

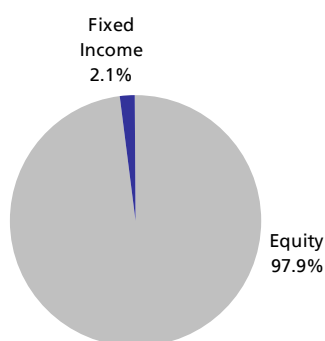
Manager's Commentary

Echoing the slowdown in the international markets, almost all GCC markets dropped significantly in March as reflected by a 10.3% drop in the MSCI GCC Index. The downtrend in the global and regional markets spilled over into the Bahraini bourse as well, as Bahrain lost 3.2% of its value for the month.

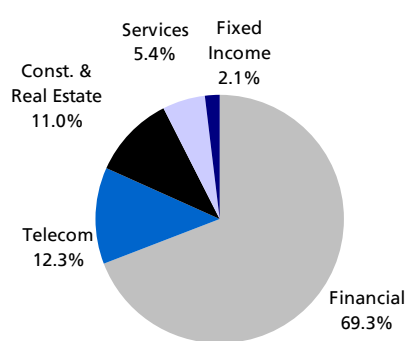
The NAV of your fund declined 4.0%, slightly higher than the benchmark decline of 3.2%. However, your fund continues to outperform on a year to date basis - up 7.1% for the year versus 1.3% for the index. Your fund benefited from its allocation to Salam Bank (+25.2%) and Ithmaar Bank (+12.9%). Salam Bank and Ithmaar Bank announced and completed their cross-listing on the Dubai and Kuwaiti stock exchanges respectively which induced investor interest by increasing liquidity and providing arbitrage opportunities. However, the fund was negatively affected by profit-taking in two of your top holdings, Gulf Finance House (-13.9%) and Batelco (-4%). GFH remains one of your top holdings and despite the sharp decline in March, the stock is still up an impressive 20.8% for the year. We continue to remain upbeat about its growth prospects and view this decline as a buying opportunity.

The Bahraini market continues to be the most attractively valued market in the region, trading at a P/E of around 12x on 2007 earnings, compared to P/Es of around 15x-20x for the other GCC markets. At the same time, the earnings growth prospects of the Bahraini market look decent as most of the Bahraini companies, especially the large and the mid caps are expected to post double digit growth in their earnings in 2008. Therefore, we believe that the Bahraini market offers a strong investment case as future returns can potentially come from growth in earnings as well as expansion in multiples.

Asset Allocation



Sector Allocation



Fund Statistics

Price Earnings Multiple 2007 (x)	12.3
Dividend Yield 2007 (%)	4.6
Number of Holdings	17
Annualized Return (%)	13.6
Largest Monthly Gain (%)	10.7 (May 07)
Largest Monthly Loss (%)	-5.3 (Sept 01)
% 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 (%)
March 2008	(4.0)	(3.2)
YTD 2008 (Jan - Mar 08)	7.1	1.3
Last 3 months	7.1	1.3
Last 6 months	18.7	9.7
Last 12 months	42.6	29.2
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	234.1	121.0

Fund Inception was in May 1998

Fund Information

Launch Date	May 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 / Administrator	Gulf Clearing Company

Top Holdings

Name	Sector	(%)
Ahli United Bank	Financial	13.9
Gulf Finance House	Financial	13.1
Batelco	Telecom	12.3

Risk Statistics

Annualised Standard Deviation	9.9
Sharpe Ratio	0.81
Information Ratio	0.55
Beta	0.58
Alpha (%)	6.1

For further information please contact:
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