

SICO KINGDOM EQUITY FUND
(A sub fund of SICO Funds Company IV B.S.C. (c))

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2012

SICO Kingdom Equity Fund
(A sub fund of SICO Funds Company IV B.S.C. (c))

Condensed interim financial information
For the six month period ended 30 June 2012

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SICO Kingdom Equity Fund
(A sub fund of SICO Funds Company IV B.S.C. (c))

Information about the Fund

| | |
|--------------------------------------|--|
| Directors of the Fund Company | Anthony C. Mallis - Chairman Najla Al Shirawi - Director Shakeel Sarwar Butt - Director |
| Registered office | 1 st Floor, BMB Centre, PO Box 1331, Diplomatic Area, Kingdom of Bahrain |
| Bankers | HSBC Bank Middle East Limited (Bahrain Branch) Saudi British Bank (subsidiary of HSBC) |
| Investment managers | Securities & Investment Company B.S.C (c) (SICO) |
| Administrators | HSBC Bank Middle East Limited (Bahrain Branch) |
| Custodians | HSBC Bank Middle East Limited (Bahrain Branch) |
| Registrar | APEX Funds Service Company |
| Auditors | PricewaterhouseCoopers 13 th Floor, T.J. Tower, PO Box 21144, Seef District, Kingdom of Bahrain |



REPORT ON REVIEW OF FINANCIAL INFORMATION TO THE DIRECTORS OF
SICO FUNDS COMPANY IV B.S.C. (c) WITH RESPECT TO
SICO Kingdom Equity Fund

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SICO Kingdom Equity Fund (the Fund), a sub fund of SICO Funds Company IV B.S.C. (c) (the Company) as at 30 June 2012 and the related condensed interim statements of comprehensive income, cash flows and changes in net assets attributable to holders of redeemable units for the six month period then ended. The Company's Directors are responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers


29 August 2012
Manama, Kingdom of Bahrain

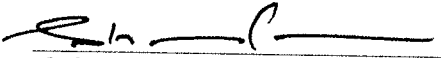
For PricewaterhouseCoopers:
Mario Portelli
License number 101

SICO Kingdom Equity Fund
(A sub fund of SICO Funds Company IV B.S.C. (c))
Condensed interim statement of financial position
(Expressed in Bahraini Dinars unless otherwise stated)

| | Note | 30 June 2012 (Reviewed) | 31 December 2011 (Audited) |
|---|------|-------------------------------|----------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and balances with banks | 5 | 54,335 | 85,691 |
| Financial assets at fair value through profit or loss | 6 | 2,340,089 | 2,135,322 |
| Prepayments and other receivables | | 3,599 | 2,875 |
| | | <hr/> | <hr/> |
| Total assets | | 2,398,023 | 2,223,888 |
| | | <hr/> | <hr/> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables and accrued expenses | | 8,341 | 24,144 |
| | | <hr/> | <hr/> |
| Liabilities (excluding net assets attributable to holders of redeemable units) | | 8,341 | 24,144 |
| | | <hr/> | <hr/> |
| Net assets attributable to holders of redeemable units | 7 | 2,389,682 | 2,199,744 |
| | | <hr/> | <hr/> |
| Total liabilities | | 2,398,023 | 2,223,888 |
| | | <hr/> | <hr/> |
| Net assets attributable to holders of redeemable units | | 2,389,682 | 2,199,744 |
| Number of units | | 603,166 | 579,755 |
| Net asset value per unit | | 3.962 | 3.794 |

This condensed interim financial information has been approved for issue by the Board of Directors of the Company on 28 August 2012 and signed on its behalf by:


Anthony C. Mallis
Chairman and Managing Director
SICO Funds Company B.S.C (c)



Shakeel Sarwar Butt
Director
SICO Funds Company B.S.C (c)

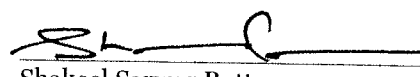
The notes on pages 7 to 11 form an integral part of this condensed interim financial information.

