

Fact Sheet - January 31, 2008

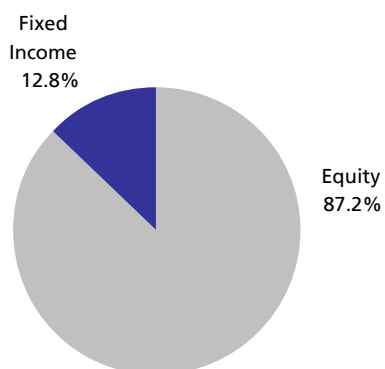
Manager's Commentary

After a solid performance in 2007, the Bahraini market starts 2008 on a positive note, up 1.7% for the month.

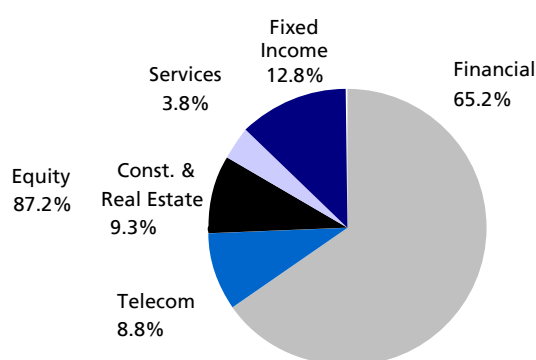
The SICO Selected Securities Fund NAV was up 1.6% in the month of January. Gulf Finance House (GFH) (+15.5%) continues to be the key contributor to the funds performance, with BMMI (+15.4%) and Ithmaar Bank (+6.9%) also contributing to the funds positive performance. Results were mixed however, with Bank of Bahrain and Kuwait (BBK) (-11.8%) and Ahli United Bank (AUB) limiting our performance (-4.3%). Market sentiment seems to be with GFH as they released their annual results showing profit growth of +62% for 2007. GFH is trading at a PE of 8.1x full year 2007 earnings even after the recent run up in its price. The board also met and finalized the distribution of an 85% cash dividend and 10% bonus share issue. Even at these levels the dividend yield of GFH stood at an impressive 7.3%. GFH is a rare case of a high growth company trading at very attractive valuation measures. GFH continues to announce a slew of new projects, including a new Energy City in Libya, which shows sustainability of the business model and profit growth continuing into the near future.

With an abundance of great value companies with high profit growth expectations, the Bahraini market is a treasure in the gulf. Good visibility in earnings announcements over the coming months will lead to a flurry of activity, with the crescendo happening when dividends are announced, the key strength of the Bahraini market. We fully expect the Bahraini Bourse to continue this steady performance for 2008, with our view being that it offers the best value to be found anywhere.

Asset Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2007 (x)	11.6
Dividend Yield 2006 (%)	3.7
Number of Holdings	18
Annualized Return (%)	12.7
Largest Monthly Gain (%)	10.7
Largest Monthly Loss (%)	-5.3
% of Positive Months	65.5
Maximum Drawdown- Peak to Trough (%)	10.4
Length of Drawdown (months)	15
Time to Recovery (months)	10

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 (%)	Bahrain Index (%)
January 2008	1.6	1.7
YTD 2008 (Jan 08)	1.6	1.7
Last 3 months	8.8	5.8
Last 6 months	13.2	9.0
Last 12 months	37.1	30.2
2007	31.4	24.2
2006	-0.5	1.0
2005	16.8	23.8
2004	35.5	32.7
2003	28.8	28.5
2002	12.3	3.4
2001	11.8	-2.5
Since Inception	216.9	121.9

Fund Inception was in May 1998

Fund Information

Launch Date	May 27, 1998
Management Fee	1.0%
Performance Fee	20% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Two Business days before month end
Redemption Deadline	Ten Business days before month end
Minimum Subscription	1,000 units
Reuters Code	<SSSF>
Fund Listing	Bahrain Stock Exchange
Custodian	Gulf Clearing Company

Top Holdings

Name	Sector	(%)
Ahli United Bank	Financial	14.1
Gulf Finance House	Financial	12.8
Batelco	Telecom	8.8

Risk Statistics

Annualised Standard Deviation	9.5
Sharpe Ratio	0.81
Information Ratio	0.50
Beta	0.57
Alpha (%)	5.6

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