

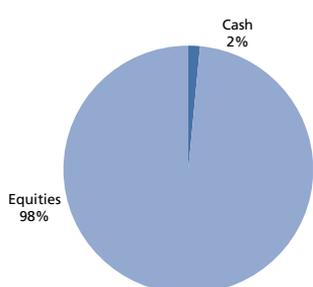
### Manager's Commentary

The Saudi market declined by 1.6% and extended its losses for the year to 2.5%. This comes on the back of a very strong performance during the fourth quarter where the index appreciated by over 20%. The index broke the psychological barrier of 7,000 as investor activity also reduced. The rest of the bourses also witnessed a similar trend with most markets ending marginally down for the month.

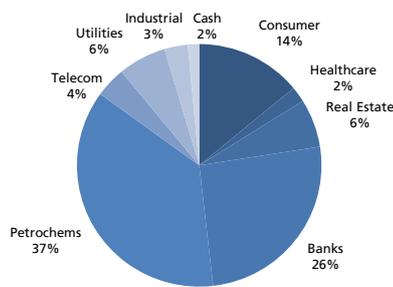
The fund declined by 1.2% in February compared to a 1.6% drop in the corresponding index. In an overall declining market, some of our core holdings posted single digit gains especially from the small to mid cap petrochemical sector that resulted in the outperformance. For the year the fund is down 0.5% compared to a 2.5% drop in the benchmark.

During the month, we met several Saudi corporates to gain insight on their strategy going forward. The tone remained cautious given the continued cost pressures that will become materialize over the next 12-18 months. However, compared to last year, the mood seemed to be slightly more optimistic as companies plan mitigating strategies to navigate through difficult times. We intend to slightly rebalance the portfolio focusing on some domestic plays that we think have seen their worst and are ripe to stage a turnaround. Nevertheless, our core focus remains on investing in large caps based on the potential Emerging Market Status theme, large banks due to their attractive valuations and capital base, whilst also trying to capitalize on the ongoing dividend season.

### Asset Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	18.4	16.4
Price to Book Multiple Latest (x)	1.6	1.5
Return on Equity TTM (%)	11.4	12.0
Dividend Yield—2015 (%)	4.2	4.4
Number of Holdings	29	107
Annualized Return (%) - Last 5 years	6.6	1.3
Annualized Standard Deviation (%) - Last 5 years	17.5	21.1
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	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 (%)	18.1	24.2

### 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*
February 2017	-1.2	-1.6
YTD (Feb 2017)	-0.5	-2.5
2016	1.6	8.1
2015	-5.5	-15.1
2014	8.9	-3.6
2013	33.1	28.8
Last 3 Months	2.0	0.6
Last 6 Months	9.9	15.3
Last 1 Year	13.7	18.9
Last 3 Years	-4.3	-18.7
Last 5 Years	37.8	6.5
Since Inception (Feb 11— Feb 17)	51.0	24.7

\*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	(%)
Saudi Basic Industries	Petrochem	9.9
Al Rajhi Bank	Banks	9.6
Saudi Electricity	Utilities	6.4

### Risk Statistics (last 5 years)

Standard Deviation (%)	17.5
Sharpe Ratio	0.2
Tracking Error (%)	7.1
Information Ratio	0.8
Alpha (%)	5.0
Beta	0.8

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Securities & Investment Company BSC (c)  
 P.O. Box 1331, Manama, Kingdom of Bahrain  
 Tel: +973 1751 5000 Fax: +973 1751 4000  
 CR No: 33469  
[www.sicobahrain.com](http://www.sicobahrain.com)

شركة الأوراق المالية والاستثمار ش.م.ب (م)  
 ص.ب: 1331، المنامة، مملكة البحرين  
 هاتف: +973 1751 5000 فاكس: +973 1751 4000  
 سجل تجاري رقم 33469

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