



Saudi Economic and Development Securities
Company

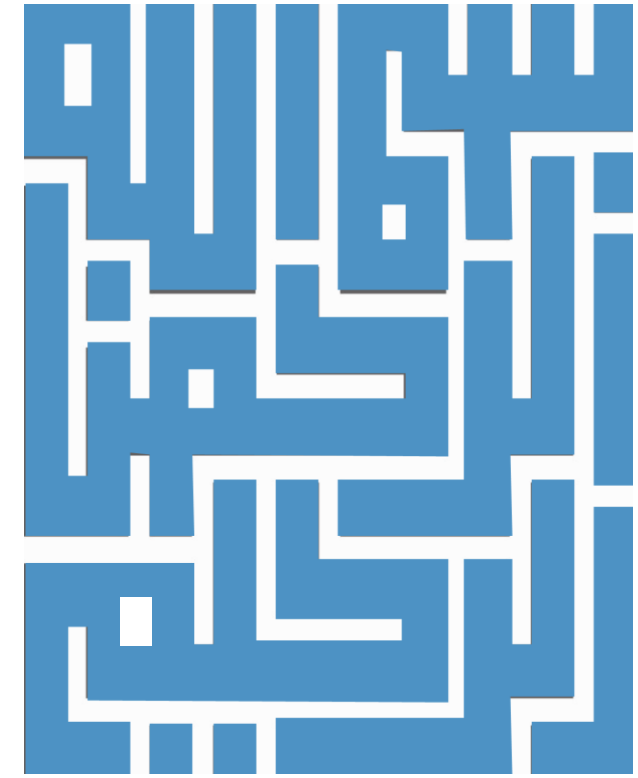
(SED CO Capital)

Board of Directors Report

20
21

Introduction

The Board of Directors of the Saudi Economic and Development Securities Company (SEDCO Capital) is delighted to share with you the annual report which highlights the Company's performance and activities for the fiscal year ended on 31 December 2021



04	About SEDCO Capital
11	Subsidiaries and Controlled Funds
12	Board of Directors and Committees
17	Disclosures
21	Financial Results
23	Internal Control and Risk Management
26	Board of Directors Recommendations
27	Conclusion

Our Interests Aligned

About SEDCO Capital

SEDCO Capital is a global asset management firm, that is compliant with Shariah and prudent investment strategies, with a group of experts distributed around our offices in Jeddah, Riyadh, Dubai and London, in addition to the international SEDCO Capital Platform for Global Funds in Luxembourg (the platform), that combines the best of Shariah principles, its commitment to strong and sufficient risk adjusted investment strategy, all of which enhance and enrich SEDCO Capital's long track record of world-class solutions.

SEDCO Capital's client base includes institutional investors such as investment companies, endowments, family businesses and high net worth individual investors. We provide our clients with customized and dynamic asset allocation strategies that align perfectly with their values considering their liquidity needs, risk size and other requirements.

SEDCO Capital Platform for Global Funds in Luxembourg is the largest of its kind in the world in terms of Shariah-compliant and responsible ethical investment Funds and managed assets. This platform provides our investors with access to global Shariah-compliant opportunities in liquid assets and provides our global clients with access to SEDCO Capital products.

In 2020, SEDCO Capital received the highest possible rating from the Principles for Responsible Investment supported by the United Nations in recognition of the company's approach to responsible investment and the integration of environmental, social and corporate governance factors into its investment solutions. SEDCO Capital also received the highest ratings for three consecutive years in its approach to selecting, appointing and monitoring managers in both public and private equity. As the first Shariah-compliant Saudi asset manager to sign the Principles for Responsible Investment, the most recent evaluation results for the Principles for Responsible Investments confirm our firm commitment to seamlessly integrate the principles of environmental, social and corporate governance into the core of our investment decisions.

SEDCO Capital prides itself on its ethical and Shariah-complaint investment framework. The company has pioneered its Prudent Ethical Approach (PEI) that combines the best of Shariah and responsible investing under a unified umbrella.

SEDCO Capital's Shariah Compliance arm is the gatekeeper of our investment approach. It creates and implements thorough screening processes to ensure all investment activities are fully Shariah-compliant. Our Shariah Compliance team comprises renowned Shariah Council that liaise with an internationally recognized Shariah audit firm based in the UK to oversee all transactions and investment implementation. Our Compliance team has mandated strict rules for investing in the Shariah universe.



SEDCO Capital is a global asset management firm headquartered in the Kingdom of Saudi Arabia and operates worldwide. With its roots dated back to 1976, and in early 2010, SEDCO Capital was launched as an independent asset management company licensed by the Capital Market Authority.

The company is headquartered in the Kingdom of Saudi Arabia in Jeddah, has offices in Riyadh, Dubai, and London, in addition to SEDCO Capital Platform for Global Funds in Luxembourg, and carries out its activities all over the world. SEDCO Capital was licensed by the CMA on April 19, 2009. The business was initiated on March 29, 2010, and activities (arrangement / management / advice / custody). On April 23, 2012, the CMA granted permission to amend SEDCO Capital's activities list by adding another new activity (Dealing as Principal and Underwriter) which was initiated on April 23, 2012.



About SEDCO Capital



The paid-up capital is 200 million Saudi Riyals and there is no subsequent changes



SEDCO Capital made history in the investment world to be the first Shariah-compliant asset manager signatory to the UN Principles of Responsible Investment (UNPRI) in 2014

Description of the Company's Main Activities

SEDCO Capital's activities, as licensed by the CMA 11157-37, are summarized as follows:

Dealing: to cover the Company dealings in securities, and includes the transaction of selling, buying or managing the underwriting of securities, or undertaking to cover them, as well as to achieve income from investments, which are mainly the profits generated from exits of investments and income from properties and other financial investments.

Arranging: by providing persons in connection with the securities business or providing financial advisory services for mergers or acquisitions by acting as financial advisor to the seller or buyer and negotiating with the seller or buyer until completion of the merger or the acquisition. Also, it includes arranging financings for companies whether it is related to a project finance or a real estate finance.

Managing investments and operating Funds: to perform management functions, represented through the asset management department to provide the following services to its clients:

- Management of public investment funds in various asset classes including public equity funds as well as public real estate funds.
- Management of private investment funds in various asset classes including money market funds, regional equity funds, private real estate funds and private equity funds.

Advising: the company provides advisory services to clients regarding the risks and advantages of dealing with a financial security or exercising the right to deal for a security.

Custody: to preserve another person's assets that include securities, or arrange for another person to do so, and the preservation includes the necessary administrative procedures.

The Company's Main Services

SEDCO Capital provides a range of services, including advisory services, discretionary portfolio management services, and asset allocation services that ensure high performance across various assets classes such as private equity, public equity, commodities, income funds and real estate.

