

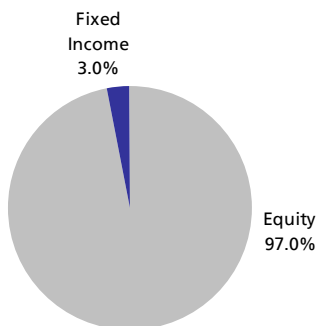
### Manager's Commentary

The Bahraini bourse continued its positive trend for 2008, up 2.9% for the month, and 4.6% for the year to date.

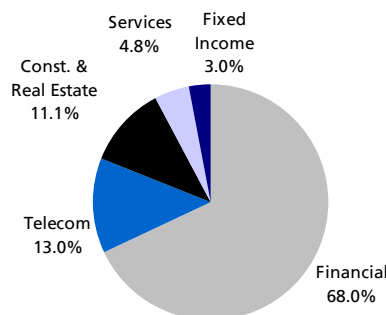
The SICO Selected Securities Fund NAV was up 9.9% for the month of February. After a strong performance in January, Gulf Finance House (GFH) (+20.8%) continued to contribute significantly to the fund's performance, followed by Bank of Bahrain and Kuwait (BBK) (+16.0%) and Ithmaar Bank (+12.9%). The market sentiment was positive overall, with losses seen mainly from the sub-prime hit Arab Banking Corporation (ABC) (-31.2%). After a long period of dormancy and trading at well below its fair value, GFH managed to spur investor's interest. The current pipeline of projects announced in Tunisia, Libya and India will unleash further upside potential. Recently, GFH also announced construction of a \$3bn economic zone in Algeria by leveraging its successful economic zone model. Furthermore, the bank has launched First Energy Bank, a \$750m Bahrain based bank, that will capitalize on the growing global energy sector. Another strong contributor to our fund, BBK, saw much interest this month, as CBK sold its 19.1% stake to Ithmaar Bank in one of the largest recorded transactions in the BSE's history. Global Investment House in Kuwait was in the running to acquire this stake, however lost the bid to Ithmaar after a heated bidding war.

The Bahraini market continues to be overlooked for its larger, more liquid counterparts in the region. However, we believe that once the opportunities and value seen in the bourse come to light, a surge of interest will be seen from the investment community.

### Asset Allocation



### Sector Allocation



### Fund Statistics

Price Earnings Multiple 2007 (x)	12.7
Dividend Yield 2007 (%)	4.5
Number of Holdings	18
Annualized Return (%)	13.6
Largest Monthly Gain (%)	10.7
Largest Monthly Loss (%)	-5.3
% of Positive Months	65.8
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 (%)
February 2008	9.9	2.9
YTD 2008 (Jan - Feb 08)	11.6	4.6
Last 3 months	18.8	11.0
Last 6 months	25.1	13.9
Last 12 months	49.3	34.4
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	248.1	128.2

Fund Inception was in May 1998

### Fund Information

Launch Date	May 27, 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	Gulf Clearing Company

### Top Holdings

Name	Sector	(%)
Ahli United Bank	Financial	13.0
Gulf Finance House	Financial	12.8
Batelco	Telecom	12.6

### Risk Statistics

Annualised Standard Deviation	9.8
Sharpe Ratio	0.88
Information Ratio	0.57
Beta	0.58
Alpha (%)	6.4

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