

# MEFIC Murabaha SAR Fund - June 30, 2017

## التقرير النصف سنوي لصندوق ميفك للمرابحة بالريال السعودي

### Article 71

#### A Top Ten Holdings

Name of Stock	% Holding in the stock
i Sukuk Investment 1	6.77%
ii Sukuk Investment 2	4.84%
iii Murabaha Investment 1	4.81%
iv Murabaha Investment 2	4.81%
v Murabaha Investment 3	4.78%
vi Murabaha Investment 4	4.13%
vii Murabaha Investment 5	3.84%
viii Murabaha Investment 6	3.84%
ix Sukuk Investment 3	3.03%
x Sukuk Investment 4	2.97%

\* Stock holdings as at June 30, 2017

#### F Standard Measure of Risk

i Standard Deviation – Fund	0.41%
ii Standard Deviation -Benchmark	0.02%

\*\* the information in based on the first half year 2017

#### B Fee Details

Name	% of Total NAV
i Management Fees	0.5%
ii Other Fees	0.0%
iii Total Expenses Ratio	0.5%

#### C Profit Distribution

	Amount	%
C Profit Distribution	Nil	0.00%
D Dealing Expenses in the Fund	Nil	0.00%
E Fund Manager Investment in the Fund	5,153,284.08	0.98%
H Fund Borrowing %	Nil	0.00%

#### G Fund & Index Performance (2017)

	YTD	Benchmark	Alpha
	2.44	1.2	1.24

### Annex 5

#### A Investment fund information

i Name of the Fund	MEFIC SAR MURABAHA FUND
ii Investment Objective	To provide capital increase and liquidity through investment in low risk money market instruments which are shariah compliant and provide a return above 3 month SAIBOR
iii Policy & Procedure	Terms & Conditions Available on Tadawul Website
iv Distribution of Income & Gain Policy	No Distribution of Dividend
v Statement of Fund Report	Fund Annual Financial Report as of 31 Dec 2016 is available on Tadawul website and available on request to investors at free of charge

#### B Fund Performance Table

	1 Year	3 Year	5 Year	Inception
Return	2.79%	2.15%	2.02%	1.68%

	2011	2012	2013	2014	2015	2016	1H 2017
Annual Return	0.80%	1.16%	1.6%	2.3%	1.39%	2.80%	2.44%

	2013	2014	2015	2016	1H 2017
NAV	86,838,046	361,810,636	570,959,702	292,987,318	524,238,607
Unit Price	103.08	105.47	106.94	109.94	111.27
NAV High	103.08	105.48	106.94	109.94	111.27
NAV Low	101.43	103.07	105.47	106.94	109.94
Number of Units	842,395	3,430,437	5,338,989	2,664,906	4,711,208
Expense Ratio	0.51%	0.51%	0.51%	0.51%	0.50%
Income distribution	0.00%	0.00%	0.00%	0.00%	0.00%

#### C Fund Fees and Expenses

	2014	2015	2016	1H 2017
Management Fee	826,260	2,359,443	2,157,684	1,190,523
Other Expense	0	524	1,528	0
Total Expense Ratio	0.5%	0.5%	0.5%	0.5%

## MEFIC Murabaha SAR Fund - June 30, 2017

التقرير النصف سنوي لصندوق مييك للمرابحة بالريال السعودي



### D Fund Manager Information

Name & Address	MEFIC Capital, 7758 King Fahed Road Olaya Riyadh 12333
Investment Activities	MEFIC Capital is an Authorized Person regulated by CMA with License # 37-060209. MEFIC Capital's investment management business focuses on the management of public-listed funds, private placements, and real estate funds. MEFIC offers broad range of investment products to meet the varying investment needs and risk profiles of both institutional and retail investors. As at 31-Dec-2016, MEFIC had assets under management (AUM) of SAR 2.2bn, and MEFIC funds outperformed benchmarks during the period under review.
Investment Fund Performance	The fund generated an annualized return of 2.44% as compared to benchmark return of 1.2%, Alpha of 1.24%
Material Changes	None

