

**Arabian Opportunities Fund
(Managed by Audi Capital Company)**

INTERIM FINANCIAL STATEMENTS

30 JUNE 2016

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ارنست و يونغ و شركاهم (محاسبون مانونويرن)
برج الفيصلية
صندوق بريد ٢٧٣٢
شارع الملك فهد
الرياض ١١٤٦١
المملكة العربية السعودية
رقم التسجيل: ٤٥



LIMITED REVIEW REPORT TO THE UNIT HOLDERS OF ARABIAN OPPORTUNITIES FUND

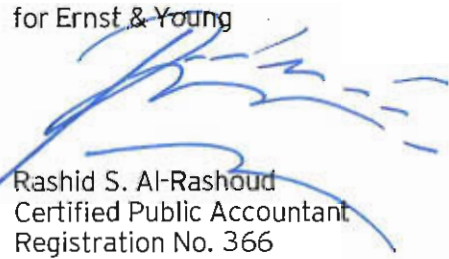
Scope of review

We have reviewed the accompanying interim balance sheet of Arabian Opportunities Fund ("the Fund"), managed by Audi Capital Company, as of 30 June 2016, and the related interim statements of operations, cash flows and changes in net assets for the six months period then ended. These interim financial statements are the responsibility of the Fund's Management 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: 8 Dhu Al-Qadah 1437H
(11 August 2016)

رئيسة اللجنة
مراجعة الحسابات
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Arabian Opportunities Fund

INTERIM BALANCE SHEET (UNAUDITED)

As at 30 June 2016

	<i>Notes</i>	30 June 2016 (Unaudited) USD	31 December 2015 (Audited) USD	30 June 2015 (Unaudited) USD
ASSETS				
Bank balances		2,005,994	900,825	7,272,416
Trading investments	4	17,377,488	42,930,244	64,127,421
Other receivables		287,207	2,468,088	46,738
TOTAL ASSETS		19,670,689	46,299,157	71,446,575
LIABILITIES				
Management fee payable	6	32,594	76,802	115,020
Custody fee payable		2,459	3,840	11,821
Administration fee payable	6	2,467	5,760	17,732
Accrued expenses		11,881	10,321	1,739,582
TOTAL LIABILITIES		49,401	96,723	1,884,155
NET ASSETS		19,621,288	46,202,434	69,562,420
Units in issue		1,527,986	3,486,426	4,364,739
Per unit value		12.84	13.25	15.94

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

Arabian Opportunities Fund

INTERIM STATEMENT OF OPERATIONS (UNAUDITED)

For the six months period ended 30 June 2016

		<i>For the six months period ended 30 June 2016 (Unaudited) USD</i>	<i>For the six months period ended 30 June 2015 (Unaudited) USD</i>
INCOME			
Trading (loss) income, net	5	<u>(1,708,928)</u>	<u>6,067,309</u>
EXPENSES			
Management fees	6	<u>(285,148)</u>	<u>(691,756)</u>
Other expenses		<u>(106,309)</u>	<u>(136,447)</u>
		<u>(391,457)</u>	<u>(828,203)</u>
NET (LOSS) INCOME FROM OPERATIONS		<u><u>(2,100,385)</u></u>	<u><u>5,239,106</u></u>

