





CONTENTS

Introduction	1
Operational Highlights	2
Chairman's Statement	4
Board of Directors	6
CEO's Statement	8
The Executive Management Team	10
Investment Services	13
Investments Review	17
Management Review	29
Awards and Events	38

Our Interests Aligned

SEDCO Capital is a global asset management firm with an investment reach, instruments and reputation spanning global markets.

With a history stretching back to 1976, SEDCO Capital's asset management experts have pioneered a Shariah compliant approach that delivers investment solutions to institutions, sovereign wealth funds and high net worth individuals (HNWIs). This approach has now been expanded with the introduction of the Prudent Ethical Investment (PEI) framework that combines Shariah guidelines with world-class standards in responsible investing.

SEDCO Capital offers advisory, discretionary management and asset allocation services to help investors access high-performing public and private equities, commodities, income funds, and real estate assets. The firm's clients benefit from several world-class investment funds and instruments, with international investors facilitated via the firm's high-performing Luxembourg funds platform.

Operational Highlights



SEDCO Capital Real Estate Income Fund II attracts SAR 445 million

2015 saw SEDCO Capital open its flagship SEDCO Capital Real Estate Income Fund II for investment. The fund, which invests in income generating real estate assets, raised SAR 445 million in capital and arranged a similar amount in financing by December 2015.



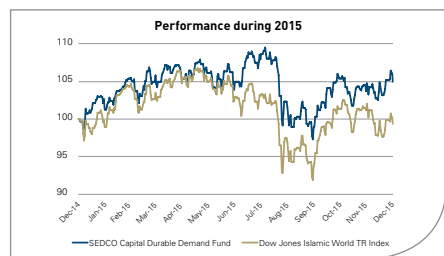
On the road with Tadawul

SEDCO Capital joined the Saudi Financial Market (Tadawul) on a global road show. The SEDCO Capital team attended 73 meetings in 1 month across the 3 continents of Asia, Europe and North America, to approach investors managing a collective USD 2 trillion in assets.



A jump in Assets Under Management (AUMs)

Despite challenging market conditions, SEDCO Capital grew its operations and client base, and increased its Assets Under Management (AUMs) over 2014 levels.



Co-investments opportunities drive investor value

SEDCO Capital's private equity arm explored over 75 co-investment opportunities across the globe in a move backed by strong client mandates, to give SEDCO Capital the influence to make tangible process and value improvements to the companies it invests in.



An ethical Shariah-compliant approach

Investor appetite led to the creation of SEDCO Capital's new Prudent Ethical Investing (PEI) framework focused on bringing the best of Sharia and responsible investing under the same umbrella to create an innovative asset management approach.



MENA Liquid Assets cross USD 100 million

2015 saw MENA liquid assets team cross its USD 100 million target for assets under management (AUMs) in the year but its newly created money marketing vehicle also delivered strong performance to generate a positive alpha of 1.87.



Private Equities outperform market

While 2015 saw a recession in European markets as well as challenges in emerging ones, SEDCO Capital's private equity portfolio outperformed public equity indices by about 10%. Historically, all SEDCO Capital's private equity divestments have been timed very carefully to net a 2.5x yield overall.



Business Development blazes new trail

2015 was the Business Development team's most successful year to date in terms of meeting clients' expectations, enhancing services standards and attracting new clients. SEDCO Capital's portfolio now comprises 40% in new clients.



2015 real estate activity crosses SAR 1 billion

SEDCO Capital conducted SAR 1 billion in transactions through the year in international real estate assets. Since 2010, SEDCO Capital has made a total of SAR 2.5 billion in acquisitions across global markets, with SAR 1.7 billion in favorable dispositions.

Chairman's Statement

Abdelelah Salem Bin Mahfouz



“Since inception in 2010, SEDCO Capital has developed a reputation as a highly capable asset manager with Shariah compliance and prudent ethical investing at its very core.”

Dear shareholders,

I am proud to present SEDCO Capital's annual report for 2015, a year in which we solidified our position as a world class global asset manager despite a challenging market environment.

Since inception in 2010, SEDCO Capital has developed a reputation as a highly capable asset manager with Shariah compliance and prudent ethical investing at its very core. 2015 burnished this reputation, with the firm making strides in protecting investor capital from volatility while strengthening its Shariah compliance, risk management and oversight.

I am proud that our asset management teams and research arms successfully predicted the year's market movements, and took steps to limit our exposure to volatile assets. Instead, where possible, we moved towards investing in robust longer-term asset classes that deliver tangible value in line with Shariah principles. In particular, we explored income generating real estate assets in well-regulated markets such as Europe. We also focused on creating beneficial co-investments where we could use our expertise to improve partner company performance and bottom line results.

SEDCO Capital's strong performance in 2015 was in part due to the excellence of our asset management and fund managers teams, and in part due to our Sharia and prudent investment strategy. Prudent Ethical Investment (PEI) ensures that we invest in companies that have strong governance, are well structured, have reasonable leverage and add value to the economies they work in. By default, this process improved our resilience to global market volatility.

2014 saw us become the first Shariah compliant asset manager in the world, and the very first company from Saudi Arabia, to become a signatory to the United Nations Principles for Responsible Investment (UNPRI). In 2015, we continued our obligations to the UNPRI by submitting our first report to the organization, which

was very well received. Meanwhile, we continue our co-operation with the Saudi Capital Market Authority and adhere fully with its regulations.

In 2014, we formalized Shariah investment principles for SEDCO Capital in a "Shariah rule book." In 2015, we took our commitment to Shariah compliant investment a step further by compiling very detailed processes for the implementation of Shariah principles, backed by oversight and regular monitoring through a specialized unit. Our Sharia board for SEDCO Capital comes from Saudi Arabia, Malaysia and Kuwait to ensure that our investment guidelines conform perfectly to international Shariah standards.

While our Board Members remained the same and continued providing us with invaluable oversight and guidance through 2015, we expanded our pool of world-class talent across several management functions and investment arms. I bid a very warm welcome to our new team members, and am confident they will help SEDCO Capital enhance its reputation as a world-class asset manager.

On behalf of the Board of Directors, I would like to express my gratitude to the Custodian of the Two Holy Mosques; the Crown Prince; and Deputy Crown Prince for their great leadership in building a vibrant economy. I am also grateful for the continued support and guidance of the Capital Market Authority.

And finally, I would like to thank the SEDCO Capital's shareholders, Board of Directors, our management teams, all our members of staff, and our strategic partners who have demonstrated continued support for our goals. And I am very grateful to our clients and investors for their continued confidence in SEDCO Capital even in testing market circumstances. We are confident that we have managed to repay your trust by safeguarding your interests and generating sound returns even in difficult markets. And we remain committed to serving you to the same world-class standards in 2016 and beyond.

The Board of Directors



Seated from left: Ahmed Suleiman Banaja, Abdelelah Salem Bin Mahfouz, Dr. Hani Findakly
Standing from left: Abdullah Mubarak Baarmah, Tarek Jawad Sakka, Abdulrazzak Mohammed Elkhraijy

Abdelelah Salem Bin Mahfouz, Chairman

Mr. Bin Mahfouz was Managing Director of SEDCO Financial Investments Group from 1997 to 2006. In addition to serving on the Board of SEDCO Holding, he has been Chairman of SEDCO Capital since its formation in 2010.

He began his business career in 1975 with the National Commercial Bank, and between 1980 and 1990 was the bank's Deputy General Manager and Riyadh Regional Manager.

Mr. Bin Mahfouz has a Bachelor's degree in Business Administration from Ohio State University.

Ahmed Suleiman Banaja, Director

Mr. Banaja joined the Board in 2008 and was CEO of SEDCO from 2008 to 2010. He is also a Director of SEDCO Capital and was the firm's first CEO, overseeing its formation in 2010. He began his career with Citibank in 1971 and then held senior positions at the National Commercial Bank for 12 years.

