

**GCC Equity Fund
Open-Ended Fund
(Managed by Alawwal Invest Company)
Interim Condensed Financial Statements (Unaudited)
For the six-month period ended 30 June 2022
Together with the
Independent Auditor's Review Report to the Unitholders**

GCC Equity Fund
Open-Ended Fund
(Managed by Alawwal Invest Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (Un-audited)
For the six-month period ended 30 June 2022

	PAGES
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS	2
INTERIM STATEMENT OF FINANCIAL POSITION	3
INTERIM STATEMENT OF COMPREHENSIVE INCOME	4
INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS	5
INTERIM STATEMENT OF CASH FLOWS	6
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	7 - 12

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE UNITHOLDERS OF GCC Equity Fund (Managed by Alawwal Invest Company)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of GCC Equity Fund (the "Fund") managed by Alawwal Invest Company (the "Fund Manager") as at 30 June 2022 and the related interim statements of comprehensive income, changes in net assets (Equity) attributable to the unitholders and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.



Ahmed A. Mohandis
Certified Public Accountant
License No. 477



24 Muharram 1444H
22 August 2022G
Riyadh, Kingdom of Saudi Arabia

GCC Equity Fund
Open-Ended Fund
(Managed by Alawwal Invest Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

(Amounts in Saudi Arabian Riyals)

	<u>Note</u>	<u>30 June 2022</u> <u>(Un-audited)</u>	<u>31 December 2021</u> <u>(Audited)</u>
<u>ASSETS</u>			
Bank balances		2,857,971	1,301,251
Investments designated at fair value through profit or loss (FVTPL)	6	8,503,980	9,978,062
Dividend receivable		3,000	-
Receivables and advances		78,352	-
TOTAL ASSETS		11,443,303	11,279,313
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		52,756	82,914
TOTAL LIABILITIES		52,756	82,914
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		11,390,547	11,196,399
Units in issue (in numbers)		545,915	550,413
Net Asset (Equity) Value per unit		20.87	20.34

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

GCC Equity Fund**Open-Ended Fund**

(Managed by Alawwal Invest Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**For the six-month period ended 30 June 2022****(Amounts in Saudi Arabian Riyals)**

	<u>Note</u>	<u>30 June 2022</u>	<u>30 June 2021</u>
<u>Income</u>			
Net gain from investments designated at FVTPL	7	398,781	1,997,119
Dividend income		90,434	108,791
		489,215	2,105,910
<u>Expenses</u>			
Management fees	9	(120,409)	(89,924)
Other expenses	8	(66,986)	(59,708)
		(187,395)	(149,632)
Net income for the period		301,820	1,956,278
Other comprehensive income for the period		-	-
Total comprehensive income for the period		301,820	1,956,278

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

GCC Equity Fund
Open-Ended Fund
(Managed by Alawwal Invest Company)

**INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT
HOLDERS (UN-AUDITED)**

For the six-month period ended 30 June 2022
(Amounts in Saudi Arabian Riyals)

	<u>30 June 2022</u>	<u>30 June 2021</u>
Net assets (Equity) attributable to the Unitholders at beginning of the period	11,196,399	8,387,752
Total comprehensive income for the period	301,820	1,956,278
Changes from unit transactions		
Issuance of units	-	-
Redemption of units	<u>(107,672)</u>	<u>(260,798)</u>
Net changes from unit transactions	<u>(107,672)</u>	<u>(260,798)</u>
Net assets (Equity) attributable to the Unitholders at end of the period	<u>11,390,547</u>	<u>10,083,232</u>

UNIT TRANSACTIONS

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

	<u>30 June 2022</u> <u>Units</u>	<u>30 June 2021</u> <u>Units</u>
Units at the beginning of the period	550,413	569,918
Issuance of units	-	-
Redemption of units	<u>(4,498)</u>	<u>(14,998)</u>
Net decrease in unit transactions	<u>(4,498)</u>	<u>(14,998)</u>
Units at end of the period	<u>545,915</u>	<u>554,920</u>

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

GCC Equity Fund
Open-Ended Fund
(Managed by Alawwal Invest Company)

INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the six-month period ended 30 June 2022
(Amounts in Saudi Arabian Riyals)

	<u>Note</u>	<u>30 June 2022</u>	<u>30 June 2021</u>
<u>Cash flows from operating activities:</u>			
Net income for the period		301,820	1,956,278
Adjustments for:			
Unrealized gain from investments designated at FVTPL	7	<u>1,253,715</u>	<u>(1,836,615)</u>
		1,555,535	119,663
<u>Net changes in operating assets and liabilities:</u>			
Investments designated at FVTPL		220,367	759,957
Dividend receivable		(3,000)	(7,512)
(Increase) / decrease in receivables and advances		(78,352)	1,712
Accrued expenses and other liabilities		<u>(30,158)</u>	<u>(31,391)</u>
Net cash generated from operating activities		<u>1,664,392</u>	<u>842,429</u>
<u>Cash flows from financing activity:</u>			
Redemption of units		<u>(107,672)</u>	<u>(260,798)</u>
Net cash used in financing activity		<u>(107,672)</u>	<u>(260,798)</u>
Net change in cash and cash equivalents		1,556,720	581,631
Cash and cash equivalents at beginning of the period		<u>1,301,251</u>	<u>216,167</u>
Cash and cash equivalents at end of the period		<u>2,857,971</u>	<u>797,798</u>