Asset Management

SEDCO Capital's world-class asset management capabilities span global markets to give investors access to the most attractive asset classes. Our asset management teams are populated by top-notch global experts – resulting in a long track record of market-beating performance.

Discretionary Portfolio Management

SEDCO Capital offers its clients world-class Discretionary Portfolio Management (DPM) services by allocating investments towards promising opportunities on their behalf. In response to market preferences, SEDCO Capital offers High-Net-Worth Individuals (HNWIs) tailored DPM services as opposed to Private Placements or Public Funds. We create tailor-made investment strategies for clients based on risk profiles and expected returns and combine these with proactive portfolio management and a competitive fee structure. The DPM team has created exciting investment instruments to cater to investors' preferences for global public equities. An ethical defensive equity strategy combines a value tilt with a focus on large and mid-cap healthcare and consumer staples. Another strategy explores ethical and secular investments that prioritize sustainability and resource optimization. SEDCO Capital also brings its investment instruments to a global ethical investor audience through its Luxembourg platform. In 2014, our platform offerings were expanded to include the flagship SEDCO Capital GCC Equities strategy. Since, we have launched three high-conviction strategies targeting public equities in regional markets. SEDCO Capital has also expanded its private placement fund activities to deliver specialized investment strategies based on clients' risk-return profiles and target allocations. In a sign of the importance of regional real estate to SEDCO Capital's DPM portfolio, a dedicated regional real estate team has been spun off to satisfy strong market demand. Through 2017 and beyond, we will expand our regional DPM offerings with a focus on equities and real estate - taking full advantage of our market reputation and expertise in these sectors.

Advisory Services

The Advisory function offers institutional grade investment advice and has become a trusted partner for clients' investment needs regionally and internationally.

Clients benefitting from SEDCO Capital's Advisory function construct their own portfolios from SEDCO Capital's investment products, and are backed by SEDCO investment team's insights, market intelligence and support.

The Advisory team offers clients advice on global financial markets. It also constructs and manages client portfolios, creates asset allocations based on client investment risk profiles, and offers relationship managers a holistic view of global markets.

In 2016, the Advisory function further developed its world-class advisory process for offering institutional grade investment advice to clients. The department's goal for the year was to continue being a trusted supporting partner for clients' investment needs regionally and internationally.

Through the year, the department conducted an outreach program where it attended investor conferences worldwide to highlight the specific needs and technicalities of investing in the Shariah universe. The Advisory team also branched into Malaysia to establish constructive dialogue with public and semi-public entities, Shariah compliant asset managers and Islamic banks in the country. Simultaneously, the department forged new links with government-related entities and financial institutions in the GCC area while continuing a healthy dialogue with institutional clients in Europe and the US.

About SEDCO Capital

The Main Products Offered by the Company

Regional Real Estate

SEDCO Capital's Real Estate Asset Management division curates exciting opportunities for its clients in the real estate market. It offers diversified Shariah-compliant investments in line with the principles of responsible investment that deliver optimized risk-adjusted returns to our investors.

SEDCO Capital funds aim to fulfill the investors' wishes by investing in opportunities that match their risk and return profiles through diversified assets across all sectors; such as retail, education, offices, residential, hospitality, healthcare, recreational and mixed-use real estate.

SEDCO Capital's Real Estate Team combines SEDCO Holding's 40-year track record with the expertise of a specialist team that possesses over 50 years of cumulative experience. We have built a market-leading reputation in selecting assets with proven growth potential situated in prudently selected locations. The team is also known for its multi-sector knowledge and understanding of the regional correlation between real estate and capital markets.

Strategy

The department's strategy aims to provide investment opportunities by maximizing returns, benefiting from added value and reducing risks, by providing products that meet the market requirements and have an outlook in line with the objectives of 2030 Vision.

We manage three attractive income-generating funds and are constantly innovating attractive new products to match investor needs.

- SEDCO Capital REIT Fund
- SEDCO Capital Built-to-Suit Real Estate Fund I
- SEDCO Capital Real Estate Income Fund II

Liquid Assets Strategies

SEDCO Capital's dedicated MENA Liquid Asset team was established in 2014 with the remit of creating innovative products to explore rewarding opportunities in money markets, equities and fixed-income products. Collectively, the team has a decade-long track record of managing money in MENA equities and fixed income products.

Equities: we have built a robust portfolio of MENA public equity strategies that reward clients with high performance and low risk profiles.

Money Markets: our money market offerings explore Shariah-compliant instruments that meet investor preferences and generate optimized returns.

Fixed Income: our fixed income team creates sukuk strategies that prioritize regular income streams for our investors.

About SEDCO Capital

International Real Estate

SEDCO Capital's International Real Estate team is engaged in the active management and development of a diverse commercial real estate portfolio consisting of retail, office, multifamily, senior living, industrial and healthcare assets. With over USD 1.2 billion in assets under management across the US, Asia, MENA and Europe, we are known for hands-on approach to investment, innovation, service excellence and prudence. We meet client interests through three strategies: core assets, core markets, and opportunistic investing. We are recognized for our ability to select exceptional properties that deliver capital appreciation and income generation with low downside risk. There are many reasons that make us an investment partner of choice for Middle Eastern clients wanting to diversify their international investments. We have built exceptional relationships in key markets, which give us global reach. Our team's multi-disciplinary capabilities help us respond rapidly to market movements while carefully assessing risk. We also adhere a fundamental investment philosophy and strategy that emphasizes risk control and downside protection. We focused on attractive risk-return acquisitions in developed markets including France, the UK, the US and Australia. We also developed a program of long-lease properties specifically purchased for clients. In 2017 and beyond, we will continue focusing on our long-lease US portfolio, acquiring new properties that can be leased to blue-chip brands, and divesting full-potential properties on favorable terms.

International Equities

EDCO Capital's International Equity division is responsible for overseeing the SEDCO Capital Luxembourg platform- which consists of 12 diversified instruments managed by renowned asset managers. Our Luxembourg strategies invest in world-class global public equities and listed real estate. In 2016, our international equity team upgraded to a core-satellite strategy for its Luxembourg platform instruments. The core, representing the bulk of our investments, is passively managed to follow the market benchmark -which reduces cost overheads and active risk for our investors. We have expanded our core through three regional passive funds through 2016. Meanwhile, our proactive satellite strategy delivers an actively managed, more specialized approach designed to outperform the benchmark. The satellite strategy is designed to catalyze higher returns further along the risk curve to meet a wide range of investor appetites. The Fund portfolio currently includes six satellites that are set to outperform the general market over the longer term. Through 2017 and beyond, our International Equities team will bolster its satellite strategy by adding innovative new instruments that will facilitate our ambition of comprehensively outperforming the market.