### E Custodian Information

Name & Address	MEFIC Capital, 7758 King Fahed Road Olaya Riyadh 12333
Custodian Responsibilities	All necessary administrative measures regarding custody of assets; Taking custody & protecting fund assets
Custodian Opinion	MEFIC verifies that the below have been done in accordance with IFR & Funds' Terms and Conditions 1. Issuance, transfer and redemption of the units 2. Valuation and calculated the NAV price of units 3. Not breached any of the investment restrictions, limitations and borrowing powers

### F Auditor Information

Name & Address	BDO Dr. Mohamed Al-Amri & Co. P.O. Box 8736, Riyadh 11492, Kingdom of Saudi Arabia
Auditor Opinion	The financial statements have been prepared and audited in accordance with SOCPA standards, the Investment Funds Regulations, the fund's terms and conditions 1. Financial statements give a true and fair view of the net income and the net gains or losses of the investment fund's assets in that accounting period; T 2. True and fair view of the financial position of the investment fund at the end of the period.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
Managed by  
**MIDDLE EAST FINANCIAL INVESTMENT COMPANY**  
**INTERIM FINANCIAL STATEMENTS (Unaudited)**  
**FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2017**  
together with the  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**MEFIC SAUDI RIYAL MURABAHA FUND**  
Managed by Middle East Financial Investment Company  
**UNAUDITED INTERIM FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
For the six-months period ended 30 June 2017

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<b>INDEX</b>	<b>PAGE</b>
Independent auditor's review report	2
Interim balance sheet	3
Interim statement of income	4
Interim statement of cash flows	5
Interim statement of changes in net assets attributable to unitholders	6
Notes to the interim financial statements	7 - 10

## REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To **The Unitholders of  
MEFIC Saudi Riyal Murabaha Fund  
Riyadh, Kingdom of Saudi Arabia**

### SCOPE OF REVIEW:

We have reviewed the accompanying interim balance sheet of MEFIC Saudi Riyal Murabaha Fund (the "Fund") managed by Middle East Financial Investment Company (the "Fund Manager") as at 30 June 2017, the interim statements of income, cash flows and changes in net assets attributable to unitholders for the six-months period then ended and the related notes 1 through 14 which form an integral part of these interim financial statements. These interim financial statements are the responsibility of the Fund Manager and have been prepared by them in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia and submitted to us together with all the information and explanations, which we required.

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' as endorsed in the Kingdom of Saudi Arabia. A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.,



Gihad M. Al-Amri  
Certified Public Accountant  
Registration No. 362



August 3, 2017 (G)  
Dhul Qa'ada 11, 1438 (H)

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**INTERIM BALANCE SHEET (Unaudited)**  
 As at 30 June 2017  
 (Saudi Riyals)

	<u>Notes</u>	<u>30 June 2017</u>	<u>30 June 2016</u>
<b><u>ASSETS</u></b>			
Cash at bank	7	<b>41,548,165</b>	49,938,159
Murabaha placements	8	<b>381,143,085</b>	287,765,226
Investments	9	<b>101,767,190</b>	87,694,278
<b>Total assets</b>		<b>524,458,440</b>	425,397,663
<b><u>LIABILITIES</u></b>			
Fund Management fee payable	6 & 10	<b>219,833</b>	173,197
<b>Total liabilities</b>		<b>219,833</b>	173,197
<b>NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS</b>		<b>524,238,607</b>	425,224,466
<b>Units in issue (numbers)</b>		<b>4,711,208.12</b>	3,929,691.60
<b>Net assets value – per unit (Saudi Riyals)</b>		<b>111.27</b>	108.21

The accompanying notes from 1 to 14 form an integral part of these financial statements.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**INTERIM STATEMENT OF INCOME (Unaudited)**  
 For the six-months period ended 30 June 2017  
 (Saudi Riyals)

