

Manager's Commentary

The Saudi market increased by 1% amidst low investor activity and volatility. Investors preferred to stay on the sidelines given that companies are taking additional time to report first quarter numbers given IFRS implementation. The consumer sector returned to the limelight after the Government decided to restore allowances that were curtailed last year. Talks of a merger between Alawwal Bank and SABB emerged which attracted interest in the sector as the merged entity would be the third largest bank in the Kingdom and could potentially result in consolidation of other banks.

The fund appreciated by 1.6% in April and benefited primarily from the rise in our consumer sector investments on the back of the restoration of allowances. In addition, earnings surprises by some of our holdings took the market by surprise and share prices outperformed in an overall dull period. For the year, the fund is up 2.1% compared to the benchmark that is marginally down.

We are continuing to focus upon investing in the best investment ideas that should continue to drive the outperformance. First quarter results have been mixed with greater focus being on the medium to long term trends. Oil prices have started to show volatility ahead of the OPEC meeting scheduled for the end of May. Nonetheless, we intend to maintain our overall composition of the portfolio as we believe it is well diversified and offers exposure to investments which we think will outperform in the current environment.

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 2017	1.6	1.0
YTD (April 2017)	2.1	-0.9
2016	1.6	8.1
2015	-5.5	-15.1
2014	8.9	-3.6
2013	33.1	28.8
Last 3 Months	1.5	0.0
Last 6 Months	14.3	18.2
Last 1 Year	6.7	6.7
Last 3 Years	-7.2	-22.0
Last 5 Years	36.0	2.2
Since Inception (Feb 11— Apr 17)	55.1	26.7

*S&P Saudi Total Return 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

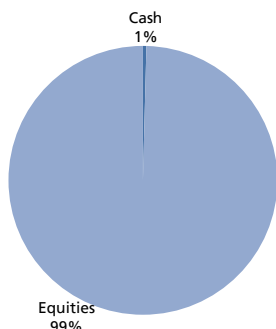
Top Holdings

Name	Sector	(%)
Al Rajhi Bank	Banks	9.8
Saudi Basic Industries	Petrochem	7.6
Saudi Electricity	Utilities	6.0

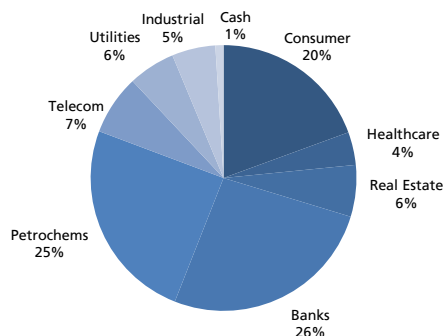
Risk Statistics (last 5 years)

Standard Deviation (%)	17.3
Sharpe Ratio	0.2
Tracking Error (%)	7.0
Information Ratio	0.8
Alpha (%)	5.4
Beta	0.8

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	19.0	16.2
Price to Book Multiple Latest (x)	1.6	1.5
Return on Equity TTM (%)	11.5	11.9
Dividend Yield—2015 (%)	4.1	4.1
Number of Holdings	30	107
Annualized Return (%) - Last 5 years	6.3	0.4
Annualized Standard Deviation (%) - Last 5 years	17.3	20.7
Largest Monthly Gain (%) - Last 5 years	12.1 (Apr 15)	13.8 (Apr 15)
Largest Monthly Loss (%) - Last 5 years	-14.9 (Aug 15)	-17.2 (Aug 15)
% Positive Months (%)	56	55
Success Ratio (%) - Last 5 years	59	NA
Latest Drawdown—Peak to Trough (%)	-35.4	-47.0
Duration of Drawdown (months)	25mths (Aug 14 to Sep 16)	25mths (Aug 14 to Sep 16)
Recovery from Latest Drawdown (%)	21.3	26.3

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 Investment Bank

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