

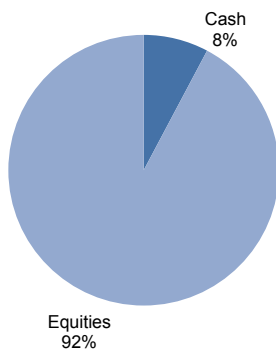
Manager's Commentary

Global equity markets rebounded in February with developed markets delivering strongest returns, leading S&P 500 and FTSE 100 to new high. Better than expected economic data was the key driver of the investor's sentiment. This momentum flowed down to GCC markets which experienced a broad based rally. Once again, Dubai and Abu Dhabi were amongst the top performers posting returns of 12% and 6% respectively. Qatar, Saudi and Kuwait increased by 5.5%, 3.9%, and 1.1% respectively. While, smaller markets of Bahrain and Oman rose 6.1% and 0.4%, respectively.

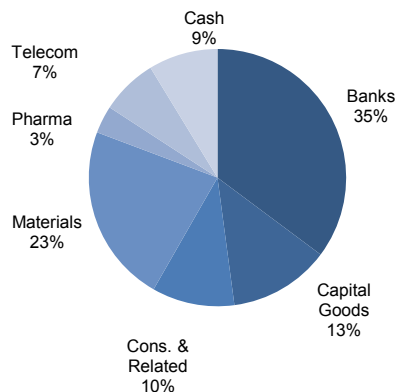
The NAV of your fund increased by 5% outperforming its benchmark, primarily due to our superior stock selection. The single largest contributor to the fund's performance was Saudi Pharmaceutical Company (+11.4%) which is a play on fast growing health care sector. Our allocation to Astra Industrial Group (+17.9%) and Saudi Hollandi Bank (+10.7%) also contributed significantly. Astra Industrial Group benefitted from positive news flow surrounding steel operations in Iraq, which is expected to contribute significantly to Astra's earnings as the plant operates closer to full capacity. Whereas strong earnings growth (24% yoy) contributed to the gains in Saudi Hollandi. The fund has begun the year on a strong note and has outperformed by benchmark by 2%, recovering part of the lost ground during the past six months.

GCC markets continue to show resilience despite volatility in international markets. However, given the strong run during the last six months, we expect some consolidation in the short term. Having said this, we continue to focus on companies with sound fundamentals that can deliver above average earnings growth. In addition we remain almost fully invested in order to capitalize on the upside.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	16.5	17.4
Price to Book Multiple Latest (x)	2.8	2.3
Return on Equity TTM (%)	17.7	13.2
Dividend Yield—2012 (%)	2.9	3.1
Number of Holdings	29	145
Annualized Return (%) (last 3 years)	15.9	12.4
Ann. Standard Deviation (%) (last 3 years)	12.1	14.4
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	65	65
Success Ratio (%)	62	NA
Maximum Drawdown-Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	66.6	52.3

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*
February 2014	5.1	3.9
YTD 2014 (Jan—Feb)	8.7	6.7
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	14.5	17.3
Last 1 Year	37.4	30.1
Last 3 Years	64.7	53.3
Last 5 Years	NA	NA
Since Inception (Feb 11— Dec 13)	57.8	43.2

*Saudi Stock Exchange Index

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	(%)
SABIC	Materials	8.1
Al Rajhi Bank	Financials	6.9
Mobily	Telecom	6.3

Risk Statistics (last 3 years)

Standard Deviation (%)	12.0
Sharpe Ratio	1.1
Tracking Error (%)	4.9
Information Ratio	0.7
Alpha (%)	5.5
Beta	0.8

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