



Quarterly Report
Quarter Ending 28 September 2017

ELITE FLEXI SAUDI EQUITIES FUND

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Main Points

- The fund commenced operations in May 2016
- The fund returned 0.35% in Q3 2017, with an average allocation of 70% to Saudi Equities

Commentary: Reforms and FTSE anticipation

During Q3 2017, the Fund registered 0.35% return while its investment universe went down by 3.22%. Biggest positive contributors to the Fund returns were ALTAYYAR, Tasnee and SIPCHEM contributing 72, 70 and 66 bps to the returns respectively. Jabal Omar, Mobily and STC were the biggest negative contributors to the returns detracting 51, 45 and 43 bps from the Fund returns.

In the benchmark, Consumer Discretionary, Materials, and Media were the biggest contributors to return with 62, 62, and 29 bps, respectively, while Consumer Staples, Real Estate, and Telecoms were the largest detractors with 167, 86, and 62 bps.

Saudi Arabia's real GDP shrank 1.0% in 2Q17 following a 0.5% drop in 1Q17. Budget deficit figure was released for 2Q17 which showed 20% reduction over 2Q16. In the real estate sector the total value of transactions during the last Hijri year fell 27% YoY, marking a third consecutive annual decline. The exuberance from MSCI Emerging Watch list inclusion of Saudi Arabia in June was partially washed away by the 2Q17 corporate results that validated the muted GDP growth. On the reform front, expat dependent levy was implemented from July 1, VAT Law was approved, healthcare privatization plan was green-lighted, all fair usage policies on unlimited data/internet bundles were cancelled, and in a historic move, ban on women driving was removed. Owing to concerns that the hurried pace of fiscal consolidation was impeding economic growth, government is reportedly working on a

Markets Performance Summary

Market	Bloomberg Ticker	Quarterly Perf. (%)	YTD (%)
Saudi (TASI)	SASEIDX index	-1.92	1.01
S&P Saudi Shariah Domestic	SPSHDSAD index	-3.22	-1.38
Pan Arab	SPSHPAT index	0.05	3.49
Elite Flexi Fund	ELFLSEF AB Equity	0.35	3.41
Gold	XAU curncy	2.94	11.15
Brent	CO1 Comdty	26.96	2.26

The percentage of total fees and charges of the quarter to the average of the net assets value of the fund. 0.20%

Profits distributed during the quarter NIL

The fund's manager investments NIL

Dealing expenses for the quarter SAR 30,919.61

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

Shariah Purification Amount

(May 25 to Dec. 31, 2016) SAR 676.51

revised version of National Transformation Plan (NTP) 2020 expected to be released in 4Q17. To support the gradual reforms roll out, USD9.9 bn domestic Sukuk and USD12.5 bn international bonds were sold. August and September were largely dominated by anticipation of positive announcement by FTSE to include Saudi Arabia in its Emerging Markets Index. However, the excitement faded near the end of the quarter and FTSE announced on September 29th that it will delay the inclusion of Saudi Arabia till March 2018 at the earliest.

30% increase in Hajj pilgrims, 11.5% Y/Y increase in POS transactions during Jul-Aug, and impact of reversal of deductions of allowances for state employees is expected to bode well for 3Q17 corporate results. The market continues its positive outlook in anticipation of strong 3Q17 corporate earnings announcements, MSCI announcement in November and a positive budget in December. Amidst all of these positives, short respites may be expected purely due to momentum adjustment.

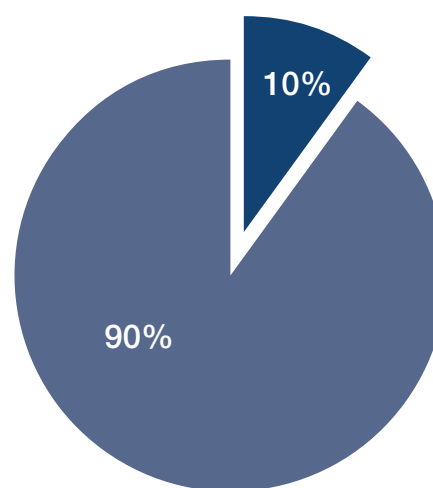
Fund Statistics

Liquidity Analysis (No. of days needed to liquidate)