Private Equity

During our two-decade long track record in private equity, our offerings have evolved from purely early-stage investments in developed markets to a geographically diversified portfolio of fund investments, direct and co-investments. To date, we have committed USD 1.6 billion across managers investing in emerging and developed markets. Today, we have a strong network of over 50 General Partners (GPs) representing our interests in over 500 portfolio companies. Our private equity team comprises 6 dedicated senior professionals in the private equity group with diversified backgrounds and a wealth of experience gained in established global institutions. The core team is supported by specialists in operations, legal, compliance, and product development.

During 2021, SEDCO Capital launched the SEDCO Capital Global Funds Platform - UCIT'S, by adding new strategies, most notably the SEDCO Capital Lombard Odier Fund, in addition to upgrading some strategies from the current platform to the new platform - UCIT'S.

Our portfolio includes:

- Direct/Co-Investments
- Income Generating Private Investments (IGPI)

Our investment philosophy is based on three principles:

Responsible Ethical Investment



We adopt a global view to investing using our proprietary Prudent Ethical Investment (PEI) approach (an integration of Shariah-compliant and responsible investment principles) to provide our clients with unparalleled access to international investments in developed as well as emerging markets, in alignment with their values. We have pioneered a Prudent Ethical Investment (PEI) approach which ensures we invest in companies that have strong governance, are well structured, have reasonable leverage and add value to the economies they operate in. In short, we ensure that our investments benefit society, comply with Shariah and ESG investment principles, and refuse to create returns at the expense of others.

Partnership



Our partnership concept is instrumental in creating investor value. We are keen to emphasize lasting relationships built on mutual trust and shared success. In fact, We are committed to supporting, financing and co-investing- regardless of asset class – to cement our principles of collaboration and demonstrate our confidence in our investment processes and teams. Our partnership model – where we back investments with our own resources – aligns our interests with those of our clients and guarantees that our teams are constantly sourcing the best investment opportunities worldwide. Our global partnerships also create scale, reduce costs of doing business, increase negotiating power and help us access investment opportunities worldwide.

Diversification



Our diversity is SEDCO Capital core strength. It enables an investment portfolio accessing many asset classes, spanning the entire risk spectrum, and covering all key global markets. Our investment strategy is as diversified as our asset classes, helping us match investor preferences with high-performing products time after time.

Our Philosophy

Future Plans and Decisions:

Future Plans and Expectations

- SEDCO Capital continues to have absolute focus on the needs of its existing clients by working with them side by side to achieve their investment goals in the most efficient manner.
- In addition, the company is expanding to serve a larger segment of customers by offering new investment products that suit the aspirations of this target customer segment by exploring and focusing on the asset classes that produce the best opportunities to add value to their customers, which are as follows:
 - International and Regional Real Estate
 - International Private Equity
 - Local, regional and international liquidity strategies
- Focusing on real estate sector, which is going through a period of transformation based on the diversity of consumer and investor behavior, and accordingly the company aims to continue to keep pace with the transformation and provide investment solutions and products through traded and private real estate funds, income-generating products, build-to-suit strategies and investment portfolios to provide diverse and attractive investment opportunities and contribute to the expansion of regional real estate activities. From this perspective and based on the company's strategy for the regional real estate division, the company will target the most promising sectors that meet the needs of the market, including but not limited to, the residential, logistics and health sector through strategic partnerships with key companies from each sector.
- Focusing on global private equity investments (joint investments) by seizing the best opportunities that meet the investment aspirations of clients.
- Finally, the company intends to explore new opportunities to introduce local operating lease products to increase opportunities for diversification in its fixed income strategies. The company believes that the vision will create promising opportunities and high demand for this type of product in various economic sectors through non-bank funding sources.

The Approved Resolutions During the Year

During 2021, the company's management prepared and presented the general strategy for the year 2021, and the company's board of directors discussed what was presented. After fulfilling all the observations and requirements, the Board of Directors approved the following:

- Approved the budget for 2021.
- Approved the updated policies and procedures manuals.
- Approved the business plan strategy for the next five years.
- Approved the updated organizational structure.
- Approved the continued expansion of real estate operations activities regionally through (a) REIT funds, (b) income-generating products, (c) build-to-suit strategies, and (d) investment portfolios.



SEDCO Capital is one of the world's first Shariah-compliant private equity investors. SEDCO Capital is also one of the world's leading Shariah-compliant investors in liquid assets.



SEDCO Capital Platform for Global Funds in Luxembourg's goal is to provide a variety of opportunities in global markets, across a range of asset classes, to investors looking for investments that are socially or ethically compliant, or both



About SEDCO Capital

Abdulwahhab Abed
Chief Business Development
Officer



Mr. Abed is the Chief Business Development Officer – his latest role in over a 15-year association with SEDCO Capital. He chairs the firm’s Product Development Committee and sits on the Investment Committee and the Management Committee. His experience with SEDCO Capital makes him particularly skilled in due diligence, monitoring and divestment operations for private equity funds and co-investments. Previous roles at SEDCO Capital included Head of Corporate Finance, and Vice President and Director of Private Equity, where he was involved in a portfolio of almost 100 private equity investments around the world. He holds a Bachelor’s degree with a double major in Finance and Accounting and an MBA - Finance from the McCallam School of Business, Bentley University.

Christian Guckel
Chief Risk Officer



Christian Gückel is the Chief Risk Officer at SEDCO Capital, heads risk management and responsible investments and is a member of SEDCO Capital’s Investment Committee, Management Committee, Risk and Compliance Committee and Cyclical Asset Allocation Committee. Prior to joining SEDCO Capital in 2014, Christian was head of the asset class hedge funds and portfolio manager for a single-family office in Zurich, Switzerland. Christian has 20 years of professional experience in portfolio management, capital markets and risk management roles (Swiss family office, Man Group, HSBC Trinkaus & Burkhardt, Dresdner Kleinwort Wasserstein (now Commerzbank), Sparkasse) and holds a master degree from Otto-von-Guericke University Magdeburg, an MBA from Colorado State University and completed the CFA, FRM, CAIA, FDP and ERP degrees.



Samer Abu Aker
CEO

Samer Abu Aker is the CEO of SEDCO Capital. Since joining the firm in 2011 he has held the positions of COO and CFO. In his current capacity as CEO, Mr. Abu Aker reports to the Board of Directors, and provides the strategic vision, planning, and operational leadership to guide the firm along its sustainable growth trajectory. Mr. Abu Aker also chairs SEDCO Capital’s investment and management committees as well as the Board of Directors of SEDCO Capital Global Funds in Luxembourg, which collectively set the tone for the firm’s investment, governance, and compliance decisions. He has over 20 years of executive experience in the investment industry, both regionally and globally, and has built a reputation for delivering financial results and effectively managing risks. During his career he has participated in institutional investment decision-making, lead the restructuring of legacy investments, arranged financing, and established global investment structures. He has first-hand experience in adhering to global business protocols, applying world-class industry practice, and cultivating cross-cultural work environments. Before joining SEDCO Capital, Mr. Abu Aker was COO at Al Brooge Securities in Abu Dhabi, Executive Director at Abu Dhabi Investment House, CFO at Litespeed Management in New York, and held senior management positions in the Bank of New York, Alternative Investment Services in Bermuda and the Royal Bank of Canada in Hamilton. He is a Certified Public Accountant (CPA) and holds a Bachelor of Business Administration degree in Accounting from Canada’s Brock University.



