

Manager's Commentary

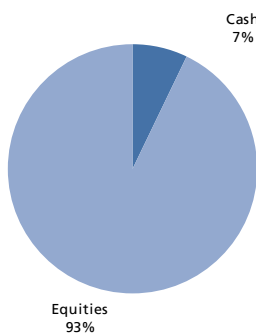
The regional markets retreated in August on the back of concerns relating to Eurozone sovereign debt. S&P's move to downgrade the US debt rating further intensified the declines. The Saudi market was the worst performing regional market during the month and lost 6.5%.

The decline in the Saudi market was led by petrochemicals (-11%) and banks (-5.4%). The dip in oil prices (-12%) impacted the petrochemicals with the majority losing in excess of 10% of their market value. The banks, on the other hand, slid on the back of Ben Bernanke's announcement that he does not expect short-term interest rates to increase over the next two years. The major contributors to the negative performance of the financials were Samba (-10%) and Saudi Hollandi (-9%).

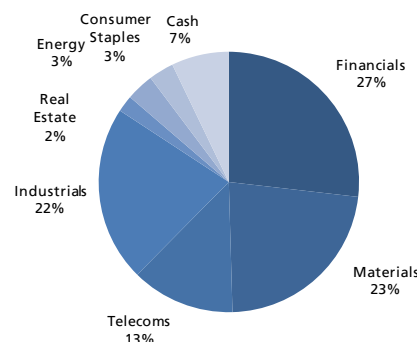
The NAV of your fund declined in August inline with the benchmark's drop of 6.5%, but still the fund continues to outperform the benchmark since its inception. During the month the fund was affected by its exposure to petrochemicals and banks. Our outlook on these companies remains positive and we believe they will rebound as the market recovers.

The global markets have witnessed increased volatility during the past few months and we expect this trend to continue in the short-term. Therefore, we intend to be cautious while looking to invest in companies with strong fundamentals.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	10.5	12.5
Price to Book Multiple Latest (x)	2.5	1.8
Return on Equity TTM (%)	23.5	14.3
Dividend Yield—2010 (%)	4.4	4.1
Number of Holdings	23	145
Annualized Return (%)	NA	NA
Largest Monthly Gain (%)	7.6	10.5
Largest Monthly Loss (%)	-6.5	-6.5
% Positive Months (%)	29	43
Maximum Drawdown-Peak to Trough (%)	NA	NA
Length of Drawdown (months)	NA	NA
Recovery from recent trough	NA	NA

Investment Objective

The primary objective of this Fund is to seek long-term capital appreciation. The Fund will aim to achieve this investment objective by primarily investing in equity securities listed in Saudi Arabia.

Returns (%)	Fund	Tadawul
August 2011	-6.5	-6.5
YTD 2011 (Feb – Aug)	-5.3	-6.0
Last 3 Months	-9.4	-11.2
Last 6 Months	-1.2	0.6
Last 1 Year	NA	NA
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Aug 11)	-5.3	-6.0

Fund Information

Launch Date	February 2011
Management Fee	1.5%
Performance Fee	None
Subscription & Redemption	Weekly
Subscription & Redemption Dead-line	Two Business days before dealing day
Dealing Day	Wednesday
Minimum Subscription	USD 100,000
Reuters Code	NA
Fund ISIN Code	NA
Custodian / Administrator	HSBC , Bahrain

Top Holdings

Name	Sector	(%)
Etihad Etisalat	Telecoms	9.8
Saudi Basic Industries	Materials	8.9
Al Rajhi Bank	Financials	7.2

Risk Statistics

Standard Deviation (%)	14.7
Sharpe Ratio	-0.9
Tracking Error (%)	5.4
Information Ratio	0.2
Alpha (%)	-2.9
Beta	0.7

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