

SC Treasury Money Market Fund

NAV: 102.4284

Quarterly Report for the quarter Ending 31 Dec 2016

Main Points

- The fund returned 0.62% in 4Q16 compared to benchmark return of 0.48%. Resulting in a positive alpha of 0.14% for the quarter.
- The fund weighted average maturity stands at 41.1 days at the end of the period while gross yield stands at 3.00%

Commentary:

SC Treasury MMF returned 2.12% in 2016 exceeding its benchmark return by 0.42%. In 2016 we've seen an upward trend of SAR inter-bank rates as liquidity tightened and deposit base shrank slightly until the 4Q16 when the council of economic and development affairs -following a successful large international debt issuance -announced that the government has set aside about SAR 100 Bn to settle overdue payments to private sector before the end of the year. Furthermore, since the international debt issuance the government stopped its monthly local issuance of bonds that were sold to local banks and public companies which was another positive for liquidity in the banking sector. To sum up the impact on SAR inter-bank average rates during 4Q16, 1 M Saibor ended the period at 1.83% down from 2.06% at the beginning of the period and 3M Saibor decreased by 32 bps from 2.36% at the beginning of the period to reach 2.04% at the end of it. Finally 12M Saibor ended the period at 2.42%.

SAIBOR	Bloomberg Ticker	31-Dec-16	30-Jun-16	31-Dec-15
1M	SAIB1M Index	1.83	2.06	1.28
3M	SAIB3M Index	2.04	2.36	1.55
6M	SAIB6M Index	2.22	2.45	1.63
12M	SAIB12M Index	2.42	2.65	1.79

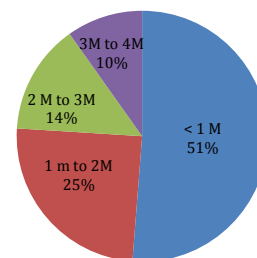
SC Treasury MMF Performance

Account	3M*	YTD*	ITD*
SC TMMF	0.619%	2.115%	2.428%
BM	0.475%	1.696%	1.911%
Alpha	0.14%	0.42%	0.52%

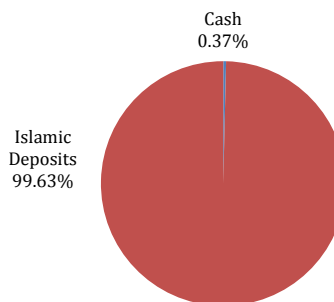
*Rounded to the third decimal

*Actual and not annualized

Maturity Schedule



Asset allocation



Contact Information:

Fund Manager's Head Office

Name: SEDCO Capital
 Address: SEDCO Building, 2nd Floor
 Red Sea Mall
 Between Gates 7 & 8
 King Abdulaziz Road
 P.O. Box 13396
 Jeddah, 21493
 Kingdom of Saudi Arabia

Tel: +966 12 690 6555
 Fax: +966 12 690 6599
 Website: www.sedcocapital.com

Custodian and Administrator

Name: Saudi Fransi Capital
 Address: Legend Tower, 4th Floor
 P. O. Box 23454
 Riyadh 11426, Saudi Arabia
 Website: <http://www.fransi-tadawul.com>

Name of the Fund	SEDCO Capital Treasury Money Market Fund
Fund Type	Open-ended
Fund Currency	Saudi Arabian Riyal (SAR)
Fund Objectives	The Fund aims to achieve capital appreciation consistent with maintaining liquidity and preserving capital through investing regionally (mainly in the GCC) in low-risk investment instruments that would provide capital protection in a manner which is compliant with <i>Shariah</i> rules and is socially responsible
Benchmark Index	30 Days Moving Average Of 1 Month Saudi Arabian Interbank Bid Rate (SIBID)
Summary of the Risks	Low risk
Cut-off Time	Before 12 noon (Riyadh time) on the Business Day immediately preceding the Dealing Day
Price Applicable for Redemptions of Units	The net asset value per Unit on the relevant Redemption Day
Valuation Days	Each Business Day
Dealing Days	Every Monday of each week
Date of Payment of Redemptions	Within four Business Days following the relevant Redemption Day
Redemption Fees	1% of each investor's Redemption Amount if investment is redeemed within 30 calendar days of the Subscription Day
Performance Fee	20% of the increase in net asset value per unit, calculated on weekly bases and paid every three months.
Custodian and Administrator Fees	Annual fee of 0.14% of the [net asset value / assets under management] of the Fund
Auditor Fees	Estimated annual fees in the amount of SAR 30,000
Dealing Charges	The Fund shall bear all dealing fees and charges and brokerage commissions incurred in buying and selling securities
Other Expenses	The Fund shall be responsible for its administrative, professional, regulatory and operating expenses.
Unit Price at Inception	SAR 100
Tax and Zakat	The Fund will not be responsible for calculating or paying tax or zakat for or on behalf of investors. Each investor is responsible for its own taxes and zakat
Fund Manager	SEDCO Capital
Custodian and Administrator	Saudi Fransi Capital
Auditor	KPMG Al Fozan & Al Sadhan

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