Valerio Salvati
Chief Investment Officer

Valerio Salvati has joined SEDCO Capital in 2017 as Chief Investment Officer & Head of Asset Management, based in Jeddah, KSA. Mr. Salvati has more than 30 years of experience in asset and wealth management at leading, global financial institutions (JPMorgan and Deutsche Bank) across several international locations. Having started in Fixed Income at Commerzbank in Germany, he joined Banco di Roma (UniCredit) as Fixed Income portfolio manager before moving to Equities. After leading the Portfolio Management department at BCC in Rome, Italy, he then joined JPMorgan Asset Management as Head of Portfolio Management, Italy in Milan and then again as Head of Multi-Strategy Solutions, Global Multi-Asset Group, based in London. After spending half of his career at JPMorgan, he then moved on to Deutsche Bank Wealth Management as Head of Discretionary Portfolio Management, UK. Valerio has been a member of the global and regional investment committees at both JPM and DB, as well as Chair of the UK Investment Committee at the German lender. He holds a master in business administration for Banking and Insurance (Sinnea) and a bachelor in political and Economic Sciences (University of Rome). Valerio is also a member of the CFA UK Society.

Executive Management Team

Rayan Habis
Head of Human Resources



Rayan Habis has joined SEDCO Capital in 2021 as the Head of Human Resources, based in Jeddah. Mr. Habis has more than 16 years of professional HR experience in leading private wealth management, utilities and trading services industries; active involvement and responsibilities in building policies, leading different HRM initiatives, and executing mega projects in Manpower Resourcing and Rewarding, Organization Development, Learning and Development, and Employee Relations. Mr. Habis started his career journey working at Rabigh Arabian Water & Electricity Company in Human Resources Department for 9 years then joined SEDCO Holding as Head of Organization Development & Excellence in September 2014. Rayan is also a member of Al Yusur International Schools and Alshiaka Compensation & Nomination Committees. He holds a master in Business Administration (MBA) and bachelor degree in International Business Administration.

Anas Baksh
Head of Internal Audit



Anas is the Head of Internal Audit who joined SEDCO Capital in 2021. Anas's experience is more than 15 years where he held different positions in global and leading companies. His expertise is in External and Internal Audits, Risk, Control and assurance, and Finance. Anas began his career with Deloitte in assurance and external auditing. Followed by being a Retail Banking Financial Controller in the National commercial Bank (Alahli), before moving within Alahli Bank into Internal Audit Department over the Finance and Risk areas. Prior to joining SEDCO Capital, Anas was heading the newly established Finance Department in the Ministry of Cultures (Jeddah Historical District Program). Anas is a Certified Fraud Examiner (CFE) who holds a Master of Accounting degree from "Middle Tennessee State University", USA and a Bachelor degree in Accounting from King Fahd University of Petroleum and Minerals, Saudi Arabia.



Ahmed Tourson
Financial Controller – Head of Finance and Operations

Mr. Ahmed has been with SEDCO Capital since 2015. Prior to joining SEDCO Capital, Mr. Ahmed worked with Deloitte & Touche Middle East and KPMG Saudi Arabia in the areas of independent auditing, quality assurance and financial advisory. Mr. Ahmed has more than ten years of experience in the field of investment operations, securities, support services, auditing and financial analysis. He holds a bachelor's degree in accounting sciences from King Fahd University of Petroleum and Minerals in the Saudi Arabia.



Sultan Sukkar
Head of Compliance and AML

Sultan Sukkar is the Head of Compliance & AML at SEDCO Capital. He joined SEDCO Capital in 2014. He has more than 15 years of experience in assurance, internal audit and compliance in PWC, Samba Financial Group and SEDCO Holding. Mr. Sukkar holds a bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals, Dhahran, KSA and an MBA from the University of Scranton, Pennsylvania, USA.

Executive Management Team

By end of 2021, SEDCO Capital control the following companies:

SEDCO Capital Luxembourg SA.

Company: an international Fund management company in Luxembourg

Establish place: Luxembourg

The place of its operations: Luxembourg

Capital: SAR 621,844

SEDCO Capital's ownership percentage: 100% owned by SEDCO Capital

SEDCO Capital Cayman Ltd.

Company: which advises the management of Cayman Islands-based funds

Establish place: Cayman Islands

The place of its operations : Cayman Islands

Capital: US\$ 6,000,000

SEDCO Capital's ownership percentage: 100% owned by SEDCO Capital

SC Sentinel Ltd.

Company: buys and holds investments on behalf of SEDCO Capital Cayman Ltd.

Establish place: Cayman Islands

The place of its operations : Cayman Islands

Capital: US\$ 6,000,000

SEDCO Capital's ownership percentage: 65% owned by SEDCO Capital

SEDCO Capital UK Ltd.

Company: A real estate investment services provider

Establish place: UK

The place of its operations : UK

Capital: £175,000

SEDCO Capital's ownership percentage: 100% owned by SEDCO Capital

SEDCO Management Ltd.

