

**Arabian Opportunities Fund -
Audi Capital**

UNAUDITED INTERIM FINANCIAL STATEMENTS

30 JUNE 2015



Ernst & Young & Co. (Public Accountants)
6th & 14th Floors – Al Faisaliah Office Tower
PO Box 2732
King Fahad Road
Riyadh 11461
Saudi Arabia
Registration Number: 45

Tel: +966 11 273 4740
Fax: +966 11 273 4730

www.ey.com

LIMITED REVIEW REPORT TO THE UNIT HOLDERS OF ARABIAN OPPORTUNITIES FUND - AUDI CAPITAL

Scope of review

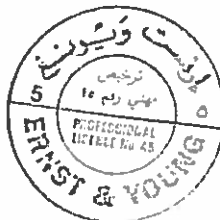
We have reviewed the accompanying balance sheet of Arabian Opportunities Fund ("the Fund") - managed by Audi Capital ("the Manager") as of 30 June 2015, and the related statements of operations, cash flows and changes in net assets for the six month period then ended. These interim financial statements are the responsibility of the Manager and have been prepared by them and submitted to us together with all the information and explanations which we required. We conducted our limited review in accordance with the Standard on Review of Interim Financial Reporting issued by Saudi Organization for Certified Public Accountants ("SOCPA"). A limited review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia.

for Ernst & Young

Rashid S. Al-Rashoud
Certified Public Accountant
Registration No. 366



Riyadh: 11 Shawwal 1436H
(27 July 2015)

Arabian Opportunities Fund – Audi Capital

BALANCE SHEET

As at 30 June 2015

	<i>Note</i>	<i>30 June 2015 (Unaudited) USD</i>	<i>31 December 2014 (Audited) USD</i>	<i>30 June 2014 (Unaudited) USD</i>
ASSETS				
Bank balances		7,272,416	4,395,972	15,977,085
Trading investments	4	64,127,421	63,138,606	43,781,933
Other receivables		46,738	6,764	48,789
		<u>71,446,575</u>	<u>67,541,342</u>	<u>59,807,807</u>
LIABILITIES				
Other payables		1,724,286	-	-
Accrued expenses and other liabilities		159,869	144,689	105,847
		<u>1,884,155</u>	<u>144,689</u>	<u>105,847</u>
UNITHOLDERS' FUNDS				
Net assets		<u>69,562,420</u>	<u>67,396,653</u>	<u>59,701,960</u>
Units in issue		<u>4,364,739</u>	<u>4,569,902</u>	<u>3,980,040</u>
Per unit value		<u>15.94</u>	<u>14.75</u>	<u>15.00</u>

The attached notes 1 to 7 form part of these interim financial statements.

Arabian Opportunities Fund – Audi Capital

STATEMENT OF OPERATIONS

For the six month period ended 30 June 2015

	<i>Note</i>	2015 (Unaudited) USD	2014 (Unaudited) USD
INCOME			
Trading income, net	5	6,067,309	3,475,399
Special commission income		-	(3,659)
		<u>6,067,309</u>	<u>3,471,740</u>
EXPENSES			
Management fees	6	691,756	354,987
Other expenses	6	136,447	117,217
		<u>828,203</u>	<u>472,204</u>
NET INCOME FROM OPERATIONS		<u><u>5,239,106</u></u>	<u><u>2,999,536</u></u>

The attached notes 1 to 7 form part of these interim financial statements.

Arabian Opportunities Fund – Audi Capital

STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2015

	2015 (Unaudited) USD	2014 (Unaudited) USD
OPERATING ACTIVITIES		
Net income from operations	5,239,106	2,999,536
Adjustment for:		
Unrealised (gain) loss on trading investments	(7,209,440)	1,670,846
	<u>(1,970,334)</u>	<u>4,670,382</u>
Changes in operating assets and liabilities:		
Trading investments, net	6,220,625	(25,532,313)
Other receivable	(39,974)	420,221
Accrued expenses and other liabilities	1,739,466	(521,103)
	<u>5,949,783</u>	<u>(20,962,813)</u>
Net cash used from (used in) operating activities		
FINANCING ACTIVITIES		
Proceeds from units sold	2,557,196	39,537,834
Value of units redeemed	(5,630,535)	(3,250,872)
	<u>(3,073,339)</u>	<u>36,286,962</u>
Net cash (used in) from financing activities		
INCREASE IN BANK BALANCES		
	2,876,444	15,324,149
Bank balances at the beginning of the period	4,395,972	652,936
	<u>7,272,416</u>	<u>15,977,085</u>
BANK BALANCES AT THE END OF THE PERIOD		
	<u>7,272,416</u>	<u>15,977,085</u>
<u>Operational cash flows from special commission income and dividends</u>		
Special commission income	46,738	48,789

The attached notes 1 to 7 form part of these interim financial statements.

