STANDARD &POOR'S A FUND MANAGEMENT RATING

صندوق سيكو للأوراق المالية المختارة

SICO Selected Securities Fund

Fact Sheet - December 2011

NAV BD 0.164 = 0.0%

Adjusted (for dividends) NAV BD0.198

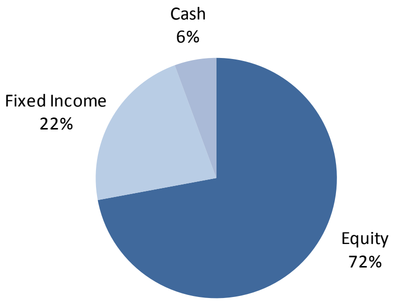
Manager's Commentary

Regional markets rebounded in December with the gains being led by Saudi Arabia (+5.1%), Oman (+5.1%) and Qatar (+2%). Kuwait, Dubai and Abu Dhabi declined in the region of 1%-2%.The Bahraini market slipped by 1.7% during the month despite a 20% gain in Aluminium Bahrain (Alba). The market was pulled down by drops in Investcorp (-30%),Ithmaar Bank (-7.14%) and Ahli United Bank (-7.1%).

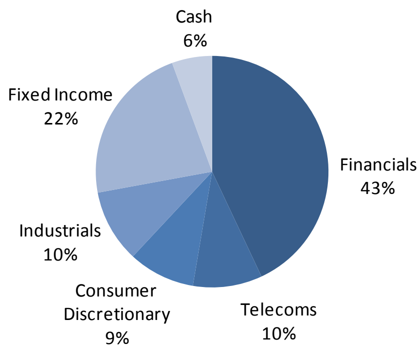
Year to date, the Bahraini market underperformed its regional peers; the S&P GCC index slid by 8% while the Bahrain Bourse decreased by 20% for the year. Apart from the falls in Alba which declined by 27% for the year, drop in share price of Islamic banks and investment companies also contributed poor performance of the Bahraini market. This was on part due to investor concerns over their exposure to regional real-estate investments. Esterad Investment Company (-46%), Ithmaar Bank(-48%) and Al Salam Bank (-37%) were among the biggest decliners in Bahrain. National Bank of Bahrain(+2%) was the only major listed equity to report gains in 2011.

The NAV of SICO Selected Securities Fund was flat for the month, whereas the Bahrain All Share Index was down by 1.7% for the month. Year to date, the fund declined by 6.8%, significantly outperforming the Bahrain All Share index which ended down by 20%. The healthy outperformance was due to our strategy to avoid investing in Islamic Banks in Bahrain and instead increasing exposure to relatively defensive companies. We remain cautious on the prospects for Bahraini equities in 2012. We anticipate European sovereign debt woes to dominate news flow in 2012 and initial indications from China suggest that its economy is slowing. Given the level of uncertainty, in the near-term, we intend to maintain the defensive composition of the portfolio.

Asset Allocation



Sector Allocation



Key Statistics

Key Statistics	Fund	Index
Price Earnings Multiple TTM (x)	8.2	9.2
Price to Book Multiple Latest (%)	1.2	0.9
Return on Equity TTM (%)	14.9	10.0
Dividend Yield - 2010 (%)	7.3	5.8
Number of Holdings	16	37
Annualized Return (%)	5.2	-0.7
Largest Monthly Gain (%)	10.7 (May 07)	11.8 (July 98)
Largest Monthly Loss (%)	-12.3 (Oct 08)	-12.2 (Nov 08)
% of Positive Months	58.3	54.0
Maximum Drawdown- Peak to Trough (%)	44.8	60.3
Length of Drawdown (months)	12	47
Recovery from recent trough (%)	1.7	N/A

For further information please contact:
assetmanagement@sicobahrain.com

Investment Objective

SICO Selected Securities Fund invests principally in equity and debt securities listed or expected to be listed on the Bahrain Stock Exchange (BSE).

Returns	Fund (%)	Index (%)
Dec 2011	0.0	-1.7
2011	-6.8	-20.1
2010	4.8	-1.8
2009	-9.9	-19.2
2008	-28.4	-34.5
2007	31.7	24.2
2006	-0.3	1.0
2005	16.9	23.8
2004	35.7	32.7
2003	29.0	28.5
2002	12.4	3.4
2001	11.8	-2.5
2000	-7.0	-18.4
1999	6.0	1.1
1998 (May – Dec)	-5.4	-1.0
Last 1 year	-6.8	-20.1
Last 3 years	-12.1	-36.6
Last 5 years	-17.0	-48.4
Last 10 years	90.2	13.7
Since Inception (May 98 – Dec 11)	98.3	-9.4

Fund Information

Launch Date	May 1998
Management Fee	1.0%
Performance Fee	20% over 10% pa
Subscription & Redemption	Weekly
Dealing Day	Thursday
Subscription & Redemption Deadline	Two Business Days before Dealing Day
Minimum Subscription	US$100,000
Reuters Code	<SSSF>
Fund ISIN Code	BH000A1CZ8U1
Custodian / Administrator	HSBC , Bahrain

Top Holdings

Name	Sector	(%)
Ahli United Bank	Financial	10.3
Batelco	Telecom	9.6
NBB	Financial	8.0

Risk Statistics

Annualised Standard Deviation (%)	14.3
Sharpe Ratio	0.1
Tracking Error (%)	7.7
Information Ratio	0.8
Alpha (%)	4.2
Beta	0.7

Securities & Investment Company BSC (c)
P.O. Box 1331, Manama, Kingdom of Bahrain
Tel: +973 1751 5000 Fax: +973 1751 4000
CR No: 33469

شركة الأوراق المالية والاستثمار ش.م.ب (م)
ص.ب: ١٣٣١، المنامة، مملكة البحرين
هاتف: ١٧٥١٥٠٠٠ ٩٧٣+ فاكس: ١٧٥١٤٠٠٠ ٩٧٣+
سجل تجاري رقم ٣٣٤٦٩

بنك استثماري Investment Bank sico