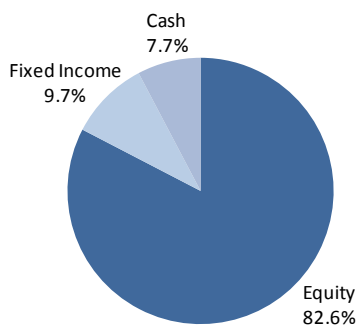
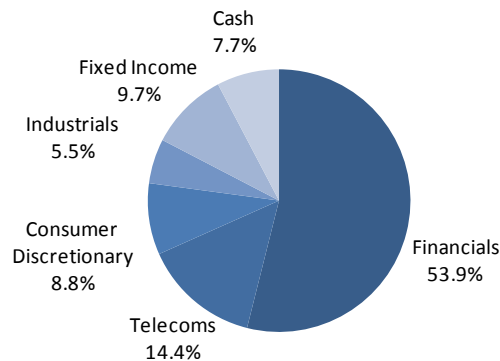


**Manager's Commentary**

The GCC markets ended the month on a mixed note with four out of the seven ending the month in the green. Bahrain was the best performing market, gaining 2.9%, followed by Oman, Qatar and Saudi as they continued their buoyant performances and increased by 1.0% to 2.0%. Kuwait reversed its upward trend and lost 1.2% after recording a positive performance in February and March. Investors seemed to be booking profits in anticipation of weaker than expected 1Q results of the financial sector while the Agility saga also weighed on the market performance. The last month's gains of Dubai and Abu Dhabi got eroded as they lost 5.6% and 4.5%, respectively. Worries over Dubai World restructuring plan resurfaced during the month to batter the market sentiment.

The movement in Bahrain All Share Index has been positive throughout 2010 with April adding the biggest monthly gain so far this year to take the index up a further 2.9% to 1,591.94 points. Once again AUB stole the limelight after rising 18.4% as intense buying pushed the bank to top the monthly gainers list. The heavyweight bank has been profoundly rising since March after Tamdeen Investment Co (AUB's largest non-government shareholder) disclosed that a regional entity formally expressed its willingness to purchase a 25% stake in AUB for USD 1.35 billion. On the other hand, GFH and Ininvest eroded some of the broader market gains for the month and lost 19.2% and 10.5%, respectively.

SICO Selected Securities Fund was up 2.7% for the month and 11.3% year to date. The fund benefited from its high exposure in AUB and not having any exposure in the GFH and Ininvest.

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

Price Earnings Multiple TTM (x)	11.4
Dividend Yield 2009 (%)	4.4
Price to Book Multiple Latest (%)	1.2
Number of Holdings	17
Annualized Return (%)	7.1
Largest Monthly Gain (%)	10.7 (May 07)
Largest Monthly Loss (%)	-12.3 (Oct 08)
% of Positive Months	62.2
Maximum Drawdown- Peak to Trough (%)	43.8
Length of Drawdown (months)	7
Recovery from recent trough (%)	9.2

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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 (%)	Index (%)
April 2010	2.7	2.9
YTD 2010 (Jan – Apr)	11.3	9.2
Last 3 months	11.3	7.7
Last 6 months	9.4	4.3
Last 1 year	11.9	-0.3
Last 3 years	-3.9	-24.4
Last 5 years	-9.1	-27.9
Last 10 years	131.0	40.0
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
Since Inception (May 98 – Apr 10)	126.1	26.1

**Fund Information**

Launch Date	May 1998
Management Fee	1.0%
Performance Fee	20% over 10% pa
Subscription & Redemption	Monthly
Subscription Deadline	Two Business days
Redemption Deadline	Ten Business days
Minimum Subscription	1,000 units
Reuters Code	<SSSF>
Fund Listing	Bahrain Stock Exchange

**Top Holdings**

Name	Sector	(%)
Batelco	Telecom	14.4
Ahli United Bank	Financial	14.3
NBB	Financial	6.7

**Risk Statistics**

Annualised Standard Deviation (%)	12.0
Sharpe Ratio	0.2
Information Ratio	0.6
Beta	0.7
Alpha (%)	4.2