

Manager's Commentary

The Saudi market witnessed its second consecutive month of solid gains and appreciated by over 15% in November. This monthly rise was the highest for over seven years led primarily on the back of a surge in oil prices, buying by Government institutions and a favorable outcome from the OPEC meeting to cut production. The index closed the month over the 7,000 level and a result, this year's losses have been wiped off. The S&P Saudi Index, which was at one point in time down 15% for the year, recovered and is now up close to 5% for the year.

The fund appreciated by 9% in November and witnessed one of the strongest gains in nearly two years. The fund benefited from the overall rise of its holdings from across all sectors. However, the fund underperformed its benchmark on account of our cash allocation and relative defensive positioning. We had a lower exposure to the petrochemical sector and also high beta names that recovered strongly during the month. For the year, the fund, which was at one point in time down 15% has almost fully recovered and is flat for the year.

The positive momentum has extended in December as the market has welcomed OPEC's decision to cut production. However, we opt to maintain our defensive positioning given that the rally has been extremely sharp and on an overall basis, the market looks fairly valued. Having said this, we are reevaluating various investment ideas and would look to selectively deploy the cash that we have in either high dividend yielding names or stocks that we feel can potentially benefit from the reform measures that the Kingdom will continue to undergo.

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*
November 2016	9.1	15.6
YTD (Nov 2016)	-0.9	4.7
2015	-5.5	-15.1
2014	8.9	-3.6
2013	33.1	28.8
2012	8.7	8.4
Last 3 Months	7.8	14.6
Last 6 Months	4.0	9.3
Last 1 Year	-3.8	-0.4
Last 3 Years	4.5	-12.0
Last 5 Years	55.0	25.9
Since Inception (Feb 11— Nov 16)	48.0	23.9

*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

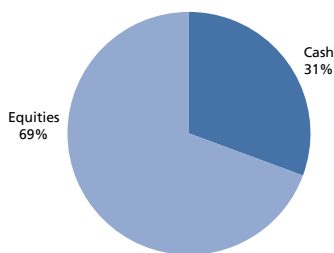
Top Holdings

Name	Sector	(%)
Saudi Basic Industries	Petrochem	9.8
Saudi Electricity	Utilities	6.1
SADAFCO	Consumer	6.0

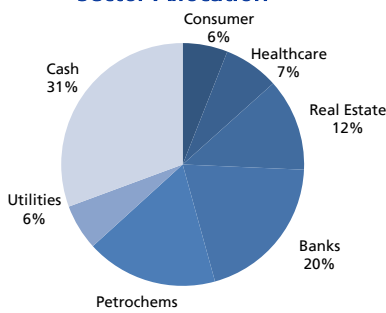
Risk Statistics (last 5 years)

Standard Deviation (%)	17.8
Sharpe Ratio	0.3
Tracking Error (%)	7.2
Information Ratio	0.6
Alpha (%)	4.8
Beta	0.8

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	13.7	15.8
Price to Book Multiple Latest (x)	1.5	1.5
Return on Equity TTM (%)	14.0	12.7
Dividend Yield—2015 (%)	4.0	4.4
Number of Holdings	22	107
Annualized Return (%) - Last 5 years	9.2	4.7
Annualized Standard Deviation (%) - Last 5 years	17.8	21.5
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	57	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 (%)	15.8	23.5

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 Investment Bank

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