

Manager's Commentary

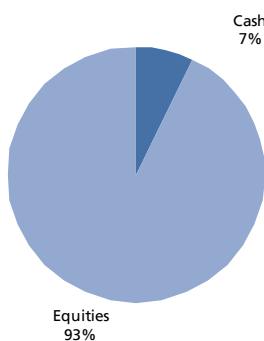
The GCC markets as measured by S&P GCC declined by 2% during June on the back of negative sentiment relating to bleak global economic outlook, ability of some European countries to repay their debt obligations and drop in oil prices. The only exception was Abu Dhabi which increased by 2.5%. The Saudi market, after closing positively for three consecutive months, declined by 2.4%.

The drop in the Saudi market was primarily due to declines in banks and petrochemicals. The contributors to the drop in the banking sector included Arab National Bank (-7%), Riyadh Bank (-6%), Samba (-5%), SABB (-4%), and Al Rajhi (-3%). Petrochemicals on the other hand, were affected by the likes of SABIC (-3%) and Yansab (-2.3%).

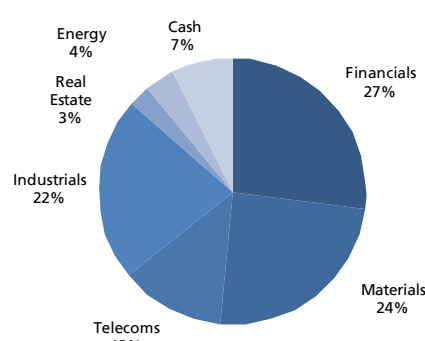
During the month, the NAV of your fund decreased by 2.1% compared to a 2.4% decline in the benchmark. The fund's NAV dropped on the back of declines across the board in the Saudi market especially in the petrochemical and banking sectors. The fund outperformed the benchmark as it benefitted from our strong conviction calls in businesses that are exposed to consumer spending.

Moving forward, we remain confident of the earnings potential of Saudi companies and remain buyers in the market. We believe that the summer season will be dull in terms of market activity and will provide us with opportunities to further deploy cash in equities that are fundamentally attractive.

Asset Allocation



Sector Allocation



Fund Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.9	14.7
Price to Book Multiple Latest (x)	2.7	2.1
Return on Equity TTM (%)	22.3	14.3
Dividend Yield 2010 (%)	3.7	3.4
Number of Holdings	23	145
Annualized Return (%)	NA	NA
Largest Monthly Gain (%)	7.6	10.5
Largest Monthly Loss (%)	-4.2	-6.5
% Positive Months (%)	40	60
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.

Fund Returns (%)	Fund	Index
June 2011	-2.1	-2.4
YTD 2011 (Feb – Jun)	2.3	3.4
Last 3 Months	-0.7	0.2
Last 1 Year	NA	NA
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Last 10 Years	NA	NA
Since Inception (Feb 11— Jun 11)	2.3	3.4

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	9.7
Saudi Basic Industries	Materials	9.5
Al Rajhi Bank	Financials	7.1

Risk Statistics

Standard Deviation (%)	14.3
Sharpe Ratio	0.1
Tracking Error (%)	5.7
Information Ratio	(0.5)
Alpha (%)	-1.5
Beta	0.7

For further information contact assetmanagement@sicobahrain.com