Company: an international fund management company in Dubai

Establish place: Dubai

The place of its operations : Dubai

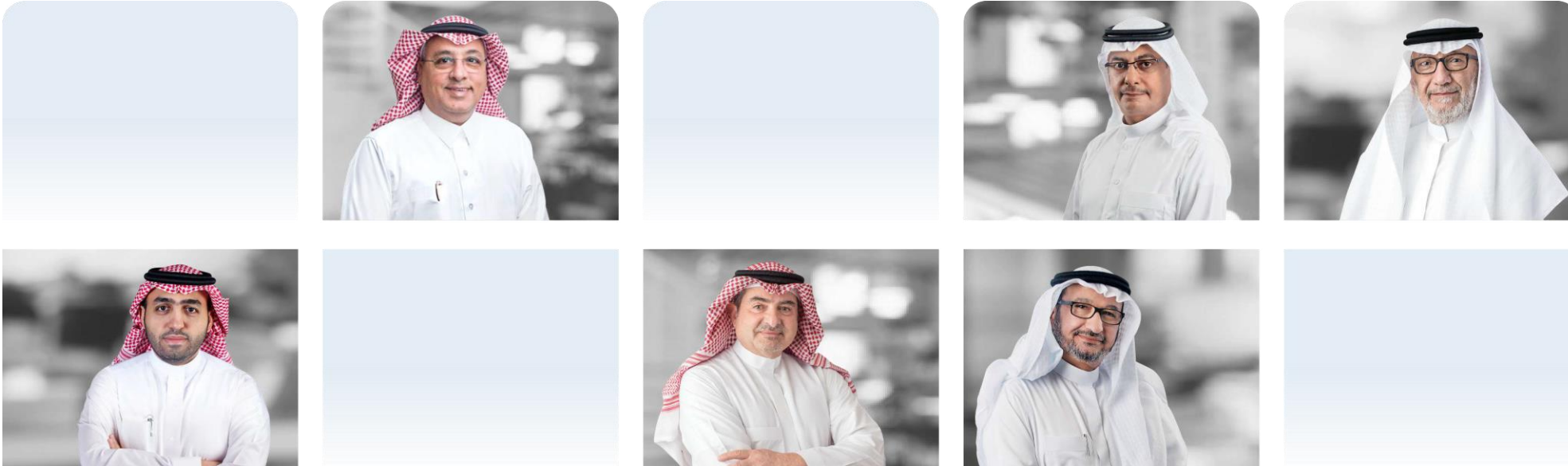
Capital: US\$ 1,000,000

SEDCO Capital's ownership percentage: 100% owned by SEDCO Capital

*SEDCO Capital has transferred the ownership of the special purpose companies involved in maintaining client assets to an independent custodian, in accordance with the rules and regulations.

Subsidiaries and Controlled Funds

Board of Directors and Committees



SEDCO Capital's Board of Directors is responsible for creating and delivering strong, sustainable financial performance and long-term value to the company's owners and clients alike. Board members also play their role together as a team, to provide strategic leadership of the company's executive management and set the values and standards to be followed. Local, regional and global financial market. SEDCO Capital's Board of Directors is made up of six members, who are elected by the General Assembly for a maximum of three years with the possibility of being re-elected. The following tables shows the members of the Board of Directors during the year 2021, their classification, and their membership in the boards of directors of other companies:



There are three committees of the Company's Board notably:

- Audit Committee
- Risk and Compliance Committee
- Compensations Nominations Committee

Membership of Board Members in Other Companies

Name	Position
Ahmed Suleiman Banaja	N/A
Abdullah Mubarak Baarmah	<ul style="list-style-type: none"> Chairman of the Board of Directors and Chairman of the Compensation and Nominations Committee of the Automotive World Company A member of the Board of Mopar Holding Company A member of the Board of Likmore Partners Ltd
Hasan Shakib ALJabri	<ul style="list-style-type: none"> Vice Chairman and Chairman of the Executive Committee of Dar Al Tamleek Company for Petroleum Products Trade (APSCO) A member of Al Munajim Food Company A member of the Board of Directors and Chairman of the Investment Committee of Abu Nayyan Holding A member of the Saudi British Business Council.
Hashim Al Mihdar	<ul style="list-style-type: none"> N/A
Abdulrazzak Mohammed Al Khraiyy	<ul style="list-style-type: none"> A member of the Board of Trustees of the Islamic Accounting and Audit Authority.
Abdullah Bin Ibrahim Al Howaish	<ul style="list-style-type: none"> Managing Director and Chief Executive Officer of the Board of Directors and a member of the Investment and Finance Committee - Aseer Commercial, Industry, Real Estate and Contracting Company Chairman of the Board and Chairman of the Executive Committee - Amlak International Real Estate Finance Company Vice Chairman and Member of the Executive Committee - Halawani Brothers Company – Saudi Arabia Vice President Board of Directors, member of the Executive Committee, Chairman of the Remuneration and Nominations Committee - Halawani Brothers Company – Egypt Vice Chairman and Chairman of the Executive Committee, member of the Remuneration and Nominations Committee - Alissa Industries Company Vice Chairman of the Board of Directors, member of the Executive Committee, member of the Remuneration and Nominations Committee - Emaar Economic City Company A member - Al Khozama Management Company A member of the Board of Directors, Member of the Executive Committee and Member of the Nominations and Remunerations Committee - Al Rabie Saudi Food Company

Members

Name	Position
Non-Executive Board Members	
Ahmed Suleiman Banaja	Chairman
Abdullah Mubarak Baarmah	Vice Chairman
Hasan Shakib ALJabri	Member
Hashim Al Mihdar	Member
Independent Board Members	
Abdulrazzak Mohammed Al Khraiyy	Member
Abdullah Bin Ibrahim Al Howaish	Member
Board Secretary	
Sultan Sukkar	Head of Compliance and AML

Board Meetings

During 2021, SEDCO Capital's Board of Directors held five meetings, and the table below shows the dates and attendance record of these meetings:

Name	26 JAN	16 MAR	22 JUN	05 OCT	14 DEC	Total
Ahmed Suleiman Banaja	✓	✓	✓	✓	✓	5
Abdullah Mubarak Baarmah	✓	✓	✓	✓	✓	5
Hasan Shakib ALJabri	✓	✓	✓	✓	✓	5
Hashim Al Mihdar	✓	✓	✓	✓	✓	5
Abdulrazzak Mohammed Al Khraiyy	✓	✓	✓	✓	✓	5
Abdullah Bin Ibrahim Al Howaish	✓	✓	✓	✓	✓	5

Board Meeting

The Board's Main Committees

Audit Committee

The Committee is made up of three non-executive members, whom are all independent and experienced in accounting and auditing. Members are selected by the Board of Directors and the Committee reports directly to the Board of Directors on a regular basis;

1. Abdulrazzak Mohammed Al Khraijy - Chairman
 2. Mohamed El Ayouty - Member
 3. Abdelelah Ajbar – Member
- Aziz Ahmed (Risk Management)- Committee Secretary

Audit Committee Meetings

During 2021, SEDCO Capital Audit Committee held four meetings, the table below shows the dates and attendance record of these meetings:

Name	09 MAR	15 JUN	28 SEP	07 DEC	Total
Abdulrazzak Mohammed Al Khraijy	✓	✓	✓	✓	4
Mohamed El Ayouty	✓	-	✓	✓	3
Abdelelah Ajbar	✓	✓	✓	✓	4

Responsibilities and Duties of the Audit Committee

- Oversee the assessment of the effectiveness of the company's internal control system, including information technology security and control ;
- Review and approve internal audit annual plan, activities, staffing, and organizational structure of the internal audit function ;
- Review the effectiveness of the internal audit function, including compliance with the International Standards for Professional Internal Auditing ;
- Evaluate, select and recommend the external auditor to the SEDCO Capital's Board of Directors ;
- Review analysis prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements ;
- Review with management and the external auditors the results of each external audit, including qualifications in the external auditor's opinion and any difficulties encountered ;
- Present its conclusions with respect to the external auditor to the full board ;
- Report its activities to the Board on a regular basis so that the board is kept informed of its activities on a regular basis ; and
- Institute and oversee special investigations as needed.

