

Manager's Commentary

After two consecutive months of negative returns, the Saudi index increased by 0.7% in March. The Saudi market traded in a narrow range for most of the month, but witnessed some buying interest towards the end that helped the index close slightly below the 7,000 level. The major development was the announcement that the settlement cycle would be changed to T+2 on April 23rd, a pre-requisite by MSCI and well ahead of the MSCI review in June. Most other regional bourses declined marginally with the exception of Bahrain that continued to attract interest.

Your fund appreciated by 1.1% in March and was slightly ahead of the benchmark. Some of our consumer related holdings performed exceptionally well in a overall muted market that resulted in the outperformance. United Electronics was the star performer and rallied close to 30% on optimism of a recovery in profits after a tough two years. Similarly, selected consumer names also rose in the range of 5-10% that helped the fund. For the first quarter, the fund is up 0.5% versus a decline of 2% in the benchmark.

During the month, we booked some profits from selected petrochemical companies that we believe have reached their target prices and offer limited upside. We deployed this cash primarily focusing on increasing our exposure to large caps as they should benefit from positive developments regarding Emerging Markets inclusion. We also continued to add to our consumer sector exposure in companies where we think the worst is behind and earnings should recover during the course of this year.

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*
March 2017	1.1	0.7
YTD (Mar 2017)	0.5	-1.9
2016	1.6	8.1
2015	-5.5	-15.1
2014	8.9	-3.6
2013	33.1	28.8
Last 3 Months	0.5	-1.9
Last 6 Months	19.3	25.0
Last 1 Year	12.9	16.9
Last 3 Years	-6.7	-21.4
Last 5 Years	31.4	-1.1
Since Inception (Feb 11— Mar 17)	52.6	25.5

*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

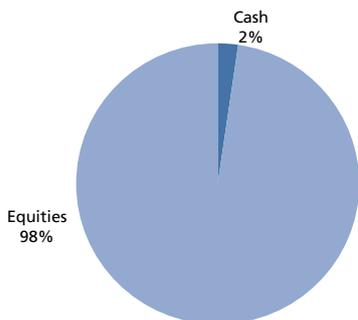
Top Holdings

Name	Sector	(%)
Saudi Basic Industries	Petrochem	9.5
Al Rajhi Bank	Banks	9.4
Saudi Electricity	Utilities	5.8

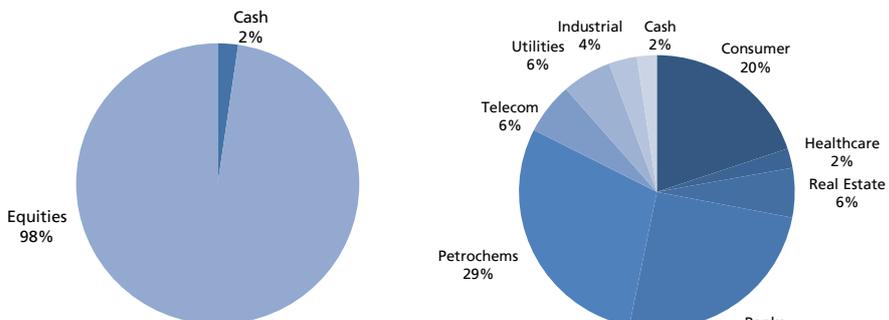
Risk Statistics (last 5 years)

Standard Deviation (%)	17.3
Sharpe Ratio	0.2
Tracking Error (%)	7.0
Information Ratio	0.8
Alpha (%)	5.1
Beta	0.8

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	18.6	16.3
Price to Book Multiple Latest (x)	1.6	1.5
Return on Equity TTM (%)	11.8	12.0
Dividend Yield—2015 (%)	4.2	4.4
Number of Holdings	30	107
Annualized Return (%) - Last 5 years	5.6	-0.2
Annualized Standard Deviation (%) - Last 5 years	17.3	20.8
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 (%)	19.3	25.0

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