

SICO Kingdom Equity Fund

Fact Sheet - August 2015

NAV USD 15.70 ↓ 14.9%

Manager's Commentary

In August, the Saudi market fell sharply witnessing its worst monthly performance since the 2008 Global Financial Crisis. The index plunged 17% in August, giving back all the gains made during the first seven months of the year. A confluence of factors affected the markets including the continued volatility in oil prices and a sharp correction in global equity markets. Other GCC markets also followed suit as indicated by the 13% drop in the GCC index.

The decline in the Saudi market was broad based and indiscriminate. The petrochemical sector was amongst the hardest hit with the small to mid cap stocks such as Sipchem and Petrorabigh declining close to 30%. Even traditionally defensive sectors succumbed to the selling pressure and stocks such as Herfy, Fawaz Al Hokair and Savola dropped close to 20%. Conventional banks held on relatively well with declines of around 10%.

Given the steep drop in share prices across the board, the value of the fund declined by 15% and erased all the year to date gains. Our core holdings including defensively oriented companies from the consumer and insurance sectors fell in line with the market that affected the performance of the fund. We are currently rebalancing the fund by increasing our exposure to stocks where we believe the declines have been unjustified and fundamentals are still in tact. We also continue to focus upon dividend yields as post this decline, many blue chip companies offer a yield of 5% and more. We expect the overall returns of the market to remain rangebound, hence dividends will become a key factor in generating returns.

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.

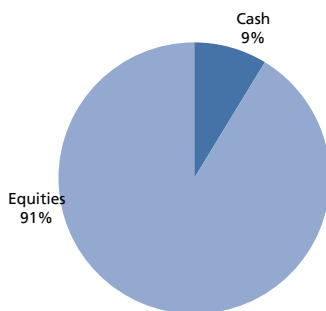
Returns (%)	Fund	Index*
August 2015	-14.9	-17.3
2015 (Jan—Aug)	-0.7	-9.7
2014	8.9	-2.4
2013	33.1	25.5
2012	8.7	6.0
Last 3 Months	-17.1	-22.4
Last 6 Months	-11.6	-19.2
Last 1 Year	-20.7	-32.3
Last 3 Years	41.0	5.4
Last 5 Years	NA	NA
Since Inception (Feb 11— Aug 15)	57.0	18.3

*Saudi Stock Exchange Index

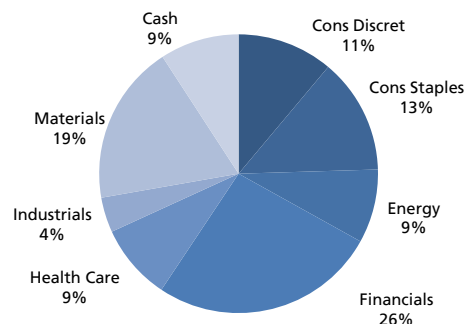
Fund Information

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)	17.6	15.5
Price to Book Multiple Latest (x)	3.4	1.8
Return on Equity TTM (%)	18.8	11.4
Dividend Yield—2014 (%)	2.6	3.5
Number of Holdings	32	107
Annualized Return (%) - Last 3 years	12.1	1.8
Annualized Standard Deviation (%) - Last 3 years	16.2	17.2
Largest Monthly Gain (%)	12.1 (Apr 15)	12.0 (Apr 15)
Largest Monthly Loss (%)	-14.9 (Aug 15)	-17.3 (Aug 15)
% Positive Months (%)	61	61
Success Ratio (%)	69	NA
Maximum Drawdown—Peak to Trough (%)	-20.7	-32.3
Length of Drawdown (months)	12	12
Recovery from Maximum Drawdown (%)	0.0	0.0

Top Holdings

Name	Sector	(%)
Saudia Dairy Foodstuff	Consumer	5.1
SAMBA Financial	Banks	4.4
Herfy	Consumer	3.9

Risk Statistics (last 3 years)

Standard Deviation (%)	16.2
Sharpe Ratio	0.6
Tracking Error (%)	3.6
Information Ratio	2.9
Alpha (%)	10.3
Beta	0.9

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بنك استثماري sico
Investment Bank

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