He is currently a Director of Al Faisaliah Group and SEDCO Holding. He was a Director of Jeddah Urban Development and Regeneration Company, and was previously on the Economic Advisory Team to the Supreme Economic Council.

Mr. Banaja has a BSc in Mathematics and Economics from the University of Kent.

Dr. Hani Findakly, Director

Dr. Findakly has been a Non-Executive Director of SEDCO since 2003. He is President of Potomac Capital and has served in various senior capacities on Wall Street, including Director and Chairman of Dillon Read Capital Management and Vice-Chairman of the Clinton Group, both New York-based investment management firms. From 1990 to 1999 he was President and CEO of Potomac Bobson, a global investment management firm.

Between 1975 and 1986 Dr. Findakly worked at the World Bank, where he was Director of the Investment Department and Chief Investment Officer. He was previously on the faculty of the MIT's School of Engineering and the Center for Policy Alternatives.

Dr. Findakly received his Doctor of Science and Master of Science degrees from the MIT.

Abdulrazzak Mohammed Elkhraijy, Director

Mr. Elkhraijy is a Saudi banker with more than 30 years' experience, having held various senior positions with the NCB Group where he was latterly head of the Islamic banking development group.

Member of the General Council for Islamic Banks and Financial Institutions.

Mr. Elkhraijy holds a BA in Economics and Business from Macalester College, St Paul, Minnesota.

He is a member of the Board of Trustees of the Accounting and Auditing Organization for Islamic Financial Institutions, and a Board

Abdullah Mubarak Baarmah, Director

Mr. Baarmah started his career in banking as a futures trader with the National Commercial Bank's Treasury division in 1994, going on to hold various positions in the division.

Mr. Baarmah has a BSc in Business Administration from the University of Portland.

He was Head of the Global Fixed Income Department at NCB Capital before his appointment to the SEDCO Capital Board in 2010.

Tarek Jawad Sakka, Director

Mr. Sakka is the Founder & CEO of Ajeej Capital, a leading independent investment management company. He is also a Member of the Boards of the Middle East Specialized Cable Company (MESCC) and the Morgan Stanley Saudi Equity Fund.

Mr. Sakka holds an MBA from Harvard Business School and BSc (Hons) in Electrical Engineering from King Fahd University of Petroleum & Minerals.

Before founding Ajeej Capital, he held key positions at local and global companies, including Group Vice-President at Olayan Financing Company and Head of Private Equity at the National Commercial Bank.

CEO's Statement

Hasan Al Jabri



“We ensured that our investors’ capital was kept safe at the same time, positioned our portfolios defensively to overcome the market challenges and volatility that occurred in 2015.”

Dear Shareholders,

2015 was a year where SEDCO Capital generated robust returns and significantly increased its Assets Under Management (AUMs) despite challenging market conditions. We ensured that our investors’ capital was kept safe at the same time, positioned our portfolios defensively to overcome the market challenges and volatility that occurred in 2015. We also enhanced our reputation as an asset manager of choice globally both from a Sharia and ESG perspective.

Our strong performance through the year stemmed from a strategy of diversification, and our asset managers’ comprehensive understanding of the markets they chose for investment. Our research and investment arms had read market signs accurately in 2014, and had put in place processes that saw us well positioned to combat 2015’s conditions. We underweighted emerging markets based on our predictions, and were validated by ensuing market trends. We had predicted a period of devaluation in commodities, and took steps to reduce exposure – another move that helped us keep investors capital safe.

Our approach to the market in 2015 was a combination of prudence, defensiveness, and opportunistic investment. While we reduced our exposure to risky asset classes, a correction in market valuations gave us a chance to unlock new opportunities for our clients.

At the same time, our international presence grew through our Luxembourg platform, which successfully raised new investment capital from clients. SEDCO Capital’s Luxembourg platform was launched in 2013 to give international investors access to SEDCO Capital’s ethical, Shariah compliant products.

2015 was one of our most active years in terms of new product introduction, with investment capital raised increasing over

previous years despite market uncertainty. This was due to our investors’ confidence in SEDCO Capital’s ability to explore the right opportunities at favorable times.

In Saudi Arabia, we built on the success of our income-generating real estate investment strategy by opening the Saudi Real Estate Income Fund II for investment. The flagship fund, which invests in income generating real estate assets in the country, raised SAR 445 million in capital and arranged a similar amount in financing.

On behalf of our investors, we also explored high-potential real estate opportunities in developed markets including the US and Europe, and conducted SAR 1 billion in transactions through the year in the sector. SEDCO made its move into international real estate 40 years ago. Since 2010, SEDCO Capital has made a total of SAR 2.5 billion in acquisitions across global markets, with SAR 1.7 billion in favorable dispositions. 2015 saw us set up a new opportunistic real estate team dedicated to finding new investment opportunities in income-generating real estate assets within developed markets.

In MENA, we launched new Sharia compliant money market strategy during the year. Our GCC-specific public equities also performed well despite market pressures, and outperformed their benchmark by 1.87% through the year.

Our private equity arm explored over 75 co-investment opportunities across the globe in a move backed by strong client mandates. Co-investment enables SEDCO Capital the influence to make tangible process and value improvements to the companies it invests in. We also strengthened the team by bringing in a new head for co-investments who has expertise, experience and an excellent track record in the US.

While we are pleased to have offered our investors results that outperformed the market, I am confident in saying that SEDCO Capital has become an asset manager of choice in the market due to our emphasis on understanding our clients, and aligning our investment approaches with their preferences. In 2016, we will continue listening closely to our investors while emphasizing a well-diversified and prudent approach to investing. Investor appetite has led to the creation of our new Prudent Ethical Investing (PEI) concept that focuses on bringing the best of Sharia and responsible investing under the same umbrella to create an innovative asset management approach that assures the best results while also considering sustainable economic development.

I am grateful for the oversight and guidance provided by the Capital Market Authority in Saudi Arabia and the Commission de Surveillance du Secteur Financier in Luxembourg, which constantly support us in upholding world-class compliance standards.

I also thank our shareholders for their commitment, our clients for their trust, and our Board of Directors for their guidance and wisdom. And I extend heartfelt congratulations to the SEDCO Capital team for the insights, experience and market intelligence that helped make 2015 successful for us despite a challenging market.

The Executive Management Team



Seated from left: Samer Abu Aker, Hasan Al Jabri, Bernard Caralp

Standing from left: Jamil Hassoubah, Nawaf Jamjoom, Kamran Butt, AbdulWahab Abed and Ahmad A. Badawi

Hasan Al Jabri, *Chief Executive Officer*

Hasan AlJabri is the CEO of SEDCO Capital and has been a key figure in the MENA region's investment banking and corporate finance sector for the past 30 years. Prior to joining SEDCO Capital, he served in leading roles at two of the region's most influential financial institutions – NCB Group and SAMBA.

Mr. AlJabri's leadership has seen SEDCO Capital become the world' first fully Shariah compliant asset manager and the first Saudi asset manager to become a signatory of the UNPRI. He has also helped grow the firm's investment across all asset classes including private equities, liquid assets and global real estate.

He serves on the boards of several successful businesses operating in financial

services, FMCG, building materials, IT and catering. He is also a member of the Saudi British Business Council, founding trustee of the Responsible Investing Institute, member of the Global Islamic Finance and Investment Group, and of the HOPE International advisory board. Mr. AlJabri holds a BSc from the American University of Beirut and is an Executive Management Program graduate of Columbia University.

