

SICO Kingdom Equity Fund

Fact Sheet - May 2012

NAV USD 10.83 ↓ 5.1%

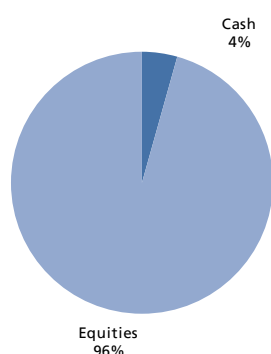
Manager's Commentary

The Eurozone debt crisis and worse than expected economic data for China and US impacted global equity markets in May. The performance of global equity markets was replicated by the regional markets which fell by 6.4% as measured by S&P GCC Index. Dubai (-9.8%) and Saudi (-7.7%) were the worst performers while Qatar (-3.3%), Kuwait (-3.1%), Abu Dhabi (-2.5%), Oman (-1.9%) and Bahrain (-1.1%) also lost some ground.

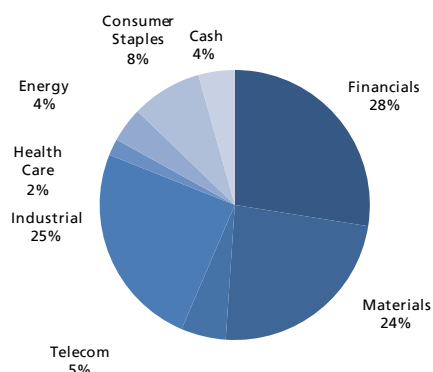
Saudi market's performance was the worst in the past 18 months and declines were broad based. Compared to blue chip companies, speculative stocks that had rallied in the first quarter of the year were amongst the most affected during the month. Insurance sector was worst hit and some of the insurance companies lost in excess of 20%. A significant drop in the price of oil contributed to the poor performance of Saudi based petrochemicals (price of Brent crude declined by 15%). However, declines in cement (-3%) and telecom (-5%) companies was relatively muted. We believe across the board declines have resulted in companies trading at attractive valuations and will provide opportunities for medium to long-term investors.

The NAV of your fund decreased by 5.1% compared to a 7.7% decline in the benchmark. The fund benefitted from its defensively positioned portfolio and lower than benchmark exposure to speculative and small-cap companies which substantially decreased in value. Moving forward, we expect markets to remain volatile and activity levels subdued due to summers. We believe this will provide us opportunity to deploy our remaining cash in stocks that are well positioned to benefit from the recovery in markets and are trading at attractive valuations.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.1	13.5
Price to Book Multiple Latest (x)	2.6	1.9
Return on Equity TTM (%)	21.3	13.7
Dividend Yield—2011 (%)	4.6	4.0
Number of Holdings	27	145
Annualized Return (%)	6.1	7.2
Annualized Standard Deviation (%)	14.0	19.0
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	50	56
Maximum Drawdown-Peak to Trough (%)	10.4	11.2
Length of Drawdown (months)	4	3
Recovery from recent trough (%)	22.6	31.0

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
May 2012	-5.1	-7.7
YTD (Jan– May)	7.8	8.7
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	-1.2	-4.1
Last 6 Months	13.3	14.3
Last 1 Year	3.6	3.6
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— May 12)	8.3	9.7

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	7.5
Al Rajhi	Financials	5.4
Eithad Etisalat	Telecom	5.4

Risk Statistics

Standard Deviation (%)	14.0
Sharpe Ratio	0.2
Tracking Error (%)	5.0
Information Ratio	-0.2
Alpha (%)	-0.3
Beta	0.7

For further information contact assetmanagement@sicobahrain.com

Securities & Investment Company BSC (c)
P.O. Box 1331, Manama, Kingdom of Bahrain
Tel: +973 1751 5000 Fax: +973 1751 4000
CR No: 33469
www.sicobahrain.com

شركة الأوراق المالية والاستثمار ش.م.ب (م)
ص.ب: 1331، المنامة، مملكة البحرين
هاتف: +973 1751 5000 فاكس: +973 1751 4000
سجل تجاري رقم 33469

بنك استثماري sico
Investment Bank

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