

SICO Kingdom Equity Fund

Fact Sheet - August 2014

NAV USD 19.80  10.0%

Manager's Commentary

The Saudi market was the best performing GCC bourse in August and continued to move upwards. Investor appetite was strong as market participants built positions on account of the issuance of draft CMA rules regarding the opening up of the market to foreigners. Consequently, the index crossed the 11,000 level and ended the month with a return of 8.8% - the highest monthly gain experienced over the last couple of years. Within the market, the banking sector was the main contributor followed by some small to mid-cap petrochemical and retail companies. Stocks such as Riyadh Bank (+22%), SAMBA (+16%), Saudi British (+22%), SIPCHEM (+35%) performed well that helped the overall market.

Your fund's value continues to reach new highs and gained 10% during the month. Main contributions came from our large allocation to the Saudi banking sector. As earlier mentioned, despite trading at cheap multiples, this sector substantially underperformed the rest of the market over the last three years. This, in our view, along with an increased possibility of an earlier than expected hike in global interest rates, resulted in fresh buying that we have experienced in this space over the last two months. Furthermore, our picks from within the small to mid-cap segment also performed well and contributed to the overall returns of the fund. On a year to date basis, the fund has generated a healthy return of 36.4% and has outperformed its benchmark.

Given that the market has rallied close to 17% during the last couple of months, we expect some short term consolidation. Furthermore, the market lacks any short term catalysts till the third quarter results start coming out in mid-October. However, we remain positive on Saudi equities over a medium to long term horizon. Our strategy is to remain fully invested while rebalance the fund to sectors and stocks where we have a strong conviction and believe there is significant upside.

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.

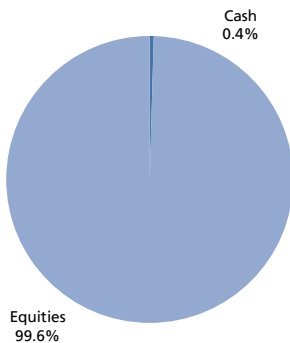
Returns (%)	Fund	Index*
August 2014	10.0	8.8
YTD 2014 (Jan—Aug)	36.4	30.2
2013	33.1	25.5
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	15.7	13.1
Last 6 Months	25.5	22.0
Last 1 Year	43.6	43.1
Last 3 Years	109.1	85.8
Last 5 Years	NA	NA
Since Inception (Feb 11— Aug 14)	98.0	74.8

*Saudi Stock Exchange Index

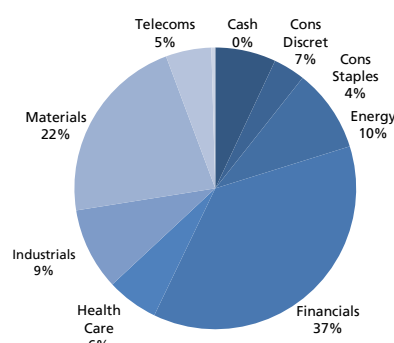
Fund Information

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

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	19.5	19.3
Price to Book Multiple Latest (x)	3.8	2.6
Return on Equity TTM (%)	17.1	13.7
Dividend Yield—2013 (%)	2.1	2.7
Number of Holdings	38	145
Annualized Return (%) - Last 3 years	27.9	22.9
Annualized Standard Deviation (%) - Last 3 years	9.7	9.9
Largest Monthly Gain (%)	8.0 (Jul 14)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	67	67
Success Ratio (%)	62	NA
Maximum Drawdown-Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	109.1	85.8

Top Holdings

Name	Sector	(%)
SABIC	Materials	7.6
Al Rajhi Bank	Financials	6.8
Alinma Bank	Financials	4.0

Risk Statistics (last 3 years)

Standard Deviation (%)	9.7
Sharpe Ratio	2.6
Tracking Error (%)	3.8
Information Ratio	1.3
Alpha (%)	6.7
Beta	0.9

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 Investment Bank

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