Bernard Caralp, *CIO and Head of Asset Management*

With 27 years of experience, Bernard joined Sedco Capital mid '12 as the Chief Investment Officer and Head of Asset Management after having spent 5 years in setting up the investment activities of a Swiss asset management and advisory services company exclusively focused on

alternative investments. Bernard began his professional career as an academic (economic and applied mathematics) in France and Belgium before joining the consultancy arm of PwC in Luxembourg in '95 as a director in charge of Financial Institutions. He moved to Dexia Asset Management (Luxembourg then Switzerland) in '01 to become their Chief Economist / Head of Strategy.

Mr. Caralp has 2 masters (economy and applied mathematics) and a Ph-D in quantitative economy as well as a degree in sport training.

Bernard is a member of SEDCO Capital's Investment and Product Development Committees.

Samer Abu Aker, *Chief Operating and Finance Officer*

Samer joined SEDCO Capital in '11 after 4 years as COO of Al Brooge Securities in Abu Dhabi. Samer is a Certified Public Accountant with over 16 years experience in middle and executive level management acquired through various roles in international financial

institutions and investment banks such as Lite Speed Management, LLC. And Bank of New York, Bermuda. Mr. Abu Aker is a graduate specializing in accounting of Brock University, Ontario, Canada.

Samer is a Conducting Officer of SEDCO Capital Luxembourg. He is also a member of SEDCO Capital's Investment and Product

Development Committees as well as its Risk and Compliance Committee.

Nawaf Jamjoom, *MD, Acting Head of Product Development*

Nawaf is an acting head of the Product Development Department for SEDCO Capital. He joined SEDCO in 2005 into their management training program and developed experience in Islamic Finance, Asset Management, and Product Development.

Nawaf has a BA & ME in Industrial and Manufacturing Engineering from the University of Missouri as well as an MBA with concentrations in Finance and Marketing from American University in Washington DC. He is currently a member of SEDCO Capital's Product and management Committees.

Ahmad A. Badawi, *Head of Compliance, AML, and Shariah Monitoring*

Ahmad joined SEDCO Group in 2008 with 13 years career in Internal Audit. He currently heads the Compliance and AML and Shariah Monitoring function at SEDCO Capital and assumes the

responsibility of the Money Laundering Reporting Officer. He is a Non-Voting member in SEDCO Capital's Investment Committee and is a member of the Products Development Committee as well as the Risk & Compliance Committees. Additionally, he assumes the secretarial function of SEDCO Capital's General Assembly

meetings, SEDCO Capital Board of Directors, the Investment Committee, the Audit Committee, and the Risk & Compliance Committee.

Ahmad holds a bachelor degree in Finance from King Fahd University of Petroleum and Minerals.

The Executive Management Team

Jamil Hassoubah, MD, Business Development

Jamil joined SEDCO Capital in 2014 as Head of Business Development and Client Relations. Prior to working at SEDCO Capital, Jamil has an impressive 24 years experience with SABB, where he went through various positions and duties Nationally and Internationally from 1991 to 2014.

A certified personal financial planner, wealth management officer and an investment advisor.

Jamil has started his career as a staff officer within the branch network and based on the high performance levels, skills and capabilities he was promoted and moved up within the bank covering various tasks and positions (branch network, corporate

banking, operations and private banking). His last position held at SABB was the Head of International Standards and Special projects in the Head Office besides handling some major roles abroad simultaneously. Jamil holds a Higher Diploma in Meteorology from KAU, Jeddah.

Kamran Butt, MD Head of Client Advisory and International Sales

Kamran Butt joined SEDCO Capital in September 2014 and heads the client advisory and International sales, previously he was based in Geneva, Switzerland as the head Investment Strategist of advisory and sales for Credit Suisse. He was also based in Dubai for Credit Suisse where

he was Head of Private Banking research. Kamran was a member of the Credit Suisse Regional Investment committee (EEMEA) and was Chairman of Credit Suisse Product committee (Middle East). Prior to this he headed the European Equity research for Louis Capital (Hedge Fund advisory) in London, analyzing multi strategy trading. With over 18 years in the industry, Mr. Butt held a number of senior positions at UBS,

Dresdner Kleinwort Wasserstein, as well as Nomura International. Kamran has a BSc in Economics at Queen Mary college, University of London.

Kamran is a member of SEDCO Capital's Investment and Product Development Committees as well as the Management committee.

Abdulwahhab Abed, Acting Head of Corporate Finance

Abdulwahhab Abed is the Acting Head of Corporate Finance of SEDCO Capital. He has been working with the company for the last 8 years. Prior to becoming the Acting Head of Corporate Finance, Abdulwahhab was the Vice President and Director of Private Equity,

responsible for both investing in funds and in co investments across the globe. He was part of the team that manages about 100 private equity investments and has immense experience in private equity investments' due diligence, monitoring and exiting co investments. He is also in the investment committee of SEDCO Capital Partners Group co investment fund. He graduated from

McCallum Graduate School of Business, Bentley College (MBA – Finance).

Investment Services

Advisory

Corporate Finance

SEDCO Capital delivers institutional grade investment advice through its Advisory arm, which in 2015 expanded into new client markets in Asia and North Africa while also adding to its GCC client list. Meanwhile, the Corporate Finance department offers quality sales-side and buy-side advisory services to external clients, and acquired a large holding group as a core client for its buy-side advisory services in 2015.

Advisory

SEDCO Capital's Advisory function helps clients make investment decisions by giving them access to the Advisory team's research advice, asset allocation recommendations, risk assessment and execution capabilities.



The team acts a trusted supporting partner for clients' investment needs regionally as well as internationally.

2015 was a breakaway year for the Advisory service, and heralded the first big-ticket flows into the SEDCO Capital Luxembourg platform. The Advisory team opened up new client markets in Asia and North America, and also brought on board a large GCC institutional investor as a client.



Meanwhile, the team signed on international partners to market SEDCO Capital products globally, and got the firm's investment products listed on powerful global databases including Cambridge Associates, Evestment, and Mercer-GIMD.

Advisory's active marketing and business development efforts through 2015 were bolstered by a highly effective 4-week global roadshow where the team visited 8 cities across 3 continents. Advisory team members met with investors ranging from sovereign and pension state funds to global financial institutions, with a combined strength of USD 2.5 trillion Assets Under Management (AUMs). The roadshow included 2 SEDCO Capital roundtable events in the financial hubs of Singapore

and New York, which burnished the firm's brand and garnered investor interest in its Advisory services. The department also played a leading role in organizing SEDCO Capital's first Global Investor Conference Call in 2015, where an international investor base was introduced to the potential of regional equity markets.

Advisory's successful year came about despite investor risk aversion and emerging market volatility making it harder to gather promising assets. The team also combated negative sentiments on oil that inhibited international investment in the region. However, the department's active business development activities overcame difficult market conditions as investors were successfully drawn to SEDCO Capital's market-beating products.



2016 will see SEDCO Capital's Advisory department continue building on the momentum generated in 2015, particularly in the North American institutional investor market. The team will also explore a promising Japanese market, and will look to collaborate with partners for joint product launches that will appeal to investors globally.

Corporate Finance

SEDCO Capital's Corporate Finance department was established to offer high quality sales-side and buy-side advisory services to external clients, and also assist with adhoc service requests including access to market intelligence and decision-making data.



2015 was a successful year for the team in terms of outreach, brand awareness and on-boarding new clients. The Corporate Finance team acquired a large holding group as a core client for its buy-side advisory services. The terms of the contract see the team source and evaluate deals for the client based on specifically mandated criteria.

The Corporate Finance department also strengthened its client portfolio by adding clients demanding adhoc services such as due diligence and market intelligence on investments. Sales-side advisory services were also strengthened, with the team given a mandate to assist with direct investment exits for a large client.

Outreach remained a key theme for the year, with the Corporate Finance team establishing robust relationships with the CMA and Tadawul. The team benefitted from a busy schedule of international trips and networking opportunities, substantially improving its market profile and deal-sourcing capabilities.

