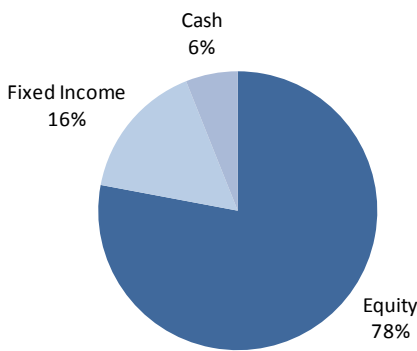
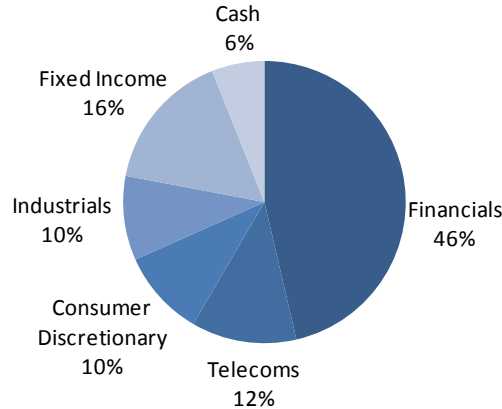


Manager's Commentary

Regional bourses rebounded sharply in March, after a brief sell-off in the first week of the month, as investors started realizing that market fundamentals are intact and that economic/political dynamics of the GCC countries are unique and different from the rest of the MENA region. Multi-billion dollar development plans and incentives announced by Saudi government and buying interest from local institutions were catalysts for the recovery. Saudi Arabia, Dubai and Qatar appreciated by 24%, 14% and 13% respectively from their YTD lows leading the rally of S&P GCC composite index which increased by 15%. For the month, Saudi topped the group rising 10.6% followed by Dubai that increased 10.3%. Kuwait ended the month in a negative territory losing 3.2% as measured by its market cap weighted index.

The Bahrain All Share Index ended the month with a marginal decline of 0.4%. Overall volume and value of shares traded during the month were weak and declined MoM by 30.0% and 17.0%, respectively. Al Salam Bank was the top gainer rising 30.2% followed by Bahrain Car Park Co (+10.0%). During the month Batelco announced its plans to acquire 25% stake in Zain KSA in a joint venture with Kingdom Holding and ended the month up 3%. On the other hand, BMMI was the worst performer shedding 25.0% of its value. Investors remained cautious of the market direction as earnings did little to buoy sentiment of the trading floor.

SICO Selected Securities Fund was up 2.3% for the month, compared to a 0.4% decline in the benchmark. For the year the fund is up 1.7%, compared to a 0.5% decline in the benchmark. In the near term, we expect the market to consolidate at the current levels as we do not expect significant triggers from the results season.

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

| | |
|--------------------------------------|----------------|
| Price Earnings Multiple TTM (x) | 9.8 |
| Dividend Yield 2010 (%) | 6.4 |
| Price to Book Multiple Latest (%) | 1.4 |
| Number of Holdings | 18 |
| Annualized Return (%) | 6.2 |
| Largest Monthly Gain (%) | 10.7 (May 07) |
| Largest Monthly Loss (%) | -12.3 (Oct 08) |
| % of Positive Months | 61.0 |
| Maximum Drawdown- Peak to Trough (%) | 43.8 |
| Length of Drawdown (months) | 7 |
| Recovery from recent trough (%) | 11.0 |

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 (%) |
|-----------------------------------|----------|-----------|
| March 2011 | 2.3 | -0.4 |
| YTD 2011 (Jan – March) | 1.7 | -0.5 |
| 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 | -1.6 | -7.9 |
| Last 3 years | -35.8 | -48.9 |
| Last 5 years | -8.3 | -32.7 |
| Last 10 years | 130.5 | 51.8 |
| Since Inception (May 98 – Mar 11) | 116.5 | 12.8 |

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 Securities |

Top Holdings

| Name | Sector | (%) |
|------------------|-----------|------|
| Batelco | Telecom | 12.0 |
| Ahli United Bank | Financial | 10.8 |
| NBB | Financial | 8.3 |

Risk Statistics

| | |
|-----------------------------------|------|
| Annualised Standard Deviation (%) | 11.8 |
| Tracking Error (%) | 7.8 |
| Sharpe Ratio | 0.1 |
| Information Ratio | 0.7 |
| Beta | 0.7 |
| Alpha (%) | 4.0 |