

SICO Kingdom Equity Fund

Fact Sheet - October 2013

NAV USD 13.85 ↓ 0.8%

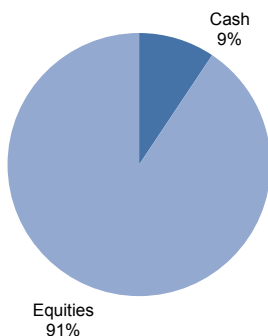
Manager's Commentary

Global markets continued their rise in October despite the uncertainty surrounding a potential US debt default and partial government shutdown. Confidence that a resolution would be found lent support and proved to be the correct assumption. The GCC markets also remained positive with the S&P GCC index rising 1.2%. This move was led by Dubai, up 5.8% and Qatar, up 2.4% whilst Saudi Arabia and Kuwait both increased by 1%. The other markets posted marginal gains only.

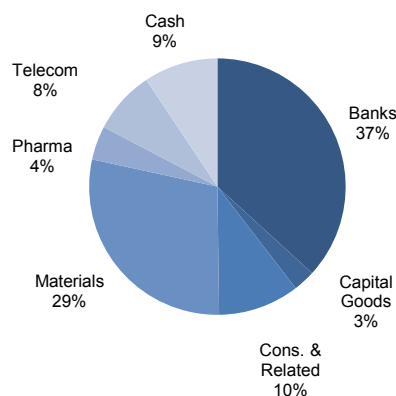
During October, the fund's NAV decreased by 0.8% against a 1% gain for the benchmark with underperformance again due to its defensive positioning and lack of exposure to certain small and mid cap stocks that we either consider too speculative or hold a negative view upon. Furthermore, an overweight position in consumer companies also impacted returns as the sector underperformed due to lower than expected earnings for the quarter. The main factor behind these low earnings was that a number of consumer companies did not fulfill their aggressive expansion plans due to the mass exodus of illegal laborers. Furthermore, better than expected earnings from Saudi Telecom Company, which has a significant weight in the index, also contributed to our underperformance. However, year-to-date, the fund (+26.9%) is still outperforming the benchmark (+18.3%).

Although our defensive positioning of the fund has impacted short term performance, we remain confident that our medium term strategy will bear fruit. We re-iterate that certain, selected sectors are in bubble territory and are trading at higher multiples than we would like to see. We are currently in the process of finalizing several new investment ideas which will allow us to deploy the excess liquidity into high yielding names that we expect to perform well as we approach the year end.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	12.3	15.9
Price to Book Multiple Latest (x)	2.6	2.0
Return on Equity TTM (%)	20.9	12.8
Dividend Yield—2012 (%)	3.9	3.5
Number of Holdings	20	145
Annualized Return (%)	12.6	8.9
Annualized Standard Deviation (%)	12.4	15.0
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	61	61
Success Ratio (%)	64	NA
Maximum Drawdown—Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	46.3	34.5

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*
October 2013	-0.8	1.0
YTD 2013 (Jan—Oct)	26.9	18.3
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	-0.5	1.6
Last 6 Months	11.8	12.0
Last 1 Year	28.4	18.5
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Oct 13)	38.5	26.5

*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	8.3
Al Rajhi Bank	Financials	8.0
Mobily	Telecom	8.0

Risk Statistics

Standard Deviation (%)	12.4
Sharpe Ratio	0.8
Tracking Error (%)	5.1
Information Ratio	0.7
Alpha (%)	4.9
Beta	0.8

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Investment Bank

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