

SICO Kingdom Equity Fund

Fact Sheet - June 2013

NAV USD 13.18 ↑ 2.0%

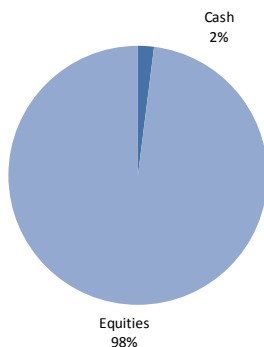
Manager's Commentary

All major indices ended in red during the month over fears of liquidity tightening in the US and the credit crunch in China. Emerging markets fell 7% led by China (-14%) and Brazil (-11.3%). On the other hand, the GCC markets dipped by 1.1%, declines in Dubai (-6.1%) and Kuwaiti (-6.1%) were partly mitigated by Saudi Arabia which increased by 1.2%. Financials mainly contributed to the gains in Saudi Arabia.

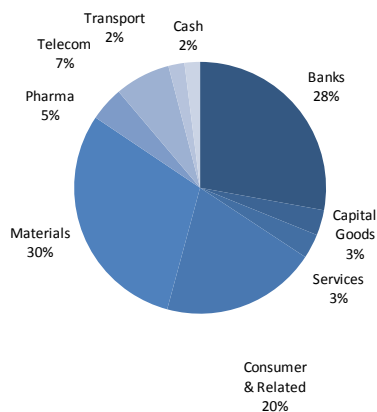
The fund's NAV was up by 2.5% in June whereas the benchmark increased by 1.2%. The fund benefited from its exposure to selected financials such as Arab National Bank (+7.4%) and Al Rajhi Bank(+5.1%). Furthermore, a number of our investments in the consumer space particularly SADFACO (+9.5%) and Saudi Pharmaceuticals (10.6%) contributed to the outperformance. During the month, we marginally increased our allocation to financials and hence our cash allocation declined from 5% to 2%.

Our overall strategy over the past one year has been to limit the funds exposure to cyclical companies such as petrochemicals and to aggressively increase its exposure to consumer related companies. We were of the opinion that consumer companies should stand to benefit from favourable demographics and an increase in disposable income. During the period, this strategy has been vindicated as your fund posted a return of 25% for the past one year while the index increased by only 11.7%. The outperformance mainly stemmed from a number of consumer related companies which increased by approximately 50%. Currently we believe Saudi banks are trading at attractive valuation multiples given their prospects for earnings growth. Banks in Saudi are in an ideal position to benefit when the overall market rates start trending up. Hence, going forward we intend to increase our exposure to Saudi Financials and book profits in selected consumer related companies which have reached their fair value.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	14.5	15.2
Price to Book Multiple Latest (x)	3.0	1.9
Return on Equity TTM (%)	21.3	12.7
Dividend Yield—2012 (%)	3.8	3.9
Number of Holdings	27	145
Annualized Return (%)	12.6	7.3
Annualized Standard Deviation (%)	13.0	15.9
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	61	57
Success Ratio (%)	64	NA
Maximum Drawdown-Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	39.2	25.4

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	2.0	1.2
YTD 2013 (Jan—Jun)	20.8	10.2
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	11.1	5.2
Last 6 Months	20.8	10.2
Last 1 Year	25.4	11.7
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Jun 13)	31.8	17.9

*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	(%)
SABIC	Materials	7.9
Al Rajhi Bank	Financials	7.8
Mobily	Telecom	7.3

Risk Statistics

Standard Deviation (%)	13.0
Sharpe Ratio	0.7
Tracking Error (%)	5.2
Information Ratio	1.0
Alpha (%)	0.1
Beta	0.8

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