



# Khaleej Equity Fund

Fact Sheet - August 2013

NAV US\$ 265.81  $\leftarrow$  0.0%

## Manager's Commentary

Regional bourses started the month on a positive note and appreciated by around 3% during the first three weeks of August. However, intense selling pressure was seen during the last week on growing concerns over the situation in Syria and possible military action. Resultantly, markets lost approximately 5% during the last few trading sessions and hence the overall market, as measured by the S&P GCC index ended the month with a decline of 1.6%. Abu Dhabi and Dubai declined by 2.9% and 2.5%, respectively. Kuwait and Saudi Arabia fell around 2% each, while Qatar and Bahrain were marginally down. Oman was the only market to buck the negative trend and gained 0.7%.

The NAV of Khaleej Equity Fund remained flat during the month despite the high volatility and negative trend of the markets. This outperformance was as a result of good asset allocation and superior stock selection. The fund was defensively positioned and also had an overweight position in Oman that benefited the fund. On a year to date basis, the fund is up 22.7% compared to a 13.4% rise in the benchmark.

The cash allocation of the fund has increased substantially as we continued to book profits in the UAE stocks and selective Saudi consumer companies. However, most of the selling was done before the market correction and hence benefitted the fund. We would like to reiterate that the cash allocation is temporary and that we intend to invest as soon as the political tensions and uncertainty fade out. Our primary focus will be on blue chip companies offering high dividend yields.

## 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*
August 2013	0.0	-1.6
2013 (Jan-Aug)	22.7	13.4
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	4.2	2.6
Last 6 months	15.1	9.3
Last 1 year	22.9	11.8
Last 3 years	39.1	19.8
Last 5 years	3.8	-28.1
Last 7 years	57.1	-30.8
Since Inception (Mar 04-Aug13)	165.8	46.2

\* S&P GCC Composite Index

## 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

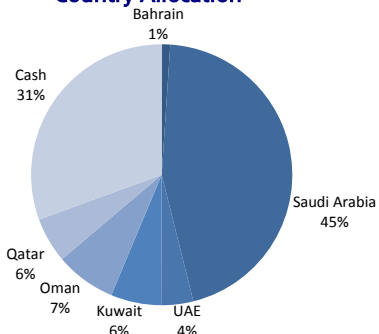
Name	Country	(%)
Etihad Etisalat	Saudi	6.8
Al Rajhi Bank	Saudi	6.3
BankMuscat	Oman	3.8

## Risk Statistics

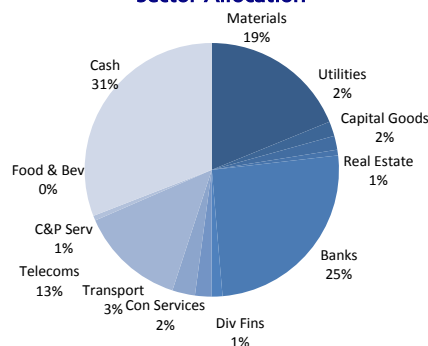
Annualized Standard Deviation (%)	17.4
Sharpe Ratio	0.5
Tracking Error (%)	12.3
Information Ratio	0.6
Alpha (%)	7.1
Beta	0.7

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## Country Allocation



## Sector Allocation



## Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	12.8	14.4
Price to Book Multiple Latest (x)	2.6	1.8
Return on Equity TTM (%)	20.1	12.5
Dividend Yield - 2012 (%)	4.4	3.8
Number of Holdings	29	277
Annualized Return (%)	10.9	4.3
Annualized Standard Deviation (%)	17.4	23.9
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	N1
Maximum Drawdown-Peak to Trough (%)	-47.4	-62.6
Length of Drawdown (months)	9	9
Recovery from Maximum Drawdown (%)	77.7	64.9

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بنك استثماري sico  
Investment Bank