

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

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD FROM 1 February 2011 to
30 JUNE 2011

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

Condensed interim financial information
For the period from 1 February 2011 to 30 June 2011

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SICO Kingdom Equity Fund
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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 9 th Floor, BMB Centre, PO Box 21144, Diplomatic Area, 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 2011 and the related condensed interim statements of comprehensive income, cash flows and changes in net assets attributable to holders of redeemable units for the period from 1 February 2011 to 30 June 2011. 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".




29 August 2011
Manama, Kingdom of Bahrain

SICO Kingdom Equity Fund
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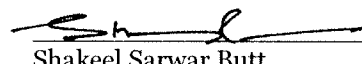
Condensed interim statement of financial position
(Expressed in Bahraini Dinars unless otherwise stated)

	Note	30 June 2011
ASSETS		
Current assets		
Cash and balances with banks	4	173,345
Financial assets at fair value through profit or loss	5	2,034,764
Prepayments and other receivables		<u>1,102</u>
Total assets		<u>2,209,211</u>
LIABILITIES		
Current liabilities		
Payables and accrued expenses		<u>14,251</u>
Liabilities (excluding net assets attributable to holders of redeemable units)		<u>14,251</u>
Net assets attributable to holders of redeemable units	6	<u>2,194,960</u>
Total liabilities		<u>2,209,211</u>

This condensed interim financial information has been approved for issue by the Board of Directors of the Company on 29 August 2011 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)

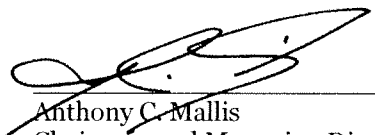
The notes on pages 7 to 13 form an integral part of this condensed interim financial information.

SICO Kingdom Equity Fund
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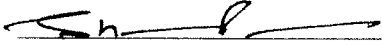
Condensed interim statement of comprehensive income
(Expressed in Bahraini Dinars unless otherwise stated)

	Note	For the period from 1 February 2011 to 30 June 2011
Income		
Net changes in fair value of financial assets at fair value through profit or loss		37,902
Dividend income		34,860
Interest income		-
Other income		1,877
		<hr/>
Total income		74,639
Expenses		
Management fees		(12,548)
Custody and administration fees	8	(5,102)
Fees and commission		(1,557)
General and administrative expenses		(7,487)
		<hr/>
Total operating expenses		(26,694)
		<hr/>
Increase in net assets attributable to holders of redeemable units from operations		47,945
		<hr/>

This condensed interim financial information has been approved for issue by the Board of Directors of the Company on 29 August 2011 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 13 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
Balance at 30 June 2011	2,145,462	1,553	47,945	2,194,960

The notes on pages 7 to 13 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	For the period from 1 February 2011 to 30 June 2011
Operating activities		
Net increase in net assets attributable to holders of redeemable units from operations		47,945
Adjustments for non-cash items:		
Unrealised fair value movements on financial assets at fair value through profit or loss		1,120,531
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss		(3,155,295)
Prepayments and other receivable		(1,102)
Payables and accrued expenses		<u>14,251</u>
Net cash used in operating activities		<u>(1,973,670)</u>
Investing activities		<u>-</u>
Financing activities		
Subscription of units during the period being net cash provided by financing activities		<u>2,147,015</u>
Net increase in cash and cash equivalents		173,345
Cash and cash equivalents at the beginning of the period		<u>-</u>
Cash and cash equivalents at the end of the period	4	<u><u>173,345</u></u>

The notes on pages 7 to 13 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 period from 1 February 2011 to 30 June 2011 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

1 Incorporation and background information

On 1 February 2011 SICO Funds Company IV B.S.C. (c) (the Company) created SICO Kingdom Equity Fund (SKEF or the Fund), an open-ended fund, which was launched with the principal objective of achieving long-term capital appreciation for holders of units by investing the Fund's assets in equity securities listed on the stock markets of Kingdom of Saudi Arabia. The Fund has no employees. The Fund's units are listed on the Bahrain Stock Exchange.

