

# SICO Kingdom Equity Fund

## Fact Sheet - October 2015

NAV USD 15.46 ↓ 0.8%

### Manager's Commentary

The Saudi market continued its downward trend and ended the month with a 3.8% decline. The market started on a bullish tone and appreciated close to 5% during the first half of the month on the back of good earnings announcements particularly from the petrochemical sector. However, this rally was short lived as subpar earnings from most other companies and growing concerns of a prolonged slowdown within the Kingdom weighed on investor sentiment. As a result, the market dropped close to 10% during the last couple of weeks and ended the month being the worst performing GCC bourse.

The value of the fund decreased by 0.8% as compared to a 3.8% decline in the benchmark. This outperformance primarily stemmed from good stock selection. Some of our core holdings rose between 5% to 10% on the back of strong third quarter earnings. For example, one of our largest holdings, Herfy rose close to 10% after reporting 30% rise in recurrent profits. Cash allocation also positively contributed to the fund's outperformance. For the year, the fund is down 2.3% compared to a 14.5% decline in the benchmark.

Earnings of Saudi corporates have been uninspiring with third quarter profits declining by 14% on a year on year basis. From our perspective, we continue to maintain a defensive orientation of the portfolio both in terms of our stock selection and cash allocation. We intend to capitalize on the recent market declines and gradually investing in businesses which we believe have been unduly punished for reporting poor third quarter earnings despite having strong medium to long term prospects.

### 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.

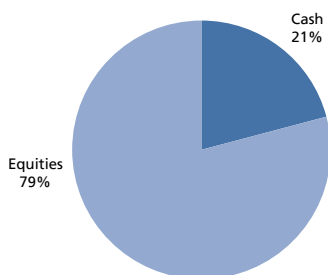
Returns (%)	Fund	Index*
October 2015	-0.8	-3.8
2015 (Jan—Oct)	-2.3	-14.5
2014	8.9	-2.4
2013	33.1	25.5
2012	8.7	6.0
Last 3 Months	-16.2	-21.7
Last 6 Months	-18.9	-27.6
Last 1 Year	-16.6	-29.0
Last 3 Years	43.3	4.9
Last 5 Years	NA	NA
Since Inception (Feb 11— Oct 15)	54.6	12.1

\*Saudi Stock Exchange Index

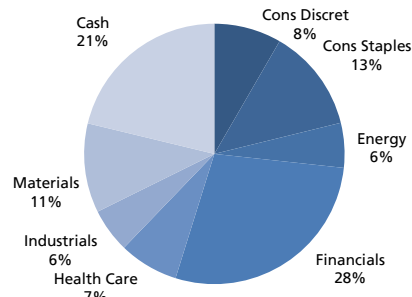
### Fund Information

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

### Asset Allocation



### Sector Allocation



### Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	17.6	16.0
Price to Book Multiple Latest (x)	3.4	1.7
Return on Equity TTM (%)	19.9	11.0
Dividend Yield—2014 (%)	3.5	3.6
Number of Holdings	28	107
Annualized Return (%) - Last 3 years	12.7	1.6
Annualized Standard Deviation (%) - Last 3 years	16.1	17.2
Largest Monthly Gain (%)	12.1 (Apr 15)	12.0 (Apr 15)
Largest Monthly Loss (%)	-14.9 (Aug 15)	-17.3 (Aug 15)
% Positive Months (%)	61	61
Success Ratio (%)	69	NA
Maximum Drawdown—Peak to Trough (%)	-21.9	-35.9
Length of Drawdown (months)	13	13
Recovery from Maximum Drawdown (%)	0.0	0.0

### Top Holdings

Name	Sector	(%)
Herfy Food Services	Consumer	6.3
Saudi Basic Industries	Materials	4.5
SAMBA Financial	Financials	4.3

### Risk Statistics (last 3 years)

Standard Deviation (%)	16.1
Sharpe Ratio	0.6
Tracking Error (%)	3.6
Information Ratio	3.1
Alpha (%)	11.0
Beta	0.9

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