

Manager's Commentary

Following sharp declines in August, the regional markets consolidated during September. The GCC index was down 1% owing to marginal negative returns of most markets. The Saudi market declined by 1.6% driven by weakness in the petrochemical sector. Investor interest remained low as they preferred to stay on the sidelines given the continued volatility in oil prices and global markets.

In such a backdrop, the NAV of the fund declined by 0.8%. The fund benefited from a partial rebound of some of our core holdings primarily from the consumer sector. However, banking sector stocks retreated on the back of Fed's decision to keep interest rates unchanged which impacted the performance of the fund. On a year to date basis, the portfolio is down by 1.5%, notably outperforming its benchmark that is down by over 11%.

We are of the opinion that the GCC markets will remain largely rangebound given the growing expectations of a sustained low oil price regime. Equity markets have now started adjusting corporate earnings and growth expectations downwards which would keep a lid on the overall performance of the markets. On this backdrop, we continued to rebalance the fund by exiting stocks that we think would be laggards in the current environment. Hence the cash allocation has temporarily increased which we intend to gradually deploy in companies where the business models are still in tact and offer decent upside potential. We also look to invest in companies where we believe the third quarter earnings would positively surprise the market.

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.

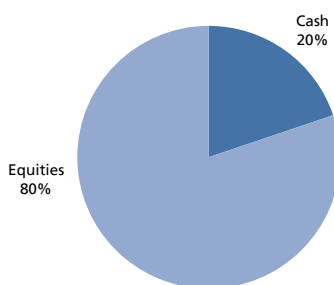
Returns (%)	Fund	Index*
September 2015	-0.8	-1.6
2015 (Jan—Sep)	-1.5	-11.1
2014	8.9	-2.4
2013	33.1	25.5
2012	8.7	6.0
Last 3 Months	-14.4	-18.5
Last 6 Months	-8.4	-15.7
Last 1 Year	-20.2	-31.8
Last 3 Years	45.5	8.3
Last 5 Years	NA	NA
Since Inception (Feb 11— Sep 15)	55.8	16.5

*Saudi Stock Exchange Index

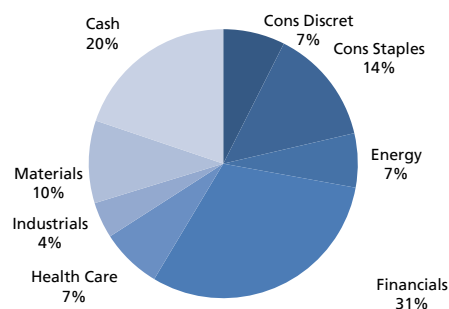
Fund Information

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

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	17.5	15.8
Price to Book Multiple Latest (x)	3.7	1.8
Return on Equity TTM (%)	20.5	11.4
Dividend Yield—2014 (%)	2.9	3.4
Number of Holdings	26	107
Annualized Return (%) - Last 3 years	13.3	2.7
Annualized Standard Deviation (%) - Last 3 years	16.2	17.2
Largest Monthly Gain (%)	12.1 (Apr 15)	12.0 (Apr 15)
Largest Monthly Loss (%)	-14.9 (Aug 15)	-17.3 (Aug 15)
% Positive Months (%)	61	61
Success Ratio (%)	69	NA
Maximum Drawdown-Peak to Trough (%)	-21.3	-33.4
Length of Drawdown (months)	13	13
Recovery from Maximum Drawdown (%)	0.0	0.0

Top Holdings

Name	Sector	(%)
Herfy Food Services	Consumer	5.9
Saudia Dairy Foodstuff	Consumer	5.4
National Commercial Bank	Financials	5.1

Risk Statistics (last 3 years)

Standard Deviation (%)	16.2
Sharpe Ratio	0.6
Tracking Error (%)	3.6
Information Ratio	3.0
Alpha (%)	10.6
Beta	0.9

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