

SICO KINGDOM EQUITY FUND

CONDENSED INTERIM FINANCIAL INFORMATION 30 June 2016

Fund Manager, Operator and Placement agent	Securities & Investment Company B.S.C. (c) P.O. Box 1331, Manama, Kingdom of Bahrain
Administrator and Custodian	HSBC Bank Middle East Limited , Bahrain P.O. Box 57, Manama, Kingdom of Bahrain
Registrar	APEX Funds Services Bahrain WLL P.O. Box 10405, Manama, Kingdom of Bahrain
Directors	Najla Mohammed Qassim Alshirawi Hanan Yusuf Hasan Sater Amal Ahmed Yusuf Alnaser Anantha Narayanan
Fund Company	SICO Funds Company IV B.S.C. (c) P.O. Box 1331, Manama, Kingdom of Bahrain
Auditors	KPMG Fakhro Balasubramanian Mahesh, <i>Partner</i> P.O. Box 710, Manama, Kingdom of Bahrain

SICO Kingdom Equity Fund

**CONDENSED INTERIM FINANCIAL INFORMATION
for the six month period ended 30 June 2016**

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

The Unit Holders
SICO Kingdom Equity Fund
Kingdom of Bahrain

15 August 2016

Introduction

We have reviewed the accompanying 30 June 2016 condensed interim financial information of SICO Kingdom Equity Fund (the "Fund"), which comprises:

- the condensed statement of financial position as at 30 June 2016;
- the condensed statement of profit or loss and other comprehensive income for the six month period ended 30 June 2016;
- the condensed statement of changes in equity for the six month period ended 30 June 2016;
- the condensed statement of cash flows for the six month period ended 30 June 2016; and
- notes to the condensed interim financial information.

The Board of directors of the Fund is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2016 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

SICO Kingdom Equity Fund

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

Bahraini dinars

	Note	30 June 2016 (reviewed)	31 December 2015 (audited)
Assets			
Cash and cash equivalents		612,691	534,101
Investments at fair value through profit or loss	7	2,751,205	3,050,425
Other receivables		7,786	4
Total assets		3,371,682	3,584,530
Liabilities			
Redemptions Payable		-	29,816
Payables and other liabilities		16,379	18,925
		16,379	48,741
Equity			
Unit capital		2,333,378	2,367,383
Unit surplus		211,870	226,466
Retained earnings		810,055	941,940
Total equity		3,355,303	3,535,789
Total liabilities and equity		3,371,682	3,584,530
Net Asset Value ("NAV") per unit at book value based on 618,933 units (31 December 2015: 627,953) units outstanding		5.421	5.631



 Anantha Narayanan
Director



 Amal Al Nasser
Director

The condensed interim financial information consisting of pages 2 to 8 were approved by the Board of directors on 15 August 2016.

SICO Kingdom Equity Fund

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six month period ended 30 June 2016

Bahraini dinars

	Note	Six months ended 30 June 2016 (reviewed)	Six months ended 30 June 2015 (reviewed)
Net changes in fair value of investments at fair value through profit or loss	7	(158,958)	491,307
Dividend income		59,261	58,939
Other income		3,894	7,955
Total income		(95,803)	558,201
Management fees	8	24,181	28,897
Custody and administration fees		5,484	7,510
Audit fees		2,238	2,232
Registrar fees		797	795
Fees and commission		1,557	1,553
Other operating expenses		1,825	4,353
Total expenses		36,082	45,340
(Loss) / profit for the period		(131,885)	512,861
Other comprehensive income		-	-
Total comprehensive income for the period		(131,885)	512,861



Anantha Narayanan
Director



Amal Al Nasser
Director

The condensed interim financial information consisting of pages 2 to 8 were approved by the Board of Directors on 15 August 2016.

CONDENSED STATEMENT OF CHANGES IN EQUITY
for the six month period ended 30 June 2016

Bahraini dinars

	Number of units	Unit capital	Unit surplus	Retained earnings	Total
2016 (reviewed)					
At 1 January 2016	627,953	2,367,383	226,466	941,940	3,535,789
Total comprehensive income for the period	-	-	-	(131,885)	(131,885)
Redemption of units during the period	(9,020)	(34,005)	(14,596)	-	(48,601)
Balance at 30 June 2016	618,933	2,333,378	211,870	810,055	3,355,303
2015 (reviewed)					
At 1 January 2015	566,733	2,136,584	27,902	1,213,796	3,378,282
Total comprehensive income for the period	-	-	-	512,861	512,861
Issue of units during the period	32,867	123,909	102,283	-	226,192
Redemption of units during the period	(11,976)	(45,150)	(40,169)	-	(85,319)
Balance at 30 June 2015	587,624	2,215,343	90,016	1,726,657	4,032,016

The condensed interim financial information consists of pages 2 to 8.