Market %	25	50	75	90	95	100
5	0.06	0.14	0.37	0.69	0.88	2.54
10	0.03	0.07	0.19	0.35	0.44	1.27
15	0.02	0.05	0.12	0.23	0.29	0.85
20	0.02	0.04	0.09	0.17	0.22	0.64
25	0.01	0.03	0.07	0.14	0.18	0.51
30	0.01	0.02	0.06	0.12	0.15	0.42

Fund Manager	SEDCO Capital
Inception Date	May 25, 2016
Currency	Saudi Arabian Riyal (SAR)
Fund Size	SAR 15.9 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's Asset Allocation

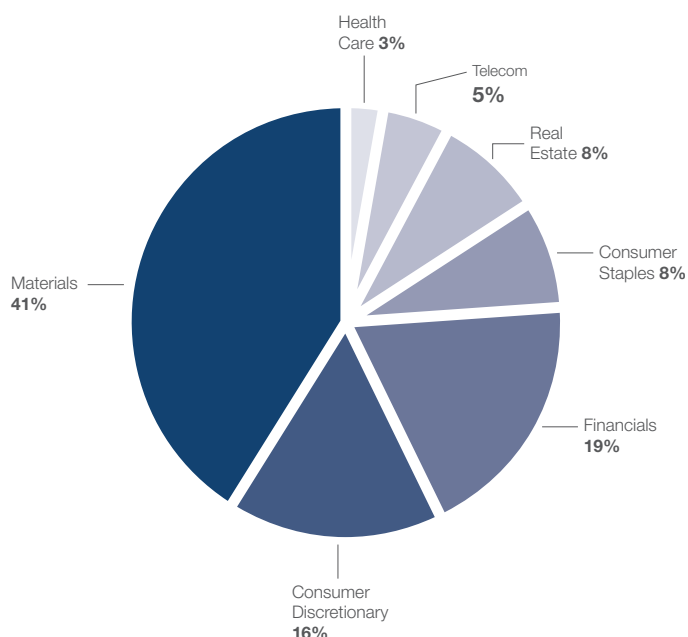


■ Money Market ■ Stocks

Fund Top Holdings

Company	Sector	Weight %
SABIC	Materials	14.38
Al Rajhi Bank	Banks	12.58
AlBadr Murabaha Fund	Money Market	10.27
Jabal Omar	Real Estate	7.01
SIPCHEM	Materials	6.17
Al Tayyar	Consumer Services	5.76

Fund's Asset Allocation



Fund Performance

%	Q3 2017	YTD	ITD**
Elite Flexi Saudi Equities Fund	0.35	3.41	12.80
Benchmark	-3.22	-1.38	8.93

Fund Risk

%	Q3 2017	YTD	ITD**
Volatility	4.71	6.99	7.31
Tracking Error (Annualized)	3.02	3.92	6.33
Beta	0.67	0.69	0.55

List of issuers which shares constitute the largest ten investments in the fund portfolio their percentages as it is in the first day of the quarter

Issuer	%
Al Badr Fund SAR	14.28%
Al Rajhi Bank	9.88%
Saudi Basic Industries Corp.	9.86%
Saudi Telecom Co.	8.29%
National Industrialization Co.	5.35%
Jabal Omar Development Co.	5.17%
Saudi Arabian Mining Co.	5.11%
Advanced Petrochemical Co.	5.04%
Altayyar Travel Group	3.59%
Etihad Etisalat Co.	2.76%
The percentage of total fees and charges of the quarter to the average of the net assets value of the fund.	0.67%
Profits distributed during the quarter	-
The fund's manager investments amount	-
Dealing expenses for the quarter	SAR 16,250.44/-
Percentage of borrowings to the fund's net assets value at the end of the quarter.	-

Fund's performance standards and index

Fund returns since inception	12.80%
Fund returns 3Y	NA
Fund returns 5Y	NA
Fund returns 10Y	NA

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