In 2016 and beyond, the Corporate Finance will look to expand its portfolio of world-class services while bringing on board expert human capital. The team will eventually move towards offering equity and debt placement services for large clients, and also assist with restructuring and Initial Public Offerings (IPOs).

Investments Review

Real Estate

Regional Real Estate
International Real Estate

Liquid Strategies

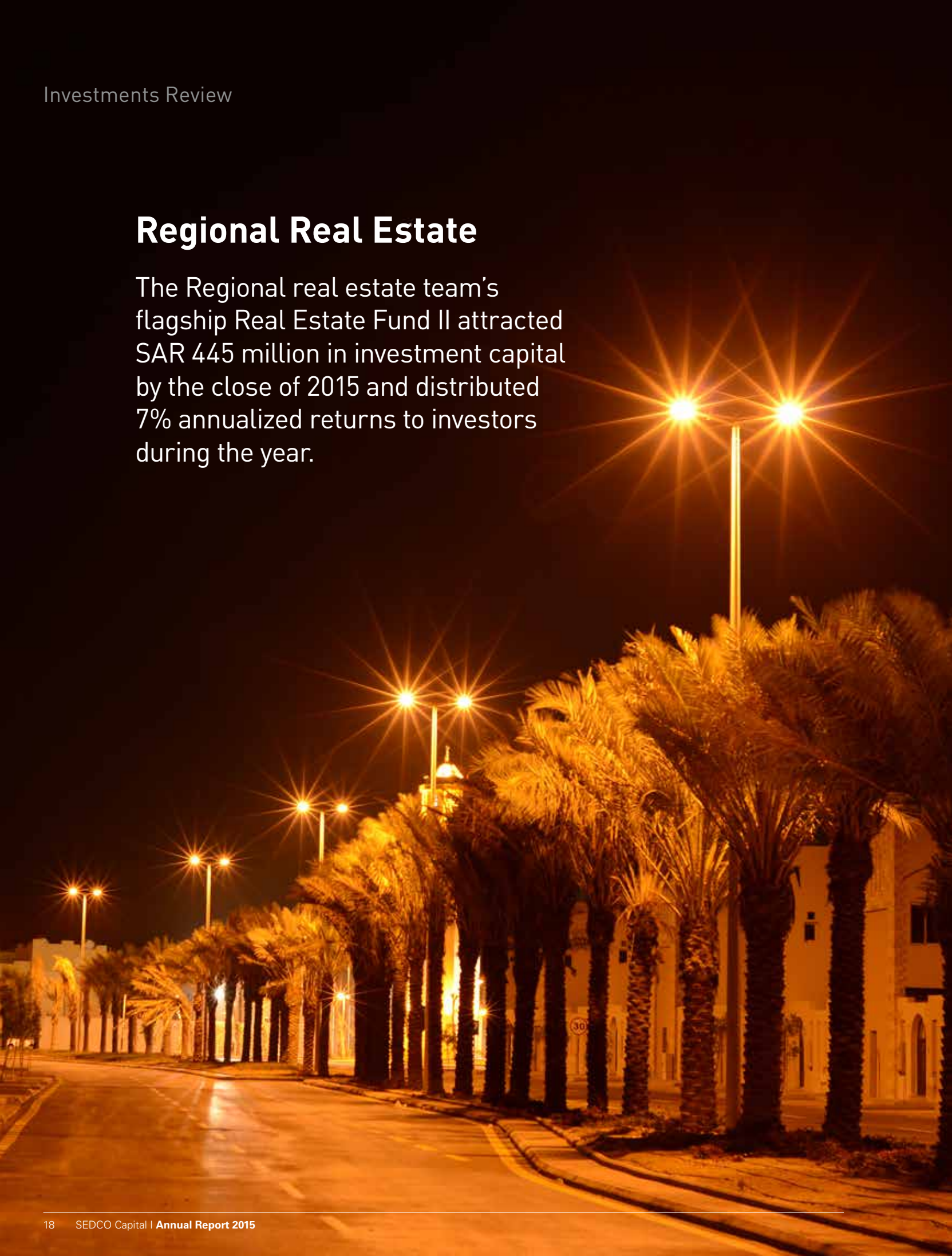
MENA Liquid Strategies
International Public Equities

International Private Equities

SEDCO Capital offers world-class Shariah-compliant investment instruments spanning international and local public equities, private equities, and real estate assets with a global and local focus. With a focus on prudent ethical investment, SEDCO Capital's investments generate strong returns by investing in sound assets across diversified markets. The firm also attracts international investors through its state of the art Luxembourg platform.

Regional Real Estate

The Regional real estate team's flagship Real Estate Fund II attracted SAR 445 million in investment capital by the close of 2015 and distributed 7% annualized returns to investors during the year.



SEDCO Capital's MENA Real Estate arm focuses on managing the concern's regional real estate investment portfolio. In 2015, the team continued delivering on its core competencies of fund management, asset management, research and analysis, development and real estate advisory.

The team relied on disciplined portfolio construction, dedicated research analysis, a strategic approach to capital transactions and adding investor value through active asset, real estate and development management to combat challenging market conditions. It delivered strong returns through top-down research driven approaches combined with bottom-up specialist investment capabilities aligned with client objectives. On the personnel front, a new Assistant Vice-President was appointed to the team, which currently operates at a Saudization level of 70%.

2015 saw the MENA real estate team benefit from the performance of the SEDCO Capital Real Estate Income Fund II. The fund was launched as a specialized product targeted at institutional investors, high net worth individuals and sovereign wealth funds, and was open for investment till December end 2015. SEDCO Capital Real Estate Income Fund II is a continuation of the strategy created by the first Saudi Real Estate Income Fund I, and creates steady income and capital growth by actively managing a diversified portfolio of high-quality income generating real estate assets in Saudi Arabia. The fund raised SAR 445 million in investment capital by December 2015 and distributed 7% annualized returns to investors during the year. A strong asset pipeline was also built for the SEDCO Capital Real Estate Income Fund II, and will be explored further in 2016.

Meanwhile, the original Saudi Income Fund I continued performing strongly in 2015. The Fund's portfolio, originally acquired for SAR 576 million, grew in value to SAR 598 million during the year. The portfolio occupancy rate also improved over 2014 figures, stabilizing at 98% by end 2015. The Fund distributed 7.25% returns to its investors, exceeding benchmarks as well as 2014 returns.



Meanwhile, the MENA real estate team succeeded in reducing operating expenses for 3 of the income generating assets held in the portfolio to save SAR 1.0 million an annum. Efficiencies were also sought by renegotiating lowered free structures for property managers in order to maximize investor returns.

In 2016, the MENA real estate team will pursue a number of KSA-focused opportunistic strategies, and offer these to its investors. There will be a focus on building a portfolio of regional real estate opportunities. The year is expected to see the team secure a number of mandates to manage separate accounts on behalf of investors.

CASE STUDY

Name: SEDCO Capital Real Estate Income Fund II.

Objective: A flagship product investing in income generating real estate assets in Saudi Arabia. This targeted product has gained traction with high net worth individuals, institutional investors and sovereign wealth funds.

Results: The fund raised SAR 445 million in capital through 2015 and distributed 7% annualized returns to investors.

International Real Estate

The International Real Estate Team invested SAR million in new asset acquisition. Since the department's foundation, total international real estate transactions have crossed SAR 4.2 billion, with SAR 2.5 billion in acquisitions and SAR 1.7 billion in dispositions.

In 2015, the team achieved several key milestones in capital deployment and dispositions, with SAR 1 billion worth of transactions. Since inception, total international real estate transactions crossed the SAR 4.2 billion mark, with SAR 2.5 billion in acquisitions and SAR 1.7 billion in dispositions.

