

SICO Kingdom Equity Fund

Fact Sheet - March 2016

NAV USD 13.52  1.8%

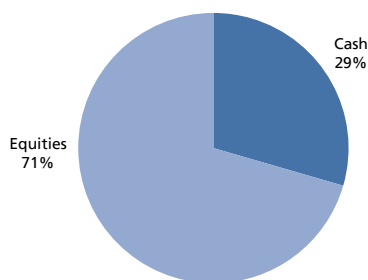
Manager's Commentary

The Saudi market witnessed positive gains for the second consecutive month taking cues from improving oil dynamics and strong performances from emerging markets. The index was up over 6% at one point in time but witnessed profit taking during the last week that resulted in the index closing up 2% for March. Other bourses such as Qatar and the UAE appreciated 4-5% while most other bourses were flat. On a year to date basis, the Saudi market is down 10% and has lagged the other GCC bourses.

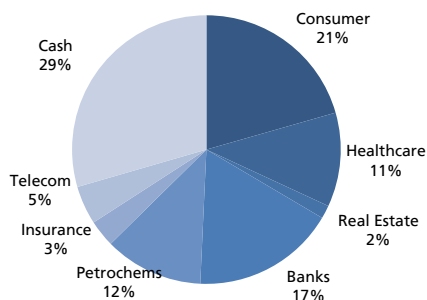
The fund appreciated 1.8% in March and slightly underperformed the benchmark. This was primarily due to not having exposure to stocks such as Etihad Etisalat (+27%) and Zain KSA (+34%) that rallied on the back of rumors of tower sales that would result in cash generation. In addition, Jabal Omer, a stock only open for Saudi based investors, also appreciated by 15%. At the same time, some of our core holdings such as SADFACO, which has been one of the best performing stocks during the last one year, witnessed profit taking and declined by 9%.

On a year to date basis, the fund's performance is in line with the benchmark. However, we believe our strategy of remaining defensive (i.e. high cash allocation and low beta stocks) will start playing out during the course of the year. We expect the market to trend downwards given that the market is trading at 14x trailing earnings, which we believe is fair given the current environment. In addition, we expect first quarter earnings to be lower than consensus estimates, which could dampen the mood further.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	13.2	14.2
Price to Book Multiple Latest (x)	2.0	1.5
Return on Equity TTM (%)	14.7	10.4
Dividend Yield—2014 (%)	4.3	4.2
Number of Holdings	21	107
Annualized Return (%) - Last 5 years	5.6	-1.1
Annualized Standard Deviation (%) - Last 5 years	16.9	18.8
Largest Monthly Gain (%) - Last 5 years	12.1 (Apr 15)	12.0 (Apr 15)
Largest Monthly Loss (%) - Last 5 years	-14.9 (Aug 15)	-17.3 (Aug 15)
% Positive Months (%)	56	58
Success Ratio (%) - Last 5 years	68	NA
Latest Drawdown-Peak to Trough (%)	-33.2	-46.0
Duration of Drawdown (months)	17mths (Aug 14 to Jan 16)	17mths (Aug 14 to Jan 16)
Recovery from Latest Drawdown (%)	2.2	3.8

Investment Objective

The primary objective of this Fund is to seek long-term capital appreciation. The Fund will aim to achieve this investment objective by primarily investing in equity securities listed in Saudi Arabia.

Returns (%)	Fund	Index*
Mar 2016	1.8	2.1
YTD (Mar 2016)	-9.5	-10.0
2015	-5.5	-17.1
2014	8.9	-2.4
2013	33.1	25.5
2012	8.7	6.0
Last 3 Months	-9.5	-10.0
Last 6 Months	-13.3	-16.0
Last 1 Year	-20.5	-29.1
Last 3 Years	13.9	-12.7
Last 5 Years	31.1	-5.2
Since Inception (Feb 11— Mar 16)	35.2	-2.1

*Saudi Stock Exchange Index

Fund Information

Launch Date	February 2011
Management Fee	1.5%
Subscription & Redemption	Weekly
Dealing Day	Wednesday
Subscription & Redemption Dead-line	Two Business days before dealing day
Minimum Subscription	USD 100,000
Bloomberg Code	SICOKEF BI Equity
Zawya Code	SICOKEQ.MF
Fund ISIN Code	BH00016X01B0
Custodian / Administrator	HSBC Bahrain

Top Holdings

Name	Sector	(%)
Mouwasat Medical	Healthcare Petrochemicals	5.6
Al Rajhi Bank	Financials	5.2
Saudi Basic Industries	Petrochemicals	5.1

Risk Statistics (last 5 years)

Standard Deviation (%)	16.9
Sharpe Ratio	0.2
Tracking Error (%)	4.4
Information Ratio	1.5
Alpha (%)	6.1
Beta	0.9

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بنك استثماري **sico**
Investment Bank

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