

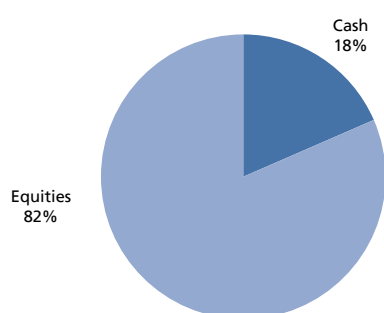
Manager's Commentary

The Saudi market witnessed a marginal gain in February, after posting two consecutive months of steep declines. The market increased by 1.6% but lagged most other regional indices that rose up to 8% as in the case of Dubai and Abu Dhabi. As a result, the Saudi market is still down 10%, while other markets are either sideways or positive. Trends in the equity market largely followed oil prices which recovered during the month following the "agreement" amongst selected oil producers to freeze output levels.

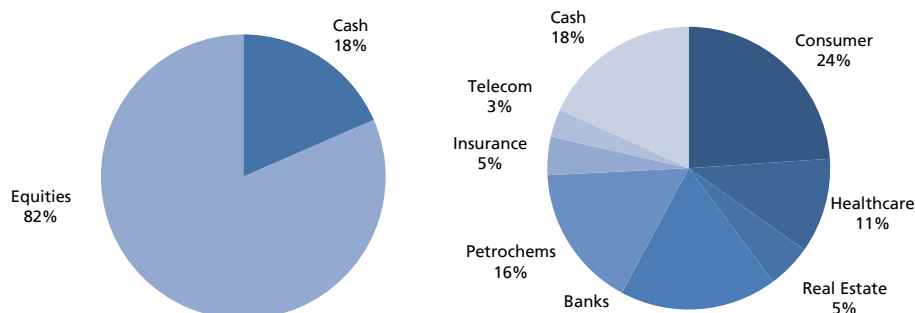
The fund underperformed the market in February and only appreciated by 0.3%. This was primarily due to having no exposure to the cement sector that rallied on the back of the approaching dividend season. In our opinion, this uptick in the sector is temporary given the muted demand prospects and inventory build up of most companies. Our exposure to stocks within the Saudi healthcare sector also negatively contributed to the fund's performance as some companies posted modest declines. This was on the back of concerns on Government receivable buildup amongst some of the healthcare companies. We feel that the market has overreacted and continue to have conviction in this sector given decent earnings visibility. Despite a difficult month, the fund's performance is marginally ahead for the year.

The recovery in oil prices from the lows has transpired into some restoration of confidence in the markets. This, along with the upcoming dividend season bodes well for the Saudi market in the short term. Nonetheless, our strategy is to keep some cash allocation and continue focusing only on companies that we think have over-corrected and have limited downside potential.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.9	14.0
Price to Book Multiple Latest (x)	1.9	1.4
Return on Equity TTM (%)	15.0	10.4
Dividend Yield—2014 (%)	4.2	4.2
Number of Holdings	24	107
Annualized Return (%) - Last 5 years	6.7	0.5
Annualized Standard Deviation (%) - Last 5 years	17.3	19.5
Largest Monthly Gain (%) - Last 5 years	12.1 (Apr 15)	12.0 (Apr 15)
Largest Monthly Loss (%) - Last 5 years	-14.9 (Aug 15)	-17.3 (Aug 15)
% Positive Months (%)	55	57
Success Ratio (%) - Last 5 years	70	NA
Latest Drawdown-Peak to Trough (%)	-33.2%	-46.0%
Duration of Drawdown (months)	Aug 14 to Jan 16 (17mths)	Aug 14 to Jan 16 (17mths)
Recovery from Latest Drawdown (%)	0.3	1.6

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*
Feb 2016	0.3	1.6
YTD (Feb 2016)	-11.1	-11.9
2015	-5.5	-17.1
2014	8.9	-2.4
2013	33.1	25.5
2012	8.7	6.0
Last 3 Months	-13.7	-15.8
Last 6 Months	-15.4	-19.0
Last 1 Year	-25.2	-34.6
Last 3 Years	15.6	-12.9
Last 5 Years	38.5	2.5
Since Inception (Feb 11— Feb 16)	32.7	-4.2

*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

Top Holdings

Name	Sector	(%)
Saudi Basic Industries	Petrochemicals	6.5
Mouwasat Medical	Healthcare	5.7
Al Rajhi Bank	Financials	5.5

Risk Statistics (last 5 years)

Standard Deviation (%)	17.3
Sharpe Ratio	0.2
Tracking Error (%)	4.6
Information Ratio	1.3
Alpha (%)	5.9
Beta	0.9

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