

### Manager's Commentary

The Saudi market gave back some of the previous month's return and declined by 3%. Although no specific news triggered this, the banking sector came under pressure as certain banks took higher than expected provisioning and the long outstanding Zakat issue once again resurfaced. As a result, the banking sector retreated by close to 4%. The insurance sector continued to outperform given news that a reduction in vehicle registration period from three years to annual is expected soon.

In such an environment, the fund posted a modest decline of 0.8%. Our healthy exposure to the Saudi motor insurance sector fared well as stocks posted positive returns in an overall declining market. In addition, strong results by our core investments such as Yansab also contributed to the outperformance. On a year to date basis, the fund is up 9% versus a 3% increase in the benchmark.

We continue to remain positive on the Saudi market as we progress during the year. Foreign inflows continue to be strong as investors position themselves ahead of major index announcements expected in the coming months. We are increasingly tilting our focus to the large caps which have been thus far neglected and would be the main beneficiaries from potential flows.

### 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*
Feb 18	-0.8	-2.8
2018 (Jan - Feb)	8.9	2.7
2017	7.2	3.8
2016	1.6	9.0
2015	-5.5	-14.3
2014	8.9	-2.1
Last 3 Months	11.4	6.7
Last 6 Months	10.2	2.9
Last 1 Year	17.4	9.9
Last 3 Years	-0.2	-11.0
Last 5 Years	54.3	22.6
Since Inception (Feb 11 - Feb 18)	77.2	42.8

\*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

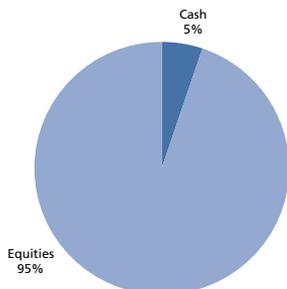
### Top Holdings

Name	Sector	(%)
Al Rajhi Bank	Banks	12.3
National Commercial Bank	Banks	9.0
Saudi Kayan	Petrochem	6.1

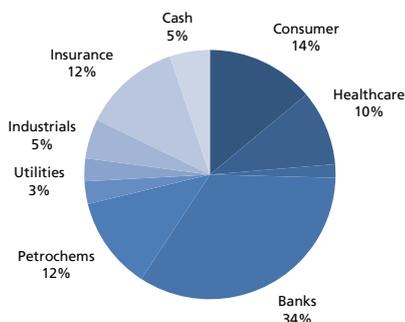
### Risk Statistics (last 5 years)

Standard Deviation (%)	17.5
Sharpe Ratio	0.3
Tracking Error (%)	5.9
Information Ratio	0.8
Alpha (%)	5.1
Beta	0.8

### Asset Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	14.9	16.0
Price to Book Multiple Latest (x)	2.0	1.7
Return on Equity TTM (%)	13.6	10.2
Dividend Yield—2017 (%)	2.7	3.2
Number of Holdings	26	107
Annualized Return (%) - Last 5 years	9.1	4.2
Annualized Standard Deviation (%) - Last 5 years	17.5	20.6
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	61	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 (%)	38.5	36.9

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Investment Bank

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