

SICO Kingdom Equity Fund

Fact Sheet - November 2014

NAV USD 16.12 ↓ 13.0%

Manager's Commentary

In November, the Saudi market plunged by 14.1% and wiped off all the gains for the year. To put things into perspective, this decline was the largest fall in the index after the 2008 Global Financial Crisis. This bearish spell started in September and since then the market has lost over 20% of its value and has unsurprisingly nosedived in tandem with the decline in oil prices which during the same period has fallen close to 40%. The market was first taken aback with the suspension of one of the large blue chip companies Etihad Etisalat. The company report a massive drop in quarterly profits and restated prior earnings numbers due to accounting irregularities. Consequently, its share price fell close to 40% for the month. Things got further worse when OPEC in their meeting on Nov 27 decided not to reduce oil production which further accelerated the decline in oil prices and also the Saudi market.

Given the broad based correction in the market, the value of the fund declined by 13%. It was a very challenging month as the selling was indiscriminate and stocks whether defensive or not declined by relatively the same magnitude. Although we did not have any exposure to Etihad Etisalat and had a lower exposure to petrochemicals, this could not substantially benefit the fund as our active bets also fell inline with the drop in the market.

During the month, we rebalanced the portfolio by further reducing high beta, cyclical companies that may be impacted by low oil prices and a slowdown in construction activity. Specifically, we reduced exposure to the cement sector stocks and increased exposure to selected consumer names. We expect the Saudi market to remain volatile until oil prices stabilize and hence will continue to defensively position the portfolio.

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.

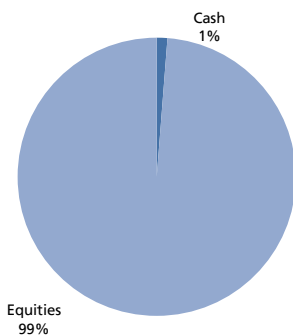
Returns (%)	Fund	Index*
November 2014	-13.0	-14.1
YTD 2014 (Jan—Nov)	11.0	1.0
2013	33.1	25.5
2012	8.7	6.0
2011 (Feb – Dec)	0.4	0.9
Last 3 Months	-18.6	-22.4
Last 6 Months	-5.8	-12.2
Last 1 Year	13.8	3.6
Last 3 Years	68.8	41.3
Last 5 Years	NA	NA
Since Inception (Feb 11— Nov14)	61.2	35.7

*Saudi Stock Exchange Index

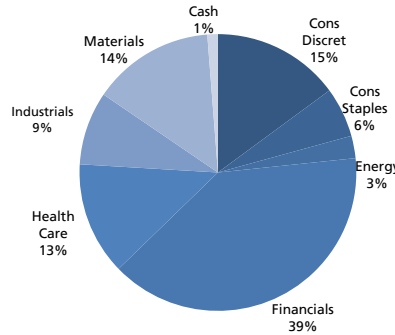
Fund Information

Launch Date	February 2011
Management Fee	1.5%
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

Asset Allocation



Sector Allocation



Key Statistics

	Fund	Index
Price to Earnings Multiple TTM (x)	15.8	14.7
Price to Book Multiple Latest (x)	3.8	2.0
Return on Equity TTM (%)	18.3	13.3
Dividend Yield—2013 (%)	1.7	3.5
Number of Holdings	32	145
Annualized Return (%) - Last 3 years	19.1	12.2
Annualized Standard Deviation (%) - Last 3 years	9.7	9.9
Largest Monthly Gain (%)	8.0 (Jul 14)	10.5 (Mar 11)
Largest Monthly Loss (%)	-13.0 (Nov 14)	-14.1 (Nov 14)
% Positive Months (%)	67	67
Success Ratio (%)	62	NA
Maximum Drawdown-Peak to Trough (%)	11.6	12.2
Length of Drawdown (months)	4	3
Recovery from Maximum Drawdown (%)	70.3	44.2

Top Holdings

Name	Sector	(%)
SAMBA Financial	Financials	5.8
BUPA Arabia	Financials	5.6
Mouwassat Medical Services	Health Care	5.5

Risk Statistics (last 3 years)

Standard Deviation (%)	9.7
Sharpe Ratio	1.7
Tracking Error (%)	3.8
Information Ratio	1.8
Alpha (%)	7.7
Beta	0.9

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
CR No: 33469
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 believed 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.