

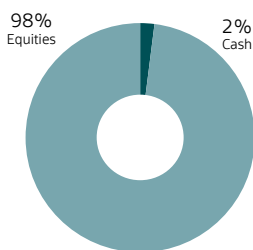
## Managers Commentary

During April, the Saudi market rose 5% and extended its gain for the year to over 15%. Continued foreign inflows and firm oil prices helped support the rally that focused mainly on the large caps. In April alone, foreign inflows were a notch below US\$900m, taking the total inflows for the year to around US\$3billion. For the year, the Saudi market is up over 15%, comfortably ahead of the other bourses. Dubai is on the other end of the spectrum and is down over 5% during the same period.

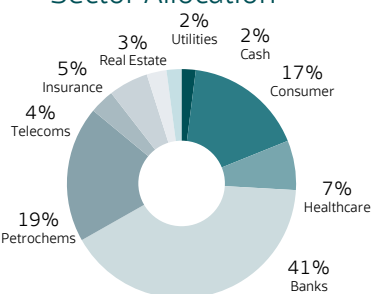
Your fund continued to appreciate and was up 5% in April. The increased focus to large caps started to pay off as these were amongst the notable gainers, while selected holdings from the petrochemical sector also contributed to the overall returns. For the year, the fund is up close to 22%, significantly outperforming both the S&P Saudi index (+15%) and the official Tawadul index (+13%).

Given the stellar return of the market during the last two months (Index up 12%), we expect some nearterm consolidation. Nonetheless, we opt to remain fully invested as we expect any correction to be short-lived given substantial flows that are expected to enter the market during the later part of the year. The banking sector remains one of our preferred themes and hence have invested over 40% of the fund. Valuations remain relatively attractive while earnings growth is expected to gather pace on account of an rising interest rate environment.

## Asset Allocation



## Sector Allocation



Key Statistics	Fund	Index
Price to Earnings Multiple TTM (x)	16.1	17.7
Price to Book Multiple Latest (x)	2.0	1.8
Return on Equity TTM (%)	12.9	10.3
Dividend Yield—2017 (%)	3.2	3.3
Number of Holdings	30	107
Annualized Return (%) - Last 5 years	9.8	5.7
Annualized Standard Deviation (%) - Last 5 years	17.8	21
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 16)	25mths (Aug 14 to Sep 16)
Recovery from Latest Drawdown (%)	54.8	54.1

## 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
Apr-18	5.0	5.2
YTD (April 2018)	21.7	15.7
2017	7.2	3.8
2016	1.6	9.0
2015	-5.5	-14.3
2014	8.9	-2.1
Last 3 months	10.8	9.4
Last 6 months	25.6	20.9
Last 1 year	27.7	21.6
Last 3 years	3.9	-6.8
Last 5 years	59.8	31.7
Since Inception (Feb 11— April 18)	98.0	60.8

\* 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	12.5
National Commercial Bank	Banks	9.2
Saudi British Bank	Banks	4.6

## Top Risk Statistics (last 5 years)

Standard Deviation (%)	17.8
Sharpe Ratio	0.4
Tracking Error (%)	5.9
Information Ratio	0.7
Alpha (%)	4.6
Beta	0.8

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