SICO Kingdom Equity Fund
(A sub fund of SICO Funds Company IV B.S.C. (c))
Condensed interim statement of comprehensive income
(Expressed in Bahraini Dinars unless otherwise stated)

| | Note | Six months period ended 30 June 2012 (Reviewed) | For the period from 1 February 2011 to 30 June 2011 (Reviewed) |
|---|------|---|---|
| Income | | | |
| Net changes in fair value of financial assets at fair value through profit or loss | | 71,076 | 37,902 |
| Dividend income | | 59,907 | 34,860 |
| Other income | | 1,367 | 1,877 |
| Total income | | <u>132,350</u> | <u>74,639</u> |
| Expenses | | | |
| Management fees | | (17,502) | (12,548) |
| Custody and administration fees | 9 | (6,026) | (5,102) |
| Audit fees | | (2,812) | (2,540) |
| Fees and commission | | (1,791) | (1,557) |
| General and administrative expenses | | (59) | (4,947) |
| Total operating expenses | | <u>(28,190)</u> | <u>(26,694)</u> |
| Increase in net assets attributable to holders of redeemable units from operations | | <u>104,160</u> | <u>47,945</u> |

This condensed interim financial information has been approved for issue by the Board of Directors of the Company on 28 August 2012 and signed on its behalf by:


Anthony C. Mallis
Chairman and Managing Director
SICO Funds Company B.S.C (c)


Shakeel Sarwar Butt
Director
SICO Funds Company B.S.C (c)

The notes on pages 7 to 11 form an integral part of this condensed interim financial information.

SICO Kingdom Equity Fund

(A sub fund of SICO Funds Company IV B.S.C. (c))

Condensed interim statement of changes in net assets attributable to holders of redeemable units

(Expressed in Bahraini Dinars unless otherwise stated)

| | Nominal value of units | Unit premium/ (discount) | Change in net assets attributable to holders of redeemable units | Total |
|--|------------------------------|--------------------------------|--|------------------|
| Balance at 1 February 2011 | - | - | - | - |
| Subscription of units during the period being net increase from unit transactions | 2,145,462 | 1,553 | - | 2,147,015 |
| Increase in net assets attributable to holders of redeemable units from operations | - | - | 47,945 | 47,945 |
| At 30 June 2011 | 2,145,462 | 1,553 | 47,945 | 2,194,960 |
| At 1 January 2012 | 2,185,676 | 4,155 | 9,913 | 2,199,744 |
| Subscription of units during the period | 799,443 | 86,491 | - | 885,934 |
| Redemption of units during the period | (711,184) | (88,972) | - | (800,156) |
| Net increase from unit transactions | 88,259 | (2,481) | - | 85,778 |
| Increase in net assets attributable to holders of redeemable units from operations | - | - | 104,160 | 104,160 |
| At 30 June 2012 | 2,273,936 | 1,673 | 114,073 | 2,389,682 |

The notes on pages 7 to 11 form an integral part of this condensed interim financial information.

SICO Kingdom Equity Fund
(A sub fund of SICO Funds Company IV B.S.C. (c))
Condensed interim statement of cash flows
(Expressed in Bahraini Dinars unless otherwise stated)

| | Note | Six months period ended 30 June 2012 (Reviewed) | For the period from 1 February 2011 to 30 June 2011 (Reviewed) |
|--|------|---|---|
| Operating activities | | | |
| Net increase in net assets attributable to holders of redeemable units from operations | | 104,160 | 47,945 |
| Adjustments for non-cash items: | | | |
| Unrealised fair value movements on financial assets at fair value through profit or loss | | 55,705 | 1,120,531 |
| Changes in operating assets and liabilities: | | | |
| Financial assets at fair value through profit or loss | | (260,472) | (3,155,295) |
| Prepayments and other receivable | | (724) | (1,102) |
| Payables and accrued expenses | | (15,803) | 14,251 |
| Net cash used in operating activities | | <u>(117,134)</u> | <u>(1,973,670)</u> |
| Investing activities | | | |
| | | - | - |
| Financing activities | | | |
| Subscription of units during the period | | 885,934 | 2,147,015 |
| Redemption of units during the period | | <u>(800,156)</u> | - |
| Net cash provided by financing activities | | <u>85,778</u> | <u>2,147,015</u> |
| Net (decrease)/increase in cash and cash equivalents | | | |
| Cash and cash equivalents at the beginning of the period | | (31,356) | 173,345 |
| | | <u>85,691</u> | - |
| Cash and cash equivalents at the end of the period | 5 | <u>54,335</u> | <u>173,345</u> |

