



# Khaleej Equity Fund

Fact Sheet - April 2013

NAV US\$ 246.53 ↑4.3%

## Manager's Commentary

All GCC markets posted monthly gains as investor sentiment continued to remain positive. The UAE bourses, which experienced profit taking during the preceding month, rebounded strongly in April. Dubai gained 16.7% while Abu Dhabi appreciated by 8.2%. After languishing for an extended period of time, the Kuwaiti market finally witnessed some renewed interest and increased by 5.1%. Oman and Qatar were up around 2%, while Saudi Arabia and Bahrain rose 1% each.

Within the UAE market, financial sector stocks were in the limelight as first quarter earnings provided the catalyst to share prices. In addition, certain stocks that lagged the rally during the first quarter also appreciated in April. Examples of such stocks included Air Arabia and Drake and Scull that increased by over 25% each. Although the overall Saudi market remained lacklustre, cement and consumer sector stocks continued to rally. Healthy earnings from Saudi cement companies and the directive to import 10mn tons of cement to address the shortage fared well for their share prices.

The NAV of Khaleej Equity Fund increased by 4.3%, extending its gains for the year to 13.8%. Stocks from the Saudi consumer and cement sectors performed exceptionally well during the month and contributed to this strong performance. In addition, stocks from the transportation sector in the UAE also added to the returns. Given the asymmetrical rise in share prices this year, we commenced rebalancing the fund by booking profits in companies that have performed well and have reached our target prices. At the same time, we started to reinvest the cash in stocks that have lagged the rally, have decent valuations and offer higher upside potential.

## Investment Objective

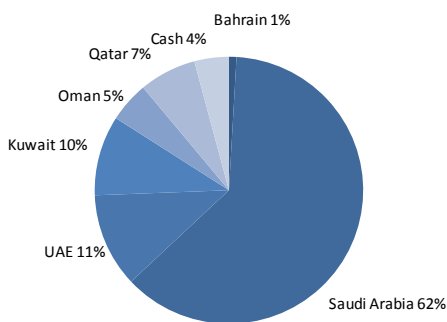
The Fund seeks long-term capital appreciation by investing principally in equity securities listed on the stock markets of GCC countries.

### Returns (%)

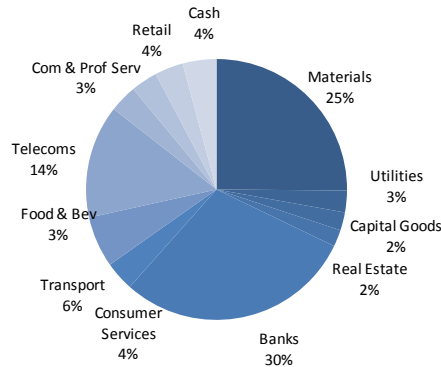
	Fund	Index*
April 2013	4.3	2.2
2013 (Jan-Apr)	13.8	6.8
2012	5.9	3.2
2011	-5.9	-8.2
2010	14.1	12.8
2009	16.9	14.1
2008	-33.9	-55.3
2007	43.9	35.4
2006	-13.9	-40.2
Last 3 months	7.0	2.3
Last 6 months	15.6	7.2
Last 1 year	9.8	-0.8
Last 3 years	14.5	2.7
Last 5 years	-12.3	-41.9
Since Inception (Mar 04-Apr13)	146.5	37.6

\* S&P GCC Composite Index

### Country Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	13.0	13.6
Price to Book Multiple Latest (x)	2.6	1.7
Return on Equity TTM (%)	20.3	12.3
Dividend Yield - 2012 (%)	4.8	4.0
Number of Holdings	32	277
Annualized Return (%)	10.4	3.6
Annualized Standard Deviation (%)	17.7	24.1
Largest Monthly Gain (%)	14.8 (Mar 05)	17.6 (Mar 05)
Largest Monthly Loss (%)	-20.3 (Oct 08)	-24.7 (Oct 08)
% of Positive Months	60	55
Success Ratio (%)	55	NA
Maximum Drawdown-Peak to Trough (%)	-47.4	-62.6
Length of Drawdown (months)	9	9
Recovery from Maximum Drawdown (%)	64.8	55.2

### Fund Information

Launch Date	March 2004
Management Fee	1.5%
Performance Fee	10% over 10% pa
Subscription & Redemption	Weekly
Dealing Day	Thursday
Subscription & Redemption Deadline	Two Business Days before Dealing Day
Minimum Subscription	US\$100,000
Bloomberg Code	KHALEQY BI
Zawya Code	SICOKEF.MF
Fund ISIN Code	BH000A1CZ8W7
Custodian/ Administrator	HSBC, Bahrain

### Top Holdings

Name	Country	(%)
Etihad Etisalat	Saudi	7.1
Al Rajhi Bank	Saudi	7.1
Saudi Basic Industries	Saudi	6.2

### Risk Statistics

Annualized Standard Deviation (%)	17.7
Sharpe Ratio	0.4
Tracking Error (%)	12.5
Information Ratio	0.5
Alpha (%)	7.0
Beta	0.7

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