

SICO Kingdom Equity Fund  
Fact Sheet - November 2013

NAV USD 14.17 ↑ 2.3%

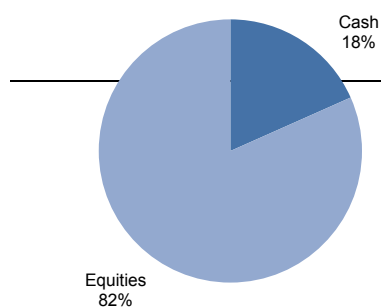
## Manager's Commentary

The GCC markets as measured by S&P GCC Index (+2.5%) ended the month on a positive note. The largest regional market, Saudi Arabia increased by 3.5%. The increase was primarily driven by cement and chemical companies. Cements increased as investors built exposure ahead of the dividend season, while chemicals increased due to improvement in petrochemical prices. Qatar (+5.5%) was the best performing market, while Kuwait was an exception declining by 1.8%. The rest of the GCC markets posted marginal gains of less than 1%.

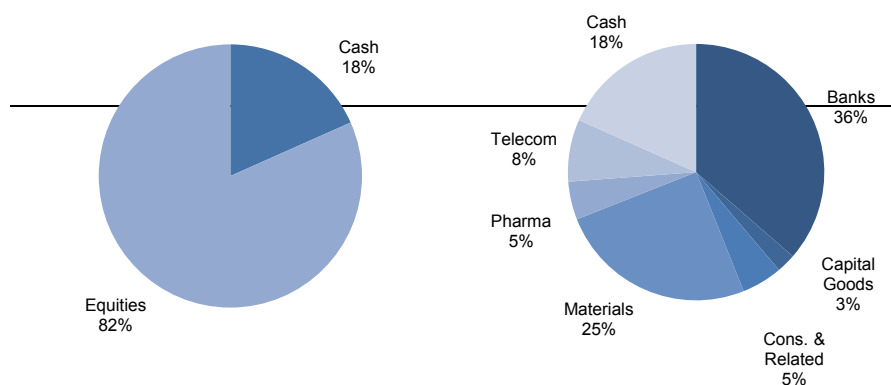
During November, the fund's NAV increased by 2.3% compared to a 3.5% increase in the benchmark. For the past three months the fund has underperformed its benchmark due to its defensive positioning. Furthermore, the fund had no exposure to index heavyweights such as Saudi Telecom and Saudi Electricity which increased by 9% during the month. We have a negative outlook on Saudi Telecom due to concerns over the profitability of its international operations. Moreover we did not have exposure to Saudi Electricity due to its earnings volatility. However, year-to-date, the fund (+29.9%) is still outperforming the benchmark (+22.4%) with a higher dividend yield and lower valuations, when compared to its benchmark.

During the month we capitalized on the increase in share prices of consumer related companies to reduce our exposure to the sector due to its expensive valuation multiples and uncertainty regarding the impact of aggressive Saudization. YTD the Saudi market has increased by 22% mainly driven by consumer related companies and as a consequence the sector PE has increased from about 15x (2013E) in the beginning of the year to about 20x (2013E). In anticipation of the up coming dividend season we intend to invest these funds in to defensive stocks, particularly investments which yield high dividends as these tend to be resilient in event of a market correction.

## Asset Allocation



## Sector Allocation



## Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.7	16.7
Price to Book Multiple Latest (x)	2.5	2.1
Return on Equity TTM (%)	20.1	12.8
Dividend Yield—2012 (%)	4.0	3.4
Number of Holdings	17	145
Annualized Return (%)	13.1	10.0
Annualized Standard Deviation (%)	12.3	14.9
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	62	62
Success Ratio (%)	62	NA
Maximum Drawdown—Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	49.7	39.2

## 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*
November 2013	2.3	3.5
YTD 2013 (Jan—Nov)	29.9	22.4
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	2.8	7.2
Last 6 Months	9.6	12.4
Last 1 Year	29.9	22.4
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Nov 13)	41.7	30.9

\*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	8.8
Al Rajhi Bank	Financials	8.0
Mobily	Telecom	7.8

## Risk Statistics

Standard Deviation (%)	12.3
Sharpe Ratio	0.8
Tracking Error (%)	5.1
Information Ratio	0.6
Alpha (%)	4.6
Beta	0.8

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