

Investment Fund Information

Investment Objectives and Policies

Muscat Capital Trade Finance Fund

The Fund aims to primarily invest in Sharia-compliant money markets and achieve short-term capital gains while maximizing capital growth by investing in Shariah compliant money markets, other fixed income instruments (Sukuk etc.), as well as low-risk Shariah compliant Money Market derivatives and to achieve returns reflecting the medium-term rates. The fund aims also at achieving investment returns for investors greater than the fund benchmark returns, i.e. SAIBOR rate (one month Saudi Arabia Interbank Offered Rate). Investors may access Bloomberg trading platforms or on any website to review the index information and performance viz. www.bloomberg.com or www.sama.gov.sa.

Distribution of Income and Gain Policy

The Fund will not make any distributions to Unit holders. Instead, dividends will be reinvested.

Fund Performance

Description	2016	2015	2014
Net Assets	125,729,185.73	N/A	N/A
NAV Per Unit	10.1510	N/A	N/A
Highest NAV Per Unit	10.1510	N/A	N/A
Lowest NAV Per Unit	10.0000	N/A	N/A
No. of Units	12,385,891.6094	N/A	N/A
Income Distribution Per Unit	N/A	N/A	N/A
Expense Ratio	0.01	N/A	N/A

Performance Record

Total Return (%)

Description	1 Year	3 Years	5 Years	Since Inception
Total Return (%)	1.51	N/A	N/A	1.51

Annual Total Return (%)

2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	Since Inception
1.51	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.51

Fund Fees & Expenses for the year

Fee/Expense Type	Amount
Management Fee	370,816.61
Admin Fee	61,802.77
Custody Fee	61,802.77
Audit Charges	29,859.81
Publication Tadawal Fee	4,976.64
Directors Fee	20,000.00
Legal Fee	28,329.92
Regulatory Fee	7,276.47
Other Expenses	83,592.74

Material Changes that Effect Fund Performance

There are no material changes during the period that effect the Fund performance

Exercise of Annual Voting Rights and Date of AGM

The Fund Manager did not exercise any voting rights.



Fund Board Annual Report

Board Meeting Dates:

Muscat Capital IPO Fund had two Fund Board meetings during 2016 on 28 March 2016 and 07 December 2016

Major topics discussed during each meeting:

- Update on the Fund
- Update on the IPO participation into the Fund
- Ratification of the financial statements for the year 2015
- Appointment of Auditor for the year 2016
- Ratification and approval of revised Terms & Conditions
- Annual review of KYC and Terms & Conditions
- Ratification and approval of the interim financial statements
- Disclosure of material conflicts and Ratification and approval of investors holding above 5% of the AUM

Separate Board resolutions during the year other than in the meeting:

None

Fund Manager

Muscat Capital

Ground floor Vision tower (BankMuscat building) P.O Box 64666 Riyadh Saudi Arabia

Sub Fund Manager

Note:

There is no Sub Fund Manager for this Fund

Investment Advisor

The Fund does not have an Investment Advisor

Investment Activities during the period

The Asset Allocation of the Fund as on 31 December 2016 was as follows:

Direct Murabaha deposits 60%

Money Market Funds 29%

Fixed Income Instruments 11%

The Geographic Allocation as on 31 December 2016 were as follows:

Saudi Arabia 40%

UAE 31%

Qatar 29%

Fund Manager write-up on Fund performance

The Fund was launched on 01 June 2016. During the year the Fund has outperformed the Benchmark by 0.58%.

Material Changes during the period

There are no material changes during the period

Other information for Unitholders

All information contained in this report is as per the Investment Fund Regulations (IFR) by the Capital Market Authority (CMA)

Any Special commission Received by Fund Manager

There were no special commission received for the year

Custodian

Name And Address

Muscat Capital

King Fahad Street, Al-Riyadh

Duties and Responsibilities

Custodian Duties:

Taking custody and protecting the funds assets on behalf of unitholders, and taking all necessary administrative measures in relation to the custody of the fund's assets.



Custodian opinion on Fund Manager

Muscat Capital confirms that it issued, transferred and redeemed the units in accordance with the provisions of the Investment Funds Regulations and the funds Terms and Conditions. Muscat Capital confirms that it valued and calculated the price of units in accordance with the provisions of the Investment Funds Regulations and the funds Terms and Conditions.

Muscat Capital confirms that the Fund adhered to investment limits and guidelines investment restrictions, limitations and borrowing powers applicable to the Investment fund Regulations

Auditor

Name and Address

PricewaterhouseCoopers
POSTAL CODE: 11482 PO BOX: 8282 Kingdom Tower 21st Floor Riyadh Saudi Arabia

Opinion on Financial Statements

INDEPENDENT AUDITORS' REPORT

December 2016

To the unit holders of Muscat Capital Trade Finance Fund:

Scope of audit

We have audited the accompanying balance sheet of the Muscat Capital Trade Finance Fund (the "Fund") managed by Muscat Capital Company (the "Fund Manager") as of December 31, 2016, and the related statements of operations, cash flows and changes in net assets attributable to unit holders for the period from June 1, 2016 to December 31, 2016 and the notes from (1) to (12) which form an integral part of these financial statements. These financial statements, which were prepared by the Fund's management and presented to us with all information and explanations which we required, are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Unqualified opinion

In our opinion, such financial statements taken as a whole present fairly, in all material respects, the financial position of the Fund as of December 31, 2016 and the results of its operations, cash flows and the changes in its net assets attributable to unit holders for the period from June 1, 2016 to December 31, 2016 in conformity with accounting standards generally accepted in Saudi Arabia appropriate to the circumstances of the Fund.

Financial Statements

Kindly visit www.muscatcapital.com.sa for the financial statements of the Fund.

This report is available free of charge

The information provided herein is not an offer or a solicitation to invest in the Fund. Units of the Fund are sold in accordance with the Terms & Conditions of the Fund, which can be found elsewhere in this website.