

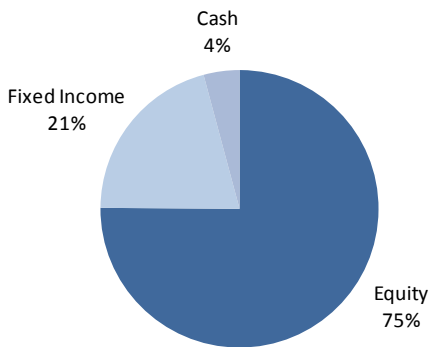
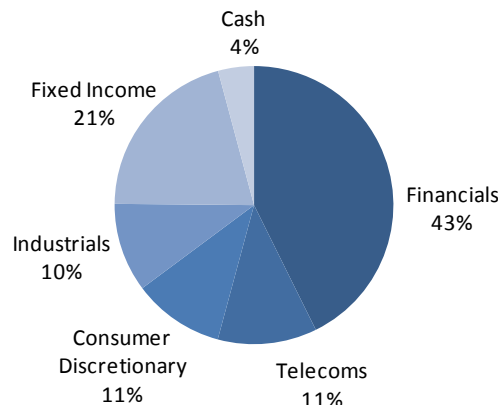
Manager's Commentary

The majority of the GCC markets posted negative returns for the second consecutive month and fell in the range of 2-3%. The regional markets mirrored the performance of developed indices and oil prices that fell during June. The local bourse continued the negative run witnessed since February and lost 2% thereby extending its year to date loss to 7.9%.

During the month, GFH resumed its trading after receiving the necessary approvals for restructuring the company. Its share price plunged 39% on heavy volumes. The other noticeable loser for the month was ABC which lost 20% of its value. On the other hand, share prices of UGB, Alba and Batelco increased by 20%, 5% and 3%, respectively.

Your fund's value remained unchanged for the month while the benchmark lost 2%. The fund benefited from the rise in share prices of Alba and index heavyweight, Batelco. The share price of Batelco dropped 10% in May, but partially recovered as institutional investors provided some support. Alba, on the other hand, returned to the BD0.900 level and also became part of the Bahrain All Share index with 18% weight. The fund also benefited from not having any exposure to GFH and ABC which were amongst the worst performers during the month. The fund continues to outperform for the year and is down 2.3% compared to a 7.9% decline in the market.

Market activity is expected to remain low given lack of interest due to onset of the summer season and the Holy month of Ramadan. The current lacklustre market conditions offer a good entry point for medium to long term investors

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

	Fund	Index
Price Earnings Multiple TTM (x)	9.3	12.1
Price to Book Multiple Latest (%)	1.3	1.1
Return on Equity TTM (%)	13.9	9.0
Dividend Yield 2010 (%)	6.6	4.5
Number of Holdings	16	38
Annualized Return (%)	5.8	0.3
Largest Monthly Gain (%)	10.7 (May 07)	11.8 (July 98)
Largest Monthly Loss (%)	-12.3 (Oct 08)	-12.2 (Nov 08)
% of Positive Months	59.9	55.4
Maximum Drawdown- Peak to Trough (%)	43.8	54.2
Length of Drawdown (months)	7	41
Recovery from recent trough (%)	6.7	N/A

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 (%)
Jun 2011	0.0	-2.0
YTD 2011 (Jan - Jun)	-2.3	-7.9
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 1 year	1.2	-5.5
Last 3 years	-40.7	-53.8
Last 5 years	-7.3	-35.5
Last 10 years	114.0	33.8
Since Inception (May 98 - Jun 11)	108.0	4.5

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	US\$100,000
Reuters Code	<SSSF>
Fund ISIN Code	BH000A1CZ8U1
Custodian / Administrator	HSBC, Bahrain

Top Holdings

Name	Sector	(%)
Batelco	Telecom	11.5
Ahli United Bank	Financial	11.3
NBB	Financial	7.6

Risk Statistics

Annualised Standard Deviation (%)	11.7
Sharpe Ratio	0.1
Tracking Error (%)	7.7
Information Ratio	0.7
Alpha (%)	4.0
Beta	0.7