	<i>Note</i>	<b>30 June 2017</b>	30 June 2016
<b><u>INCOME</u></b>			
Profit on murabaha placements		<b>5,234,203</b>	5,108,177
Special commission income		<b>1,800,551</b>	1,960,888
Unrealized gain on investments held for trading	9(a)	<b>141,996</b>	154,207
Other expenses		<b>(337,546)</b>	(155,477)
<b>Total income</b>		<b><u>6,839,204</u></b>	<u>7,067,795</u>
<b><u>EXPENSE</u></b>			
Fund management fee	6	<b>1,190,523</b>	1,261,552
<b>Total expense</b>		<b><u>1,190,523</u></b>	<u>1,261,552</u>
<b>NET INCOME FOR THE PERIOD</b>		<b><u><u>5,648,681</u></u></b>	<u><u>5,806,243</u></u>

The accompanying notes from 1 to 14 form an integral part of these financial statements.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**INTERIM STATEMENT OF CASH FLOWS (Unaudited)**  
 For the six-months period ended 30 June 2017  
 (Saudi Riyals)

	<u>30 June 2017</u>	<u>30 June 2016</u>
<b><u>CASHFLOW FROM OPERATING ACTIVITIES</u></b>		
<b>Net income for the period</b>	<b>5,648,681</b>	5,806,243
<i>Adjustments:</i>		
Amortization of (discount) / premium on sukuk	<b>(247,850)</b>	126,805
Unrealized gain on investments held for trading	<b>(141,996)</b>	(154,207)
<i>Changes in operating assets and liabilities:</i>		
Murabaha placements, net	<b>(151,878,546)</b>	188,497,180
Accrued special commission income	<b>(1,849,270)</b>	(56,904)
Fund management fee payable	<b>91,388</b>	(80,915)
<b>Net cash (used in) / generated from operating activities</b>	<b>(148,377,593)</b>	194,138,202
<b><u>CASHFLOW FROM INVESTING ACTIVITIES</u></b>		
Proceeds from held to maturity investments	<b>6,373,300</b>	-
Purchase of held to maturity investments	<b>(58,607,937)</b>	(10,868,832)
<b>Net cash used in investing activities</b>	<b>(52,234,637)</b>	(10,868,832)
<b><u>CASHFLOW FROM FINANCING ACTIVITIES</u></b>		
Proceeds from subscription of units	<b>409,295,925</b>	217,086,332
Payment against redemption of units	<b>(183,693,317)</b>	(368,627,784)
<b>Net cash generated from / (used in) financing activities</b>	<b>225,602,608</b>	(151,541,452)
<b>Net increase in cash and cash equivalent</b>	<b>24,990,378</b>	31,727,918
Cash and cash equivalent at 1 January	<b>16,557,787</b>	18,210,241
<b>Cash and cash equivalent at 30 June</b>	<b>41,548,165</b>	49,938,159

The accompanying notes from 1 to 14 form an integral part of these financial statements.



**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE**  
**TO THE UNITHOLDERS (Unaudited)**  
 For the six-months period ended 30 June 2017  
 (Saudi Riyal)

	<b>30 June 2017</b>	30 June 2016
<b>Net assets value at 1 January</b>	<b>292,987,318</b>	570,959,675
<b>Net income for the period</b>	<b>5,648,681</b>	5,806,243
<b>Changes from unit transactions:</b>		
Proceeds from issuance of units	<b>409,295,925</b>	217,086,332
Payment towards units redeemed	<b>(183,693,317)</b>	(368,627,784)
<b>Net change from unit transactions</b>	<b>225,602,608</b>	(151,541,452)
<b>Net assets value at 30 June</b>	<b>524,238,607</b>	425,224,466

**UNIT TRANSACTIONS**

	<i>Numbers</i>	
<b>Units at 1 January</b>	<b>2,664,905.84</b>	5,338,988.60
Units issued during the period	<b>3,702,003.52</b>	2,024,343.91
Units redeemed during the period	<b>(1,655,701.24)</b>	(3,433,640.93)
Net change in units	<b>2,046,302.28</b>	(1,409,297.02)
<b>Units at 30 June</b>	<b>4,711,208.12</b>	3,929,691.58

The accompanying notes from 1 to 14 form an integral part of these financial statements.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
Managed by Middle East Financial Investment Company  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Unaudited)**  
For the six-months period ended 30 June 2017  
(Saudi Riyal)

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**1. THE FUND AND ITS ACTIVITIES**

MEFIC Saudi Riyal Murabaha Fund (“the Fund”) is an open-ended investment fund established and managed through an agreement between the Middle East Financial Investment Company (“the Fund Manager”) and the investors (the “Unitholders”).