SEDCO Capital focused on diversifying its income generating streams across the US, the UK and Australia, playing on demographic and cyclical trends. In 2015, a total of SAR 550 million was invested. This included a luxury senior housing facility in Houston, Texas; a newly-built cold storage distribution facility in Australia; a neighbourhood retail center in South Florida; and a Grade A office building in Birmingham, UK.

Two successful exits were also conducted in the year. The Sorelle Apartment Community in Atlanta, Georgia, was sold at a 1.5x multiple and Diamond Point, an office building in the UK.

In response to investor appetite, a new opportunistic real estate team was formed to target investments that deliver higher risk-adjusted returns, employing a diverse set of strategies, such as renovations, refurbishments, repositioning and planning gain.

In 2016, the focus will be on resilient non-cyclical sectors such as healthcare and longer-term leases. The team will also continue to explore built-to-suit strategies that offer a higher return premium.



CASE STUDY

Name: Atlanta real estate divestment

Objective: A successful divestment of international real estate to create value for investors. In 2015, SEDCO Capital sold its 401-unit mid-rise apartment community in Atlanta, Georgia.

Results: During the 3-year investment period, the property went through a renovation program, which boosted rents and market value. The well-timed disposition generated an equity multiple of 1.5x.

MENA Liquid Strategies

In 2015, the MENA liquid assets team crossed its target of USD 100 million in assets under management (AUMs). Meanwhile, a newly created money market vehicle generated a positive alpha of 1.87 for the year.

The MENA Liquid Assets team was formed in 2014 with the mandate to build the regional equities and money market business for SEDCO Capital. The team manages funds and discretionary portfolios in equities and income assets to achieve clients' risk and return objectives.

In 2015, the team launched its money marketing offerings via a treasury fund strategy, and created products investing in Islamic deposits in Saudi Arabia and the MENA region. The strategy also saw the development of a feeder pipeline on SEDCO Capital's Luxembourg platform to bring international investment into regional markets.

Not only did the MENA liquid assets team cross its USD 100 million target for assets under management (AUMs) in the year but its newly created money marketing vehicle also delivered strong performance to generate a positive alpha of 1.87. There was a renewed focus on attracting big-ticket institutional investments overall, with the team bringing a UK-based 12 million fund focusing on MENA equities on board.

Due to the cyclical depression in public equities and liquid assets across the board, the MENA liquid assets team doubled down on a high conviction, actively managed fund strategy to counteract market pressures.

2015 was, contrary to overall market sentiment, a breakaway year for SEDCO Capital's MENA Liquid Assets team. It hired new team members to thoroughly explore money market opportunities, and was feted as 2015 Saudi Asset Manager of the Year Award by MENA FM. The division head was also recognized as the Top 50 Asset Managers of Season. The team challenged its own conviction-driven approach by retesting many scenarios previously taken for granted, and allocated tactically to maximize returns while reducing risk.

Despite market outlook, 2015 was the year that the liquid assets division went into growth mode and won several mandates from third party big-ticket investors. The department's profile grew exponentially, helping it win new business for its

investment vehicles. The team also saw investor interest for its Discretionary Portfolio Management (DPM) services across its MENA equity, money market, global sukuk and treasury funds.

The team didn't just better bottom lines within its own portfolio but also joined the Saudi Financial Market (Tadawul) on a road show to bring FDI into the Saudi economy. The MENA Liquid Assets team visited



the key global capital hubs of Singapore, London and New York to approach investors. The team's global roadshow resulted in 73 meetings in 1 month across the 3 continents of Asia, Europe and North America, where it approached investors managing assets worth a collective USD 2 trillion.

Despite a challenging year, the team's market insight led to new growth avenues and opportunities. The team believes that the IPO pipeline regionally is stacked with sound companies wanting to be listed so they can access capital markets.

In 2016, the MENA liquid assets team will continue its strategic theme of adaptability. A global sukuk line of products will be launched, while a new Senior Global Analyst will join the team. The Assets Under Management (AUM) portfolio will be grown by targeting sovereign wealth funds and institutional investors. Planned product launches include a free-style Saudi Equities Fund – which will become the first publically offered developed by SEDCO Capital. The sukuk business will be driven by rigorous attention to credit selection and robust in-house research. As economic dynamics throughout MENA change, the SEDCO Capital MENA liquid assets team realizes that excellence is the order of the day because decisions are no longer business as usual.



CASE STUDY

Name: A Money Markets Strategy

Objective: The creation of a treasury fund strategy for investing in Islamic deposits in Saudi Arabia and the MENA region.

Results: The strategy generated an alpha of 1.87%, beating market benchmarks.

International Liquid Strategies

SEDCO Capital's International Liquid Strategy safeguarded its public equities, real estate securities, commodities and income assets portfolio against market volatility through a defensive strategy that delivered sound investor returns.

SEDCO Capital's International Liquid Strategy team invests in Shariah compliant public equities, real estate securities, commodities and income assets to generate investor returns. In 2015, the division continued to optimize investment opportunities available through the SEDCO Capital Luxembourg platform.

The year saw the international liquid portfolio subject to volatility due to swings in the public equity markets worldwide. However, the team's market intelligence had made them aware of impending environmental changes. The function managed to deliver a defensive strategy that kept investors safe while delivering returns. Tactically, the team rebalanced its portfolios to lower exposure to public equities, given concerns about the fundamental global environment for that asset class. There was a reduction in allocation towards riskier liquid assets such as sukuk, commodities and listed real estate indexes. The team also mitigated risk and exposure to market cycles by divesting from emerging markets most affected by depressed oil prices.

These tactical shifts coincided with clients' risk appetites that bent towards safer asset classes in 2015. Investor desires were met by introducing a new Treasury fund investment strategy to the Luxembourg platform, giving clients exposure to safe yet liquid money market instruments.

Meanwhile, existing European growth strategies continued to do well in 2015. These strategies focused on investing in exporters who benefitted from competitive prices caused by the decline of the Euro. Defensive strategies for developed markets were also successful, and saw the international liquid assets team prioritize stable consumer-driven companies and healthcare concerns. These strategies were given extra importance in allocation through 2015, and delivered on their promise.

A new Shariah compliant environmental and resource investment strategy was introduced to the Luxembourg Platform. It targeted liquid investment in concerns dealing with environmental

and sustainability challenges and operating in the renewable energy, waste management, water resources and sustainable agriculture sectors. This strategy has the dual benefit of being secular and volatility-resistant while also converging fully with SEDCO Capital's ethical investment principles.

These tactical asset allocations were backed by a powerful monitoring



function. Weekly, monthly and quarterly analysis procedures were put in place, and underperforming strategies were abandoned in favor of others more suited to current market situations. The team's strong performance in 2015 contributed to SEDCO Capital winning the "The Best Fund Manager" Award at the Global Islamic Finance Awards (GIFA), as part of the Asian Financial Forum in Kuala Lumpur, Malaysia.

2015 also saw the role of the division evolve. It became an entity independent from the Chief Investment Officer and Head of Asset Management. This greater independence was backed by team expansion and development. The team, now composed entirely of Saudi Nationals, saw a new member and division head join. Team members also attended training sessions throughout the year to retain their world-class skills.

2016 will see the international liquid strategy team deliver a more client-centric approach that puts investor interest first and foremost. This focus will see the launch of new funds and investment strategies based on client preferences.

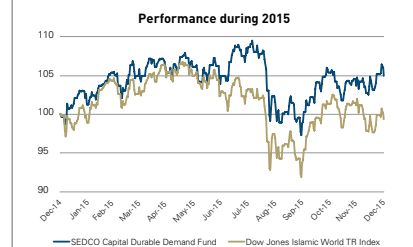


CASE STUDY

Name: A Defensive Durable Demand Strategy.

