

صندوق سيكو للأوراق المالية المختارة SICO Selected Securities Fund

Fact Sheet - October 31, 2007

NAV BD0.250 ↑ 3.5%

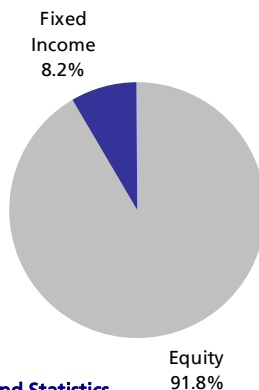
Manager's Commentary

The Bahraini bourse continued to do well in October, up 4.1% for the month. This month saw the reemergence of many of the players in the market, notably ABC, GFH and Al Khaleej Development. The market is up 19.4% year to date.

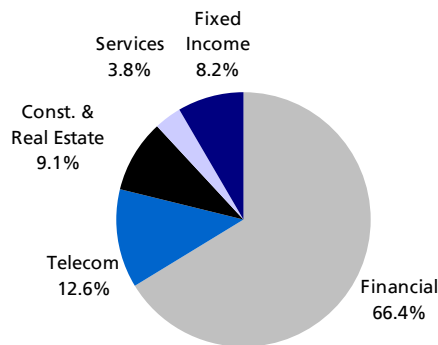
SICO Selected Securities Fund's NAV increased by 3.5% as several of the often neglected stocks in the market came to the forefront. The main contributors to the funds performance were Gulf Finance House (GFH) (+15.2%) and Al Khaleej Development (+20.2%) on announcement of their 3rd Quarter results. GFH's earnings jumped by 49% compared to the 3rd Quarter 2006. GFH is an Islamic Investment bank, one of the first in the region, with a strong team and future global prospects. The recent announcement of the \$630m fund for the infrastructure development of Energy City India, the largest fund raising exercise in the company's history, came as a real boon to the stock. Furthermore GFH is a stock with a history of high earnings growth trading at a multiple of 6.5x on 2007 earnings. Al Khaleej Development (+20.2%) recorded impressive growth this quarter, with net profits 89% higher than the first nine months of 2006. The company is involved in several landmark real-estate mega projects in Bahrain, including Adhari Park, and the Bahrain Investment Wharf. Al Khaleej Development has also announced a steady flow of new projects in Bahrain, as well as significant gains from the exit of several of their existing deals.

The majority of stocks in the Bahraini market reported positive earnings growth figures, but as has been seen in the past the Bahraini market tends to lag corporate earnings growth. We expect a lot of interest to be generated in the next few months as people take notice of these results. We believe Bahrain's stock exchange continues to provide the best value in the region, trading at 10.7x 2007 earnings compared to 15x-17x valuations seen in the other markets.

Asset Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2007 (x)	9.9
Dividend Yield 2006 (%)	4.5
Number of Holdings	17
Annualized Return (%)	12.0
Largest Monthly Gain (%)	10.7
Largest Monthly Loss (%)	-5.3
% of Positive Months	64.6
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 (%)
October 2007	3.5	4.1
Year to Date 2007	22.6	19.4
Last 3 months	4.0	3.1
Last 6 months	24.6	25.7
Last 12 months	20.7	18.7
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	191.2	109.8

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	14.6
Gulf Finance House	Financial	13.1
Batelco	Telecom	12.6

Risk Statistics

Annualised Standard Deviation	9.4
Sharpe Ratio	0.74
Information Ratio	0.47
Beta	0.56
Alpha (%)	7.4

For further information please contact:
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بنك استثماري sico
Investment Bank