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

GCC Equity Fund

Open-Ended Fund

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

1 INCORPORATION AND PRINCIPAL ACTIVITIES

GCC Equity Fund (the “Fund”) is an open-ended fund domiciled in Kingdom of Saudi Arabia, created by an agreement between Alawwal Invest Company (the “Fund Manager”), a subsidiary of The Saudi British Bank (formerly a subsidiary of Alawwal Bank) (the “Bank”) and investors in the Fund (the “Unitholders”).

The Fund’s Manager registered office is at P.O. Box 1467, Riyadh 11431, Kingdom of Saudi Arabia.

GCC Equity Fund	
Commencement Date	30 November 2005
Latest Governing Terms and Condition Date	28 February 2022
Category	Conventional
Objective	Long term capital appreciation
Allowed Investment Channels	GCC equity markets
	Money market funds

The Fund has appointed Riyadh Capital (the “Custodian”) to act as its custodian, administrator and registrar.

The fees of the custodian and administrator’s services are paid by the Fund.

The Fund Manager is responsible for the overall management of the Fund’s activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) detailing requirements for all investments funds operating within the Kingdom of Saudi Arabia and published by the Capital Market Authority (the “CMA”) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were further amended on 12 07 (Rajab) 1442H (corresponding to 22 February 2021) (the “Amended Regulations”). The Fund Manager believes that the Amended Regulations was effective since 19 09 (Ramadan) 1442H (corresponding to 01 May 2021).

3 BASIS OF PREPARATION

3.1. Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered & Professional Accountants (“SOCPA”).

Assets and liabilities in the interim statement of financial position are presented in the order of liquidity.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund’s annual financial statements as at 31 December 2021. The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

3.2. Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments carried at fair value through profit or loss which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

3.3. Functional and presentation currency

Items included in these interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These interim condensed financial statements are presented in Saudi Arabian Riyals (SR) which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into SR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SR using the exchange rates prevailing at date of the interim statement of financial position. Foreign exchange gains and losses arising from translation are included in the interim statement of comprehensive income.

GCC Equity Fund

Open-Ended Fund

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

3 BASIS OF PREPARATION (CONTINUED)

3.4. Critical accounting judgments, estimates and assumptions

The preparation of the interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. The Fund based its assumptions and estimates on parameters available when the interim condensed financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

3.5. Going concern

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2021. Certain new standards, amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the Fund.

There are several other amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial statements. In the opinion of the Fund's Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

5 MANAGEMENT FEE, AND OTHER CHARGES

Fund management fees are recognized on an accrual basis and charged to the interim statement of comprehensive income at rates agreed with the Fund Manager and as stated in the terms and conditions of the Fund.

GCC Equity Fund**Open-Ended Fund**

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

6 INVESTMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

As at the interim statement of financial position date, investments designated at FVTPL comprise of the following sectors:

Industry sector**30 June 2022 (Unaudited)**

	Cost	Fair Value	%
Banks	2,156,521	3,423,368	40.26
Material	729,528	919,037	10.81
Telecommunication	375,403	419,056	4.93
Energy	499,410	587,200	6.91
Health care	238,222	312,286	3.67
Food and staples retailing	74,150	58,900	0.69
Utilities	45,800	62,920	0.74
Food and beverages	63,716	58,636	0.69
Consumer services	52,438	42,931	0.50
Capital Good	112,013	107,145	1.26
Media	62,300	47,000	0.55
Others	2,614,329	2,465,501	28.99
Total	7,023,830	8,503,980	100.00

Industry sector**31 December 2021 (Audited)**

	Cost	Fair value	%
Banks	1,804,147	3,285,063	33.26
Materials	1,323,454	1,688,146	17.09
Telecommunication services	727,653	876,169	8.87
Building and construction sector	178,200	180,338	1.83
Energy	370,164	389,520	3.94
Health care equipment and services	184,844	279,816	2.83
Retailing	117,784	215,474	2.18
Utilities	107,454	146,278	1.48
Consumer services	70,279	132,435	1.34
Capital goods	62,640	79,840	0.81
Food and beverages	92,186	78,926	0.80
Transportation	76,654	68,155	0.69
Insurance	964	1,446	0.01
Others	2,025,981	2,454,663	24.85
Total	7,142,404	9,876,269	100.00
Jahez IPO	101,793	101,793	-
Total	7,244,197	9,978,062	100.00

The geographical exposure of the investment portfolio as at statement of financial position date is as follows:

