

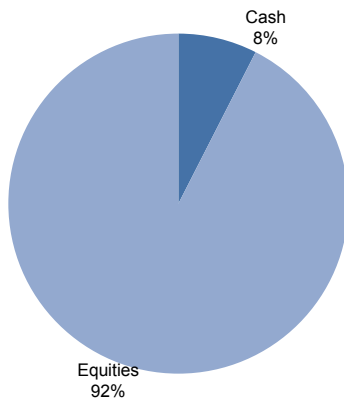
## Manager's Commentary

The GCC markets as measured by S&P GCC Index ended the month on positive note (+2.7%) for the seventh consecutive month, outperforming developed and emerging markets. The key contributors included Saudi (+4.0%), Kuwait (+3.9%), and Dubai (+5.5%). Returns in Saudi market were driven by strong performance in mid to small cap stocks primarily within consumer space, whereas Kuwait's returns were aided by large caps. Positive news flows surrounding the real estate/construction sector drove the Dubai market higher. Oman, which fell by 3.6% was the worst performer for the month, whereas, Qatar, Abu Dhabi and Bahrain declined in the range of 1 -1.5%.

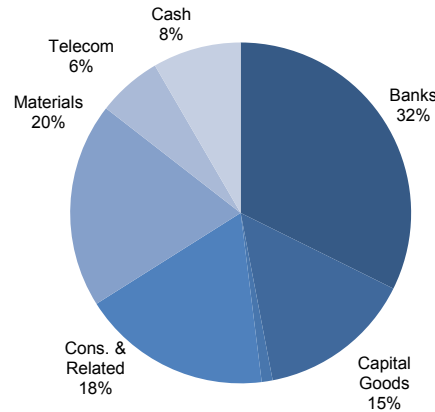
The NAV of your fund increased by 3.7%. The fund benefitted from our stock selection primarily within the banking and health care space. One of the key contributors was Banque Saudi Fransi, which increased 9% on anticipation of strong earnings growth for the year. Dallah Healthcare (+10.6%), increased on the back of potentially higher earnings growth stemming from capacity additions this year. Having said this, during the past six months funds' performance has been affected by our defensive positioning of the portfolio as we have avoided exposure to overpriced mid and small cap consumer/retail, and momentum driven names. However, we believe that our prudent strategy will deliver strong returns over medium to long term.

GCC markets have had a strong start for the year. We feel that investors have become too optimistic about the growth potential. As highlighted earlier, we continue to believe that there are pockets of bubbles developing and negative earnings surprises in such companies will weigh on investor sentiment. Therefore our strategy is to focus on companies with strong fundamental and limited downside potential. During March we been able to conduct meetings with senior management of regional companies which will help us to finalize new investment ideas.

### Asset Allocation



### Sector Allocation



## Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	19.0	18.0
Price to Book Multiple Latest (x)	3.1	2.4
Return on Equity TTM (%)	18.0	13.2
Dividend Yield—2013 (%)	2.9	3.1
Number of Holdings	30	145
Annualized Return (%) - Last 3 years	16.8	13.4
Annualized Standard Deviation (%) - Last 3 years	12.0	14.3
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	66	66
Success Ratio (%)	61	NA
Maximum Drawdown-Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	72.7	58.4

## 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*
March 2014	3.7	4.0
YTD 2014 ( Jan—Mar )	12.6	11.0
2013	33.1	25.5
2012	8.7	6.0
2011 (Feb – Dec )	0.4	0.9
Last 3 Months	12.6	11.0
Last 6 Months	17.2	18.9
Last 1 Year	37.9	33.0
Last 3 Years	58.7	44.4
Last 5 Years	NA	NA
Since Inception (Feb 11— Dec 13)	63.6	49.0

\*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

## 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	1.2
Tracking Error (%)	4.8
Information Ratio	0.7
Alpha (%)	5.5
Beta	0.8

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