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

Arabian Opportunities Fund

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 30 June 2016

	<i>For the period six months ended 30 June 2016 (Unaudited) USD</i>	<i>For the period six months ended 30 June 2015 (Unaudited) USD</i>
OPERATING ACTIVITIES		
Net (loss) income from operations	(2,100,385)	5,239,106
Adjustment for:		
Unrealised gain on trading investments	(2,561,846)	(7,209,440)
	<u>(4,662,231)</u>	<u>(1,970,334)</u>
Changes in operating assets and liabilities:		
Trading investments, net	28,114,602	6,220,625
Other receivable	2,180,881	(39,974)
Management fee payable	(44,208)	(3,224)
Custody fee payable	(1,381)	5,910
Administration fee payable	(3,293)	8,865
Accrued expenses	1,560	1,727,915
	<u>25,585,930</u>	<u>5,949,783</u>
Net cash from operating activities		
FINANCING ACTIVITIES		
Proceeds from units sold	-	2,557,196
Value of units redeemed	(24,480,761)	(5,630,535)
	<u>(24,480,761)</u>	<u>(3,073,339)</u>
Net cash used in financing activities		
	<u>(24,480,761)</u>	<u>(3,073,339)</u>
NET INCREASE IN BANK BALANCES	1,105,169	2,876,444
Bank balances at the beginning of the period	900,825	4,395,972
BANK BALANCES AT THE END OF THE PERIOD	<u>2,005,994</u>	<u>7,272,416</u>

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

Arabian Opportunities Fund

STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)

For the six months period ended 30 June 2016

	<i>For the six months period ended 30 June 2016 (Unaudited) USD</i>	<i>For the six months period ended 30 June 2015 (Unaudited) USD</i>
NET ASSETS VALUE AT THE BEGINNING OF THE PERIOD	<u>46,202,434</u>	<u>67,396,653</u>
NET (LOSS) INCOME FROM OPERATIONS	<u>(2,100,385)</u>	<u>5,239,106</u>
CHANGES FROM CAPITAL TRANSACTIONS		
Proceeds from units sold	-	2,557,196
Value of units redeemed	<u>(24,480,761)</u>	<u>(5,630,535)</u>
Net change from capital transactions	<u>(24,480,761)</u>	<u>(3,073,339)</u>
NET ASSETS VALUE AT THE END OF THE PERIOD	<u><u>19,621,288</u></u>	<u><u>69,562,420</u></u>

UNITS TRANSACTIONS

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

	<i>For the six months period ended 30 June 2016 (Unaudited)</i>	<i>For the six months period ended 30 June 2015 (Unaudited)</i>
UNITS AT THE BEGINNING OF THE PERIOD	<u>3,486,426</u>	<u>4,569,902</u>
Units sold	-	160,951
Units redeemed	<u>(1,958,440)</u>	<u>(366,114)</u>
Net decrease in units	<u>(1,958,440)</u>	<u>(205,163)</u>
UNITS AT THE END OF THE PERIOD	<u><u>1,527,986</u></u>	<u><u>4,364,739</u></u>

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

Arabian Opportunities Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)

At 30 June 2016

1 GENERAL

Arabian Opportunities Fund (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 capital appreciation primarily through investment in equities listed on the regulated stock markets of the members of the Arab League and in tradable debt instruments of corporate and sovereign issuers from the Arab League countries.

The Fund was established on 16 Shabaan 1428H (corresponding to 29 August 2007) as per approval from the Capital Market Authority ("CMA") and 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 REGULATORY AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued 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 the annual financial statements for the year ended 31 December 2015.

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

Dividend income is recognized when the Fund's right to receive the dividend is established. Realised gains and losses on investments sold are determined on a weighted average cost basis.

Trading income includes all gains and losses from changes in fair value of trading investments (realized and unrealized) and dividends from such investments.

Investment valuation

Investments which are purchased for trading purposes are valued at their quoted market price as at the balance sheet date. Unrealised gains and losses on the revaluation of investments and realised gains and losses on the disposal of investments are recognised in the interim statement of operations.

Investment transactions

Investment 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 Unit Holders and are not provided for in these interim financial statements.

Expenses

Expenses are recognised on an accrual basis.

