

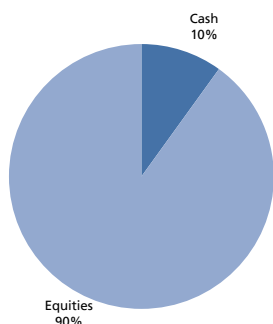
### Manager's Commentary

The Saudi market witnessed profit during July and declined by over 4%. This came on the back of an exceptionally strong month of June given the notable developments. Investors looked to book profits especially across the large caps which had run up considerably especially stocks such as Al Rajhi (-9%), NCB (-7%) and Al Marai (-18%). Second quarter results for most companies were also subdued which provided investor with an opportunity to reduce exposure.

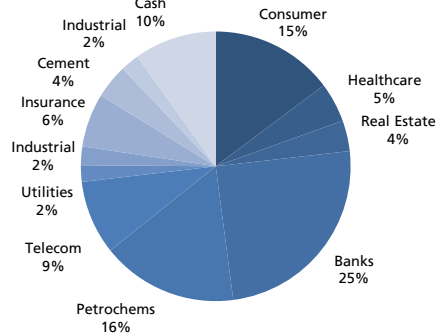
The fund declined by 3.0% in July compared to a 4.2% drop in the corresponding benchmark. The fund benefited from its cash allocation which was close to 15% at the beginning of the month and exposure to the Saudi discretionary sector. United Electronics was the main contributor as its share price rose close to 40% after reporting stellar profits on the back of the turnaround that the company has witnessed this year in terms of margin improvement and increase in market share. On a year to date basis, the fund is up 4.3% compared to a 1% rise in the benchmark.

We took the opportunity to deploy some of the cash we had into stocks which we believe offer decent medium to long term prospects. We expect the market to witness subdued investor activity during the next couple of months given the ongoing summer season. However, we would look to invest as and when opportunities arise focusing on the banking sector given decent margin expansion expected to continue during the second half and selected consumer names where we expect the recovery to continue. Elsewhere, given the sharp correction in the small to mid cap petrochemical companies, opportunities have arisen which we would look at investing considering the underlying cash generation and dividend potential of some of the companies.

#### Asset Allocation



#### Sector Allocation



### Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	16.8	16.5
Price to Book Multiple Latest (x)	1.6	1.6
Return on Equity TTM (%)	9.6	9.8
Dividend Yield—2015 (%)	3.1	3.4
Number of Holdings	34	107
Annualized Return (%) - Last 5 years	7.9	3.4
Annualized Standard Deviation (%) - Last 5 years	17.5	20.7
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	56
Success Ratio (%) - Last 5 years	60	NA
Latest Drawdown-Peak to Trough (%)	-35.4	-46.2
Duration of Drawdown (months)	25mths (Aug 14 to Sep 16)	25mths (Aug 14 to Sep 16)
Recovery from Latest Drawdown (%)	27.7	35.4

### 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*
July 2017	-3.0	-4.2
YTD (July 2017)	4.3	1.1
2016	1.6	9.0
2015	-5.5	-14.3
2014	8.9	-2.1
2013	33.1	29.3
Last 3 Months	2.1	2.4
Last 6 Months	3.6	2.3
Last 1 Year	13.0	16.7
Last 3 Years	-12.0	-24.1
Last 5 Years	46.5	18.3
Since Inception (Feb 11— Jul 17)	58.4	35.5

\*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	7.6
Al Rajhi Bank	Banks	7.2
Saudi Telecom	Telecom	5.0

### Risk Statistics (last 5 years)

Standard Deviation (%)	17.5
Sharpe Ratio	0.3
Tracking Error (%)	5.6
Information Ratio	0.8
Alpha (%)	4.6
Beta	0.8

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