2 Accounting policies

The condensed interim financial information is prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board. The condensed interim financial information is prepared under the historical cost convention as modified by the revaluation of investments at fair value through profit or loss.

Costs that occur unevenly during the financial year are anticipated or deferred in the condensed interim financial information only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

This is the first interim condensed financial information prepared by the Fund and accordingly there are no comparative amounts.

New and amended standards and interpretations effective for the Fund's accounting period beginning on 1 January 2011:

The following new standard and amendments to existing standards have been published and are effective for the Fund's accounting periods beginning on 1 January 2011.

- Classification of rights issues (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2012
- Amendment to IFRIC 14, IAS 19 – The limit on defined benefit assets, minimum funding requirements and their interaction. The amendment to periods beginning 1 January 2011.
- Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011.

Management has assessed the impact of the above new standard and amendments to published standards on the Fund's financial statements and has concluded that the effect on the Fund's financial statements is not material

Standards issued and amendments to the published standards which are not yet effective and have not been early adopted by the Fund:

The following applicable new standards and amendments to the published standards have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted by the Fund:

- IFRS 9, 'Financial instruments', The Fund will apply this standard for the financial reporting period beginning on or after 1 January 2015.
- Amendments to IFRS 7, "Financial instruments: Disclosures" – Disclosure on transfers of financial assets (effective 1 July 2011 and early adoption is permitted)

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 period from 1 February 2011 to 30 June 2011 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

2 Accounting policies (continued)

Standards issued and amendments to the published standard which are not yet effective and have not been early adopted by the Fund: (continued)

- IFRS 13 – ‘Fair value measurement’. This standard is applicable beginning on or after 1 January 2013. Early application is permitted
- Amendment to IAS 19, ‘Employee benefits’. This standard is applicable beginning on or after 1 January 2013. Early application is permitted
- Amendment to IAS 1, ‘Financial statement presentation’ regarding other comprehensive income (effective 1 July 2012 and early adoption is permitted)
- Management is still assessing the impact the above new standard will have on the Fund’s financial statements in the year of initial application.

Financial assets

(a) Classification

The Fund classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

The Fund classifies its investments in equity securities as financial assets designated at fair value through profit or loss at inception.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The Fund’s loans and receivables comprise cash and cash equivalents on the statement of financial position.

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but their performance is evaluated on a fair value basis in accordance with the Fund’s documented investment strategy.

(b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investments. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of comprehensive income in the period in which they arise.

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 period from 1 February 2011 to 30 June 2011 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

2 Accounting policies (continued)

Financial assets (continued)

(c) Fair value estimation

The fair values of financial assets traded in active markets (such as publicly traded securities) are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the Fund is the current bid price.

Interest income and dividend income

Interest income is recognised on a time-proportion basis using the effective interest method and includes interest income from cash and cash equivalents.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Fund's right to receive the payment is established.

Accruals and other payables

Accruals and other payables are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

Foreign currency translation

(a) Functional and presentation currency

The financial statements are prepared in Bahrain Dinars (BHD), which is the functional and presentation currency of the Fund.

(b) Transactions and balances

Transactions denominated in foreign currencies are translated into Bahraini Dinars at the rates of exchange prevailing on the date of the transaction while assets and liabilities are translated into Bahraini Dinars at the rates of exchange on the statement of financial position date.

The foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to financial assets at fair value through profit or loss are presented in the statement of comprehensive incomes within "gain/(loss) on financial assets at fair value through profit or loss".

Transaction costs

Transaction costs are incurred to acquire/sell financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income.

SICO Kingdom Equity Fund

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Notes to the condensed interim financial information for the period from 1 February 2011 to 30 June 2011 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

Increase/(decrease) in net assets attributable to holders of redeemable units from operations

Income not distributed is included in net assets attributable to holders of redeemable units.

Redeemable units

Units are redeemable at the unitholders' option and are accordingly classified as financial liabilities. The dividend distribution on these units is recognised in the statement of comprehensive income as finance costs.