Arabian Opportunities Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 June 2016

4 TRADING INVESTMENTS

Trading investments comprise investments in the following sectors:

As at 30 June 2016 (Unaudited):

	<i>% of Market value</i>	<i>Cost</i>	<i>Market value</i>	<i>Unrealized gains/losses</i>
Banks	30%	5,253,763	4,993,060	(260,703)
Real estate development and construction	12%	2,196,958	2,202,582	5,624
Consumer goods	10%	1,727,566	1,721,659	(5,907)
Petrochemical and manufacturing	9%	1,547,760	1,638,500	90,740
Wholesale and retail sector	8%	1,411,585	1,480,678	69,093
Oil equipment and services	7%	1,256,809	1,264,515	7,706
Telecommunication	7%	1,304,609	1,230,275	(74,334)
Shipping and transportation	7%	1,284,330	1,178,248	(106,082)
Health care	5%	809,398	878,974	69,576
Travel and leisure	5%	796,771	788,997	(7,774)
	100%	17,589,549	17,377,488	(212,061)

As at 31 December 2015 (Audited):

	<i>% of Market value</i>	<i>Cost</i>	<i>Market value</i>	<i>Unrealized gains/losses</i>
Banks	24%	11,446,402	10,449,084	(997,318)
Real estate development and construction	6%	3,080,453	2,717,792	(362,661)
Consumer goods	17%	7,834,845	7,339,670	(495,175)
Petrochemical and manufacturing	7%	3,324,823	2,815,271	(509,552)
Wholesale and retail sector	16%	7,032,575	7,023,454	(9,121)
Oil equipment and services	2%	667,839	669,597	1,758
Telecommunication	6%	2,789,989	2,753,608	(36,381)
Shipping and transportation	10%	4,508,881	4,405,657	(103,224)
Health care	7%	2,903,768	2,815,690	(88,078)
Travel and leisure	5%	2,114,576	1,940,421	(174,155)
	100%	45,652,691	42,930,244	(2,773,907)

As at 30 June 2015 (Unaudited):

	<i>% of Market value</i>	<i>Cost</i>	<i>Market value</i>	<i>Unrealized gains/losses</i>
Banks	31%	19,744,862	19,881,222	136,360
Real estate development and construction	18%	11,240,224	10,713,233	(526,991)
Consumer goods	7%	4,303,244	4,374,150	70,906
Petrochemical and manufacturing	10%	7,220,333	6,665,121	(555,212)
Wholesale and retail sector	14%	8,765,933	9,251,046	485,113
Oil equipment and services	2%	694,254	697,664	3,410
Telecommunication	4%	2,618,001	2,316,011	(301,990)
Shipping and transportation	6%	3,633,472	4,646,477	1,013,005
Health care	6%	3,555,476	3,501,524	(53,952)
Travel and leisure	2%	1,907,545	2,080,973	173,428
	100%	63,683,344	64,127,421	444,077

Arabian Opportunities Fund

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 30 June 2016

5 TRADING (LOSS) INCOME, NET

	<i>Six months period ended 30 June 2016 (Unaudited) USD</i>	<i>Six months period ended 30 June 2015 (Unaudited) USD</i>
Realised loss on trading investments	(4,876,986)	(2,749,183)
Unrealised gain on trading investments	2,561,846	7,209,440
Dividend income	606,212	1,607,052
	<u>(1,708,928)</u>	<u>6,067,309</u>

6 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Fund pays a management fee calculated at an annual rate of 2% of the net asset value on the last valuation day of the relevant month. Additionally, the Fund Manager also charges an administration fee at annual rate of 0.15% of the net asset value on the last valuation day of relevant month, subject to minimum of USD 30,000 per annum. Expenses paid by the Fund Manager on behalf of the Fund are reimbursed by the Fund.

Management fee expense is disclosed on the interim statement of operations and the Fund Manager has charged the Fund administration fee amounting to USD 21,415 (for the six months period ended 30 June 2015: USD 51,882). Management fee payable and administration fee payable are disclosed on the interim balance sheet.

Trade transactions on the Saudi stock exchange are executed through the Fund Manager.

The Unit Holders' account at 30 June 2016 included 492,921 units (30 June 2015: 1,540,147) held by affiliates of the Fund Manager.

7 LAST VALUATION DAY

The last valuation day of the period was 30 June 2016 (six months period ended 30 June 2015: 30 June 2015).