

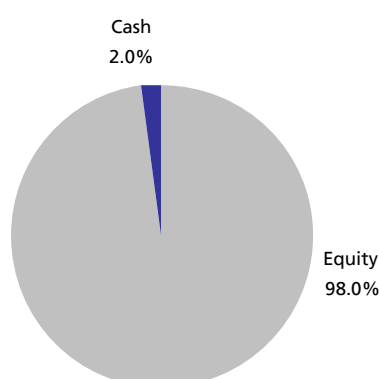
Manager's Commentary

The Bahraini bourse increased by 1.9% in April on the back of gains in most of the large cap blue chips taking its year to date gains to 3.1%. Note that the MSCI GCC index, a proxy for the performance of the GCC markets is down 4.9% for the year.

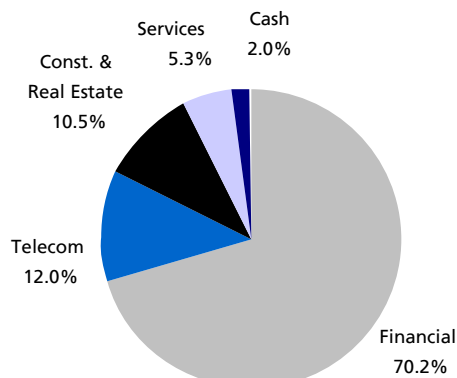
On the other hand, your fund's NAV increased by 0.1% for the month. The fund was adversely affected by a correction in March's top performers - Ithmaar Bank (-13.2%) and Salam Bank (-7.4%). Surprisingly both stocks declined after their successful cross listings in Kuwait and Dubai respectively. However one of your top holdings, Gulf Finance House (GFH) strongly rebounded and increased by over 12% recovering almost all the losses it experienced during March. GFH continues to trade at a significant discount to its peer group, at around 7x forward P/E and 1.7x P/B despite its high earnings growth potential.

As most of the first quarter results have already been announced – corporate earnings growth visibility for 2008 has substantially improved. We expect investors to take note of the hidden value in Bahraini equities. The Bahraini exchange continues to offer the best value in the region, trading at a forward P/E of around 10x compared to forward P/Es of around 15x-18x for most of its other GCC peers. Attractive valuations coupled with above average earnings growth potential should help Bahraini equities in outperforming their regional peers.

Asset Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2008 (x)	11.2
Dividend Yield 2007 (%)	4.9
Number of Holdings	17
Annualized Return (%)	13.0
Largest Monthly Gain (%)	10.7 (May 07)
Largest Monthly Loss (%)	-5.3 (Sept 01)
% of Positive Months	65.5
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 (%)
April 2008	0.1	1.9
YTD 2008 (Jan – Apr 08)	7.3	3.1
Last 3 months	5.6	1.4
Last 6 months	14.9	7.3
Last 12 months	43.1	34.9
2007	31.4	24.2
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	234.6	125.1

Fund Inception was in May 1998

Fund Information

Launch Date	May 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 / Administrator	Gulf Clearing Company

Top Holdings

Name	Sector	(%)
Ahli United Bank	Financial	14.3
Gulf Finance House	Financial	12.2
Batelco	Telecom	12.0

Risk Statistics

Annualised Standard Deviation	9.9
Sharpe Ratio	0.80
Information Ratio	0.53
Beta	0.58
Alpha (%)	5.9

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