Industry sector**30 June 2022 (Unaudited)**

	Cost	Fair value	%
Equities			
Kingdom of Saudi Arabia	4,409,501	6,038,479	71.01
United Arab Emirates	1,293,558	1,266,541	14.89
State of Kuwait	595,301	592,723	6.97
State of Qatar	725,470	606,237	7.13
Total	7,023,830	8,503,980	100.00

GCC Equity Fund**Open-Ended Fund**

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

**6 INVESTMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)
(CONTINUED)**

Industry sector	31 December 2021 (Audited)		
	Cost	Fair value	%
<i>Equities</i>			
Kingdom of Saudi Arabia	5,218,216	7,523,399	75.40
United Arab Emirates	1,077,258	1,392,415	13.95
State of Kuwait	948,723	1,062,248	10.65
Total	7,244,197	9,978,062	100.00

**7 NET GAIN FROM INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS
(FVTPL)**

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
	SR	SR
Realized gain	1,652,496	160,504
Unrealized (loss) / gain	(1,253,715)	1,836,615
	398,781	1,997,119

8 OTHER EXPENSES

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
	SR	SR
Standard & Poor's benchmarking fee	7,903	7,902
Custody fee	12,000	12,000
Value Added Tax	21,721	17,148
Audit fees	9,918	9,917
Board members' fees (note 9)	2,834	4,250
CMA monitoring fee	3,719	3,720
Brokerage fee	6,411	2,291
Tadawul fees	2,480	2,480
	66,986	59,708

9 TRANSACTIONS WITH RELATED PARTIES*Management fee and other transactions*

The Fund is managed and administered by the Fund Manager. For this service the Fund pays a management fee calculated on every valuation day, at an annual rate of 1.95 % of the Fund's daily net assets. In addition, the Fund Manager charges a subscription fee of 1.5 % on gross subscriptions to cover administration costs and a redemption fee of 0.5% on redemptions within a month of subscribing, which is reinvested in the Fund. Total management fees for the period amounted to SR 120,409 (30 June 2021: SR 89,924).

Other expenses paid by the Fund Manager on behalf of the Fund are charged to the Fund.

GCC Equity Fund**Open-Ended Fund**

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in Saudi Arabian Riyals)****9. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)***Board of Directors*

The independent directors are entitled to remuneration for their services at rates determined by the Fund's terms and conditions in respect of attending meetings of the board of directors or meetings of the Fund. Independent director's fees are currently SR 3,000 per meeting up to a maximum of 2 meetings per annum per director which is paid equally by all funds supervised by the board. In addition, SR 2,000 are paid to each independent director by the Fund per annum. The director's total remuneration during the period amounted to SR 2,834 (2021: SR 4,250) while the fees payable to directors at the period-end were SR 2,834 (31 December 2021: SR 4,250).

Units held by related parties

Related party and nature of relationship	Nature of transactions	30 June 2022	31 December 2021
		(Un-audited)	(Audited)
		Units	Units
Employees of the Bank	Units held	500	500

10. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

	30 June 2022 (Un-audited)		
	Within 12 months SR	After 12 months SR	Total SR
Bank balances	2,857,971	-	2,857,971
Investments designated at FVTPL	8,503,980	-	8,503,980
Dividend receivable	3,000	-	3,000
Receivables and advances	78,352	-	78,352
TOTAL ASSETS	11,443,303	-	11,443,303
Accrued expenses and other liabilities	52,756	-	52,756
TOTAL LIABILITIES	52,756	-	52,756
	31 December 2021 (Audited)		
	Within 12 months SR	After 12 months SR	Total SR
Bank balances	1,301,251	-	1,301,251
Investments designated at FVTPL	9,978,062	-	9,978,062
Receivables and advances	-	-	-
TOTAL ASSETS	11,279,313	-	11,279,313
Accrued expenses and other liabilities	82,914	-	82,914
TOTAL LIABILITIES	82,914	-	82,914

GCC Equity Fund

Open-Ended Fund

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

11. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENT

The outbreak of the newly emerging Corona Virus (COVID-19) is still evolving and increasing. Therefore, it is yet difficult to predict the magnitude and full extent of the resulting impact on business and the Fund.

It is still not certain what size and extent of these impacts will be determined, depending on future developments that cannot be accurately predicted at the present time, such as the rate of virus transmission and the size and effectiveness of measures taken to contain it. In light of the current uncertainty of the economic impact, it is not possible to make a reliable estimate of the resulting impact at the date of these interim condensed financial statements being approved.

These developments may affect the future financial results, cash flows and the financial position of the Fund.

12. SUBSEQUENT EVENTS

In the opinion of management, no events have occurred subsequent to the reporting date and before the issuance of these interim condensed financial statements which requires adjustment to, or disclosure, in these interim condensed financial statements.

13. LAST VALUATION DAY

The last valuation day for the period was 30 June 2022 (2021: 31 December 2021).

14. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 19 Muharram 1444H corresponding to 17 August 2022G.