

SICO Kingdom Equity Fund
Fact Sheet - September 2013

NAV USD 13.95 ↑ 1.2%

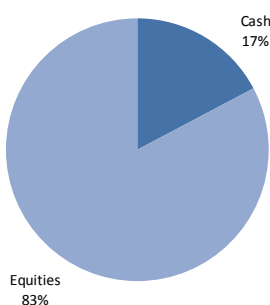
Manager's Commentary

A number of factors resulted in global equities rebounding in September such as positive outcome of Fed's meeting on Quantitative Easing Program and reduced risk of a military strike in Syria. Regional markets took their cue from their international counterparts and staged a recovery. The benchmark for regional markets—S&P GCC Index—ended the month 2.7% higher. Dubai was the best performing market and increased by 9.5%. Abu Dhabi, Saudi Arabia and Kuwait rose between 2-3%, while the other GCC bourses' returns were range bound.

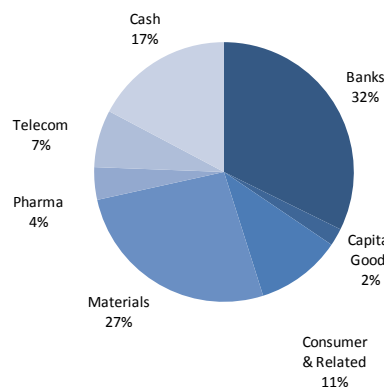
The NAV of your fund increased by 1.2% compared to a 2.6% increase in the benchmark. The benchmark's returns were primarily driven by a rebound in petrochemicals and selected financials. Furthermore, some medium to small cap / speculative names also contributed significantly. As emphasized earlier, we had defensively positioned the portfolio and increased the cash allocation and therefore the fund was unable to fully capitalise on the fast run-up in the markets. Having said this, on a year to date basis, the fund has substantially outperformed the benchmark and is up 28% compared to a 17% rise in the benchmark. During the month, we took advantage of market momentum and reduced exposure in consumer companies which in our view are now overvalued. On the other hand, we increased the allocation to Saudi banks.

On the regional front, we believe easing of political tensions has reduced some uncertainty which will provide a breather to the markets. Furthermore, we believe that pockets of opportunities still exist within the Saudi space, especially with a number of companies offering attractive dividend yield of over 6%. With the year-end dividend season approaching investor interest is likely to shift towards these stocks. Moving forward, we will deploy the liquidity into new investment ideas taking advantage of any market dips, possibly during the upcoming earnings season.

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	13.3	16.1
Price to Book Multiple Latest (x)	2.7	2.0
Return on Equity TTM (%)	20.6	12.4
Dividend Yield—2012 (%)	3.9	3.6
Number of Holdings	20	145
Annualized Return (%)	13.3	8.8
Annualized Standard Deviation (%)	12.6	15.3
Largest Monthly Gain (%)	7.6 (Mar 11)	10.5 (Mar 11)
Largest Monthly Loss (%)	-6.5 (Aug 11)	-7.7 (May 12)
% Positive Months (%)	63	59
Success Ratio (%)	66	NA
Maximum Drawdown—Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	47.4	33.2

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*
Sep 2013	1.2	2.6
YTD 2013 (Jan—Sep)	27.9	17.1
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	5.8	6.2
Last 6 Months	17.6	11.8
Last 1 Year	30.3	16.4
Last 3 Years	NA	NA
Last 5 Years	NA	NA
Since Inception (Feb 11— Sep 13)	39.5	25.3

*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	(%)
Mobily	Telecom	7.1
SABIC	Materials	7.0
Al Rajhi Bank	Financials	7.0

Risk Statistics

Standard Deviation (%)	12.6
Sharpe Ratio	0.8
Tracking Error (%)	5.1
Information Ratio	0.9
Alpha (%)	5.7
Beta	0.8

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

This report should not be considered an offer to sell, or a solicitation to buy, shares mentioned herein. Past performance is no indication of future results. Fund historical performance does not promise the same or similar results in the future. Principal value, share prices and investment returns fluctuate with changes in market conditions. The information contained herein has been compiled from sources believe to be reliable; however Securities & Investment Company ("SICO") does not guarantee its accuracy or completeness. Opinions, forecasts and estimates constitute our judgment as of the date of this report and are subject to change without notice. This report is not a solicitation of an order to buy or sell securities or to provide investment advice or service. SICO or its affiliates may from time to time engage in long or short positions in the securities mentioned herein. SICO or its affiliates may act as principal, agent or market maker or provide other services to the issuers of securities mentioned herein. This report is provided for information purposes only and may not be copied or distributed to any other person without the prior written consent of SICO