

# صندوق سيكو للأوراق المالية المختارة SICO Selected Securities Fund

Fact Sheet - November 30, 2007

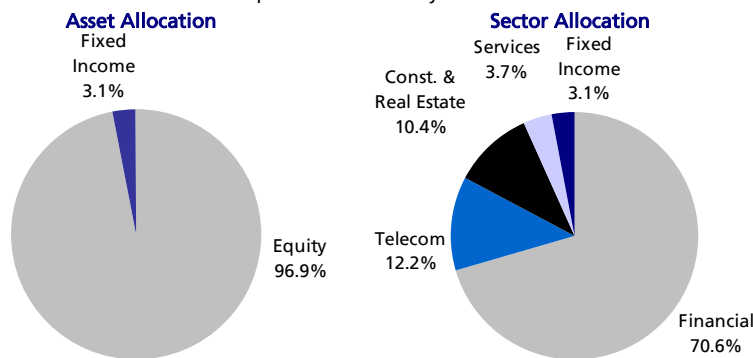
NAV BD0.252 ↑ 0.6%

## Manager's Commentary

After 2 consecutive months of positive performance the Bahrain Stock Exchange saw profit taking and closed down 2.0% for the month of November. Despite this negative sentiment however there were some stocks that continued their positive momentum. The market continues to be up 17.1% year to date.

The SICO Selected Securities Fund's NAV increased by 0.6% for the month of November, thanks to the positive contribution of a few of our key stocks. Ithmaar Bank (+22.3%) contributed the most to our positive performance, followed by Gulf Finance House (GFH) (+5.7%) and Arab Banking Corporation (ABC) (+10.2%). The fund suffered due to its holdings in Bank of Bahrain and Kuwait (BBK) (-13.9%) and Ahli United Bank (AUB) (-6.9%), as did the market. Ithmaar Bank, essentially a banking conglomerate of various Islamic banks, announced an increase of 30% in profit excluding extraordinary items for the nine month period till September 2007. Further good news came with the announcement of Ithmaar's acquisition of Shamil Bank's remaining outstanding shares, and a 20% bonus share issue. These announcements were all taken as positive signs in the further development of Ithmaar's business model by the market. Ithmaar continues to trade at very attractive valuations for a growth stock, a 2007 P/E of 7.3x and PBV of 1.0x. BBK, one of the leading commercial banks in Bahrain, was down on rumor and speculation this month, as the market panicked over potential repercussions of the sub-prime crisis on the region's banking sector. BBK had already taken significant impairment charges and reductions in equity due to the crisis in their nine month earnings, and still managed to announce an increase in profit for the period.

Although the Bahraini Bourse is up 17.1% for the year, the market has underperformed its regional peers. The valuations are now by far the cheapest in the region, and we believe this offers a strong case of divergence that will be reversed with the market outperformance next year.



## Fund Statistics

|                                      |      |
|--------------------------------------|------|
| Price Earnings Multiple 2007 (x)     | 10.0 |
| Dividend Yield 2006 (%)              | 4.5  |
| Number of Holdings                   | 18   |
| Annualized Return (%)                | 12.0 |
| Largest Monthly Gain (%)             | 10.7 |
| Largest Monthly Loss (%)             | -5.3 |
| % of Positive Months                 | 64.9 |
| Maximum Drawdown- Peak to Trough (%) | 10.4 |
| Length of Drawdown (months)          | 15   |
| Time to Recovery (months)            | 10   |

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## 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 (%) |
|-------------------|----------|-------------------|
| November 2007     | 0.6      | -2.0              |
| Year to Date 2007 | 23.4     | 17.1              |
| Last 3 months     | 5.3      | 2.7               |
| Last 6 months     | 13.3     | 12.3              |
| Last 12 months    | 26.5     | 19.1              |
| 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   | 193.1    | 105.6             |

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 | 14.9 |
| Gulf Finance House | Financial | 13.8 |
| Batelco            | Telecom   | 12.2 |

## Risk Statistics

|                               |      |
|-------------------------------|------|
| Annualised Standard Deviation | 9.4  |
| Sharpe Ratio                  | 0.74 |
| Information Ratio             | 0.50 |
| Beta                          | 0.56 |
| Alpha (%)                     | 7.6  |

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