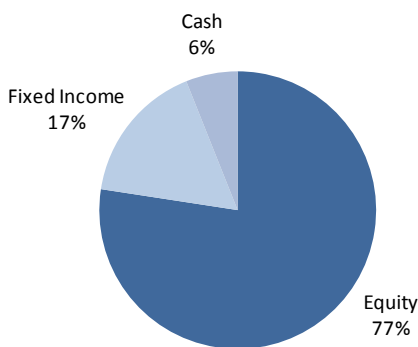
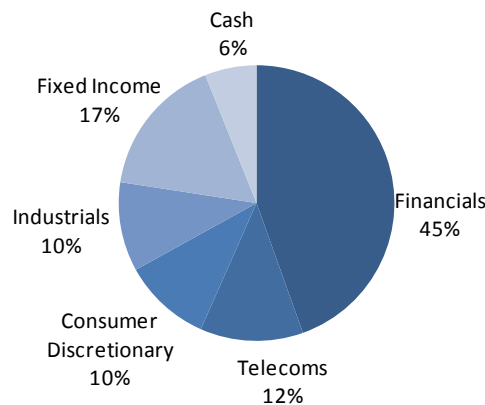


Manager's Commentary

The regional markets, as measured by the S&P GCC index increased by 3% in April as high oil prices boosted investor sentiment. However, Bahrain was unable to follow this positive trend and the market declined by 1.4% during the month. This was the third consecutive monthly decline for the market as investors continued to remain on the sidelines primarily due to scepticism over first quarter earnings. In April, market activity increased compared to the previous month which was an encouraging sign.

In April, NASS, BMMI and AUB topped the gainers and increased by 19.9%, 10.8% and 4.2% respectively. The share price of NASS appreciated after its recent plunge that brought it to attractive valuations, whilst BMMI and AUB increased on improved first quarter earnings compared to last year. On the other hand, Arab Insurance Group, Ithmaar Bank and Al Salam Bank topped the losers list declining 15.8%, 13.0% and 10.1%, respectively.

The NAV of SICO Selected securities Fund declined by 1.1% for the month and outperformed the benchmark for the third consecutive month. On a year to date basis, the fund is up 0.6% compared to a decline of 1.9% in the benchmark. This outperformance is primarily due to our conservative asset allocation strategy with 17% of the fund invested in fixed income instruments and, given that the earnings season is near completion, we expect the Bahraini market to consolidate at these levels. The portfolio dividend's yield is around 7%, which offers an attractive investment avenue for long term investors.

Asset Allocation**Sector Allocation****Fund Statistics**

Price Earnings Multiple TTM (x)	9.6
Dividend Yield 2010 (%)	6.9
Price to Book Multiple Latest (%)	1.3
Number of Holdings	18
Annualized Return (%)	6.1
Largest Monthly Gain (%)	10.7 (May 07)
Largest Monthly Loss (%)	-12.3 (Oct 08)
% of Positive Months	60.6
Maximum Drawdown- Peak to Trough (%)	43.8
Length of Drawdown (months)	7
Recovery from recent trough (%)	9.8

For further information please contact:

assetmanagement@sicobahrain.com

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

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

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 (%)	Index (%)
April 2011	-1.1	-1.4
YTD 2011 (Jan – April)	0.6	-1.9
2010	4.8	-1.8
2009	-9.9	-19.2
2008	-28.4	-34.5
2007	31.7	24.2
2006	-0.3	1.0
2005	16.9	23.8
2004	35.7	32.7
2003	29.0	28.5
2002	12.4	3.4
2001	11.8	-2.5
2000	-7.0	-18.4
1999	6.0	1.1
1998 (May – Dec)	-5.4	-1.0
Last 1 year	-5.3	-11.7
Last 3 years	-36.6	-50.6
Last 5 years	-8.3	-33.4
Last 10 years	121.9	43.6
Since Inception (May 98 – Apr 11)	114.0	11.3

Fund Information

Launch Date	May 1998
Management Fee	1.0%
Performance Fee	20% over 10% pa
Subscription & Redemption	Weekly
Dealing Day	Thursday
Subscription & Redemption Deadline	Two Business Days before Dealing Day
Minimum Subscription	US\$100,000
Reuters Code	<SSSF>
Fund ISIN Code	BH000A1CZ8U1
Custodian / Administrator	HSBC, Bahrain

Top Holdings

Name	Sector	(%)
Batelco	Telecom	12.1
Ahli United Bank	Financial	11.3
NBB	Financial	7.6

Risk Statistics

Annualised Standard Deviation (%)	11.8
Tracking Error (%)	7.8
Sharpe Ratio	0.1
Information Ratio	0.7
Beta	0.7
Alpha (%)	4.0