

Manager's Commentary

The GCC markets as measured by the S&P GCC Index ended the month on a positive note (+3%) for the eighth consecutive month, outperforming the developed and emerging markets. Saudi Arabia, appreciated by 1.2%, aided by the Insurance sector which increased in anticipation of a rise in earnings due to changes in the regulatory requirements on profitability. With the exception of Oman (-1.9%), the other GCC markets, posted positive returns. Dubai continued its uptrend and appreciated 13.7% in April, while Qatar also posted a strong return (+8.9%) mainly due to buying interest in Sharia compliant companies. Abu Dhabi and Kuwait increased by 5% and 2% respectively.

The NAV of your fund increased 2.2%, benefitting from good stock selection. One of the key contributors was Aldrees Petroleum which increased 28% during the month. The company reported a 30% growth in earnings year on year due to improvement in its transportation segment. This, along with retail interest on the back of a 33% bonus issue, helped its share price. Furthermore, our allocation to Saudi Vitrified Clay pipes (+16%) also contributed as the company announced signing a MoU with Saudi Ceramics Company to acquire its pipes business.

On a year to date basis, your fund has increased 15% and has outperformed its benchmark by a considerable margin. Having said this, earnings for the majority of Saudi companies have been lower than expected. Furthermore, as the summer season kicks in, we expect activity levels to drop. Therefore our strategy is to continue with our defensive position and focus on companies that have limited downside potential. Recently, we have met with senior managements of leading Saudi companies which will help us to finalize new investment ideas.

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.

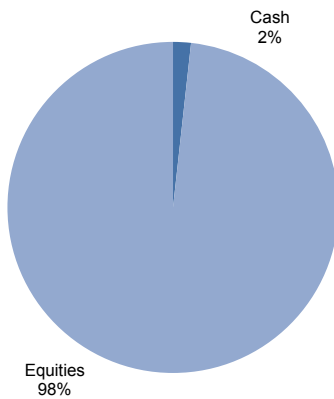
Returns (%)	Fund	Index*
April 2014	2.2	1.2
YTD 2014 (Jan—Apr)	15.1	12.3
2013	33.1	25.5
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	11.3	9.4
Last 6 Months	20.7	19.2
Last 1 Year	34.9	33.5
Last 3 Years	58.3	42.8
Last 5 Years	NA	NA
Since Inception (Feb 11— Apr 14)	67.2	50.8

*Saudi Stock Exchange Index

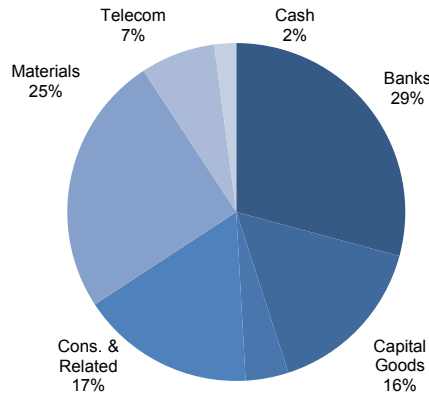
Fund Information

Launch Date	February 2011
Management Fee	1.5%
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

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	18.1	17.7
Price to Book Multiple Latest (x)	3.1	2.4
Return on Equity TTM (%)	19.2	13.5
Dividend Yield—2013 (%)	2.8	3.1
Number of Holdings	29	145
Annualized Return (%) - Last 3 years	16.5	12.6
Annualized Standard Deviation (%) - Last 3 years	11.2	12.8
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	67	67
Success Ratio (%)	62	NA
Maximum Drawdown-Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	76.6	60.3

Top Holdings

Name	Sector	(%)
SABIC	Materials	7.5
BUPA Arabia	Financials	5.2
Mobily	Telecom	5.0

Risk Statistics (last 3 years)

Standard Deviation (%)	11.2
Sharpe Ratio	1.2
Tracking Error (%)	4.8
Information Ratio	0.9
Alpha (%)	5.9
Beta	0.8

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Investment Bank

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