

SICO Kingdom Equity Fund
Fact Sheet - January 2013

NAV USD 11.39 ↑ 4.4%

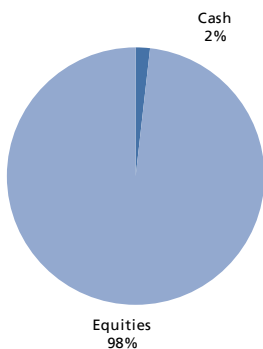
Manager's Commentary

The GCC markets started the year on a positive note as they continued their uptrend, primarily on the back of improvement in global macro-economic sentiment which led to an increase in investor risk appetite. Oil prices also took cue from this trend and increased by 5%. The two markets in the UAE (Dubai 16.3%, Abu Dhabi 9.5%) outperformed the rest of the GCC markets on the back of positive news related to the real estate sector. Qatar and Kuwait also posted healthy gains, increasing in the range of 3.5-5.0%. The region's largest market Saudi Arabia rose by 3.6% in January.

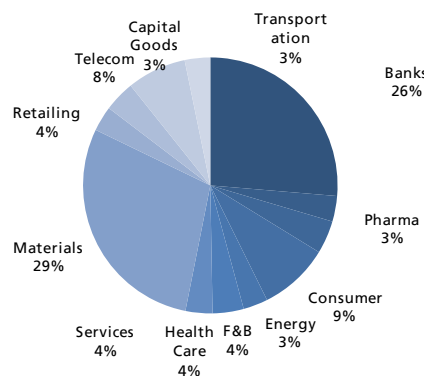
During the month, the majority of Saudi companies announced fourth quarter earnings. On an aggregate basis, the earnings declined by 12% QoQ, however, on a YoY basis they grew by 9%. Importantly, despite having a lower base for comparison, the earnings for Saudi Banks increased only 1% QoQ and 8% YoY. Our biggest concern with regard to these results is that net interest income which caused their earnings to decline. Increase in provisions are also a worry. Notwithstanding the poor earnings, Saudi banks outperformed the market in January rallying against an underperformance of the broader market in 2012.

During the month, the fund's NAV increased by 4.4% compared to an increase of 3.6% in the benchmark. Note that during the past one year, the fund has substantially increased by 11.3% compared to an increase of 6.3% in the benchmark. Going forward, we expect investors to focus on dividends as the companies initiate distribution during the next few months. While some consolidation to the short to medium term can not be ruled out, given that market has increased 8% in the last two months, we have a positive outlook for the rest of the year.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.9	14.2
Price to Book Multiple Latest (x)	2.8	1.9
Return on Equity TTM (%)	23.7	13.2
Dividend Yield—2011 (%)	3.6	3.9
Number of Holdings	26	145
Annualized Return (%)	6.7	5.3
Annualized Standard Deviation (%)	13.8	17.4
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	54	58
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	Index*
January 2013	4.4	3.6
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	5.7	3.7
Last 6 Months	5.4	2.4
Last 1 Year	11.3	6.3
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Jan 13)	13.9	10.8

*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

Name	Sector	(%)
Al Rajhi Bank	Financials	8.2
Etihad Etisalat	Telecom	7.4
SABIC	Materials	6.9

Risk Statistics

Standard Deviation (%)	13.8
Sharpe Ratio	0.2
Tracking Error (%)	5.0
Information Ratio	0.3
Alpha (%)	0.0
Beta	0.8

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