

SICO Kingdom Equity Fund
Fact Sheet - May 2013

NAV USD 12.93 ↑ 4.3%

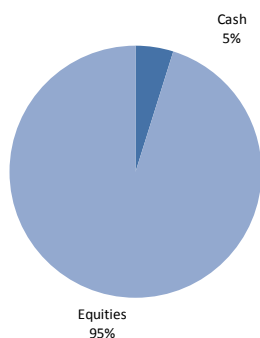
Manager's Commentary

Global markets showed a mixed trend in May. Developed markets including the US continued their positive momentum. On the other hand, emerging markets as measured by the MSCI Emerging Markets Index lost 4% of their value. The GCC markets on the contrary, outperformed majority of the global markets, led by Dubai which increased by +10.8%, followed by Abu Dhabi (+8.8%) and Qatar (+6.5%). Oman and Kuwait increased in the range of 4-5%. The region's largest market Saudi Arabia increased by 3.1%. The primary contributors to the gains were the banks and petrochemical companies.

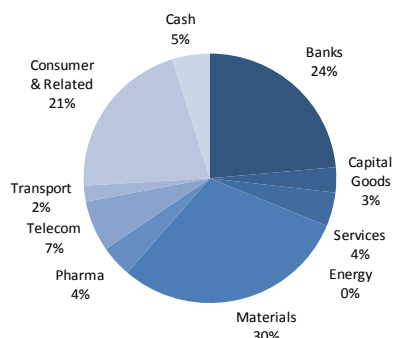
Your fund increased by 4.3% during the month. The fund benefitted from having a portfolio tilted towards defensive and consumer companies such as Saudi Ceramic and Saudi Airlines Catering which increased 13% and 9% respectively. In addition, our top picks amongst the petrochemicals universe such as Saudi Industrial Investment Group (+13%) and Yanbu National Petrochemical (+8%) were also amongst the top contributors for the month. During the month, we trimmed our exposure to companies that were trading close to their fair values. Note that over the past one year, the fund has increased by 19% compared to a 6% increase in the benchmark primarily due to our superior stock selection.

Between 2009 and 2012, the GCC markets substantially underperformed the emerging markets. During this period, the emerging markets increased by 86%, while the GCC markets appreciated by only 22%. Year to date, GCC markets have increased by 11% whereas the emerging markets have fallen by 4%, a trend we expect to continue. Our strategy is to rebalance our portfolio by booking profits in stocks that have risen sharply and are trading close to their fair values and build further exposure in blue chip and defensive names as the market consolidates during summer. More specifically we have a positive outlook for Saudi banks as their performance has lagged the broader regional markets and we anticipate it to rebound on the back of expectations of reversal in the interest rate environment.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	13.9	15.1
Price to Book Multiple Latest (x)	3.1	1.9
Return on Equity TTM (%)	21.4	12.7
Dividend Yield—2012 (%)	3.9	3.9
Number of Holdings	26	145
Annualized Return (%)	11.6	6.7
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 (%)	59	56
Success Ratio (%)	64	NA
Maximum Drawdown-Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	36.5	23.8

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*
May 2013	4.3	3.1
YTD 2013 (Jan—May)	18.5	8.9
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	12.5	5.8
Last 6 Months	23.5	13.3
Last 1 Year	19.4	6.1
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— May 13)	29.3	16.5

*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	(%)
SABIC	Materials	7.2
Al Rajhi Bank	Financials	7.0
Mobily	Telecom	6.6

Risk Statistics

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

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