

SICO Kingdom Equity Fund

Fact Sheet - May 2015

NAV USD 18.93 ↓ 0.6%

Manager's Commentary

After a strong rally in April, the Saudi market experienced profit taking causing the index to decline by 1.5%. Concerns over Yemen affected the sentiment but was partially mitigated by investor interest in anticipation of the market opening up to foreigners in mid June. Other regional bourses also witnessed negative returns and the GCC ex Saudi index declined by 4%. On a year to date basis, the Saudi market remains by far the best performing GCC bourse with a positive return of 16.3%. This is followed by Dubai (+4%) while the rest of the markets are either flat or have declined this year.

The fund was marginally down for the month on the back of modest declines in our core holdings. Our defensive orientation of the portfolio helped in limiting the losses and hence resulted in an outperformance compared to the benchmark. During the month, we moved out of companies with limited upside and topped up our exposure to consumer stocks based on two main underlying themes; companies where growth is supported either by new store openings (Jarir Marketing, Herfy) or by margin improvement on the back of lowering input costs (Saudia Dairy & Foodstuff). As at the end of the month, the fund had some cash allocation which we will deploy in the coming weeks.

Although valuations of the overall market appear expensive (P/E multiple of 20x), investor interest is expected to remain intact given the opening up of the market. Furthermore, for stock pickers like ourselves, opportunities still exist in certain stocks and sectors which offer decent upside potential. This is what we continue to focus upon and is the primary basis while constructing the portfolio.

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.

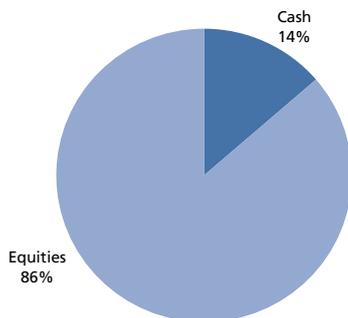
Returns (%)	Fund	Index*
May 2015	-0.6	-1.5
2015 (Jan—May)	19.7	16.3
2014	8.9	-2.4
2013	33.1	25.5
2012	8.7	6.0
Last 3 Months	6.7	4.0
Last 6 Months	17.4	12.3
Last 1 Year	10.6	-1.4
Last 3 Years	74.9	38.9
Last 5 Years	NA	NA
Since Inception (Feb 11— May 15)	89.5	52.4

*Saudi Stock Exchange Index

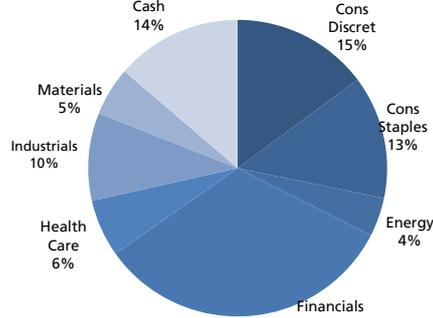
Fund Information

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)	19.7	19.8
Price to Book Multiple Latest (x)	4.8	2.3
Return on Equity TTM (%)	22.0	11.4
Dividend Yield—2014 (%)	2.3	2.8
Number of Holdings	31	107
Annualized Return (%) - Last 3 years	20.5	11.6
Annualized Standard Deviation (%) - Last 3 years	15.9	16.7
Largest Monthly Gain (%)	12.1 (Apr 15)	12.0 (Apr 15)
Largest Monthly Loss (%)	-13.0 (Nov 14)	-14.1 (Nov 14)
% Positive Months (%)	63	63
Success Ratio (%)	67	NA
Maximum Drawdown-Peak to Trough (%)	-20.1	-25.0
Length of Drawdown (months)	4	4
Recovery from Maximum Drawdown (%)	19.7	16.3

Top Holdings

Name	Sector	(%)
Jarir Marketing	Consumer	5.2
Saudia Dairy & Foodstuff	Consumer	5.1
Herfy Food Services	Consumer	4.9

Risk Statistics (last 3 years)

Standard Deviation (%)	15.9
Sharpe Ratio	1.1
Tracking Error (%)	3.5
Information Ratio	2.6
Alpha (%)	9.5
Beta	0.9

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Investment Bank

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