The objective of the Fund is to achieve capital increase and the provision of liquidity through investment in low-risk Murabaha based trade transactions that are compliant with Shariah principles and to achieve a return above the benchmark return, which is SIBOR three months.

The Fund commenced its operations on 1 March 2011 pursuant to resolution number 7481/5 issued by Capital Market Authority (CMA) dated 21 Ramadan 143H (corresponding to 31 August, 2010G).

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund.

The interim results of the Fund may not be an indicator of its annual results of the operations.

**2. REGULATORY AUTHORITY**

The Fund is governed by Investment Funds Regulations as amended by CMA upto 16 Sha’ban 1437 H (corresponding to 23 May 2016 G) detailing requirements for investment funds operating in the Kingdom of Saudi Arabia.

**3. SUBSCRIPTION / REDEMPTION**

Subscription / redemption requests will be accepted on all days on which the Saudi Stock Market is open.

The value of the Fund’s portfolio is determined daily. The net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the net value of assets (fair value of the Fund’s assets minus fund liabilities) by the total number of outstanding fund units on that day.

**4. BASIS OF PREPARATION**

**4.1 *Statement of compliance***

These interim financial statements have been prepared in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia issued by the Saudi Organization of Certified Public Accountants (SOCPA), and in accordance with the requirements of the Investment Funds Regulations as published by CMA in Saudi Arabia and the Fund’s terms and conditions.

**4.2 *Basis of measurement***

These interim financial statements have been prepared under the historical cost convention, except for held for trading investments which are carried at fair value, using the accrual basis of accounting and the going concern concept.

**4.3 *Functional and presentation currency***

These interim financial statements have been presented in Saudi Riyals (SR), which is the functional currency of the Fund.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Unaudited)**  
 For the six-months period ended 30 June 2017  
 (Saudi Riyal)

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**BASIS OF PREPARATION (Continued)**

**4.4 Use of estimates and judgment**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

**5. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting and risk management policies used in the preparation of these interim financial statements are consistent with those used and disclosed in the annual financial statements for the year ended 31 December 2016.

**6. FUND MANAGEMENT FEE AND OTHER CHARGES**

Fund Manager charges the Fund, a management fee at the rate of 0.5% per annum of the Fund's net asset value, which is calculated on daily basis and deducted monthly.

The Fund Manager also recovers certain expenses incurred on behalf of the Fund within limits mentioned in terms and conditions of the Fund. The Fund Manager has waived fees towards other expenses of the Fund.

**7. CASH AND CASH EQUIVLENTS**

Cash and cash equivalents include balances with banks, custodian and highly liquid investments with original maturity of three months or less.

	<b>30 June 2017</b>	30 June 2016
Cash at bank – current account	<b>41,548,165</b>	29,938,159
Short-term Murabaha placements	-	20,000,000
	<b>41,548,165</b>	49,938,159

**8. MURABAHA PLACEMENTS**

	<b>30 June 2017</b>	30 June 2016
Murabaha placements	<b>377,054,597</b>	286,020,188
Accrued profit on Murabaha placements	<b>4,088,488</b>	1,745,038
	<b>381,143,085</b>	287,765,226

As at 30 June 2017, murabaha placements carry an average commission rate of 2.83% per annum (30 June 2016: 3.11%) and having an original maturity period of more than three months from the date of placement.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Unaudited)**  
 For the six-months period ended 30 June 2017  
 (Saudi Riyal)

**9. INVESTMENTS**

	<i>Notes</i>	<b>30 June 2017</b>	30 June 2016
Held for trading	9(a)	<b>9,408,620</b>	9,114,282
Held to maturity	9(b)	<b>92,358,570</b>	78,579,996
		<b>101,767,190</b>	87,694,278