The notes on pages 7 to 11 form an integral part of this condensed interim financial information.

SICO Kingdom Equity Fund

(A sub fund of SICO Funds Company IV B.S.C. (c))

Notes to the condensed interim financial information for the six month period ended 30 June 2012 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

1 Incorporation and background information

SICO Kingdom Equity Fund (SKEF or the Fund) is an open ended sub-fund of SICO Kingdom Equity Funds Company IV B.S.C. (c) (the Company), a closed joint stock company incorporated in the Kingdom of Bahrain with commercial registration number 73323 whose registered address is at 2nd Floor, BMB Center, Diplomatic Area, Kingdom of Bahrain. The Fund commenced trading in February 2011. The Fund has been classified as an expert fund under the CIU Module, CBB Rule Book Volume 7. Although the Fund's units are listed on the Bahrain Bourse all unit transactions are carried out directly with the Fund.

The share capital of the Company is BD 1,000 and the shareholders of the Company are Securities & Investment Company B.S.C. (c) 99% and SICO Ventures Company S.P.C. 1%.

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 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's investment and administration activities are managed by Securities & Investment Company B.S.C (c) and HSBC Bank Middle East Limited (Bahrain Branch), respectively.

The accompanying condensed interim financial information relates to SICO Kingdom Equity Fund only.

2 Accounting policies

Basis of preparation

This condensed interim financial information for the six month period ended 30 June 2012 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with IFRSs.

There are no standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Fund.

Standards, new interpretations and amendments to standards and interpretations which have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted:

- Amendment to IFRS 7, 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities published in December 2011. This amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare US GAAP financial statements. The new amendment is not expected to have any impact on the Fund's financial position or performance.

SICO Kingdom Equity Fund

(A sub fund of SICO Funds Company IV B.S.C. (c))

Notes to the condensed interim financial information for the six month period ended 30 June 2012 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

2 Accounting policies (continued)

Basis of preparation (continued)

Standards, new interpretations and amendments to standards and interpretations which have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted (continued):

- Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities published in December 2011. This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The new amendment is not expected to have any impact on the Fund's financial position or performance.
- Annual improvements 2011 published in May 2012. These annual improvements include changes to IFRS 1, 'First time adoption', IAS 1, 'Financial statement presentation', IAS 16, 'Property plant and equipment', IAS 32, 'Financial instruments; Presentation', IAS 34, 'Interim financial reporting'. These annual improvements are not expected to have any impact on the Fund's financial position or performance.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Fund.

3 Financial risk management

3.1 Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's financial statements as at 31 December 2011.

There have been no changes in the risk management function since the year end or in any risk management policies.

3.2 Liquidity risk

There was no material change in the contractual undiscounted cash out flows for financial liabilities compared to the prior year end.

3.3 Fair value estimation

The estimated fair value of the Fund's other assets and liabilities are not significantly different from their respective carrying values.

In 2012 there were no reclassifications of financial assets.

4 Estimates

The preparation of the interim condensed 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.

