

31-Aug-10

NAV: 105.67

Investment Policy

The TOWER FUND is a FCP registered in Luxembourg. The compartment's objective is long-term capital appreciation. The compartment invests the majority of its total assets in corporate investment grade bonds on a worldwide basis. Most of the securities have a rating between AAA and BBB-. This fund suits investors who are looking for higher yield than money markets or Government securities in the investment grade universe. The investment time horizon should be at least 2-3 years. The investment objective is to have positive absolute returns rather than relative performance vs an index.

Characteristics

Manager	Banque Safdie
Portfolio Manager	Tassan-Din Daniel
Location	Geneva, Switzerland
Portfolio currency	EUR
Total net assets in mil. EUR	23.5
Inception date	10.15.2009
Reference Index	ML EMU Corporate Index
Management fees p.a	0.6%
Performance fee	10% above of EUR 1M
Price calculation	daily
Dividend distribution (Jul 29, 2010)	EUR0.46
Subscription	each Luxembourg business day until 4pm
Redemption	

Portfolio By Rating

Current Avg Bond Ratings: **BBB+**

AAA	2%
AA+	2%
AA	1%
AA-	3%
A+	5%
A	7%
A-	8%
BBB+	22%
BBB	14%
BBB-	7%

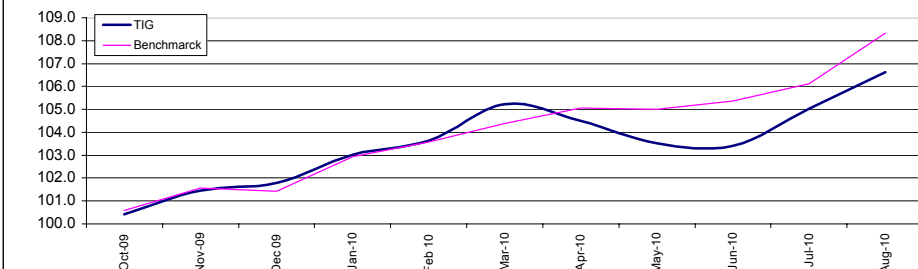
Dividend & Performance

Dividend Distribution Total Since Inception	EUR0.96
Average Dividend Yield	1.9%
Performance since inception	6.3%
Annualized performance since inception	7.4%
Volatility since inception	3.4%

Asset Allocation

Corporate Bonds	74.6%
Government	23.2%
Cash	2.2%
Total	100%

Performance in EUR*

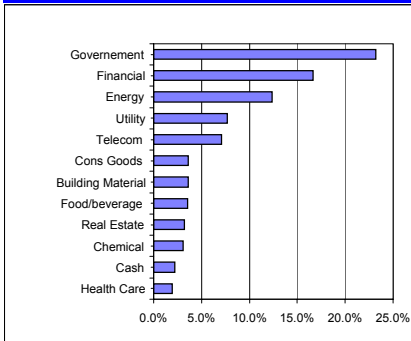


* Including dividend distributed

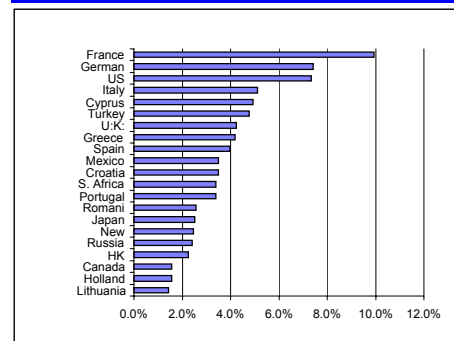
Net Returns

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2010 TIG	1.2%	0.7%	1.6%	-0.7%	-0.9%	0.0%	1.6%	1.5%					5.1%
Libor 1M	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%					0.8%
Reference	1.5%	0.6%	0.8%	0.6%	0.0%	0.3%	0.7%	2.1%					6.8%
2009 TIG										0.4%	1.0%	0.3%	1.8%
Libor 1M										0.1%	0.1%	0.1%	0.3%
Reference										0.6%	1.0%	-0.2%	1.4%

Sector Exposure



Country Exposure



Statistics

Tower Investment Grade Fund	
Bonds YTM	4.9%
Portfolio YTM	4.8%
Portfolio M. Duration	5.3
Portfolio Spread (bps)	312
Number of positions	63
ML EMU Corporate (EUR, AAA-A, ex T1)	
YTM	2.7%
M. Duration	4.2
Avg Spreads	145
Avg Rating	A+

Comments

August was a positive month despite some spreads widening of European countries

We do not expect Europe to fall into recession, but to remain in a low growth environment. No country will default in Europe.

The fund is still yielding almost 5% vs 2.7% of the reference index.

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