**a) Held for trading**

*Unquoted security*

<b>30 June 2017</b>	<b>Cost</b>	<b>Fair value</b>	<b>Unrealized gain</b>
MEFIC Murabaha Plus Fund (8,724.14 units)	<b>9,266,624</b>	<b>9,408,620</b>	<b>141,996</b>
<b>30 June 2016</b>	<b>Cost</b>	<b>Fair value</b>	<b>Unrealized loss</b>
MEFIC Murabaha Plus Fund (8,724.14 units)	8,960,075	9,114,282	154,207

**b) Held to maturity**

*Unquoted securities*

	<b>Coupon rate (%)</b>	<b>30 June 2017</b>	30 June 2016
EIB Sukuk	4.72%	-	6,613,731
Saudi Electricity Company Global Sukuk	5.06%	-	10,395,674
Emaar Sukuk	6.40%	-	17,359,508
Turksk 4.489 Sukuk	4.49%	<b>15,566,700</b>	-
Tufika 5.375 Sukuk	5.38%	<b>25,367,511</b>	18,014,317
Turfin 3.95 Sukuk	3.95%	<b>35,515,739</b>	11,320,434
Darala Sukuk	5.75%	<b>15,908,620</b>	14,876,332
		<b>92,358,570</b>	78,579,996

**10. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties of the Fund include the Unitholders, the Fund Manager and other funds managed by the Fund manager. In the ordinary course of its activities, the Fund transacts business with the Fund Manager. The transactions with the related parties are as follows:

<b>Related Party</b>	<b>Nature of transaction</b>	<b>30 June 2017</b>	30 June 2016
Middle East Financial Investment Company ( <i>Fund Manager</i> )	Fund management fee	<b>1,190,523</b>	1,261,552

The above transactions resulted in the following balance due to related party:

	<b>30 June 2017</b>	30 June 2016
Management fee payable	<b>219,833</b>	173,197

As at 30 June 2017, the Fund has investment of SR 9.4 million (30 June 2016: SR 9.1 million) in MEFIC Murabaha Plus Fund, a fund managed by the Fund Manager.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
Managed by Middle East Financial Investment Company  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Unaudited)**  
For the six-months period ended 30 June 2017  
(Saudi Riyal)

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**11. FINANCIAL RISK MANAGEMENT**

The Fund maintains position in financial instrument as dictated by its investment policy. The Fund is exposed to the following risks:

***Credit risk***

Credit risk is a risk that one party to a financial instrument may fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to the credit risk on cash and cash equivalents which are maintained with the financial institutions with good credit rating. Thus the credit risk is not considered significant.

***Commission rate risk***

Commission rate risk is the risk that a movement in commission rates would have an adverse effect on the value of assets and liabilities or would affect commission cash flows. The Fund's Murabaha placements are based on fixed profit rates. The Fund Manager believes that fund is not exposed to profit rate fluctuations.

***Currency risk***

Currency risk is the risk that the value of a financial instrument may fluctuate due to a change in foreign exchange rates. The Fund has sukuk and bank balance held with custodian denominated in US Dollars, the Fund Manager monitors the fluctuations in foreign currency exchange rates and believes that the fund is not exposed to significant foreign currency risk.

***Liquidity risk***

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Fund Manager monitors the liquidity requirements on a regular basis and ensures that sufficient funds are available through managing Murabaha placements to meet any future commitments.

**12. FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments comprise financial assets and financial liabilities.

The Fund's financial assets comprise of cash and cash equivalents, investments in held for trading and held to maturity instruments and its financial liabilities comprise of fund management fee payable.

Investments in held for trading investments are carried at fair value and the fair values of other financial instruments are not materially different from their carrying values.

**13. LAST VALUATION DATE**

The last valuation date of net asset value of the fund for the period was 30 June 2017 (2016: 30 June 2016).

**14. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

These interim financial statements were approved by the Fund's Board on 11 Dhul Qa'ada 1438H corresponding to 3 August 2017G.

