

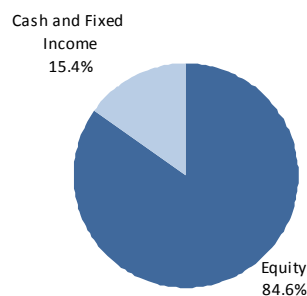
Manager's Commentary

During November Saudi Arabia and Qatar were the only markets that posted positive returns of 1.4% and 0.8%, respectively. Oman was flat for the month while Kuwait fell 6%. On the last trading day of the month Dubai and Abu Dhabi went into a tailspin due to indiscriminate selling by investors after Dubai government's announcement stating: "Dubai World intends to ask all providers of financing to Dubai World and Nakheel to standstill and extend maturities until at least 30 May 2010". The UAE markets lost around 7-8% on the last trading day and ended the month down 11.7%.

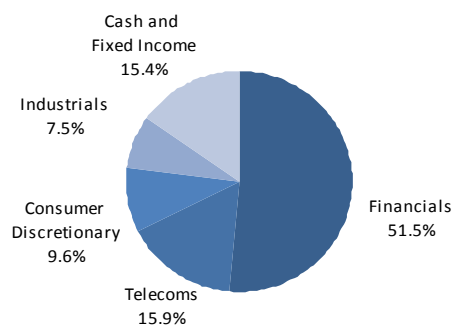
The Bahrain All Share Index was down 5.7% for the month and is down 20.3% for the year. During the month, the market was influenced by the weak performance of heavy weights such as Ithmar (-24%), Al Baraka (-18.4%), GFH (-14%) and AUB (-11%). Despite the negative performance of the market, the value of the shares traded increased by nearly 200%, mostly concentrated in the commercial banking sector which captured 63% of the total value of shares traded.

SICO Selected Securities Fund outperformed the benchmark for the second consecutive month as the fund was down 4.1% for the month. On a year to date basis, the fund is down 12.1% for the year while the benchmark is down 20.3%. Despite, the recent \$10bn bailout by the Govt. of Abu Dhabi, Dubai still faces a lot of uncertainty regarding its financial obligations. This may keep Dubai equities under pressure. At the same time, we believe that investors will increasingly differentiate between GCC stocks as each state has its own unique dynamics.

Asset Allocation



Sector Allocation



Fund Statistics

| | |
|--------------------------------------|----------------|
| Price Earnings Multiple TTM (x) | 9.0 |
| Dividend Yield 2008 (%) | 3.9 |
| Price to Book Multiple Latest (%) | 1.1 |
| 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 | 61.6 |
| Maximum Drawdown- Peak to Trough (%) | 43.8 |
| Length of Drawdown (months) | 7 |
| Time to Recovery (months) | Na |

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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 (%) |
|-----------------------------------|----------|-----------|
| Nov 2009 | -4.1 | -5.7 |
| YTD 2009 (Jan - Nov) | -12.1 | -20.3 |
| Last 3 months | -3.0 | -5.2 |
| Last 6 months | -5.7 | -11.3 |
| Last 1 year | -18.8 | -26.2 |
| Last 3 years | -14.9 | -34.0 |
| Last 5 years | -3.0 | -18.0 |
| Last 10 years | 100.2 | 18.1 |
| 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 - Nov 09) | 98.3 | 13.9 |

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 |
| Custodian / Administrator | HSBC Securities |

Top Holdings

| Name | Sector | (%) |
|------------------|-----------|------|
| Batelco | Telecom | 16.0 |
| Ahli United Bank | Financial | 9.4 |
| NBB | Financial | 8.0 |

Risk Statistics

| | |
|-----------------------------------|------|
| Annualised Standard Deviation (%) | 12.1 |
| Sharpe Ratio | 0.1 |
| Information Ratio | 0.6 |
| Beta | 0.7 |
| Alpha (%) | 3.8 |