

صندوق سيكو للأوراق المالية المختارة SICO Selected Securities Fund

Fact Sheet - September 30, 2007

NAV BD0.242 ↑ 1.1%

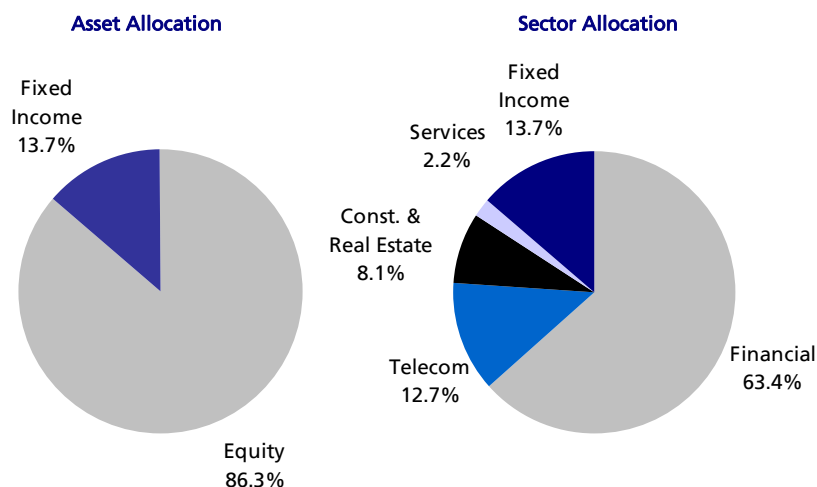
Manager's Commentary

Bahrain's stock market recovered in September, gaining 0.6% with the majority of stocks recording positive performance, and overshadowing the AUB led correction of August. The market is up 14.7% for the year.

SICO Selected Securities Fund's NAV increased by 1.1%, mainly due to Bahrain Islamic Bank (BISB) with investors taking the rights issue positively and rewarding the share. BISB plans to use the rights issue to fund its expansion into the rest of the GCC.

We continued to build our position in Arab Insurance Group (ARIG). ARIG is by far the cheapest Insurance and Reinsurance provider in the GCC, trading at a 2007 P/E of just 5.6 times, and below book value with a PBV of 0.7. ARIG is a true turnaround story, recovering from years of losses. We also strengthened our position in Ithmaar Bank. This is due to the strong earnings growth reported so far this year as well as our conviction in the business model. Ithmaar Bank essentially acts as a holding company for other banks, including Shamil Bank in Bahrain and Faysal Bank in Pakistan. In this regards, it trades at a PBV of 1.0, and a 2007 PE of 12.9.

The index reflected the true mood of the market this month after being overshadowed by AUBs negative performance in August. We continue to believe in the exceptional value that the Bahrain market holds and that this will soon be reflected in the prices.



Fund Statistics

Price Earnings Multiple 2007 (x)	9.3
Dividend Yield 2006 (%)	4.6
Number of Holdings	17
Annualized Return (%)	11.7
Largest Monthly Gain (%)	10.7
Largest Monthly Loss (%)	-5.3
% of Positive Months	64.0
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 (%)
September 2007	1.1	0.6
Year to Date 2007	18.5	14.7
Last 3 months	5.5	5.6
Last 6 months	20.1	17.8
Last 12 months	17.4	13.9
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	181.4	101.5

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	15.7
Batelco	Telecom	12.7
Gulf Finance House	Financial	12.0

Risk Statistics

Annualised Standard Deviation	9.4
Sharpe Ratio	0.71
Information Ratio	0.48
Beta	0.56
Alpha (%)	7.4

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