Objective: A defensive beta strategy targeting volatility-resistant public equities to deliver investor returns.

Results: The strategy outperformed global benchmarks by 5.7% in 2015.



International Private Equities

A focus on diversification and investment discipline saw the SEDCO Capital Private Equity team outperform public equity indices by around 10%. A successful exit from a poultry farm in Thailand generated returns of 3.3x the investment cost.



SEDCO Capital's private equity team invests in a global portfolio of assets with the aim of maximizing yields on favorable exits. While 2015 saw a recession in European markets as well as challenges in emerging ones, SEDCO Capital's private equity portfolio outperformed public equity indices by about 10%.

This robust performance was driven by two key factors – investment discipline and a carefully chosen well diversified portfolio. SEDCO Capital's private equity investment program invests in small and mid cap growth companies on a medium long-term basis. Because of its diversity in terms of sector, geography, style and strategies, the program is less volatile than outright buy-outs.

Continuing its diversification focus, SEDCO Capital's international private equity portfolio comprises stakes in some 600+ companies invested through 70 plus private equity funds and co investments, with a reasonable degree of non-correlation deliberately built in. This meant that even as certain sub-asset classes within private equity were subject to a downward cycle, other strategies within the program acted as a hedge to offer above-mean performance.

The SEDCO Capital private equity team created opportunities for successful exits through the year. Historically, all SEDCO Capital's private equity divestments have been timed very carefully to net a 2.5x yield overall. Successful exits during 2015 included a Thailand poultry farm property that, despite feed price challenges and

depressed poultry demand in Europe, achieved 230% growth in revenue and generated returns of 3.3x its investment cost.

Prudent bookkeeping helped the private equity team balance risk and performance. As per best practice, all assets were given a conservative valuation until investment realization. By end 2015, the private equity growth portfolio was generating a net Internal Rate of Return (IRR) of 12%, outperforming both private and public equity indices.

The year also saw a strategic rebalancing away from funds, and towards co-direct investments. In 2015, the SEDCO Capital co-investments team looked at up to 75 co-investment commitments, and is working towards quickly deploying the committed capital into sound portfolio companies globally.

2016 will see SEDCO Capital focus its investments towards secular, recession-resistant sectors in emerging markets such as healthcare, consumer goods and education. The aim is to create a basket of assets that delivers sound longer-term returns without taking any significant market volatility risk.

CASE STUDY

Name: Thailand poultry farm exit

Objective: A well-timed exit of an international private equity asset to generate yields. In 2015, SEDCO Capital divested from a Thailand poultry farm property that had seen revenue growth and was an attractive market proposition.

Results: Despite feed price challenges and depressed poultry demand in Europe, the farm achieved 230% growth in revenue and generated returns of 3.3x its investment cost.

Management Review

Asset Allocation
Business Development
Compliance, AML and Shariah Monitoring
Environmental, Social and Governance
Risk Management
Operations
Product Development
Research
Marketing
Awards and Events

Management Review

SEDCO Capital's management functions support the firm's business goals through efficient asset allocation, dedicated risk management, adept business development, innovative product development, operations and marketing. Dedicated teams have also been established to ensure regulatory compliance and Shariah monitoring, conduct research into innovative products, and put Environmental, Social and Governance (ESG) leadership firmly within SEDCO Capital's investment culture.



Asset Allocation

SEDCO Capital's Asset Allocation team sets investment strategies that balance risk and return by carefully selecting the exposure to each asset class within an investment portfolio. This process is highly dependent on clients' risk profiles, time frames and expected returns, and is adjusted periodically.

SEDCO Capital's asset allocation is defined by the Cyclical Asset Allocation Committee (CAAC) chaired by SEDCO Capital's Chief Investment Officer (CIO). The Committee includes senior representatives from SEDCO Capital's asset management departments, and meets quarterly to review the global economic and financial situation.

In 2015, CAAC continued investigating an investment universe comprising all liquid asset classes, including global public equities, global listed real estate equities, income assets (Sukuks and Murabahas), and commodities. From a regional perspective, the CAAC kept its focus on 4 geographies - the US, Europe, developed Asia-Pacific markets, and global emerging markets.

The year saw the CAAC provide re-allocation recommendations between asset classes

and or regions based on a proprietary scoring system that evaluated the 4 inputs of macro fundamentals, market valuations, market sentiment and risk factors.

CAAC's insights through the year were a key element of SEDCO Capital's dynamic management of client investment portfolios, and enabled the firm's core diversified strategy to beat the market by delivering a positive alpha of 16bps. The core diversified strategy, first implemented in 2014, had Assets Under Management (AUMs) of approximately USD 120 million by the close of 2015. The strategy's performance during the year was made more remarkable given the volatility in global equity markets and the valuation fluctuations affecting several asset classes.

In 2016, the CAAC will continue its policy of liaising with SEDCO Capital's fund and portfolio managers through quarterly meetings while emphasizing strong portfolio construction methodologies. It aims to deliver incisive analyses that help SEDCO Capital's core diversified investment strategy become a flagship for the company's asset allocation and portfolio construction capabilities.

Business Development

SEDCO Capital's Business Development function creates new business opportunities by reaching out to high potential investors. It also actively gathers intelligence on investor preferences, and then liaises with the Product Development team to design products that generate market interest.

2015 was the Business Development team's most successful year to date in terms of meeting clients' expectations, enhancing services standards and attracting new clients. The firm's client portfolio is now 40% comprised of new clients that the Business Development team has succeeded in attracting.

This success was attributable to the department's credo of identifying exactly what clients want, and serving them with products that perfectly fit their investment strategies, risk appetite and desire for diversification. The team's achievement was also driven by an active strategy to enhance client service standards, showcase SEDCO Capital's capabilities and diverse offerings, and deliver exceptional customer service.

A major success for the team during the year was in attracting investors to SEDCO Capital's flagship Saudi Real Estate Income Fund II. By December 2015, the team's success in generating market interest helped the fund raise SAR 445 million in capital.

The Business Development team further refined its strategy of offering tailored products as opposed to mass-market opportunities. It targeted a portfolio of institutional investors, high net worth individuals and sovereign wealth funds to generate investments across all SEDCO Capital asset classes. 80% of new clients in 2015 were high net worth individuals, with institutional investors constituting the remaining 20%. PLCs contributed 40% to the institutional investor portfolio, with banks making up the majority at 60%. In terms of asset classes, income generating real estate assets (locally and internationally) were the most popular with clients given market volatility.

SEDCO Capital's Business Development team treats superior customer service and exceptional standards as cornerstones of daily business, and continuously on these benchmarks through 2015.



The Business Development team capitalizes on a very well experienced team, who follow a client-centric approach in all of their operations by comprehensively and regularly revisiting its processes and manuals. The team classifies clients based on preferences to align their interests with that of SEDCO Capital's. Through 2015, the department also enhanced its analysis and research capabilities to help design products and instruments compatible with market and client preferences.

These initiatives collectively contributed to a successful 2015 across three pillars – high client satisfaction, increased fund raising capabilities and an expanding client base.



Compliance, AML and Shariah Monitoring Division

SEDCO Capital's Compliance, AML, and Shariah Monitoring division is responsible for ensuring regulatory compliance across the entire business. It maintains a strong relationship with the Capital Market Authority (CMA) for external compliance while collaborating with SEDCO Capital Management to develop control mechanisms.

In 2015, the Compliance department focused on line and breadth compliance enhancement, where detailed compliance mechanisms were upgraded across the entire business and its investment products. Compliance was also further integrated across all SEDCO Capital's business components including product development, the investment committee, business development and client relations. This integration was bolstered by regular training and communication initiatives reaching out to all SEDCO Capital departments.