Arabian Opportunities Fund – Audi Capital

STATEMENT OF CHANGES IN NET ASSETS

For the six month period ended 30 June 2015

	<i>2015</i> <i>(Unaudited)</i> <i>USD</i>	<i>2014</i> <i>(Unaudited)</i> <i>USD</i>
NET ASSETS VALUE AT THE BEGINNING OF THE PERIOD	<u>67,396,653</u>	<u>20,415,462</u>
NET INCOME FROM OPERATIONS	<u>5,239,106</u>	<u>2,999,536</u>
CHANGES FROM CAPITAL TRANSACTIONS		
Proceeds from units sold	2,557,196	39,537,834
Value of units redeemed	(5,630,535)	(3,250,872)
Net change from capital transactions	<u>(3,073,339)</u>	<u>36,286,962</u>
NET ASSETS VALUE AT THE END OF THE PERIOD	<u><u>69,562,420</u></u>	<u><u>59,701,960</u></u>

UNITS TRANSACTIONS

Transactions in units for the period ended 30 June are summarised as follows:

	<i>2015</i> <i>(Unaudited)</i>	<i>2014</i> <i>(Unaudited)</i>
UNITS AT THE BEGINNING OF THE PERIOD	<u>4,569,902</u>	<u>1,589,308</u>
Units sold	160,951	2,613,159
Units redeemed	(366,114)	(222,427)
Net decrease in units	<u>(205,163)</u>	<u>2,390,732</u>
UNITS AT THE END OF THE PERIOD	<u><u>4,364,739</u></u>	<u><u>3,980,040</u></u>

The attached notes 1 to 7 form part of these interim financial statements.

Arabian Opportunities Fund – Audi Capital

NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 June 2015

1 GENERAL

Arabian Opportunities Fund – Audi Capital (“the Fund”) is an open-ended fund created by an agreement between Audi Capital Company (“the Fund Manager”) and investors (“the unit holders”) in the Fund. The objective of the Fund is to achieve long-term capital growth through investing in Saudi and foreign equities and portfolios of money market placements. The fund commenced its operations on 1 September 2007.

The books and records of the Fund are maintained in US Dollars (USD).

The interim results may not be an indicator of the annual results of the operations.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations published by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) detailing requirements for all funds operating within the Kingdom of Saudi Arabia.

3 SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared in accordance with the accounting standard on interim financial reporting issued by the Saudi Organization of Certified Public Accountants (“SOCPA”).

The significant accounting policies used in the preparation of these interim financial statements are consistent with those used and disclosed in annual financial statements for the year ended 31 December 2014 which are as follows:

Accounting convention

The financial statements are prepared under the historical cost convention modified to include the measurement at fair value of trading investments.

Revenue recognition

Trading income includes unrealised gains and losses from changes in fair value, realised gains and losses from sale of trading investments and dividends declared. Realised gains and losses on trading investments sold are determined on a weighted average cost basis.

Dividend income is recognised when declared (i.e. when the Fund’s right to receive the dividend is established).

Special commission income is recognised on an effective yield basis.

Investment valuation

Equity investments are valued at their quoted market bid prices as at the valuation date.

Investment transactions

Investments transactions are accounted for as of the trade date.

Zakat and income tax

Zakat and income tax are considered to be the obligation of the Unitholders and are not provided for in these interim financial statements.

Arabian Opportunities Fund – Audi Capital

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

30 June 2015

4 TRADING INVESTMENTS

Investments held for trading comprise the following sectors:

	<i>30 June 2015 Market value USD</i>	<i>31 December 2014 Market value USD</i>	<i>30 June 2014 Market value USD</i>
<u>Equity investments</u>			
Banks	19,881,222	20,705,586	14,996,083
Real Estate Development and Construction	10,713,233	8,653,874	2,741,282
Wholesale and retail sector	9,251,046	7,776,850	4,722,781
Petrochemical & Manufacturing	6,665,121	6,865,699	11,414,580
Shipping & Transportation	4,646,477	1,906,187	-
Consumer goods	4,374,150	2,185,571	-
Health care	3,501,524	2,716,290	-
Telecommunication	2,316,011	2,096,829	2,406,133
Travel & Leisure	2,080,973	8,917,196	1,921,665
Oil Equipment and Services	697,664	1,314,524	-
Cement	-	-	2,205,433
Agriculture & Food industries	-	-	2,024,719
Building & Construction Sector	-	-	811,587
Industrials	-	-	537,670
	64,127,421	63,138,606	43,781,933

5 TRADING INCOME, NET

	<i>Six month period ended 30 June 2015 (Unaudited) USD</i>	<i>Six month period ended 30 June 2014 (Unaudited) USD</i>
Realised (loss) gain	(2,749,183)	4,512,679
Unrealised gain (loss)	7,209,440	(1,670,846)
Dividend income	1,607,052	633,566
	6,067,309	3,475,399

6 TRANSACTIONS WITH RELATED PARTIES

The Fund pays the following to the Fund Manager:

- Management fee calculated at an annual rate of 2% per annum of the net assets value at each valuation date.
- Administration fee at an annual rate of 0.15% of the net assets value at each valuation date, subject to a minimum of USD 30,000 per annum.
- Custodian fee calculated at an annual rate of 0.1% of the net assets value at each valuation date, subject to a minimum of USD 30,000 per annum.

Expenses paid by the fund manager on behalf of the fund are reimbursed from the Fund.

Trade transactions on the Saudi stock exchange are executed through the fund manager.

The unit holders' account at 30 June 2014 included 682,815.36 units (30 June 2013; 682,815.36 units) held by the Fund Manager.

The employees of the Fund Manager and the Bank also hold units in the Fund.

7 LAST VALUATION DAY

The last valuation day of the period was 30 June 2015 (2014: 30 June 2014).