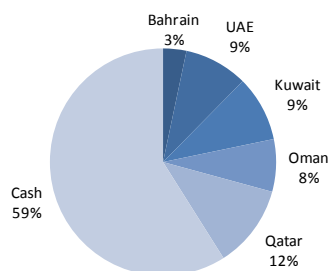
Launch Date	March, 2006
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Five Business days before month end
Redemption Deadline	Ten Business days before month end
Minimum Subscription	US\$100,000
Reuters Code	LP65038264
Zawya Code	SICOGEF.MF
Fund Listing	Bahrain Stock Exchange
Custodian/ Administrator	HSBC Middle East, Bahrain
Auditors	Price Waterhouse Coopers

Risk Statistics

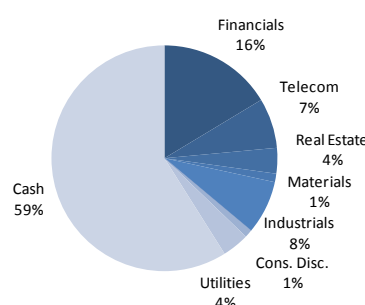
Annualised Standard Deviation(%)	20.4
Sharpe Ratio	-0.6
Information Ratio	1.7
Beta	0.7
Alpha (%)	9.7

* For further information contact assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2008 (x)	6.3
Price to Book Multiple Latest (x)	1.2
Dividend Yield 2007 (%)	6.6
Number of Holdings	24
Annualized Return (%)	-6.7
Largest Monthly Gain (%)	8.4 (Dec 07)
Largest Monthly Loss (%)	-14.9 (Oct 08)
% of Positive Months	51
Maximum Drawdown- Peak to Trough (%)	-46.0
Length of Drawdown (months)	8
Time to Recovery (months)	n/a

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بنك استثماري sico
Investment Bank

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