The Board's Main Committees

Risk and Compliance Committee

The Committee consists of eight members, who are the full members of the audit committee, in addition to the five members referred to in the table below, and the Committee reports directly to the Board of Directors.

1. Abdulrazzak Mohammed El Khraijy - Chairman
 2. Mohamed El Ayouty - Member
 3. Abdelelah Ajbar - Member
 4. Samer Abu Aker - Member
 5. Christian Guckel - Member
 6. Ahmed Tourson - Member
 7. Sultan Sukkar – Member
 8. Anas Baksh – Non-Voting Member
- Aziz Ahmed (Risk Management) - Committee Secretary

Risk and Compliance Committee Meetings

During 2021, the SEDCO Capital Risk and Compliance Committee held four meetings, and the table below shows the dates and attendance record of these meetings:

Name	09 MAR	15 JUN	28 SEP	07 DEC	Total
Abdulrazzak Mohammed El Khraijy	✓	✓	✓	✓	4
Mohamed El Ayouty	✓	-	✓	✓	3
Abdelelah Ajbar	✓	✓	✓	✓	4
Samer Abu Aker	✓	✓	✓	✓	4
Christian Guckel	✓	✓	✓	✓	4
Ahmed Tourson	✓	✓	✓	✓	4
Sultan Sukkar	✓	✓	✓	✓	4
Anas Baksh	✓	✓	✓	✓	4

Responsibilities and Duties of Risk and Compliance Committee

- Ensuring that processes, procedures and policies are in place to give assurance that SEDCO Capital is in compliance with CMA regulations, other legislative and reporting requirements, and conforms with the highest standards of financial and ethical behavior ;
- Ensure compliance with CMA regulations and other legislative and reporting requirements and the respective governance policies ;
- Review the findings of any examinations by regulatory agencies and any auditor observations and ensuring that all the findings are resolved ;
- Review with the legal department the status of the significant ongoing legal cases and their impact on SEDCO Capital and ensuring that the impacts of these cases are mitigated.
- Help set the tone and develop a culture of the enterprise vis-à-vis risk, promote open discussion regarding risk, integrate risk management into SEDCO Capital's goals;
- Monitor SEDCO Capital's risk profile and potential exposure to risks of various types;
- Continually monitor risks and risk management capabilities within SEDCO Capital, including communication about escalating risk and crisis preparedness and recovery plans;
- Ensure that the company's internal audit work plan is aligned with the risks that have been identified;
- Review the regulatory reports as required by the CMA such as Pillar 3 Internal Capital Adequacy Assessment Process (ICAAP); and ensure periodical monitoring of the capital adequacy of the company;
- Ensure that management has an established sound and effective planning and arrangement for SEDCO Capital business continuity, including updated disaster recovery plans that are tested periodically; and
- Review and recommend to the Board of Directors for approval of policy and procedure manuals.

The Board's Main Committees

Compensations and Nominations Committee

The Committee currently consists of four non-executive members, referred to in the table below, and reports directly to the Board of Directors.

1. Abdullah Bin Ibrahim Al Howaish - Chairman
 2. Hasan Shakib AlJabri - Member
 3. Rasha Al-Darwish - Member
 4. Rania Al-Turki – Member
- Rayyan Habis (Head of Human Resources) - Committee Secretary

Compensations and Nominations Committee Meetings

During 2021, the Compensations and Nominations Committee of SEDCO Capital held a single meeting, and the table below shows the date and attendance record of the meeting:

Name	06 DEC	Total
Abdullah Bin Ibrahim Al Howaish	✓	1
Hasan Shakib AlJabri	✓	1
Rasha Al-Darwish	✓	1
Rania Al-Turki	-	-

Responsibilities and Duties of Compensations and Nominations Committee

- Nominate potential directors of the Board to the General Assembly;
- Monitor the development of the Senior Executives;
- Monitor the recruit senior executives;
- Review and approve compensation (salaries and benefits) of the Board of Directors and Senior Executives; and
- Review and approve the compensation policy of all employees as well as workforce plans including employee development programs, replacement and succession plans.



Disclosures

Businesses and Contracts with Related Persons

The following are the businesses and contracts with related persons as shown in the financial statements for the year ended on 31 December 2021.

Company / Entity Name	Nature of the Transaction	Contract Conditions	Contract Term	Transaction Amount (SAR)	Relationship
Board of Directors	Remunerations / other benefits	N/A	N/A	1,639,863	Senior Management Personnel
Executive Management	Remunerations / other benefits	N/A	N/A	17,057,188	
Saudi Economic and Development Holding Company	Advisory and management services	By Investment Agreement	3 years renewable	46,379,243	Shareholder
	Charges for shared services	N/A	N/A	4,452,530	
Methak Investment Holding	Advisory and management services	By Investment Agreement	1 year renewable	5,803,423	Affiliate
SEDCO Capital REIT Fund	Advisory and management services	Fund's Terms & Conditions	Fund's Terms & Conditions	26,787,379	Fund under management
	Dividend distribution	Based on the approval of the Fund's Board of Directors	N/A	643,365	
	Payments on behalf	N/A	N/A	2,628,801	
SEDCO Capital Real Estate Income Fund II	Advisory and management services	Fund's Terms & Conditions	Fund's Terms & Conditions	10,100,000	Fund under management
	Payments on behalf	N/A	N/A	1,200	
SEDCO Capital Built-to-Suit Real Estate Fund I	Advisory and management services	Fund's Terms & Conditions	Fund's Terms & Conditions	315,579	Fund under management
	Payments on behalf	N/A	N/A	9,240	
SEDCO Capital Money Market Fund	Advisory and management services	Fund's Terms & Conditions	Undefined	844,658	Fund under management
SEDCO Capital Balanced Fund	Advisory and management services	Fund's Terms & Conditions	Undefined	3,783,751	Fund under management
Elaf Hotels Company	Accommodation services	N/A	Undefined	29,874	Affiliate
Elaf for Travel and Tourism Company	Travel and tourism services	N/A	Undefined	535,202	
Intimaa Real Estate Services Company	Office rent and other services	N/A	1 year	1,125,449	
Al Jazirah Equipment Company (Autoworld)	Transportation expenses	N/A	Undefined	3,638	Affiliate
Private investment portfolio	Advisory and management services	By Investment Agreement	Undefined	587,378	

Sanctions and Penalties

SEDCO Capital was not subject to any sanction, penalty or precautionary restriction by the Authority or any other supervisory, regulatory or judicial body during the year.

