

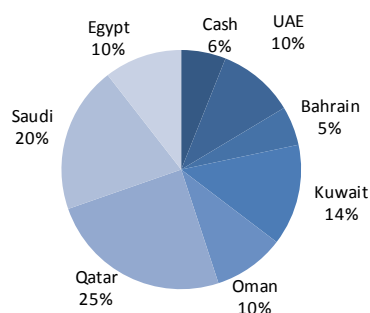
### Manager's Commentary

Arabian markets posted significant gains during the month of March on the back of the Dubai World's announcement on the restructuring of its loans. Dubai increased by 15.7% led by the blue chips such as DP World (37%), Emaar (34%) and DFM (31%). Abu Dhabi also benefited from the positive momentum in Dubai increasing by 7.6% during the month. Aldar (29%), Abu Dhabi Commercial Bank (26%) and Sorouh (23%) were the biggest gainers in Abu Dhabi. Qatar posted a gain of 8.6% aided by strong performance of financials. Saudi Arabia, Egypt and Kuwait increase by 5.6%, 2.6% and 2.1% respectively while Oman was flat for the month.

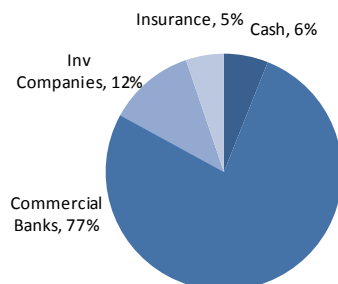
ENBD and Abu Dhabi Commercial Bank were the biggest beneficiaries from proposed restructuring of the Dubai World's loans; ENBD was up 27% while Abu Dhabi Commercial Bank was up 26%. In Saudi Arabia, investors bought in to Al Rajhi Bank in anticipation of increase in 2010 earnings, the stock was up 13% during the month. Ahli United Bank (AUB) is one of the best performing financial YTD (+58% YTD). This rally was fuelled by speculation that an investor is keen to purchase a significant stake in the bank. In first week of April, Tamdeen Investment Co (AUB's largest non-government shareholder) disclosed that a GCC based institution has formally expressed its willingness to purchase 25% stake in AUB.

The NAV of SICO Arab Financial Fund (SAFF) was up 6.2% for the month and up 13.4% for the year. On the other hand, S&P GCC Financial Index was up by 5.5% for the month and up 9.7% for the year. Your fund benefited from its significant exposure to financials in Qatar and selected financials based in Saudi Arabia. Our cash allocation by the end of the month was approximately 6%. Given our positive outlook for regional financials in 2010, we intend to continue to maintain a low cash balance going forward.

### Country Allocation



### Sector Allocation



### Fund Statistics

Price Earnings Multiple TTM (x)	13.1
Price to Book Multiple(x)	1.7
Dividend Yield 2009 (%)	2.8
Number of Holdings	31
Annualized Return (%)	3.7
Largest Monthly Gain (%)	10.0(Apr-08)
Largest Monthly Loss (%)	-16.4(Oct-08)
% of Positive Months	56
Maximum Drawdown- Peak to Trough (%)	46
Length of Drawdown (months)	9
Recovery from recent trough (%)	48

Securities & Investment Company BSC (c)  
P.O. Box 1331, Manama, Kingdom of Bahrain  
Tel: +973 1751 5000 Fax: +973 1751 4000  
CR No: 33469  
www.sicobahrain.com

شركة الأوراق المالية والاستثمار ش.م.ب (م)  
ص.ب: 1331، المنامة، مملكة البحرين  
هاتف: +973 1751 5000 فاكس: +973 1751 4000  
سجل تجاري رقم 33469

For further information please contact:  
[assetmanagement@sicobahrain.com](mailto:assetmanagement@sicobahrain.com)

### Investment Objective

The fund seeks long-term capital appreciation by investing primarily in financial sector equities listed in Kuwait, Oman, Qatar, Bahrain, the United Arab Emirates, Saudi Arabia, Egypt, Tunisia, Jordan, Morocco and Lebanon.

### Fund Returns (%)

	Fund	S&P GCC Financial
March 2010	6.2	5.5
YTD 2010 (Jan - March)	13.4	9.7
Last 3 months	13.4	9.7
Last 6 months	3.1	-1.8
Last 1 year	36.8	27.6
Last 3 years	n/a	n/a
Last 5 years	n/a	n/a
2009	14.8	3.4
2008	-29.9	-53.4
2007 (Aug'07-Dec 07)	20.7	31.5
Since Inception (Aug 07- March10)	10.1	-30.6

### Fund Information

Launch Date	August, 2007
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Five Business days before month end
Redemption Deadline	Ten Business days before month end
Minimum Subscription	US\$100,000
Reuters Code	LP65077627
Zawya Code	SICOAFF.MF
Fund Listing	Bahrain Stock Exchange
Custodian/ Administration	HSBC Middle East

### Top Holdings

Name	Country	(%)
Qatar National Bank	Qatar	5.4
Commercial Bank of Qatar	Qatar	5.2
Doha Bank	Qatar	4.8

### Risk Statistics

Annualised Standard Deviation %	21.3
Sharpe Ratio	na
Information Ratio	1.3
Beta	0.7
Alpha (%)	10.4