

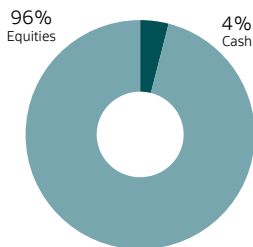
Managers Commentary

The Saudi market appreciated marginally (+0.4%) in July and posted its fifth consecutive positive return. Given the healthy increase seen during the first six months of the year, consolidation was experienced amidst the ongoing summer season. Other markets saw decent gains with Qatar rising 9% while the UAE bourses appreciated around 5-6%.

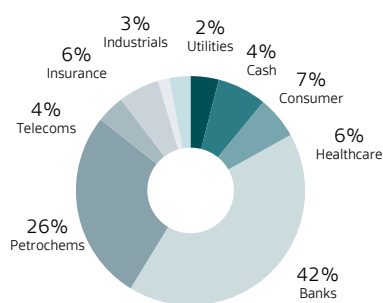
The value of the fund declined by 0.4% in July and slightly underperformed its benchmark. Although we had decent exposure to investments from within the banking and petrochemical sectors (aggregate exposure of around 70%) that posted handsome gains, some of our investments from other sectors declined. Alujain dropped 10% after reporting that its second quarter results would be delayed, while the share price of National Petrochemical surprisingly dropped 7% despite announcing decent second quarter numbers. We expect these declines to be temporary given the strong turnaround in both companies' operations over the last one year.

It is pertinent to note that while overall second quarter earnings appear to be decent, the sharp deterioration in selected health care and consumer companies depicts the extremely weak consumer sentiment and impact from the mass exodus of expatriates this year. We remain cautious on these domestic related stories and maintain limited exposure while continuing to focus on banks and petrochemical sectors that should outperform in such an environment.

Asset Allocation



Sector Allocation



Key Statistics	Fund	Index
Price to Earnings Multiple TTM (x)	15.9	17.4
Price to Book Multiple Latest (x)	2.0	1.9
Return on Equity TTM (%)	13.4	10.7
Dividend Yield—2017 (%)	3.2	3.4
Number of Holdings	27	107
Annualized Return (%) - Last 5 years	7.8	4.1
Annualized Standard Deviation (%) - Last 5 years	17.7	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	59	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 (%)	58.6	58.2

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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
Jul-18	-0.4	0.4
YTD (July 2018)	24.7	18.7
2017	7.2	3.8
2016	1.6	9.0
2015	-5.5	-14.3
2014	8.9	-2.1
Last 3 months	2.4	2.7
Last 6 months	13.5	12.3
Last 1 year	28.0	21.9
Last 3 years	10.0	2.5
Last 5 years	45.7	22.3
Since Inception (Feb 11— July 18)	102.8	65.1

* 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	15.1
Saudi Basic Industries	Petrochems	9.8
National Commercial Bank	Banks	8.3

Top Risk Statistics (last 5 years)

Standard Deviation (%)	17.7
Sharpe Ratio	0.3
Tracking Error (%)	5.9
Information Ratio	0.6
Alpha (%)	3.9
Beta	0.8