

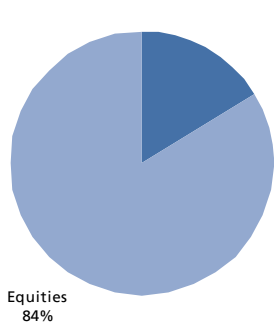
## Manager's Commentary

The regional markets continued to follow the international markets in September and remained volatile. Despite the volatility, the GCC markets as measured by S&P GCC Index closed relatively flat (+0.7%). The worst performers included Bahrain (-7.4%) and Dubai (-4.1%). Kuwait and Oman managed to post gains, along with the Saudi market, which gained 2.2%.

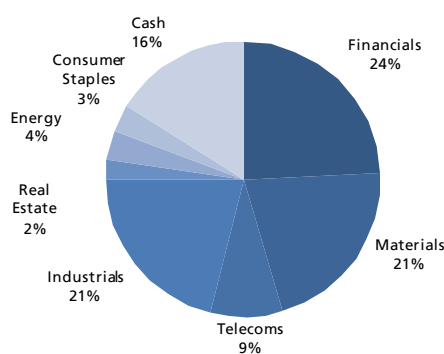
The Saudi market's moderate gains were primarily driven by the Insurance sector which surged as much as 13.7%. With the exception of two companies, majority of the insurance companies witnessed double digit gains on speculative grounds. The other contributors included petrochemical sector which increased 4% during the month. The petrochemical sector benefitted from the likes of Saudi National Petrochemicals Company and Tasnee.

The NAV of your fund increased by 1.7% during the month compared to 2.2% increase in the Tadawul Index. While the fund underperformed the benchmark in September, it continues to outperform the benchmark since inception in February this year. The fund underperformed in September as it didn't have exposure to insurance sector and other small cap companies which surged without any fundamental reason. During the month, we trimmed the fund's exposure to high beta stocks and companies which will tend to be more volatile in current environment. As a result the portfolio's cash allocation increased to 16%—a tactical allocation move, as we expect the regional markets to remain volatile and react to international developments. We will deploy cash to build exposure in companies that are defensively positioned and have higher dividend yields.

### Asset Allocation



### Sector Allocation



## Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	10.8	12.7
Price to Book Multiple Latest (x)	2.5	1.8
Return on Equity TTM (%)	22.8	14.0
Dividend Yield—2010 (%)	4.4	4.0
Number of Holdings	22	145
Annualized Return (%)	NA	NA
Largest Monthly Gain (%)	7.6	10.5
Largest Monthly Loss (%)	-6.5	-6.5
% Positive Months (%)	38	50
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
September 2011	1.7	2.2
YTD 2011 (Feb – Sep)	-3.7	-3.9
Last 3 Months	-5.9	-7.1
Last 6 Months	-6.6	-6.9
Last 1 Year	NA	NA
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Sep 11)	-3.7	-3.9

## 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	(%)
Etihad Etisalat	Telecoms	8.5
Saudi Basic Industries	Materials	8.1
Al Rajhi Bank	Financials	5.1

## Risk Statistics

Standard Deviation (%)	14.0
Sharpe Ratio	-0.7
Tracking Error (%)	5.4
Information Ratio	0.0
Alpha (%)	-2.5
Beta	0.7

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