

SICO Kingdom Equity Fund
Fact Sheet - July 2013

NAV USD 13.92 ↑ 5.6%

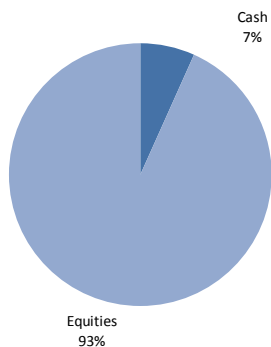
Manager's Commentary

Global markets turned positive during July as a result of improvement in risk appetite. This positive sentiment along with the increase in oil price helped the GCC markets to post the highest returns since February 2012. Dubai and Abu Dhabi, led the gains closing at +8% and +16% respectively. The rest of the markets posted returns in the range of 3-6%, with the exception of Bahrain. The Saudi market increased by 5.6%, primarily driven by gains in banks and consumer companies.

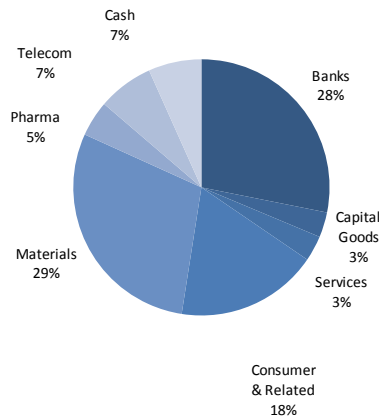
During the month, your fund increased by 5.6%. The portfolio benefitted from exposure to banks and consumer companies. Share prices of majority of the consumer companies increased sharply during the month. Companies such as Budget Saudi (+22%), Mouwasat Medical Services Company (+19%), and Saudi Pharmaceutical Industries (8.5%) contributed significantly to the portfolio's returns. Budget Saudi and Mouwasat enjoyed strong core earnings growth in second quarter, and Saudi Pharmaceutical's earnings increased because of higher dividend income from their petrochemical investments. Note that on a year to date basis, the fund has increased by approximately 27% compared to a 16% increase in the benchmark principally due to stock picking. In particular, our core holdings within the consumer space have performed well.

While the long term prospects of the Saudi market remains bright, we expect a consolidation to take place in the short term. We see pockets of bubbles developing in the Saudi consumer sector due to investor exuberance. Therefore, we intend to book profits in stocks which have increased substantially and are now trading above their fair values. Furthermore, we intend to use correction to build position in new investment ideas and to increase exposure to our selected core holdings.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	14.7	15.9
Price to Book Multiple Latest (x)	3.1	2.0
Return on Equity TTM (%)	21.5	12.6
Dividend Yield—2012 (%)	3.8	3.7
Number of Holdings	27	145
Annualized Return (%)	14.2	9.2
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 (%)	47.1	32.4

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*
June 2013	5.6	5.6
YTD 2013 (Jan—Jul)	27.6	16.4
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	12.4	10.2
Last 6 Months	22.2	12.4
Last 1 Year	28.8	15.1
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Jul 13)	39.2	24.5

*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	7.7
SABIC	Materials	7.5
Mobily	Telecom	7.0

Risk Statistics

Standard Deviation (%)	12.9
Sharpe Ratio	0.9
Tracking Error (%)	5.1
Information Ratio	1.0
Alpha (%)	0.1
Beta	0.8

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