5 Cash and cash equivalents

| | 30 June 2012 (Reviewed) | 31 December 2011 (Audited) |
|------------------------------|--|---|
| Cash and balances with banks | 54,335 | 85,691 |

SICO Kingdom Equity Fund

(A sub fund of SICO Funds Company IV B.S.C. (c))

Notes to the condensed interim financial information for the six month period ended 30 June 2012 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

6 Financial assets at fair value through profit or loss

The Fund held investments in the following economic sectors:

| | 30 June 2012 | | 31 December 2011 | |
|--|---------------------|---------------|-------------------------|---------------|
| | (Reviewed) | | (Audited) | |
| | BHD | % | BHD | % |
| <u>Investments in equity securities:</u> | | | | |
| Financials | 891,084 | 38.08 | 835,086 | 39.11 |
| Basic Materials | 448,941 | 19.18 | 355,726 | 16.66 |
| Industrials | 389,806 | 16.66 | 148,102 | 6.94 |
| Consumer Services | 335,070 | 14.32 | 414,207 | 19.40 |
| Telecommunications | 116,063 | 4.96 | 176,491 | 8.27 |
| Consumer Goods | 107,630 | 4.60 | 205,710 | 9.63 |
| Healthcare | 51,495 | 2.20 | - | - |
| Total financial assets designated at fair value through profit or loss | 2,340,089 | 100.00 | 2,135,322 | 100.00 |

All the investments are quoted on the KSA stock market. Financial assets at fair value through profit or loss as of 30 June 2012 represent 97.58% (31 December 2011: 96.04%) of the Fund's total assets.

| | 30 June 2012 | | 31 December 2011 | |
|----------------------------------|---------------------|---------------|-------------------------|---------------|
| | (Reviewed) | | (Audited) | |
| | BHD | % | BHD | % |
| Saudi Basic Industries | 196,725 | 8.40 | 146,272 | 6.85 |
| Al Rajhi Bank | 140,857 | 6.02 | 106,899 | 5.01 |
| Arab National Bank | 117,580 | 5.02 | 106,929 | 5.01 |
| Etihad Etisalat | 116,065 | 4.96 | 176,492 | 8.27 |
| Banque Saudi Fransi | 114,362 | 4.89 | 113,368 | 5.31 |
| Samba Financial Group | 106,312 | 4.54 | 109,385 | 5.12 |
| National Industrialization | 100,591 | 4.30 | 111,416 | 5.22 |
| Astra Industrial Group | 96,078 | 4.11 | 66,831 | 3.13 |
| Riyad Bank | 95,140 | 4.07 | 92,727 | 4.34 |
| Al Tayyar | 94,743 | 4.05 | - | - |
| Saudi Cement | 91,629 | 3.92 | - | - |
| Saudi Ceramic | 89,505 | 3.82 | 96,831 | 4.53 |
| Aldrees Petroleum | 87,574 | 3.74 | - | - |
| United International | 81,791 | 3.50 | 73,620 | 3.45 |
| Saudi Chemical | 75,271 | 3.22 | 56,928 | 2.67 |
| Yanbu Cement | 72,893 | 3.11 | - | - |
| Yamamah Saudi Cement | 72,087 | 3.08 | - | - |
| Saudi Arabian Mining | 71,355 | 3.05 | 36,210 | 1.70 |
| Jarir Marketing | 70,961 | 3.03 | 127,268 | 5.96 |
| Saudi Dairy & Foodstuff Company | 67,774 | 2.90 | 90,843 | 4.25 |
| Saudi Hollandi Bank | 66,646 | 2.85 | - | - |
| Yanbu National Petrochemicals | 64,576 | 2.76 | 58,209 | 2.73 |
| Abdullah A M Al-Khodari Sons | 63,692 | 2.72 | 61,919 | 2.90 |
| Saudi Industrial Investment | 53,518 | 2.29 | - | - |
| Saudi Pharmaceutical Industries | 51,495 | 2.20 | - | - |
| Saudi Arabian Fertilizer Company | 41,013 | 1.75 | - | - |
| Almarai | 39,856 | 1.70 | 75,398 | 3.53 |
| Advanced Petrochemicals | - | - | 58,107 | 2.72 |
| Aldrees Petroleum | - | - | 76,002 | 3.56 |
| Alinma Bank | - | - | 40,202 | 1.88 |
| Red Sea Housing | - | - | 46,862 | 2.19 |
| Saudi Paper Manufacturing | - | - | 68,005 | 3.18 |
| Saudi Vitrified Clay Pipe | - | - | 51,271 | 2.40 |
| Taiba Holding | - | - | 87,328 | 4.09 |
| | 2,340,089 | 100.00 | 2,135,322 | 100.00 |

