

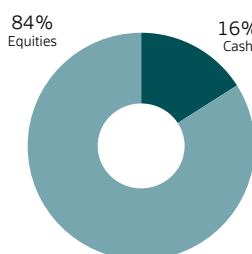
## Managers Commentary

The Saudi market dropped close to 3% in November and reported its second consecutive monthly decline. This was primarily led by a 20% plunge in oil prices triggered by fears of a global oversupply situation developing. As a result, petrochemical sector stocks within the Saudi market were the hardest hit but other stocks also witnessed profit taking. The UAE bourses were also in the negative territory as Abu Dhabi witnessed profit taking while Dubai's horrid run continued making it the worst performing regional market – down 21% for the year.

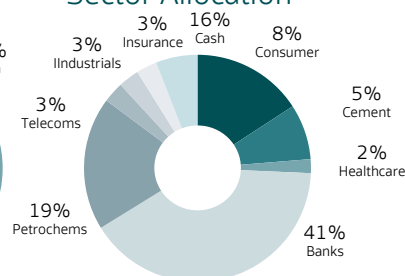
The fund declined by 1.7% in November compared to a 2.7% drop in the benchmark. The fund was affected by the declines in most of our holdings but managed to outperform the benchmark given its cash allocation and modest rise in selected holdings from the Insurance and cement sectors. For the year, the fund's return is very healthy and stands at over 20% compared to 11% return of the S&P Saudi Index and 7% of the official Tadawul index.

We are looking to preserve the fund's return for this year and hence are maintaining some cash allocation. At the same time, we are positioning the portfolio for next year by primarily maintaining a decent allocation to large caps that should benefit from the expected index related inflows. From a sector perspective, the banking sector remains our preferred choice as we expect profitability of the sector to improve with renewed Government spending to act as a catalyst for loan growth. In addition, we have invested in certain cement and construction related stocks as we expect the worst is behind them in terms of fundamentals and expect a gradual pick up in construction activity over the course of next year.

## Asset Allocation



## Sector Allocation



Key Statistics	Fund	Index
Price to Earnings Multiple TTM (x)	16.4	16.5
Price to Book Multiple Latest (x)	1.9	1.7
Return on Equity TTM (%)	11.8	10.2
Dividend Yield—2017 (%)	4.0	3.7
Number of Holdings	29	107
Annualized Return (%) - Last 5 years	6.8	1.5
Annualized Standard Deviation (%) - Last 5 years	17.6	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 (%)	59	60
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 (%)	53.6	47.5

## 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
Nov-18	-1.7	-2.7
YTD (Nov 2018)	20.8	10.7
2017	7.2	3.8
2016	1.6	9.0
2015	-5.5	-14.3
2014	8.9	-2.1
Last 3 months	0.1	-3.0
Last 6 months	-0.9	-4.7
Last 1 year	23.5	14.9
Last 3 years	27.7	19.4
Last 5 years	38.6	7.6
Since Inception (Feb 11— Nov 18)	96.5	53.9

\* 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	15.0
Saudi Basic Industries	Petrochemical	10.4
National Commercial Bank	Banks	8.1

## Top Risk Statistics (last 5 years)

Standard Deviation (%)	17.6
Sharpe Ratio	0.2
Tracking Error (%)	5.7
Information Ratio	0.9
Alpha (%)	5.0
Beta	0.8

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