

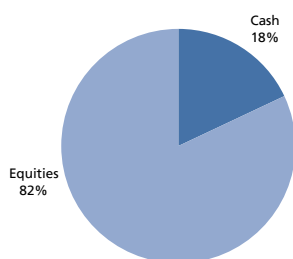
Manager's Commentary

After falling sharply in May, the Saudi market increased by 1.2% in June. In an otherwise dull period, two notable events took place that dictated the performance. On a local front, further details of the National Transformation Program were announced whereby greater focus would be on housing, education and health care. This initiated interest in the real estate sector with stocks such as Dar Al Arkan gaining close to 30%. Internationally, Britain's decision to exit the European Union ("Brexit") took the center stage towards the last week of the month, whereby global markets panicked but later staged a recovery. This trickled to the regional markets albeit to a lesser extent.

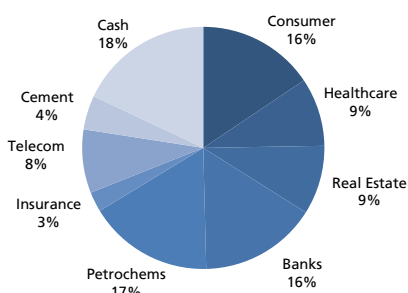
The NAV of the fund appreciated by 1% in June and performed in line with the benchmark. Although we had limited exposure to the real estate sector, some of our core holdings also performed well. Saudi Electricity rose 20% and was the fund's top contributor. This was on the back of market expectations that the company would substantially benefit as and when further subsidies are removed. We continue to like the business given the potential benefit that can accrue to shareholders when the company is split and listed on the exchange.

We slightly deployed some of the cash that we had in stocks that we believe are undervalued. This included some companies from the cement and telecom sectors. However, we continue to keep some cash buffer as although volatility from the Brexit crisis has subsided, global markets are expected to remain jittery which can have an impact on the regional markets. In addition, third quarter results would be announced in July that would determine the short term direction of the markets.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	16.2	14.8
Price to Book Multiple Latest (x)	2.5	1.5
Return on Equity TTM (%)	14.1	10.3
Dividend Yield—2015 (%)	3.9	3.8
Number of Holdings	26	107
Annualized Return (%) - Last 5 years	7.0	2.5
Annualized Standard Deviation (%) - Last 5 years	17.3	20.2
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 (%)	57	59
Success Ratio (%) - Last 5 years	59	NA
Latest Drawdown—Peak to Trough (%)	-33.2	-45.1
Duration of Drawdown (months)	17mths (Aug 14 to Jan 16)	17mths (Aug 14 to Jan 16)
Recovery from Latest Drawdown (%)	8.7 (Feb 16 to May 16)	12.0 (Feb 16 to May 16)

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*
June 2016	1.0	1.2
YTD (June 2016)	-3.7	-2.9
2015	-5.5	-14.3
2014	8.9	-2.1
2013	33.1	29.3
2012	8.7	9.3
Last 3 Months	6.4	6.6
Last 6 Months	-3.7	-2.9
Last 1 Year	-21.0	-25.3
Last 3 Years	9.1	-5.7
Last 5 Years	40.6	13.1
Since Inception (Feb 11— Jun 16)	43.8	19.3

*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	Financials	7.1
Saudi Basic Industries	Petrochems	6.8
Mouwasat Medical	Healthcare	6.0

Risk Statistics (last 5 years)

Standard Deviation (%)	17.3
Sharpe Ratio	0.2
Tracking Error (%)	5.0
Information Ratio	1.6
Alpha (%)	4.5
Beta	0.8

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