

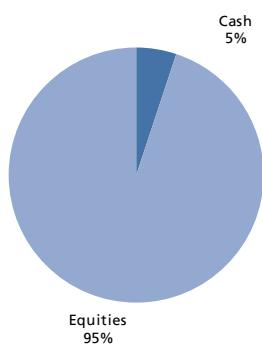
Manager's Commentary

Global equities rebounded sharply during October as optimism relating to finding a solution to the European debt crisis boosted investors' confidence. While gains in the global equity markets ranged between 10-15%, the regional markets exhibited muted performance. Qatar, Saudi and Kuwait posted gains of approximately 2%, while UAE and Bahrain were down in the range of 1-2%.

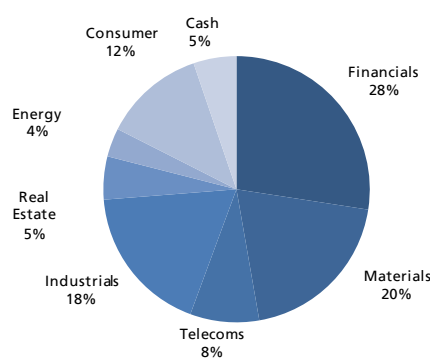
The Saudi market gained 1.8% during the month, primarily on the back of banks and petrochemicals. The petrochemicals were positively affected by the likes of Kayan (5.6%) and SABIC (4.3%). The banks on the other hand increased due to positive performance of SAMBA (10%) and Banque Saudi Fransi (6%). The Insurance sector has been a highlight of the Saudi market, increasing as much as 32% during the past two months on speculative reasons. Majority of the Saudi companies also released their third quarter earnings during October, with aggregate adjusted earnings increasing in excess of 20% YoY.

The NAV of your fund increased by 1.6% during the month compared to 1.8% increase in the benchmark. During the month, we trimmed our exposure to petrochemicals and gradually increased the position in companies that will benefit from consumer spending—a tactical move that we had planned earlier. Given that the third quarter's earnings were relatively encouraging, we believe that investor interest will return to markets once the Euro debt related anxiety eases. We will continue to deploy cash to companies that are defensively positioned and have high dividend yields.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	10.7	12.3
Price to Book Multiple Latest (x)	2.6	1.8
Return on Equity TTM (%)	22.7	14.8
Dividend Yield—2010 (%)	3.4	3.4
Number of Holdings	25	145
Annualized Return (%)	NA	NA
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-6.5 (Aug 11)
% Positive Months (%)	44	56
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
October 2011	1.6	1.8
YTD 2011 (Feb – Oct)	-2.2	-2.1
Last 3 Months	-3.4	-2.6
Last 6 Months	-7.4	-7.2
Last 1 Year	NA	NA
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Oct 11)	-2.2	-2.1

Fund Information

Launch Date	February 2011
Management Fee	1.5%
Performance Fee	None
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption Dead-line	Two Business days before dealing day
Minimum Subscription	USD 100,000
Bloomberg Code	SICOKEF BI Equity
Zawya Code	SICOKEQ.MF
Fund ISIN Code	BH00016X01B0
Custodian / Administrator	HSBC , Bahrain

Top Holdings

Name	Sector	(%)
Ethiad Etisalat	Telecoms	8.1
Saudi Basic Industries	Materials	6.8
Jarir	Consumer	5.7

Risk Statistics

Standard Deviation (%)	13.4
Sharpe Ratio	-0.5
Tracking Error (%)	4.9
Information Ratio	0.0
Alpha (%)	-2.0
Beta	0.7

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