

Manager's Commentary

The Saudi market extended its negative trend for the fourth consecutive month and declined by 1.4% in May. First quarter results season came to a close with many companies reported below expected results that took a toll on the market. The market ended the month below the 7,000 level as investors took any recovery to book gains ahead of the Ramadan and summer season. Other markets also posted similar returns with all GCC markets declining in the range of 2% to 3%.

The fund declined by 3% in May and underperformed the benchmark that dropped 1.4%. The fund got affected by the sharp declines in our small to mid cap petrochemical sector investments post announcing weak first quarter announcements. This coupled with the decline in oil prices took its toll on our overall petrochemical sector exposure. Elsewhere, some of our other investments from the telecom and consumer space also dropped that affected the monthly performance.

Despite the setback in May, we have opted not to make drastic sectorial shifts. However, within each sector we have rebalanced the fund by moving away from investments deemed to have greater downside to large caps where we believe investor interest would be higher.

On a separate note, we are pleased to announce that the Directors of the fund have announced a dividend payment of US\$0.70/unit to our unitholders with the actual distribution to be made in the coming weeks.

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*
May 2017	-3.0	-1.4
YTD (May 2017)	-0.9	-2.3
2016	1.6	8.1
2015	-5.5	-15.1
2014	8.9	-3.6
2013	33.1	28.8
Last 3 Months	-0.3	0.2
Last 6 Months	1.6	0.9
Last 1 Year	5.7	10.3
Last 3 Years	-12.1	-24.9
Last 5 Years	39.0	8.9
Since Inception (Feb 11— May 17)	50.5	25.0

*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

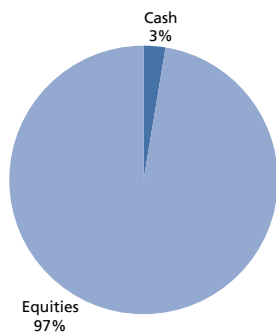
Top Holdings

Name	Sector	(%)
Al Rajhi Bank	Banks	9.3
Saudi Basic Industries	Petrochem	7.2
Saudi Electricity	Utilities	5.8

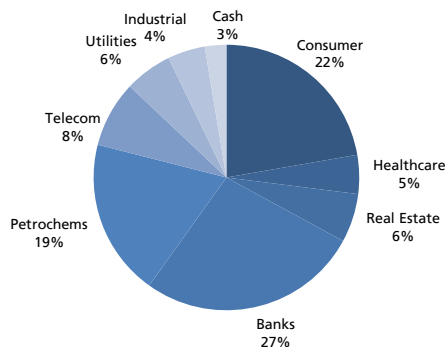
Risk Statistics (last 5 years)

Standard Deviation (%)	17.3
Sharpe Ratio	0.2
Tracking Error (%)	7.0
Information Ratio	0.8
Alpha (%)	4.8
Beta	0.8

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	17.5	15.3
Price to Book Multiple Latest (x)	1.6	1.5
Return on Equity TTM (%)	9.3	10.0
Dividend Yield—2015 (%)	3.1	3.5
Number of Holdings	33	107
Annualized Return (%) - Last 5 years	6.8	1.7
Annualized Standard Deviation (%) - Last 5 years	17.3	20.8
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	55
Success Ratio (%) - Last 5 years	58	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 (%)	17.7	24.5

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بنك استثماري sico
Investment Bank

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