Information Relating to the Interests of Directors

The Board of Directors declares that there are no interest, contractual securities and subscription rights belonging to a member of the Board of Directors, senior executives or their relatives in the shares or debt instruments of SEDCO Capital or any of the subsidiary companies except for the following:

Name	Position	Relation Type	No. of shares as of 01-01-2021	Ownership % as of 01-01-2021	No. of shares as of 31-12-2021	Ownership % as of 31-12-2021	Share Value (SAR)
Abdullah Mubarak Baarmah	Vice Chairman Non-executive	Non-direct share	116,121.6	0.580608%	116,121.6	0.580608%	10
Hashim Almihtar	Non-executive	Non-direct share	1,238,707.2	6.193536%	1,238,707.2	6.193536%	10

Deals with Related persons

There were no transactions concluded between the company and any related person during the period ended on 31 December 2021.

Arrangements or Agreements Under which a Member of the Board of Directors Waives any Rewards or Compensation

There are no arrangements under which any member of the Board of Directors or the Executive Management waived any compensation or remuneration.

Remunerations and Compensations of the Board Directors and Senior Executives During the Year

The tables below describe the rewards and compensation paid to board members and five senior executives, including CEO and CFO:

Description	Executive Board Members*	Non-Executive Board Members	Independent Board Members
Allowance for attendance of the Board of Directors' sessions	-	48,000	31,000
Allowance for attendance of the committees' sessions	-	38,500	-
Periodic and annual remunerations	-	1,075,000	425,000
Incentive plans	-	-	-
Any compensation or other in-kind benefits paid monthly or annually	-	5,591	16,772
Total	-	1,167,091	472,772

*As members of the Board of Directors.

Description	Five of the senior executives who received the highest remunerations and compensations, including CEO and CFO
Salaries and wages	4,719,716
Allowances	1,848,608
Periodic and annual remunerations	7,125,000
Incentive plans	3,363,864
Commissions	-
Any compensations or other in-kind benefits paid monthly or annually	-
Total	17,057,188

* Amount in SAR

Other Disclosures



Financial Results

Summary of SEDCO Capital's Consolidated Financial Results

The table below shows a summary of the audited consolidated financial results for the fiscal year ending on December 31, 2021, compared to the years from 2017 to 2021.

Item	2021	2020	2019	2018	2017
Total Revenues	158,046,289	106,220,648	136,648,527	175,890,090	160,905,178
Total Operating Expenses	119,213,172	81,483,461	98,037,820	121,891,232	117,860,708
Operating Income	38,833,117	24,737,187	38,610,707	53,998,858	43,044,470
Net Income	33,362,975	16,858,840	32,258,144	46,008,579	35,973,278
Total Assets	438,036,447	386,354,285	395,891,661	430,453,986	372,987,160
Total Liabilities	101,657,860	72,979,033	74,645,946	89,530,697	66,743,118
Total Shareholders' Equity	336,378,587	313,375,252	321,245,715	340,923,289	306,244,042

*Amounts in Saudi Riyals

Auditor's Opinion

The accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (SOCPA).

Reservations in the Auditor's Report on Financial Statements

There are no reservations about the 2021 financial statements.

Core Differences in Operating Results

The differences in the results of the company's operational activities for the year 2021 when compared to the results of the previous fiscal year were due to the following reasons:

- Performance fees from Investment Portfolios and International Real Estate.
- Acquisition and arrangement fees for increase the total assets of SEDCO Capital REIT Fund.

Loan

During the financial year ended on 31 December 2021, the Board of Directors acknowledges that there are no loans obtained by the Company, whether payable on demand or otherwise.



Internal Control and Risk Management

Results of the Annual Audit Report of Regulatory Procedures and Laws

SEDCO Capital Internal Audit Department is responsible for reviewing the effectiveness of the company's internal control procedures. The Internal Audit department at SEDCO Capital conducts its audits' assignments and controls review for the company as an independent function directly linked to SEDCO Capital's Audit Committee. The Internal Audits' duties include the following:

- Conduct a sample-based periodical review and assessments over departments compliance with the regulators requirements and the defined policies and procedures.
- Review the efficiency and effectiveness of the existing departments' controls used to safeguard the company's assets.
- Recommend control enhancements based on the global practice to reduce or mitigate risks.
- Provide advisory services at the request of the Board of Directors, the Audit Committee, or the Chief Executive Officer.
- Conduct fact-finding operations for fraud or corruption cases, or any special inspection at the request of the Audit Committee.

During 2021, the Internal Audit department reviewed the Company's operations in accordance with the plan approved by the Audit Committee to ensure the effectiveness of the Company's internal control systems and protect its assets. As a result of the audit carried out, there were no significant weaknesses in the Company's internal control systems. The department has completed all the audit activities scheduled to be carried out according to the approved plan and is monitoring the closure of observations noted during the year.

Audit Committee's Opinion on the Internal Control System Adequacy

The Internal Audit department implements a review methodology based on risk assessment. The audit was carried out in 2021, and a report was issued to the Audit Committee on the remarks relating to the effectiveness of the followed procedures and systems. The internal audit plays an important role in evaluating the effectiveness and efficiency of internal controls through the implementation of an audit plan based on ongoing assessment to mitigate business risk in the Company by introducing a set of control procedures and methodologies. The Committee reviewed the appropriateness of the governance and internal control framework relating to 2021 internal audit. The sample-based audit also demonstrated the success of the controls related to the samples included in the audit in general. However, improvements were identified. They are being implemented and reviewed by the internal audit team.

SEDCO Capital's Risk Management

Risk is inherent in all businesses and is therefore present within SEDCO Capital's activities. SEDCO Capital's Risk Management process seeks to effectively identify, quantify, monitor and manage each of its risks and actively promotes a risk awareness culture throughout the organization.

Risk Governance Structure

Managing risk at SEDCO Capital lies with the Board of Directors through the Risk and Compliance Committee. The Risk and Compliance Committee assists the Board of Directors in exercising its oversight of the operational activities of SEDCO Capital and the timely identification, mitigation, and management of those risks that could have a material impact. SEDCO Capital has in place a formal risk management process to identify, evaluate and manage significant risks impacting the Company. The process is supported by policies as well as detailed procedures, methodologies, evaluation criteria and documentation requirements to ensure clarity and consistency.

Risk Management Framework

SEDCO Capital's risk management framework defines the processes and management of the risks that the Company and its investment strategies and products are exposed to, in particular (but not limited to) the management of market, credit, interest/profit rate risk, liquidity risk as well as operational, strategic and reputational risks. The Company's risk management framework seeks to ensure that there is an effective process in place to manage risk across the Company. The Company also has processes and procedures in accordance with CMA guidelines related to the Risk management. The Risk Management Framework which SEDCO Capital relies on is a well-proven methodology wherein all activities giving rise to risk are identified, measured, managed and monitored.

