

# SICO Kingdom Equity Fund

Fact Sheet - December 2012

NAV USD 10.91 ↑ 4.3%

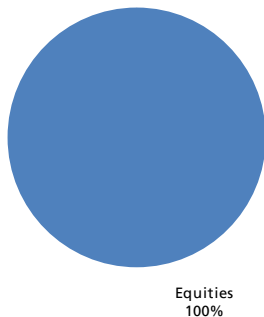
## Manager's Commentary

The improvement in the global economic environment resulted in a rebound in the GCC markets. The Saudi market, after declining for the past three months, increased by 4.1%, taking its cue from the improvement on the global front and expectations of another expansionary budget. Whilst Oman (+4.1%), Bahrain (+1.6%), and Dubai (+0.9%) posted positive returns, Kuwait (-1.5%), Abu Dhabi (-1.6%) and Qatar (-0.5%) ended the month in negative territory.

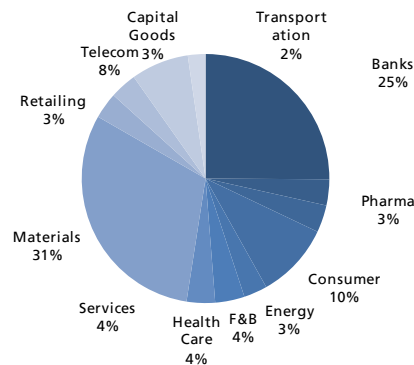
The Saudi market increased primarily on the back of a strong rally in petrochemical and telecom sectors. The petrochemical companies reacted to an improved macroeconomic picture and surprising dividend payouts for some companies. Tasnee (+10.4%), for instance, declared higher than expected dividend during the month, representing a dividend yield of over 7%. In the telecom space, Mobily increased by 5.2%, while Saudi Telecom increased by 7.4%, on the back of expectations of strong fourth quarter earnings and growth in dividends.

During the month, the NAV increased by 4.3% compared to an increase of 4.1% in the benchmark. For the year, the portfolio is up 8.7% compared to a 6% increase in the benchmark. The fund's outperformance is attributable to our superior stock selection. During the month, we built positions in selected financials that we believe are poised to do well over the next few months. We expect markets to react to fourth quarter results and continue to keep a watch on these earnings and dividend announcements in January, which will dictate the market performance over the coming months.

### Asset Allocation



### Sector Allocation



## Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	13.2	13.6
Price to Book Multiple Latest (x)	2.9	1.9
Return on Equity TTM (%)	23.3	14.1
Dividend Yield—2011 (%)	4.0	4.0
Number of Holdings	28	145
Annualized Return (%)	4.6	3.6
Annualized Standard Deviation (%)	13.8	17.6
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	52	61
Maximum Drawdown—Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from recent trough (%)	4.0	1.0

## 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
December 2012	4.3	4.1
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	1.9	-0.6
Last 6 Months	3.8	1.4
Last 1 Year	8.7	6.0
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Dec 12)	9.1	7.0

## 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	7.5
Al Rajhi Bank	Financials	6.1
SABIC	Materials	6.0

## Risk Statistics

Standard Deviation (%)	13.8
Sharpe Ratio	0.0
Tracking Error (%)	5.0
Information Ratio	0.2
Alpha (%)	0.0
Beta	0.8

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