

SICO Kingdom Equity Fund

Fact Sheet - January 2016

NAV USD 13.23 ↓ 11.4%

Manager's Commentary

The regional markets started the year with a steep selloff and all bourses posted negative returns. The Saudi market was the worst affected and recorded a drop of 13%, while others lost around 5-10%. The index lost more than 20% during the first twenty days of the month and reach a five year low, following trends seen in oil and global equities. However, a partial recovery was seen towards the last leg of the month.

The fund experienced one of its most challenging months and declined by 11.4%. Although defensively positioned, we had a large exposure to companies within the consumer staples sector (Al Marai and NADEC) that fell sharply on the back of the impact of the hike in electricity rates. In addition, disappointing earnings announcements by some consumer companies and an overall derating of the sector also added to the woes. Herfy, one of the fund's largest holding, dropped over 30% after reporting disappointing fourth quarter numbers. We would also like to mention that the fund completed its five year track record, during which the fund is up 32% compared to the benchmark that is down 6%.

Saudi earnings announcements for FY15 indicated a decline of almost 14% in net profits as compared to 2014. Except for the Banking sector, none of the other major sectors recorded earnings improvement for the year. Given this and coupled with the current fragile international environment and uncertainty about global growth, we expect the Saudi market to remain volatile in the short term. Our strategy is to remain defensive with some cash allocation, focusing on companies where the dividends are high or in stocks which we think have been unduly penalized.

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.

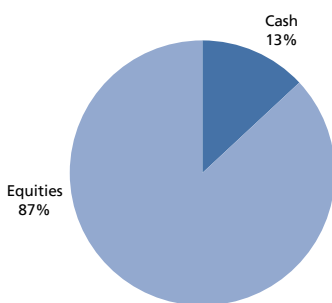
Returns (%)	Fund	Index*
January 2016	-11.4	-13.2
2015	-5.5	-17.1
2014	8.9	-2.4
2013	33.1	25.5
2012	8.7	6.0
Last 3 Months	-14.4	-15.8
Last 6 Months	-28.2	-34.1
Last 1 Year	-22.0	-32.5
Last 3 Years	16.1	-14.9
Last 5 Years	32.3	-5.7
Since Inception (Feb 11— Jan 16)	32.3	-5.7

*Saudi Stock Exchange Index

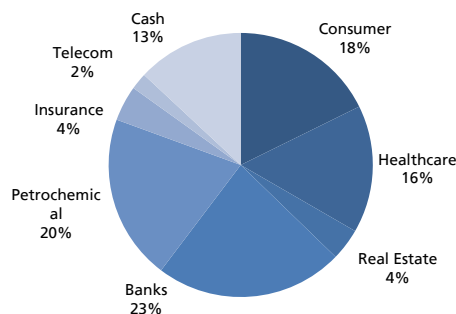
Fund Information

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)	13.9	13.8
Price to Book Multiple Latest (x)	1.7	1.4
Return on Equity TTM (%)	12.2	10.4
Dividend Yield—2014 (%)	3.9	4.2
Number of Holdings	25	107
Annualized Return (%) - Last 5 years	5.8	-1.2
Annualized Standard Deviation (%) - Last 5 years	17.3	19.6
Largest Monthly Gain (%)	12.1 (Apr 15)	12.0 (Apr 15)
Largest Monthly Loss (%)	-14.9 (Aug 15)	-17.3 (Aug 15)
% Positive Months (%)	55	57
Success Ratio (%)	70	NA
Recent Maximum Drawdown-Peak to Trough (%)	-33.2	-46.0
Length of Drawdown (months)	17	17
Recovery from Maximum Drawdown (%) - 5 years	0.0	0.0

Top Holdings

Name	Sector	(%)
SAMBA Financial	Financials	6.3
Petrorabigh	Petrochemicals	6.2
Mouwasat Medical	Healthcare	5.7

Risk Statistics (last 5 years)

Standard Deviation (%)	17.3
Sharpe Ratio	0.2
Tracking Error (%)	4.7
Information Ratio	1.5
Alpha (%)	6.5
Beta	0.9

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Investment Bank

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