

Manager's Commentary

The Saudi market started the month on a positive tone and was at one point in time up 3%. However, weak oil prices and volatile international bourses resulted in the index giving up all of its gains post the Eid holidays. As a result, the index ended the month flat, similar to other GCC bourses. Most of the sectors posted negative returns with the exception of the Saudi financial and insurance sectors which posted modest gains on the back of decent earnings announcements.

In July, the fund appreciated by 1.3% whereas the corresponding index remained flat. This outperformance was primarily driven by some of our core investments that bucked the overall muted trend after reporting strong second quarter earnings. Year to date, the fund has generated a return of 16.6% notably outperforming the index which has increased 9.2%.

The Saudi market has continued to trend downwards in August on the back of the continued decline in oil prices and commodities in general, internal security concerns and low market liquidity due to the summer holidays. Furthermore, we believe second quarter earnings were largely uninspiring which has also dampened investor sentiment. In such an environment, we believe that the financial, consumer, and healthcare sectors offer some margin of safety. Hence, we intend to opportunistically deploy the current cash allocation of 15% primarily into these sectors.

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.

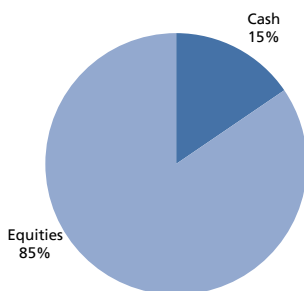
| Returns (%) | Fund | Index* |
|----------------------------------|------|--------|
| July 2015 | 1.3 | 0.1 |
| 2015 (Jan—Jul) | 16.6 | 9.2 |
| 2014 | 8.9 | -2.4 |
| 2013 | 33.1 | 25.5 |
| 2012 | 8.7 | 6.0 |
| Last 3 Months | -3.2 | -7.5 |
| Last 6 Months | 8.7 | 2.5 |
| Last 1 Year | 2.4 | -10.9 |
| Last 3 Years | 70.5 | 32.3 |
| Last 5 Years | NA | NA |
| Since Inception (Feb 11— Jul 15) | 84.4 | 43.1 |

*Saudi Stock Exchange Index

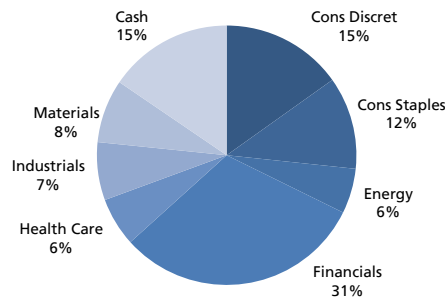
Fund Information

| | |
|-------------------------------------|--------------------------------------|
| 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) | 18.6 | 18.7 |
| Price to Book Multiple Latest (x) | 4.8 | 2.1 |
| Return on Equity TTM (%) | 27.2 | 11.4 |
| Dividend Yield—2014 (%) | 1.8 | 3.0 |
| Number of Holdings | 29 | 107 |
| Annualized Return (%) - Last 3 years | 19.5 | 9.8 |
| Annualized Standard Deviation (%) - Last 3 years | 16.0 | 17.0 |
| Largest Monthly Gain (%) | 12.1 (Apr 15) | 12.0 (Apr 15) |
| Largest Monthly Loss (%) | -13.0 (Nov 14) | -14.1 (Nov 14) |
| % Positive Months (%) | 61 | 61 |
| Success Ratio (%) | 69 | NA |
| Maximum Drawdown-Peak to Trough (%) | -20.1 | -25.0 |
| Length of Drawdown (months) | 4 | 4 |
| Recovery from Maximum Drawdown (%) | 16.6 | 9.2 |

Top Holdings

| Name | Sector | (%) |
|------------------------|------------|-----|
| Al Rajhi Bank | Financials | 5.1 |
| Saudia Dairy Foodstuff | Consumer | 5.0 |
| Jarir Marketing | Consumer | 4.8 |

Risk Statistics (last 3 years)

| | |
|------------------------|------|
| Standard Deviation (%) | 16.0 |
| Sharpe Ratio | 1.0 |
| Tracking Error (%) | 3.6 |
| Information Ratio | 2.7 |
| Alpha (%) | 10.2 |
| Beta | 0.9 |

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بنك استثماري **sico**
Investment Bank

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