

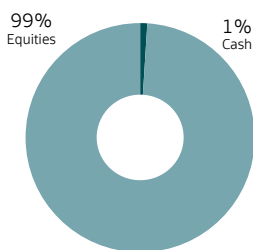
Managers Commentary

The Saudi market rallied in March and reported one of its best monthly gains. The S&P Saudi index rose 7% on the back of the foreign buying ahead of the FTSE announcement, which was positive and confirmed the change to Emerging Market status in 2019. It was a broad based rally with most companies participating in the gains. Other regional markets were much more subdued with Qatar and Kuwait up 2-3% while the others markets were flat or down.

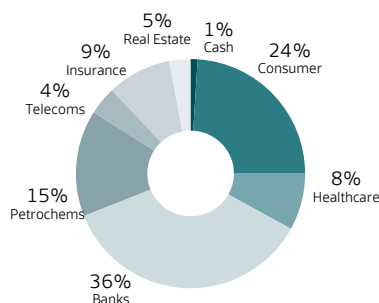
The fund appreciated by 6.4% during the month and participated in most of the rally. Majority of our investments performed well with the exception of our holdings within the Saudi insurance sector owing to uncertainty regarding the need to book additional technical reserves. Although this was later dismissed, confidence within the sector remained low. On a year to date basis, the fund is up 16%, comfortably ahead of the benchmark that is up 10%.

During the month, we met several managements of the companies we own or are looking to invest into. Whilst the overall tone remains cautious, we were pleased to notice some fresh optimism of certain businesses specifically from the consumer and banking sectors. In light of this, we identified and invested in some new companies which we feel have seen their worst and should experience a recovery in their earnings. Despite a strong quarter, we opt to remain fully invested as we expect further in our holdings.

Asset Allocation



Sector Allocation



Key Statistics	Fund	Index
Price to Earnings Multiple TTM (x)	16.2	17.0
Price to Book Multiple Latest (x)	2.0	1.7
Return on Equity TTM (%)	13.7	10.2
Dividend Yield—2017 (%)	3.0	3.2
Number of Holdings	24	107
Annualized Return (%) - Last 5 years	9.7	5.0
Annualized Standard Deviation (%) - Last 5 years	17.8	20.9
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 (%)	58	58
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 15)	25mths (Aug 14 to Sep 15)
Recovery from Latest Drawdown (%)	47.4	46.5

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
Mar-18	6.4	7.1
YTD (Mar 2018)	15.9	10.0
2017	7.2	3.8
2016	1.6	9.0
2015	-5.5	-14.3
2014	8.9	-2.1
Last 3 months	15.9	10.0
Last 6 months	16.8	9.8
Last 1 year	23.5	16.8
Last 3 years	10.9	0.9
Last 5 years	58.9	27.6
Since Inception (Feb 11— Mar 18)	88.5	52.9

* S&P Saudi Total Return Index

Fund Information

Launch Date	February 2011
Management Fee	1.50%
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption Deadline	Two business days before dealing day
Minimum Subscription	USD 100,000
Bloomberg Code	SICOKEF BI Equity
Zawya Code	SICOKEQ.MF
Fund ISIN Code	BH00016X01BO
Custodian/Administrator	HSBC Bahrain

Top Holdings

Name	Sector	(%)
Al Rajhi Bank	Banks	11.9
National Commercial Bank	Banks	9.4
Saudi Kayan	Petrochemical	6.1

Top Risk Statistics (last 5 years)

Standard Deviation (%)	17.8
Sharpe Ratio	0.4
Tracking Error (%)	6.0
Information Ratio	0.8
Alpha (%)	5.1
Beta	0.8

This report should not be considered an offer to sell, or a solicitation to buy, shares mentioned herein. Past performance is no indication of future results. Fund historical performance does not promise the same or similar results in the future. Principal value, share prices and investment returns fluctuate with changes in market conditions. The information contained herein has been compiled from sources believed to be reliable; however SICO BSC(c) does not guarantee its accuracy or completeness. Opinions, forecasts and estimates constitute our judgment as of the date of this report and are subject to change without notice. This report is not a solicitation of an order to buy or sell securities or to provide investment advice or service. SICO or its affiliates may from time to time engage in long or short positions in the securities mentioned herein. SICO or its affiliates may act as principal, agent or market maker or provide other services to the issuers of securities mentioned herein. This report is provided for information purposes only and may not be copied or distributed to any other person without the prior written consent of SICO. SICO BSC(c) claims compliance with the Global Investment Performance Standards (GIPS®). SICO BSC(c) is a closed joint stock company registered in Bahrain and operates a wholesale banking license from the Central Bank of Bahrain. The company is registered with the Ministry of Industry and Commerce and is listed on the Bahrain Stock Exchange as a closed company. To receive a list of composite descriptions and/or a presentation that complies with the GIPS standards, write to assetmanagement@sicobank.com, or call 973 17 515000.