The risk management framework thus supports the achievement of the Company's strategic objectives. The strategic objectives for 2021 included:

- Strengthen capital base internally by changes in asset mix to cater to its strategic growth;
- Grow assets under management with a focus on specific investment strategies such as local real estate strategies and discretionary portfolio mandates;
- Increase SEDCO Capital's profile with KSA-based and regional investors; and
- Strengthen SEDCO Capital's perception as an ESG (Environmental, Social and Governance) and Shariah-compliant investor.

Results of the Annual Audit Report & Risk Management

Scope and Nature of Risk Reporting and Measurement Systems

The primary goal of risk management is to ensure that SEDCO Capital's asset and liability profile, its credit and operational activities do not expose it to losses that could threaten the viability of the Company. Internal control deficiencies, whether identified by the risk function self-review; an internal audit, compliance division or other personnel, are reported in a timely manner to the appropriate management and committee level and addressed accordingly.

SEDCO Capital periodically reviews their risk limitations to ensure that the overall effectiveness in risk management remains aligned to a changing organization. Risk management policies and procedures are constantly reviewed and updated. The review covers objectives and strategies, as well as changes relating to products, people, processes and systems.

Risk Management Process and Major Risk Categories

SEDCO Capital can be exposed to various risks, and to address these risks SEDCO Capital has a defined risk appetite, which facilitates the identification and management of both risks and opportunities. Setting a risk appetite at SEDCO Capital is not about elimination of all risks; rather it is about accepting risks in areas in which management has the appropriate skills, knowledge and experience to take advantage of the opportunities presented, whilst limiting risks in other areas. The risk appetite statement empowers SEDCO Capital which enables the decisive accumulation of risk in line with the strategic objectives of the organization while giving the board and management confidence to avoid risks that could deviate from the strategic objectives.

Proper capital planning within SEDCO Capital's overall strategy is done to maintain a strong capital position in a cost-effective structure that can support the Company's overall business model, growth strategy, builds shareholders' confidence and long-term shareholder value. The Company also performed multiple stress tests across its material risks to assess the Company's exposure to extreme, but plausible events.

Risk of varying depth and complexity is inherent in SEDCO Capital's activities, and is managed through a process of ongoing identification, measurement, monitoring and setting proper limits and controls. SEDCO Capital is primarily exposed to market risk, credit risk, and operational risk. Following are the details of these risks:

Market Risk

Market risk refers to the risk to SEDCO Capital resulting from movements in market prices changes in interest rates, foreign exchange rates, as well as equity and commodity prices. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

SEDCO Capital's exposure to market risk is limited by the nature of its business, the fact that it manages assets on a fiduciary basis, limits any trading securities on its own account and typically does not underwrite issues of financial instruments on a firm commitment basis. Market risk is actively monitored through periodic analysis of the impacts from changes in market risks through stress tests. SEDCO Capital aims to mitigate any fall in the value of clients' assets under management by having a broad range of geographically diversified products and asset classes. SEDCO Capital also dynamically monitors foreign currency risk exposure.

Credit Risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The credit risk that SEDCO Capital faces arises mainly from counterparty default and non-receipt of fees due from its clients. Moreover, Credit Risk is due to adverse financial outcomes arising from changes in level or volatility of third-party credit spreads. Credit spread moves can be caused by credit concerns (improving or worsening) on the issuer, or from market factors.

The Company's risk management policies and processes are designed to identify and analyze risk, to set appropriate limits and controls, and to monitor the risks and adherence to limits by means of timely and reliable management information data.

The Risk function regularly reviews and monitors counterparty exposure and management against limits, as well as concentrations of exposure by type, sector, geography and credit ratings. SEDCO Capital has control processes in place to ensure prompt settlement of fees due from its clients.

Operational Risk

Operational Risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events, including changes in the regulatory environment. SEDCO Capital's operational risk is its primary source of risk and arises mainly through the investment process, distribution channels, product development, information technology that includes cybersecurity and operations, including potential risks arising from business disruption and reliance on third party service providers and outsourcing partners.

The Company implements and maintains appropriate risk management principles and policies, internal controls and processes designed to assess risks as determined by the approved risk management framework. All identified risks are appropriately addressed according to the agreed process in a timely manner.

SEDCO Capital seeks to minimize Cyber Security Risk from threats to the Company's most critical information assets and systems, and has a low appetite for material incidents affecting these or the wider operations and reputation of the Company

Business Continuity Plans for all critical processes is already in place and are being tested on a regular basis. SEDCO Capital's priority remains the health and safety of clients, employees and the continuation of normal operations by leveraging the Company's robust Business Continuity Plans, which also enables employees to work remotely where possible.

Risk Management

Board of Directors' Recommendation for Dividends to Shareholders

In March 2021, The Board of Directors recommended a cash dividend of SAR 10,000,000 (SAR 0.5 per share) to the shareholders, for the year 2020, accounting for 5% of the Company's capital. Below is a detailed table of the shareholders, percentages of ownership, along with their shares of the profits

#	Shareholder Name	Shareholding Percentage	Value (SAR)
1	Saudi Economic and Development Holding Company	96%	9,600,000
2	Ehkam International Real Estate Company, Ltd	1%	100,000
3	Ta'aki International Real Estate Company, Ltd	1%	100,000
4	Ta'adiah International Real Estate Company, Ltd	1%	100,000
5	Rushd International Real Estate Company, Ltd	1%	100,000
	Total	100%	10,000,000

Conclusion

At the end of this report, the Board of Directors of SEDCO Capital is pleased to extend its sincere thanks and gratitude to the Custodian of the Holy Mosques, King Salman bin Abdulaziz Al Saud and to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince, Vice Prime Minister and Minister of Defense, and to the Government of the Custodian of the Holy Mosques for the facilities they all provide to create an attractive business community for investors and to make the Kingdom a major destination for regional and foreign capital investments.

The Board also extends its thanks and appreciation to the Capital Market Authority (CMA), which is exerting all efforts to support the financial services industry in the Kingdom and effectively contributing to the prosperity of the national financial sector despite the major challenges facing all economies across the world.

The Board of Directors extends its sincere gratitude to the shareholders of the Company for their continued confidence and support for the business strategies set by the Company, and to the Company's clients constituting one of the most important and strong assets to the Company's continued success. In conclusion, we thank all the employees for their dedication and efficiency, which were and remain the main driver to achieve the outstanding results for the year 2021.

SEDCO Capital Board of Directors

For more information



+966 12 690 6555



P.O. Box 13396, Jeddah 21493, Kingdom of Saudi Arabia



www.sedccapital.com



+966 12 690 6599



License No. 11157-37



info@sedccapital.com