**MEFIC SAR MURABAHA FUND**

**Semi Annual Performance Report**

**As of 30 June 2017**

**Fund Board of Directors**

**FUND OBJECTIVE**

The main objective of the fund is to achieve capital increase and the provision of liquidity through investment in low-risk Murabaha based trade transactions that are compliant with Shariah principles and achieve a return above the benchmark SIBOR 3 months.

**MONEY MARKET REVIEW**

During 1H17, interest rates in Saudi Arabia gradually corrected from the high's of 2016 amid increased liquidity in the system and reduced government borrowings. The three month Saudi Interbank Offered Rate (SAIBOR) fell from 2.03% at the start of 2017 to stabilize at 1.79%. Improving Macro's and Bond inflows (Oct'16 of USD 17.5bn & USD 9bn in Apr'17) have helped create excess liquidity in the system, with banks excess reserves to total assets reaching a high of 5% in mid'17 from average of 2% in FY16. Further, with excess liquidity in the market, banks have reduced pressure on their ADRs allowing them to offer low term deposit rates of 0.8-1% (from 3-4% in FY16). Regarding debt, the Kingdom continued to tap into the international bond market with a USD 9bn Islamic bond issued in April'17 with maturities ranging from 5 to 10 years. Further, the Kingdom continued its local debt issuance, after a hiatus of nearly 3 quarters, issuing a SAR 17bn Islamic bond in July'17 (with the order book reaching SAR 51bn).

On the global front, the Fed continued its hawkish stance on the base rate, raising the Fed Funds Rate by 25bps in Mar'17 & Jun'17, respectively. As Saibor was already trading at a premium to the Fed funds rate compared to its historical average (spread of 1.4% compared to historical average of 0.83%), the impact on Saibor for both rate hikes were limited. However, the variance between both rates are now back to their historical levels; hence, expectations of a further rate hike (3 rate hikes projected by the Fed for FY17; 2 undertaken) is likely to keep pressure on the money market rates in the Kingdom.

**FUND PERFORMANCE TABLE**

Performance	Not Annualized if less than 1 Year		
Performance	3 Months	6 Months	1 Year
Fund	0.59%	1.17%	2.80%
Benchmark	0.43%	0.77%	1.32%
Alpha	0.16%	0.40%	1.48%

  

Performance	YTD'17	2016	2015	Since Inception
Fund	2.44%	2.79%	1.39%	2.44%
Benchmark	1.47%	1.04%	0.61%	1.13%
Alpha	0.97%	1.75%	0.78%	1.31%

  

Performance	Fund	Benchmark
Annualized Return	2.44%	1.47%
Standard Deviation	0.25%	0.02%

Name	1 Year	3 Years	5 Years
Standard Deviation	0.22	0.23	0.26
Beta	0.72	0.59	0.77
Correlation	0.79	0.77	0.62
Information Ratio	2.12	1.68	1.24
R/R Ratio	3.65	2.72	2.32
R-Square	0.43	0.15	0.12
Sharpe Ratio	1.30	1.40	1.09
Tracking Error	0.04	0.04	0.06
Treynor Ratio	0.08	0.10	0.09

### **FUND FINANCIAL STATEMENTS**

The audited financial statements for the fund have been prepared & uploaded on the Tadawul Website, within the specified time frame, in compliance with the IFR.

### **BOARD MEETING DISCUSSION – KEY TAKEAWAYS**

- The fund performance has been reviewed and it was realised that our Murabaha fund has achieved the second highest performance amongst peer 2016 with a performance 2.8% & in the third position YTD.
- It was mentioned to the Fund Board that in the category we have been amongst the top performing managers for the last four years.
- The asset under management has increased to SAR 531mn.
- With regards to the implementation of the recently announced IFR regulations, Money market funds must have a foreseen average of the date of maturity not exceeding (120) calendar days.
- As per the new regulations, the fund manager is required to have at least 10% of the fund invested in securities that have a maturity period of less than/equal to (7) days or liquidity equaling at least 10% of the fund's NAV.
- When the regulations are implemented in May'17, all the funds throughout the Kingdom will be affected in a similar manner.
- It is confirmed to the Fund Board, in accordance the Article 13 of IRF, that the Fund has no conflict of interest.