

**SICO Kingdom Equity Fund**  
**Fact Sheet - August 2013**

**NAV USD 13.79 ↓ 1.0%**

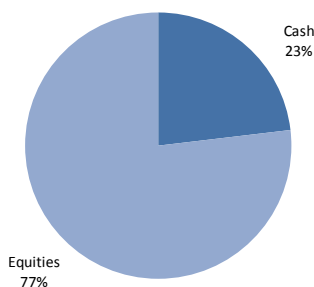
**Manager's Commentary**

Regional markets' volatility increased during the month of August due to the escalation of geo-political tensions. For the most part of the month, they traded in the positive territory but took a U-turn in the last week. Investors appear to have resorted to profit booking on the back of healthy gains made during the year as concerns over the situation in Syria heightened, resulting in steep declines during the last few trading sessions in August. Abu Dhabi and Dubai declined the most, losing 2.9% and 2.5% of their value respectively, followed by Kuwait and Saudi Arabia which fell by around 2%, while Qatar and Bahrain were marginally down. Oman was the only market which managed to stay in positive territory and ended the month up by 0.7%.

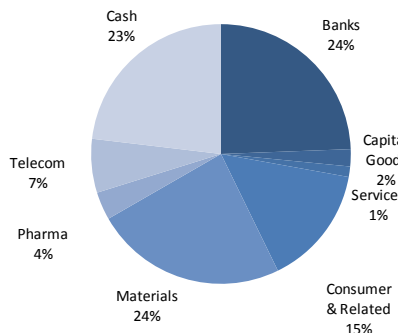
During the month, your fund's NAV decreased by 1%, compared to a 1.9% decline in the benchmark. The portfolio benefitted from our conservative asset allocation as we booked profits in consumer companies that had risen sharply. In addition, we also trimmed our exposure to selected companies that were trading close to their fair values. This resulted in a substantial increase in our cash allocation prior to the market correction which benefitted the fund. Our strategy was in line with our expectations as we believed that pockets of bubbles had developed within selected sectors, particularly in the Saudi consumer space and expected a correction in the short term. Apart from the asset allocation, positive contributions from stocks such as Yanbu Cement and SABIC helped the fund's performance.

We feel that the present situation on the political front in the Middle East will be an overhang on the performance of the regional markets and expect consolidation around current levels over the next one to two months. However, we continue to remain positive on the long term fundamentals of the Saudi market. Once the period of uncertainty is passed, we will deploy the liquidity that we have generated opportunistically into new investment ideas and selected core holdings.

**Asset Allocation**



**Sector Allocation**



**Key Statistics**

	<b>Fund</b>	<b>Index</b>
Price to Earnings Multiple TTM (x)	14.2	15.7
Price to Book Multiple Latest (x)	2.9	1.9
Return on Equity TTM (%)	21.1	12.4
Dividend Yield—2012 (%)	3.7	3.7
Number of Holdings	25	145
Annualized Return (%)	13.7	8.3
Annualized Standard Deviation (%)	12.9	15.6
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	63	60
Success Ratio (%)	67	NA
Maximum Drawdown—Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	45.6	29.9

**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.

<b>Returns (%)</b>	<b>Fund</b>	<b>Index*</b>
Aug 2013	-1.0	-1.9
YTD 2013 (Jan—Aug)	26.4	14.2
2012	8.7	6.0
2011 (Feb – Dec )	0.4	0.9
Last 3 Months	6.7	4.9
Last 6 Months	20.0	11.0
Last 1 Year	23.8	8.8
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Aug 13)	37.9	22.2

\*Saudi Stock Exchange Index

**Fund Information**

Launch Date	February 2011
Management Fee	1.5%
Performance Fee	None
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**

<b>Name</b>	<b>Sector</b>	<b>(%)</b>
Mobily	Telecom	6.7
Al Rajhi Bank	Financials	6.2
SABIC	Materials	6.1

**Risk Statistics**

Standard Deviation (%)	12.9
Sharpe Ratio	0.9
Tracking Error (%)	5.1
Information Ratio	1.1
Alpha (%)	0.1
Beta	0.8

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