The Compliance function evolved its operations to deal with new regulatory guidelines and the increasing sophistication of SEDCO Capital's investment products in 2015. The year saw the department's co-operation with the CMA continue apace, and a CMA visit during the year resulted in positive

feedback for SEDCO Capital's commitment to regulatory compliance. SEDCO Capital employees are now CMA-accredited in line with the regulatory authority's requirements to ensure compliance throughout the firm.

2015 also saw the Compliance team enhance SEDCO Capital's Shariah monitoring capabilities by compiling very detailed processes for the implementation of Shariah principles, backed by oversight and regular monitoring.

In 2016, SEDCO Capital's Compliance, AML, and Shariah Monitoring division will continue enhancing its oversight mechanisms to ensure that regulatory compliance remains a key part of all SEDCO Capital's processes.

Environmental, Social and Governance (ESG)

SEDCO Capital reaffirmed its market leadership in ethical investing in 2015 with an attractive investment instrument portfolio backed by world-class environmental, social and governance (ESG) guidelines. Guided by the Research team, ESG department was instrumental in supporting Compliance and other functions through robust research that helped advance SEDCO Capital's stringent ethical investment standards in 2015.

2014 had seen SEDCO Capital become the first global Shariah complaint signatory to the United Nations Principles of Responsible Investment (UNPRI), and the first Saudi Arabian company to sign. 2015 continued that commitment to compliance and ESG, with a formal report submitted to the UNPRI. The report was received favorably, with UNPRI feedback laying the groundwork for a further strengthening of SEDCO Capital's investment procedures.

The year also saw the ESG team play a leading role in the revision of SEDCO Capital's Responsible Investment Policy with the aim of integrating environmental, social and corporate governance considerations throughout SEDCO Capital's investment processes. This enables the firm to extend its products and services to a wide range of responsible investors. Some of the target investor audiences favor Shariah compliance, while others are looking for prudent investments that conform to ethical and risk-averse guidelines.

The ESG team also continued a process of in-house knowledge transfer through regular training sessions and communication with asset management teams. The team's efforts ensured that ESG is a core element of all SEDCO Capital's investments.

In 2016, the ESG and Research teams will continue delivering robust guidelines and new knowledge to ensure that ethical investing and Shariah compliance remain embedded in SEDCO Capital's investment framework, and also inform the creation of attractive new investment opportunities for clients.

Risk Management

SEDCO Capital formalized its in-house Risk Management function in 2014 to effectively deliver risk assessments for in-house and external funds. In 2015, the function expanded its remit and ran multiple portfolio construction and risk analytics exercises to cover new products and portfolios as well as existing ones.

Detailed risk analytics were also provided to internal asset management teams through the year, and analytical processes were enhanced in line with client needs, new requirements and regulatory changes.

The department also expanded its Smart Beta investment strategy and demonstrated strong results on its model portfolios and tests. The strategy was extended across different markets while incorporating a wider range of factors for robust performance. The number of model portfolios for the Smart Beta strategy was grown from 2 to 6. This strong performance enabled the department to get investment core client investment committee approval for seed investment.

In 2014, SEDCO Capital had become the first asset manager in Saudi Arabia to sign up to the United Nations Principles for Responsible Investment (UNPRI). In 2015, the Risk Management department built on this success by submitting its first annual report to the UNPRI body, and receiving positive feedback. The year saw the department upgrade investment processes to mitigate potential weaknesses based on the feedback received. The function also revised SEDCO Capital's Responsible Investment Policy to provide greater integration of environmental, social and corporate governance considerations.

In 2015, the Risk Management team entrenched its knowledge sharing and outreach program by launching its Research Forum platform to share new ideas and discuss key topics including nowcasting, Smart Beta, active and factor risks, commodity allocations, and long term FX forecasting. The Forum held 5 key events during the year, helping the department present its research ideas and gain support for integrating them throughout SEDCO



Capital's investment processes. The campaign also enabled the department to get buy-in from all SEDCO Capital departments including the asset management team.

In addition, team representatives participated in external events including a panel on its Smart Beta strategy at the Fund Forum Dubai, and an FSA Society Saudi Arabia event held in association with the UNPRI in Jeddah.

On the personnel front, the Risk Management team expanded by on-boarding a Research Analyst and consolidated its training program by delivering classes for SEDCO Capital employees and core clients on risk management for illiquid asset classes.

2016 will see the Risk Management department build on its research, testing and modeling to launch the Smart Beta strategy as a product open for external investment.

Risk Management delivers risk assessments for in-house and external funds, and runs multiple portfolio construction and risk analytics exercises. It provides detailed risk analytics, and helps enhance SEDCO Capital's analytical processes for investments.

The Operations department played a very important role in cementing SEDCO Capital's relations with banks, financial institutions and investors. It assisted in raising funds and closing SEDCO Capital's flagship real estate income generation investment vehicle- the Saudi Real Estate Fund II. During the year, the team was instrumental in obtaining CMA approval for a new Leasing Fund

SEDCO Capital's Operations department supports the Asset Management team in ensuring robust investment procedures on behalf of clients.



Operations

SEDCO Capital's Operations department supports the Asset Management team in ensuring robust investment procedures on behalf of clients. The team facilitates investment transactions such as subscriptions, redemptions, client reporting and management reporting. The department also handles cash management, performance calculations, custodian reconciliation, trade matching and confirmation, corporate actions processing for equity funds, and maintaining the Investment Book of Record (IBOR).

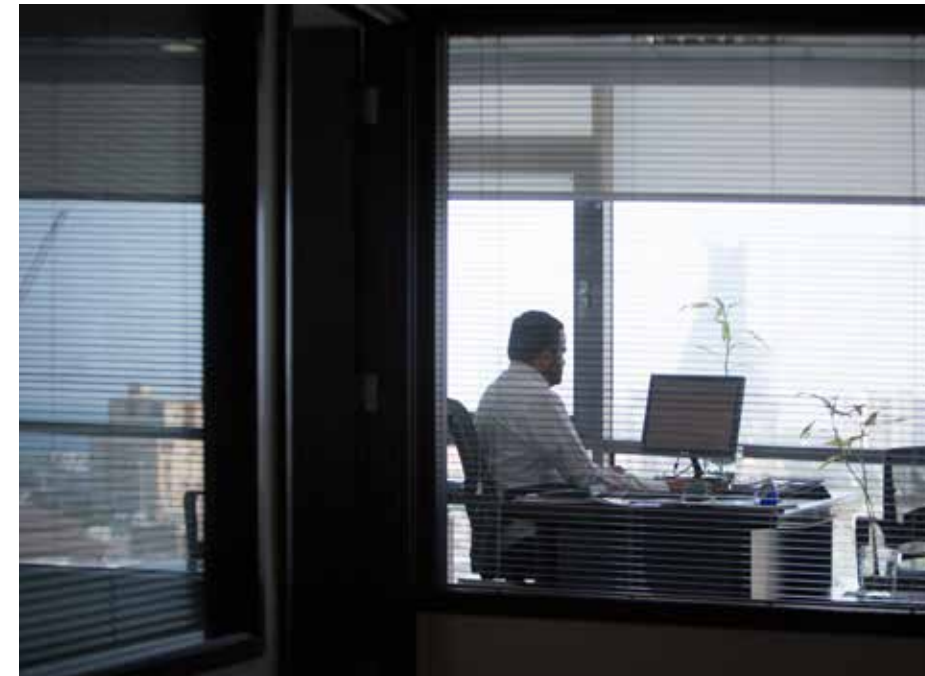
In 2015, the Operations department continued playing a very important role in cementing SEDCO Capital's relations with banks, financial institutions and investors across local, regional and global markets.

The team played a key role in raising funds and closing SEDCO Capital's flagship real estate income generation investment vehicle - the Saudi Real Estate Fund II. The Fund, opened to SEDCO Capital clients at the very end of 2014, closed in December 2015 after generating SAR 445 million in investor capital.

