

Manager's Commentary

During the first half of the month the GCC bourses continued their upward trend. However, towards the second half the markets gave back their gains and ended the month in the negative territory primarily due to political unrest in the region. Dubai and Abu Dhabi topped the losers and declined 5.9% and 4.9%, respectively, followed by Saudi which lost 4.0%. Kuwait ended the month with a marginal decline of 0.7%. On the other hand, both Oman and Bahrain were up 1.2%, while Qatar ended marginally up 0.7%.

Bahrain All Share Index managed to end the month in the green increasing by 1.2%, making it the second best performing market after Oman. On a month on month basis, value and volume of shares traded increased by 37.0% and 21.2%, respectively. Most of the trading was in the investment sector which captured 37.9% of total value. Heavyweights Arab Banking Corporation (+11.8%) and Ahli United Bank (+7.0%) supported the market gains. During the month, Bank of Bahrain and Kuwait (BBK) increased by 4.2% after announcing FY2010 earnings (+11.8% YoY). Bahrain Commercial Facilities was the top loser for the month and was down 8.2%.

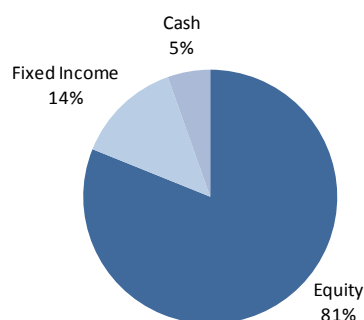
SICO Selected Securities Fund ended the month on a negative note as the NAV declined marginally (-0.6%). During the month we took advantage of the rise in ABC's share price and exited the stock. While we remain optimistic on long term prospects of the GCC markets, prevailing political uncertainty in the region is likely to be an overhang on the markets. We will be closely following the developments in order to employ tactical asset allocation moves.

Investment Objective

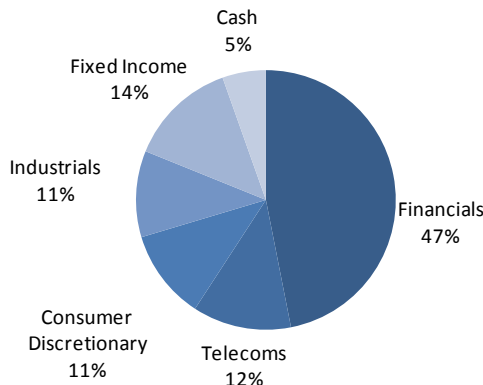
SICO Selected Securities Fund invests principally in equity and debt securities listed or expected to be listed on the Bahrain Stock Exchange (BSE).

Returns	Fund (%)	Index (%)
Jan 2011	-0.6	1.2
2010	4.8	-1.8
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
Last 3 months	-0.6	-0.9
Last 6 months	2.3	3.9
Last 1 year	4.2	-2.0
Last 3 years	-33.8	-48.3
Last 5 years	-14.7	-38.2
Last 10 years	127.1	45.8
Since Inception (May 98 - Jan 11)	111.6	14.8

Asset Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple TTM (x)	10.6
Dividend Yield 2009 (%)	6.1
Price to Book Multiple Latest (%)	1.5
Number of Holdings	17
Annualized Return (%)	6.1
Largest Monthly Gain (%)	10.7 (May 07)
Largest Monthly Loss (%)	-12.3 (Oct 08)
% of Positive Months	61.2
Maximum Drawdown- Peak to Trough (%)	43.8
Length of Drawdown (months)	7
Recovery from recent trough (%)	8.5

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

Fund Information

Launch Date	May 1998
Management Fee	1.0%
Performance Fee	20% over 10% pa
Subscription & Redemption	Weekly
Dealing Day	Thursday
Subscription & Redemption Deadline	Two Business Days before Dealing Day
Minimum Subscription	1,000 units
Reuters Code	<SSSF>
Fund ISIN Code	BH000A1CZ8U1

Top Holdings

Name	Sector	(%)
Batelco	Telecom	12.3
Ahli United Bank	Financial	11.6
NBB	Financial	7.5

Risk Statistics

Annualised Standard Deviation (%)	11.8
Tracking Error (%)	7.8
Sharpe Ratio	0.1
Information Ratio	0.6
Beta	0.7
Alpha (%)	3.8