CONDENSED STATEMENT OF CASH FLOWS
for the six month period ended 30 June 2016

Bahraini dinars

	Six months ended 30 June 2016 (reviewed)	Six months ended 30 June 2015 (reviewed)
Cash flows from operating activities		
(Loss) / profit for the period	(131,885)	512,861
<i>Adjustments for:</i>		
Net change in fair value of investments at fair value through profit or loss	158,958	(491,307)
<i>Operating profit before changes in working capital</i>	27,073	21,554
Decrease in other receivables	(7,782)	(1,547)
Decrease in payables and other liabilities	(2,546)	(2,414)
Net cash generated from operating activities	16,745	17,593
Cash flows from investing activities		
Purchase of investment	(3,527,346)	(5,486,020)
Disposal of investment	3,667,608	5,557,245
Net cash generated from investing activities	140,262	71,225
Cash flows from financing activities		
Receipts of subscription of units	-	226,192
Payments for redemption of units	(78,417)	(85,319)
Net cash (used in) / generated from financing activities	(78,417)	140,873
Net increase in cash and cash equivalents	78,590	229,691
Cash and cash equivalents at beginning of the period	534,101	28,364
Cash and cash equivalents at end of the period	612,691	258,055

The condensed interim financial information consists of pages 2 to 8.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the six-month period ended 30 June 2016**

Bahraini dinars

1. Reporting entity

SICO Kingdom Equity Fund ("SKEF" or the "Fund") is an open ended fund launched by SICO Kingdom Equity Funds Company IV BSC (c) (the "Fund Company"), a closed joint stock company incorporated in the Kingdom of Bahrain with commercial registration number 73323. The Fund commenced trading in February 2011. The Fund has been classified as an open-ended expert fund under the CIU Module Volume 7 of the CBB Rule Book. Although the Fund's units are listed on the Bahrain Bourse, all unit transactions are carried out directly with the Fund.

The duration of the Fund is subject to the duration of the Company, which is 25 Gregorian calendar years from the date of registration of the Fund Company. This period may be extended by resolution of the Company's shareholders with the prior approval of the Ministry of Industry and Commerce of Bahrain and the Central Bank of Bahrain.

The principal investment objective of the Fund is to achieve long term capital appreciation for holders of units by investing principally in equity securities listed in Saudi Arabia. From time to time, the Fund may also invest in equity related, hybrid and debt securities in addition to unlisted debt securities issued by the governments or quasi government institutions.

The Fund is operated and managed by Securities & Investment Company BSC (c) (the "Fund Manager"). The Fund's custody and administration activities are undertaken by HSBC Bank Middle East limited Bahrain Branch.

2. Basis of preparation

This condensed interim financial information has been prepared in condensed form in accordance with the International Accounting Standard 34 - *Interim Financial Reporting*. The condensed interim financial information does not include all the information required for a complete set of IFRS financial statements, and should be read in conjunction with the complete set of annual financial statements of the Fund as at and for the year ended 31 December 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last audited financial statements as at and for the year ended 31 December 2015.

The condensed interim financial information for the six-month period ended 30 June 2016 is reviewed, not audited. The corresponding figures for the condensed statement of financial position have been extracted from the 31 December 2015 audited financial statements and the corresponding figures for the condensed statements of profit or loss and comprehensive income, changes in equity and cash flows have been extracted from the 30 June 2015 reviewed condensed interim financial information.

3. Significant accounting policies

The accounting policies applied in this condensed interim financial information are the same as those applied in the Fund's audited financial statements as at and for the year ended 31 December 2015.

4. Significant judgment and estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2015.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the six-month period ended 30 June 2016

Bahraini dinars

5. Financial risk management

The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2015.

6. Seasonality

Due to the nature of the Fund's activities, the results for the six-month period ended 30 June 2016, as reported in the condensed interim financial information, are not indicative of the results that may be expected for the year ending 31 December 2016.

7. Investments at fair value through profit or loss

Movements on portfolio investments during the period as follow:

	30 June 2016 (reviewed)	31 December 2015 (audited)
Opening balance	3,050,425	3,370,327
Additions	3,527,346	9,045,802
Disposals	(3,667,608)	(9,068,627)
Net changes in fair value	(158,958)	(297,077)
Closing balance	2,751,205	3,050,425

8. Related party balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Related parties include entities over which they exercises significant influence over the Fund including unit holders, directors and the Fund Manager of the Fund.

a) Related party balances

	30 June 2016 (reviewed)	31 December 2015 (audited)
Management fees	12,654	13,978
Unit capital held by Fund Manager	1,929,898	2,004,535

b) Related party transactions

Management fees, calculated at 1.5% per annum accrued on weekly net assets of the Fund, is payable to the Fund Manager. The management fees for the six-months period ended 30 June 2016 amounted to BD 24,181 (30 June 2015: BD 28,897).

The Fund Manager did not earn or participate in any soft commission arrangements related to dealings in the Fund's assets.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
for the six-month period ended 30 June 2016

Bahraini dinars

9. Financial instruments

Measurement of fair values

When measuring fair value of an asset or a liability, the Fund uses observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Fund recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes has occurred.

The table below analyses financial instruments measured at fair value as at the end of the period, by level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1	Level 2	Level 3	Total
30 June 2016 (reviewed)				
Investments at fair value through profit or loss	2,751,205	-	-	2,751,205
	2,751,205	-	-	2,751,205
31 December 2015 (audited)				
Investments at fair value through profit or loss	3,050,425	-	-	3,050,425
	3,050,425	-	-	3,050,425

There were no transfers between levels of the fair value hierarchy during the year.

Financial instruments not measured at fair value

The fair value of all other financial instruments approximate their respective book value due to their short-term nature.

10. Comparatives

Certain regroupings have been made in the comparative figures in order to conform to the current period's presentation. Such regroupings did not affect previously reported comprehensive income or total equity.