The units can be put back to the Fund at any time for cash equal to a proportionate unit of the Fund's net asset value. The units are carried at the redemption amount that is payable at the statement of financial position date if the unitholders exercised their right to put the unit back to the Fund.

The units are issued and redeemed at the unitholders' option at the prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holder of redeemable units with the total number of outstanding redeemable units.

3 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.

4 Cash and cash equivalents

30 June 2011

Cash and balances with banks 173,345

5 Financial assets at fair value through profit or loss

The Fund held investments in the following economic sectors:

	30 June 2011 (Reviewed)	
	BHD	%
<u>Investments in equity securities:</u>		
- Basic Materials	468,445	23.03
- Industrials	168,504	8.28
- Consumer Goods	123,338	6.06
- Consumer Services	259,251	12.74
- Telecommunications	279,667	13.74
- Financials	735,559	36.15
Total financial assets designated at fair value through profit or loss	<u>2,034,764</u>	<u>100</u>

All the investments are held in KSA stock market. Financial assets at fair value through profit or loss as of 30 June 2011 represent 92.10% of the Fund's total assets.

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 period from 1 February 2011 to 30 June 2011 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

5 Financial assets at fair value through profit or loss (continued)

The Fund held the following investment securities as at 30 June 2011:

Security	Qty	Cost	Market value	% of total assets
Banking sector				
Al Rajhi Bank	21,300	232,378	156,317	7.08
Alinma Bank	43,000	44,144	43,013	1.95
Arab National Bank	30,438	187,483	89,964	4.07
Astra Industrial Group	19,158	66,889	66,639	3.02
Banque Saudi Fransi	23,850	152,164	106,218	4.81
National Industrialization	17,100	158,885	74,781	3.38
Riyad Bank	39,250	101,898	93,320	4.22
Samba Financial Group	20,950	184,824	105,307	4.77
Telecommunications				
Etihad Etisalat	40,300	301,999	212,701	9.63
Saudi Telecom	18,300	70,899	66,966	3.03
Consumer Services				
Aldrees Petroleum	17,300	125,781	79,482	3.60
Jarir Marketing	6,050	128,171	107,199	4.84
United International Transportation	15,659	78,467	72,572	3.28
Consumer Goods				
Red Sea Housing	10,667	100,363	55,495	2.51
Saudi paper manufacturing	16,261	74,122	67,842	3.07
Industrials				
Saudi Ceramic	10,000	24,335	18,096	0.82
Saudi Vitrified Clay Pipe	7,300	222,923	103,661	4.69
Saudi Ceramic	7,500	44,348	46,746	2.12
Basic Materials				
Advanced Petrochemicals	20,000	93,003	68,764	3.11
Saudi Arabian Mining	14,350	32,922	39,240	1.78
Saudi Basic Industries	19,900	453,771	208,061	9.42
Saudi Chemical	16,400	111,489	75,346	3.41
Yanbu National Petrochemicals	16,200	164,037	77,034	3.49
Total		3,155,295	2,034,764	92.10

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 period from 1 February 2011 to 30 June 2011 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

6 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 2011
Number of units subscribed	569,088
Nominal value of units subscribed (BD)	2,145,462
Nominal value per unit subscribed (BD)	3.770
Nominal value per unit subscribed (USD)	10
Net asset value of the Fund (BD) *	2,194,960
Net asset value per unit (BD)	3.857
Net asset value per unit (US Dollar)	10.231

* Net asset value is determined based upon the accounting policies contained in these financial statements

7 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 2011	
	Units	BD
SICO	500,000	1,928,732

(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 2011, amounted to BHD 12,548.

At 30 June 2011 the amount of management fee payable to SICO was BHD 5,531.

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 period from 1 February 2011 to 30 June 2011 (continued)

(Expressed in Bahraini Dinars unless otherwise stated)

8 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) and a percentage of the yearly net asset value of the Fund. The percentage applies 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) 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