SICO Kingdom Equity Fund

(A sub fund of SICO Funds Company IV B.S.C. (c))

Notes to the condensed interim financial information for the six month period ended 30 June 2012 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

7 Net asset value per unit

Nominal value

The initial offer price of the Fund unit was USD 10 each. The subscription price following the initial offer and the redemption price is the price at which the units are offered to subscribers which is based upon the net asset value (NAV) per unit of the Fund at close of business on the relevant valuation day.

The net asset value per unit of the Fund is calculated as follows:

| | 30 June 2012 (Reviewed) | 31 December 2011 (Audited) |
|---|---------------------------------------|--|
| Net asset value attributable to holders of redeemable units | 2,389,682 | 2,199,744 |
| Number of units | 603,166 | 579,755 |
| Net asset value per unit | 3.962 | 3.794 |
| Nominal value per unit subscribed | 3.77 | 3.77 |

8 Related parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Fund is a sub-fund of SICO Funds Company B.S.C. (c), which is a wholly owned subsidiary of Securities & Investment Company B.S.C. (c) (SICO), which provides fund management services to the Fund. Related parties comprise SICO and its shareholders and unitholders of the Fund.

- (a) Unitholders of the Fund include SICO who has subscribed to the units of the Fund at the nominal value of USD 10 per unit as follows:

| | 30 June 2012 | | 31 December 2011 | |
|------|---------------------|-----------|-------------------------|-----------|
| | Units | BD | Shares | BD |
| SICO | 477,753 | 1,862,133 | 500,000 | 1,897,516 |

- (b) Management fees, calculated at 1.5% per annum accrued on weekly net assets of the Fund, is payable to SICO. The management fees for the period ended 30 June 2012, amounted to BHD 17,502 (2011: BHD 28,664).

At 30 June 2012 the amount of management fees payable to SICO was BHD 2,996 (31 December 2011: BHD 8,217).

SICO Kingdom Equity Fund

(A sub fund of SICO Funds Company IV B.S.C. (c))

Notes to the condensed interim financial information for the six month period ended 30 June 2012 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

9 Custody and administration fees

- (a) A custodian fee is paid to HSBC Bank Middle East Limited (Bahrain Branch), the custodian and administrator of the Fund. This fee is payable at the higher of a minimum monthly fee of BD 377 (annual minimum fee of BD 4,524 discounted by 50% for the first 12 months starting 30 January 2011) and a percentage of the yearly net asset value of the Fund. The percentages applied are as follows:

| Yearly NAV range | Annual administration fee percentage |
|-------------------------|---|
| \$0-10 million | 15bps |
| \$10-25 million | 14bps |
| \$25-50 million | 13bps |
| \$50-100 million | 12bps |
| Greater than \$100 | 11bps |

- (b) An administration fee is paid to HSBC Bank Middle East Limited (Bahrain Branch), the custodian and administrator of the Fund. This fee is payable at the higher of a minimum monthly fee of BD 377 (annual minimum fee of BD 4,524 discounted by 50% for the first 12 months starting 30 January 2011) and a percentage of the yearly net asset value of the Fund. The percentages applied are as follows:

| Yearly NAV range | Annual administration fee percentage |
|-------------------------|---|
| \$0-20 million | 8bps |
| \$20-50 million | 7bps |
| \$50-100 million | 6bps |
| Greater than \$100 | 5bps |

10 Seasonal items

Dividend income is unpredictable and is recognized when the Fund's entitlement to dividend income is established.