

FUND CATEGORY	Equity - Open Ended
NET UNIT PRICE	109.0765



Elite Flexi Saudi Equities Fund

Quarterly Report Ending 31 December 2016

Main Points

- The fund commenced operations in May 2016
- The fund returned 2.70% in December, with an allocation of 53% to Saudi Equities
- The fund returned 9.08% in 2016.

Commentary: Market Rally Continues, we foresee a market Correction

TASI ended the month and 2016 at 7210 points, a 3.0% rise for December and a 4.3% rise for the whole year of 2016. A year that will be remembered as a year of uncertainty and volatility. Banking and Petrochemical sector accounted for around 30% of the total value traded in December. The upturn was attributed to the recent OPEC and Non-OPEC agreement of cutting production by almost 1.8mb per day. Energy and Building & construction were the best performing sectors, showing an increase of 16% and 9% respectively in December fueled by government payments of outstanding receivables that was received with further optimism. Oil & government payments definitely enhance the fundamental picture of the market positioning and as witnessed in the last quarter of the year drive sentiment to new highs, forgetting the pessimism that concurred the market in Q3 of 2016. Nevertheless, as your fund has enjoyed this market rally closing the year up by 9.08% from its inception in May and thus achieving its absolute return target, it is worth remembering that albeit we maintain a flexible stance in our exposure to the market we remain fundamental investors looking for value and sustainable growth. Generally speaking, we believe that the excessive market rally is neither warranted nor sustainable on the short run. As we expect Q4 results to remain muted generally by lower spending and a possible increase of banking provisions, we take a stance of profit taking in the market. From a process perspective at the current valuation level, we narrow our stop losses to reduce our equity exposure significantly in a case of a market correction which is aimed to protect the returns achieved and provide lower volatility than that of the market. We expect 2017 to be a realization year of the new norms in Saudi Arabia and expect the market to be a mirror of that realization. While the main market catalyst for 2017 in our opinion remains an expedited MSCI Emerging Markets inclusion which will definitely carry the market upwards... the true question remains, will it be carried from its current level, or is a fundamental correction warranted?

We remain positioned for the later.

Markets Performance Summary

Market	Bloomberg Ticker	Monthly Perf(%)	YTD
Saudi (TASI)	SASEIDX index	3.00	4.32
Saudi (S&P Shariah)	SPSHSART index	2.56	7.31
Pan Arab	SPSHPAT index	3.48	10.76
Elite Flexi Fund	N/A	2.70	9.08
Gold	XAU curncy	-2.19	8.14
Brent	CO1 Comdty	12.58	52.41

The percentage of total fees and charges of the quarter to the average of the net assets value of the fund. 0.33%

Profits distributed during the quarter	-
The fund's manager investments amount	-
Dealing expenses for the quarter	SAR 24,490.48

Percentage of borrowings to the fund's net assets value at the end of the quarter. -

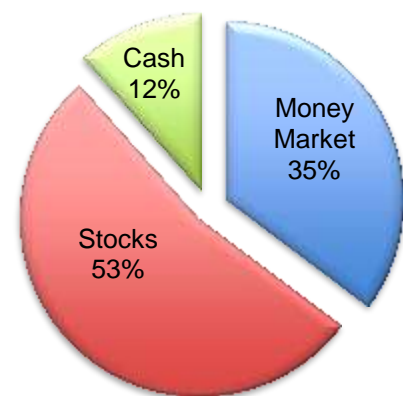
FUND MANAGER	SEDCO Capital
INCEPTION DATE	May 25, 2016
CURRENCY	Saudi Arabian Riyal (SAR)
FUND SIZE	SAR 33.3 million
BENCHMARK	S&P Saudi Shariah Index
MINIMUM SUBSCRIPTION	SAR 10,000
DEALING / VALUATION DAY	Monday and Wednesday of each week. When any such day is not a Business Day, the Valuation Day is the immediate following Valuation Day
CUT-OFF TIME FOR RECEIVING SUBSCRIPTION/REDEMPTION REQUESTS	4:00 pm KSA local time on a dealing day
SUBSCRIPTION FEES	Up to 2% of the subscription amount. This fee will be exclusive of the subscription amount
REDEMPTION FEES	1% if units are redeemed within 30 days of subscription
MANAGEMENT FEES	0.75% per annum of the NAV
PERFORMANCE FEES	20% of outperformance if the manager outperforms the benchmark
ADMINISTRATOR & CUSTODIAN FEES	0.10% per annum of the NAV
AUDITOR	KPMG
ADMINISTRATOR & CUSTODIAN	Saudi Fransi Capital

Fund Statistics

Liquidity Analysis (# of days needed to liquidate)

Market%	25	50	75	90	95	100
5	0.07	0.38	0.94	2.04	2.66	4.06
10	0.03	0.19	0.47	1.02	1.33	2.03
15	0.02	0.13	0.31	0.68	0.89	1.35
20	0.02	0.10	0.23	0.51	0.67	1.02
25	0.01	0.08	0.19	0.41	0.53	0.81
30	0.01	0.06	0.16	0.34	0.44	0.78

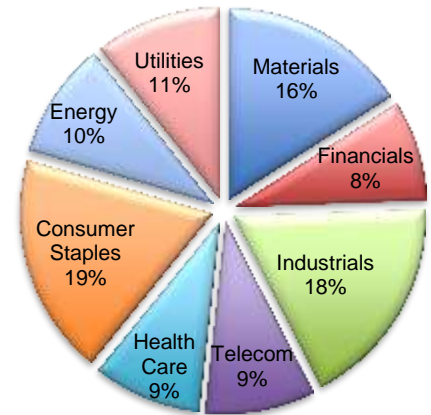
Fund's Asset Allocation



Fund Top Holdings

Company	Country	Sector
AlBadr Murabaha Fund	Saudi Arabia	-
Saudi Ground Services	Saudi Arabia	Transport
SABIC	Saudi Arabia	Materials
STC	Saudi Arabia	Telecommunication
Catering	Saudi Arabia	Commercial Services
National Shipping	Saudi Arabia	Energy
Bupa	Saudi Arabia	Insurance
Rajhi	Saudi Arabia	Banking
Advanced	Saudi Arabia	Materials
SADAFCO	Saudi Arabia	Consumer Staples

Fund's Equity Sector Allocation



Source: SC Portfolio Analytics

Fund Performance

Performance	1 Month	3 Months	6 Months	1 Year	YTD	ITD
Elite Flexi Saudi Equities Fund	2.70	15.94	9.09	N/A	9.08	9.08
Benchmark	2.56	26.75	9.68	N/A	11.33	11.33

Fund Risk - Volatility

Volatility	1 Month	3 Months	1 Year	YTD	ITD
Elite Flexi Saudi Equities Fund	4.06	6.87	N/A	13.73	13.73

Statistical Analysis

	1 Month	3 Months	1 Year	YTD	ITD
Tracking Error (Annualized)	4.97	7.53	N/A	8.45	8.45
Beta	0.63	0.57	N/A	0.47	0.47

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