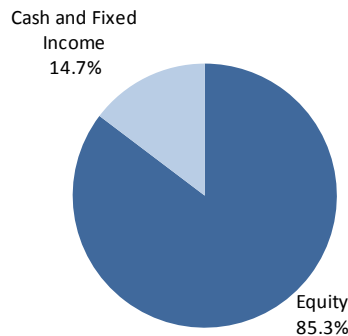
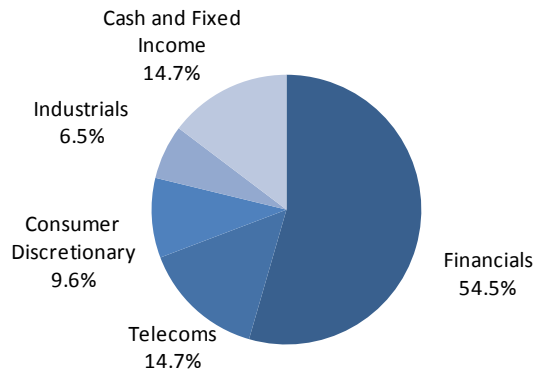


Manager's Commentary

All GCC markets ended the month of February in the positive territory. Kuwait was the best performing market gaining 13.5% followed by Qatar and Saudi with gains of 4.8% and 3.0%, respectively. The trend was also visible in Bahrain, Abu Dhabi and Oman where the returns were in the range of 2-3%. Dubai ended the month with a marginal gain of 0.2% as uncertainty regarding state-owned Dubai World's restructuring plans continued to hinder the market's overall performance.

The Bahrain All Share Index continued its positive streak for the third consecutive month rising 2.7% to close at 1518.06 points, the highest since October 2009. The gains can be attributed to the positive sentiments in the market on the back of selected buying coupled with the Central Bank of Bahrain proposal regarding the new regulations to tighten banks' credit and asset exposures. Arab Insurance Group ended as the month's top gainer, advancing 20.4% mainly due to the arbitrage opportunity compared to its Kuwaiti listing, while Bahrain & Kuwait Insurance Co. and Al Baraka Banking group gained 20% and 16%, respectively.

At the end of the month SICO Selected Securities Fund surged 4.8% and outperformed the benchmark. The fund benefited from not having any exposure to Gulf Finance House which was the top loser in February. Its share price fell 10% after posting losses of BHD 275 million and is currently facing new challenges regarding its debt restructuring. On the other hand the fund benefited from its 10.8% exposure in Ahli United Bank which was up 9.3% for the month.

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

Price Earnings Multiple TTM (x)	9.3
Dividend Yield 2008 (%)	3.7
Price to Book Multiple Latest (%)	1.1
Number of Holdings	17
Annualized Return (%)	6.6
Largest Monthly Gain (%)	10.7 (May 07)
Largest Monthly Loss (%)	-12.3 (Oct 08)
% of Positive Months	61.7
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 (%)
Feb 2010	4.8	2.7
YTD 2010 (Jan – Feb)	4.8	4.1
Last 3 months	7.3	5.5
Last 6 months	4.1	0.1
Last 1 year	7.2	-3.8
Last 3 years	-9.3	-29.2
Last 5 years	-8.5	-24.7
Last 10 years	114.5	30.7
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 – Jan 10)	112.8	18.6

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	14.6
Ahli United Bank	Financial	10.8
NBB	Financial	7.2

Risk Statistics

Annualised Standard Deviation (%)	12.0
Sharpe Ratio	0.1
Information Ratio	0.6
Beta	0.7
Alpha (%)	4.1