

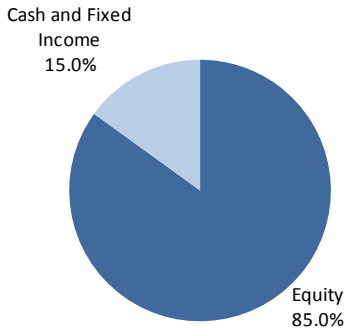
Manager's Commentary

Majority of the GCC markets ended the month of January on a negative note, as the buying activity remained weak in the absence of positive catalyst. Dubai and Qatar were the worst performing markets, losing 11.8% and 5.8%, respectively. Abu Dhabi lost 4.0%, while Kuwait, as measured by the weighted index declined 2.9% for the month. Saudi ended the month on a positive note and increased by 2.1%, primarily due to gains reported by stocks within the Banking and Petrochemical sector. Oman and Bahrain gained 2.6% and 1.4%, respectively as selected buying interest was witnessed. On the international front, the US decision to impose stricter regulations for the banking sector and monetary tightening by China caused international indices to decline.

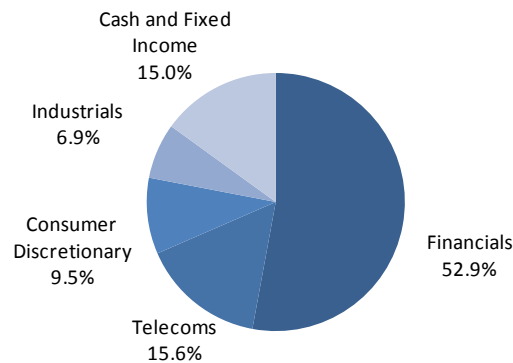
The Bahrain All Share Index ended the first month in the year on a positive note; after being the worst performer for 2009. The heavyweight Ahli United Bank (15.6% of the total market capitalization) supported the market gains for the month and increased by 24.1% on the back of strong volumes during the month. AUB announced the completion of its stake in Ahli United Bank Egypt from 35.3% to 79.6%. On the other hand Ithmaar was the top loser for the month and was down 20.8%. Al Baraka also lost 12.2% after gaining significantly during the last month.

SICO Selected Securities Fund ended flat for the month. The fund benefited from its exposure in AUB as the second top holding in the fund and at the same time was affected from not having any exposure to GFH (+7.1%), which we believe is fundamentally unattractive. In the near term, we expect the markets to consolidate at current levels as we do not see significant triggers for the rest of the results season.

Asset Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	9.0
Dividend Yield 2008 (%)	3.8
Price to Book Multiple Latest (%)	1.0
Number of Holdings	17
Annualized Return (%)	6.3
Largest Monthly Gain (%)	10.7 (May 07)
Largest Monthly Loss (%)	-12.3 (Oct 08)
% of Positive Months	61.4
Maximum Drawdown- Peak to Trough (%)	43.8
Length of Drawdown (months)	7
Recovery from recent trough (%)	4.2

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 (%)
Jan 2010	0.0	1.4
Last 3 months	-1.8	-3.1
Last 6 months	4.2	-1.6
Last 1 year	-1.2	-10.7
Last 3 years	-12.7	-31.3
Last 5 years	-6.9	-21.0
Last 10 years	101.1	20.6
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)	103.2	17.1

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	15.6
Ahli United Bank	Financial	10.3
NBB	Financial	7.0

Risk Statistics

Annualised Standard Deviation (%)	12.0
Sharpe Ratio	0.1
Information Ratio	0.6
Beta	0.7
Alpha (%)	3.8