

SICO Kingdom Equity Fund

Fact Sheet - August 2012

NAV USD 11.14 ↑ 3.0%

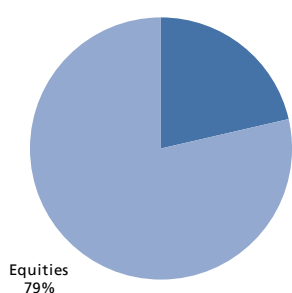
Manager's Commentary

Global markets gained in August in anticipation of decisive actions by major central banks. The optimism was carried through to oil prices (Brent) which increased 10%. Regional markets mirrored this positive momentum, resulting in the S&P GCC Index closing 2.7% higher. Saudi Arabia was the best performing GCC market which rose by 3.8%, followed by Oman (+2.3%), Qatar (+2.2%) and Abu Dhabi (+2.2%). Dubai closed flat while Bahrain (-1.2%) was the only negative performer for the month.

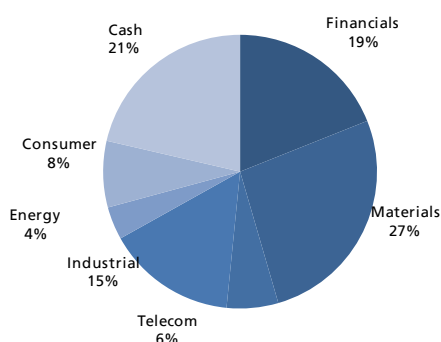
The Saudi market gained 3.8% during the month. Etihad Etisalat Company (Mobily) was amongst the largest contributors, increasing by 9%. Despite the increase, Mobily is trading at price to earnings multiple of 8.5x (2012 estimates) and offers a dividend yield of 6%. We anticipate further upside potential in Mobily given the likelihood of an increase in dividend. Consumer companies such as Al Othaim (+10%), Almarai (+9%), and Herfy (+7%) also contributed to the positive performance in anticipation of strong earnings for the third quarter due to Ramadan season.

The NAV of your fund increased by 3.0% compared to a 3.8% increase in the benchmark. The portfolio benefitted from the increase in industrial and consumer companies. During the month we booked profits in stocks which have risen sharply during the past three months. As a result, the cash allocation of the fund increased to 21%. This is a short-term, tactical asset allocation move and we intend to re-deploy this cash in existing and new investment ideas. Moving forward, we believe that the Saudi market will be the bellwether of the recovery in the regional markets and, therefore, we continue our positive outlook.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	11.2	14.0
Price to Book Multiple Latest (x)	2.7	1.9
Return on Equity TTM (%)	20.8	13.5
Dividend Yield—2011 (%)	4.3	3.9
Number of Holdings	26	145
Annualized Return (%)	7.4	9.1
Annualized Standard Deviation (%)	13.8	18.0
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	50	56
Maximum Drawdown-Peak to Trough (%)	10.4	11.2
Length of Drawdown (months)	4	3
Recovery from recent trough (%)	22.6	31.0

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	Tadawul
August 2012	3.0	3.8
YTD (Jan– Aug)	10.9	11.2
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	2.9	2.3
Last 6 Months	1.6	-1.8
Last 1 Year	17.6	19.4
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Aug 12)	11.4	12.3

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

Name	Sector	(%)
Eithad Etisalat	Telecom	6.1
SABIC	Materials	5.7
Al Rajhi Bank	Financials	4.7

Risk Statistics

Standard Deviation (%)	13.8
Sharpe Ratio	0.2
Tracking Error (%)	5.1
Information Ratio	-0.3
Alpha (%)	-0.4
Beta	0.8

For further information contact assetmanagement@sicobahrain.com