

# صندوق سيكو للأوراق المالية المختارة SICO Selected Securities Fund

Fact Sheet - July 31, 2007

NAV BD0.241 ↑ 5.0%

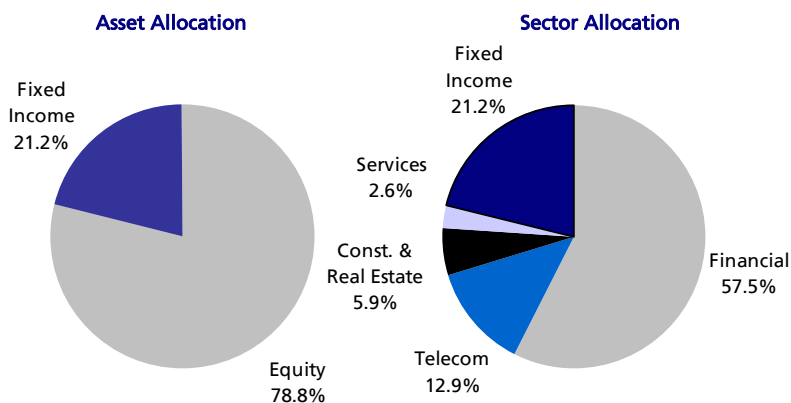
## Manager's Commentary

Bahrain continues from strength to strength, recording phenomenal returns in the month of July. The exchange is the second best performing in the GCC this month, up 6.7%, and up 15.9% for the year.

The SICO Selected Securities Fund NAV rose 5.1% for the month. Ahli United Bank (AUB) continues to be one of our best performing stocks, up 14.6% this month. Currently a deal is being finalized with International Bank of Qatar (IBQ) to purchase AUB for \$2.25 per share, 55% in cash and 45% in a share swap. In this regard AUB was suspended from trading for the majority of this month, and traded +15% on the first day trading was allowed. As the specific details of the deal come in we will be evaluating our position in AUB.

Interest this month turned to undervalued but relatively illiquid stocks such as Arab Banking Corporation (+14.9%), as the demand strengthened but sellers were nowhere to be found. The same story held true for Bahrain Islamic Bank (+12.2%). On the other hand, Seef Properties started trading this month after a successful IPO, closing up 12.0% for the month with strong volumes on both sides. After a lull in performance in recent months, Batelco closed up 8.7% for the month, as buyers started to get impatient with the lack of sellers and drove the price back up to the BD1.000 level.

Bahrain has awakened the region's interest with hidden treasures. The valuations in Bahrain continue to be extremely attractive in light of the recovery in the GCC. Bahrain's steady and sustainable profit growth has far outpaced the price growth we have experienced in the past few years. The 2<sup>nd</sup> Quarter earnings announcements have revealed that Bahrain continues to be the pearl of the gulf in terms of fundamental valuations.



## Fund Statistics

Price Earnings Multiple 2007 (x)	9.2
Dividend Yield 2006 (%)	4.6
Number of Holdings	21
Annualized Return (%)	11.4
Largest Monthly Gain (%)	10.7
Largest Monthly Loss (%)	-5.3
% of Positive Months	64.2
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 (%)
July 2007	5.0	6.7
Year to Date 2007	17.9	15.9
Last 3 months	19.8	22.0
Last 6 months	21.1	19.4
Last 12 months	26.0	24.9
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	179.9	103.6

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	17.9
Gulf Finance House	Financial	12.3
Batelco	Telecom	12.1

## Risk Statistics

Annualised Standard Deviation	9.5
Sharpe Ratio	0.67
Information Ratio	0.46
Beta	0.56
Alpha (%)	7.4

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