

Khaleej Equity Fund

Fact Sheet - Aug 2014



NAV US\$ 347.45 ↑ 7.1%

Manager's Commentary

All GCC markets posted gains in August as the positive momentum continued across the region. The Saudi market was the best performing bourse (+8.8%) with investor appetite remaining high on the back of the issuance of draft CMA rules regarding the market opening up to foreigners. Within the market, the banking sector was the main contributor followed by selected petrochemical and consumer companies. The Qatari market appreciated by 5.6% mainly due to MSCI related inflows. On the back of the upcoming Emaar Malls Group IPO, Emaar Properties rose sharply, in turn lifting the broader Dubai market (+4.8%).

The NAV of the portfolio increased by 7.1% for the month, whereas the S&P GCC Index increased by 6.4%. Once again, the portfolio's outperformance is entirely attributed to our superior stock selection. Our investments in the Saudi insurance sector, continued to be amongst the top contributors to the overall performance. Bupa and Tawuniya were among our top holdings of the fund and they increased by 28% and 12% respectively. We remain positive on the prospects of these stocks as they stand to benefit more than their peers due to favorable regulations. In addition, our investments in Saudi banks and selected consumer companies also contributed to the overall performance of the fund.

Given the pace of the recent rally, we expect consolidation in the short term particularly in Saudi Arabia. Furthermore, due to the upcoming Emaar Malls IPO, stocks in UAE are also likely to trend down as retail investors book profits to generate cash. However, we expect the markets to resume their upward momentum subsequent to the third quarter earnings, hence we intend to remain fully invested.

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 2014	7.1	6.4
2014 (Jan-Jul)	24.9	24.5
2013	28.4	25.0
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	8.1	6.6
Last 6 months	17.4	16.1
Last 1 year	30.7	37.2
Last 3 years	74.7	66.2
Last 5 years	75.0	63.6
Last 10 years	207.3	77.7
Since Inception (Mar 04-Jul 14)	247.5	100.6

* S&P GCC Composite Index

Fund Information

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

Top Holdings

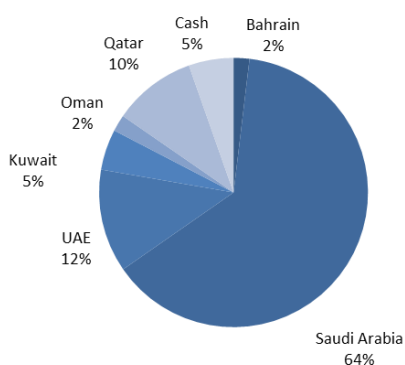
Name	Country	(%)
Saudi Basic Industries	Saudi	5.3
Emaar Properties	UAE	5.0
Bupa	Saudi	3.8

Risk Statistics (Last 5 years)

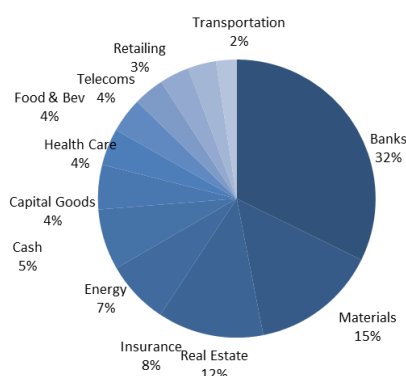
Annualized Standard Deviation (%)	13.3
Sharpe Ratio	0.7
Tracking Error (%)	3.9
Information Ratio	0.4
Alpha (%)	1.5
Beta	1.0

For further information contact: assetmanagement@sicobahrain.com

Country Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price Earnings Multiple TTM (x)	18.1	18.9
Price to Book Multiple Latest (x)	3.1	2.2
Return on Equity TTM (%)	16.4	14.2
Dividend Yield - 2013 (%)	2.6	2.8
Number of Holdings	52	276
Annualized Return (%) - Last 5 years	11.8	13.1
Annualized Standard Deviation (%) Last 5 years	13.3	13.2
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	63	58
Success Ratio (%)	52	NM
Maximum Drawdown-Peak to Trough (%)	-47.4	-62.6
Length of Drawdown (months)	9	9
Recovery from Maximum Drawdown (%)	116.9	112.6

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