During the year, the team was instrumental in obtaining CMA approval for a new Leasing Fund strategy. It also assisted SEDCO Capital in getting the necessary approvals to act as Investment Manager for a multi-trust fund based in Ireland.

The Operations team successfully completed a comprehensive audit of SEDCO Capital managed funds during the year, and also appointed an external partner firm to handle CRS global taxation reporting required by international regulators and governments.

Other initiatives saw the enhancement of reports generated for SEDCO Capital's investor clients. A new member of the team was also on-boarded to assist with the department's growing responsibilities.



Product Development

SEDCO Capital's Product Development team leads the creation of new products and investment instruments in line with market opportunities and investor appetites. It takes the insights generated by SEDCO Capital's Strategy and Management Committee and turns them into attractive, market-beating investment vehicles.

In 2015, the team continued to research investor motives and launch products to give clients easy exposure to the asset classes they sought. The volatile nature of the market environment saw the team focus on lower risk income-generating strategies largely targeting real estate in Europe and US markets. Product Development prioritized steady income streams and asset soundness through the year, and looked to longer-term investments to defeat price market cycles.

The year also saw the team expand its public equity product range by focusing on defensive strategies, including indexing and yielding assets. The strategies focused on secular industry sectors resistant to market volatility, such as healthcare and consumer staples. There was also a focus on exploring fixed

income Sukuk, money market and Murabaha strategies on behalf of clients.

The Business Strategy team also launched a liquid strategy for agile investments in commodities, and focused on creating co-investment opportunities in private equity. These exclusive co-investment products garnered excellent market interest from high net worth individuals (HNWIs) and sovereign wealth funds.

The emphasis for the year was to create the most efficient structures for investment while complying with regulatory and ethical frameworks. The Product Development team created new strategies for almost every investment class SEDCO Capital deals, while delivering products that beat bearish markets.

By the close of the year, the Product Development team had launched 9 new products with 3 addressing liquid strategies, another 3 exploring international real estate, and the final 3 creating international private equity opportunities.

Monitoring processes were tightened and upgraded to account for a portfolio of 20+ products across various asset classes.

The team emphasized monthly review sessions to ensure all products and strategies were meeting objectives through the year.

In 2016, the Product Development department will continue launching attractive products and strategies that are attuned to market conditions and are attractive to investors. The team is aiming to expand operations and possibly on-board new team members to deal with a growing product portfolio.

SEDCO Capital's Product Development team leads the creation of new products and investment instruments in line with market opportunities and investor appetites.

Management Review

SEDCO Capital's Research department creates robust internal capabilities for effective asset management and supports SEDCO Capital's investment processes through investment research, portfolio analytics and new product initiatives.



Research

SEDCO Capital's Research department was founded in early 2014 to create robust internal capabilities for effective asset management. In 2015, the department expanded its remit of providing support to SEDCO Capital's investment process through top down and bottom up investment research, portfolio analytics and new product initiatives.

The research team was instrumental in founding the Research Forum, a knowledge sharing and outreach platform. Through 2015, the Forum conducted 5 key events that assisted in the presentation of new research ideas and their integration into SEDCO Capital's investment processes, and catalyzed the sharing of knowledge across the firm's asset management teams and other departments. Key topics covered by the Research team through its intra-organizational Research Forum included nowcasting, Smart Beta, active and factor risks, commodity allocations, and long term FX forecasting.

In 2015, the Research team also played a leading role in modeling a Smart Beta strategy that tracks key funds to generate sound investor returns while mitigating risk. The systematic Smart Beta process-based

equity strategy offers long-term investors an efficient, liquid, diversified and low cost approach to enhancing their risk-return profile. It capitalizes on market inefficiencies and premium imbalances to generate strong results with low risk profiles.

During the year, the team grew its Smart Beta model portfolios from 2 to 6 while showcasing sound results. Core members of the team also took the viability of the Smart Beta strategy to external audiences by participating in key events including the Fund Forum Middle East in Dubai and a CFA Society Saudi Arabia event held in Jeddah in association with the UNPRI.

Processually, the team extended its Smart Beta research across different markets while incorporating a wider range of environmental factors. A new research analyst was also hired during the year to bolster the team's cutting edge capabilities.

2016 will see the team continue bolstering SEDCO Capital's investment performance through incisive research into new mechanisms and instruments suited for current market environments. The team is also preparing to take the Smart Beta strategy live as a product open for external investment. In 2016 and

beyond, this strategy will inform SEDCO Capital's investments in emerging Asian market funds as well as US and European mid-cap equity index funds.

In 2015, the Research team played a leading role in modeling a Smart Beta strategy that tracks key funds to generate sound investor returns while mitigating risk.



Marketing

SEDCO Capital's Marketing function plays an essential role in positioning SEDCO Capital as a world-class asset manager. The department engages in year-round activities designed to bolster brand equity, raise SEDCO Capital's profile and showcase the company's achievements and innovations. This in turn helps the team support business development and new client acquisition.

2015 was a successful year for the marketing department in identifying and executing on key opportunities to build brand goodwill through a dynamic mix of events, outreach programs, awards and public relations activities.

A highlight of the year was SEDCO Capital's collaboration with the Saudi Financial Market (Tadawul) on an international roadshow to attract FDI flows to the country. The SEDCO Capital team held 73 meetings in 1 month across the 3 continents of Asia, Europe and North Africa, showcasing the firm's expertise and asset management skills to investors managing a collective USD 2 trillion in assets.

Through the year, the Marketing function also played a key role in getting SEDCO Capital's senior decision-makers to speak



at industry events in the interests of knowledge dissemination and brand positioning. SEDCO Capital experts participated in a busy schedule of speaking opportunities such as the MEI Conference in Dubai, SEDCO Capital/ABANA roundtable in New York, Global Arc in Boston, Islamic Finance News Forum in Dubai, Global Islamic Investment Forum and the Euromoney Islamic Investment Forum in London.

The Marketing team also facilitated prime time interviews for SEDCO Capital's decision-makers with the explicit aim of positioning the firm as a market expert and thought leader. SEDCO Capital CEO Hasan Al Jabri appeared in a Bloomberg segment on the Saudi market opening up, a BBC interview on market liberalization in Saudi Arabia, and a Wall Street Journal review on market opportunities in the country. Marketing also helped organize

SEDCO Capital's Marketing team engages in year-round activities designed to bolster brand equity, raise SEDCO Capital's profile and showcase the company's achievements and innovations.

SEDCO Capital fund manager Yazan Abdeen's interview by MSNBC's Closing Bell, and MENA FM Cover's chat with SEDCO Capital's Chief Investment Officer Bernard Caralp.

The Marketing department's strategy of proactively applying for global awards helped SEDCO Capital add to its long list of accolades. In 2015, SEDCO Capital was feted as Shariah Fund Manager of the Year by the Global Islamic Finance Awards, and hailed as the Islamic Fund Manager of the Year by MENA ISF Awards. The IsFin – Islamica 500 Awards also picked Hasan Al Jabri as one of the Top 50 Global Leaders in Islamic Finance.

Through the year, the Marketing team also gathered, created and disseminated expert information about the market through reports and printed material.

All told, the department's activities translated into robust coverage of SEDCO Capital's activities across local and international media in a number of languages, generating quantifiable boosts for the SEDCO Capital brand.

Awards and Events

SEDCO Capital's strong market performance and robust asset management capabilities have resulted in a number of industry recognitions, accolades and awards.



Global Islamic Finance Award

- 28th of September 2015
- Sharia Fund Manager of the Year 2015

MENA ISF Award

- 28th of October 2015
- Islamic Fund Manager of the Year

IsFin – Islamica 500

- 29th of October 2015
- Top 50 Global Leader Islamic Finance – Hasan AlJabri