

SAB Invest Saudi Freestyle Equity Fund
(Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)
(Managed by SAB Invest)

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023



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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST SAUDI FREESTYLE EQUITY FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Saudi Freestyle Equity Fund (formerly known as "Alawwal Invest Saudi Freestyle Equity Fund") (the "Fund") managed by SAB Invest (formerly known as "Alawwal Invest") (the "Fund Manager") as at 30 June 2023, and the related interim condensed statement of comprehensive income, statement of changes in equity attributable to the unitholders and cash flows for the six-month period then ended, and explanatory notes. The Fund Manager 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") as 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 Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim 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 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 22 Muharram 1445H
(9 August 2023)



SAB Invest Saudi Freestyle Equity Fund
(Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Interim condensed statement of financial position

As at 30 June 2023

	<i>Note</i>	30 June 2023 (Unaudited) SR	31 December 2022 (Audited) SR
ASSETS			
Cash and cash equivalents		5,186,124	22,388,982
Financial assets at fair value through profit or loss (FVTPL)	4	352,677,868	320,804,765
Receivable and advances		47,617	399
Receivables against sold securities		153,849	9,061,220
TOTAL ASSETS		358,065,458	352,255,366
LIABILITIES			
Management fees payable	5	563,057	773,672
Accrued expenses and other payables		287,435	339,437
TOTAL LIABILITIES		850,492	1,113,109
EQUITY			
Net assets attributable to unitholders of redeemable units		357,214,966	351,142,257
TOTAL LIABILITIES AND EQUITY		358,065,458	352,255,366
Redeemable units in issue		7,273,474	8,826,834
Net asset value attributable to each per unit		49.11	39.78

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest Saudi Freestyle Equity Fund
(Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Interim condensed statement of comprehensive income (unaudited)
For the six-month period ended 30 June 2023

	<i>Note</i>	30 June 2023 SR	30 June 2022 SR
INCOME			
Net unrealized gain / (loss) on financial assets at FVTPL		49,377,391	(21,846,591)
Net realized gain on disposal of financial assets at FVTPL		20,562,914	87,522,603
Dividend income		5,141,946	4,361,241
Other income		6,880	-
TOTAL INCOME		75,089,131	70,037,253
EXPENSES			
Management fees	5	3,331,988	4,992,825
Other expenses		216,069	288,232
TOTAL EXPENSES		3,548,057	5,281,057
NET INCOME FOR THE PERIOD		71,541,074	64,756,196
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		71,541,074	64,756,196

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest Saudi Freestyle Equity Fund
(Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Interim condensed statement of changes in equity attributable to the unitholders
(unaudited)

For the six-month period ended 30 June 2023

	2023 SR	2022 SR
EQUITY AT THE BEGINNING OF THE PERIOD	351,142,257	512,578,631
Net income for the period	71,541,074	64,756,196
Other comprehensive income for the period	-	-
Total comprehensive income for the period	71,541,074	64,756,196
Issue of units during the period	5,653,350	43,406,748
Redemption of units during the period	(71,121,715)	(190,472,375)
Net changes	(65,468,365)	(147,065,627)
EQUITY AT THE END OF THE PERIOD	357,214,966	430,269,200

	<u>Units</u>	<u>Units</u>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the period are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	8,826,834	14,195,859
Issue of units during the period	131,433	1,043,002
Redemption of units during the period	(1,684,793)	(4,473,054)
Net decrease in units	(1,553,360)	(3,430,052)
UNITS AT THE END OF THE PERIOD	7,273,474	10,765,807

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest Saudi Freestyle Equity Fund
(Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Interim condensed statement of cash flows (unaudited)

For the six-month period ended 30 June 2023

	2023 SR	2022 SR
Operating activities		
Net income for the period	71,541,074	64,756,196
<i>Adjustments to reconcile net income / (loss) to net cash flows from operating activities:</i>		
Net movement in unrealised (gain) / loss on financial assets at FVTPL	(49,377,392)	21,846,591
Dividend income	(5,141,946)	(4,361,241)
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	17,504,289	45,756,359
Advances for IPO subscription and other receivables	-	5,699,471
Receivables against sold securities	8,907,371	8,566,109
Receivable and advances	(47,218)	(15,134)
Management fee payable	(210,615)	(63,423)
Accrued expenses and other payables	(52,002)	(13,638)
Payable against purchased securities	-	(9,224,923)
Cash flows used in operations	43,123,561	132,946,367
Dividends received	5,141,946	4,361,241
Net cash flows generated from operating activities	48,265,507	137,307,608
Financing activities		
Proceeds from issuance of units	5,653,350	43,406,748
Payment on redemption of units	(71,121,715)	(190,472,375)
Net cash flows used in financing activities	(65,468,365)	(147,065,627)
Net decrease in cash and cash equivalents	(17,202,858)	(9,758,019)
Cash and cash equivalents at the beginning of the period	22,388,982	27,063,968
Cash and cash equivalents at the end of the period	5,186,124	17,305,949

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

SAB Invest Saudi Freestyle Equity Fund (Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Notes to unaudited interim condensed financial statements
30 June 2023

1. INCORPORATION AND ACTIVITIES

SAB Invest Saudi Freestyle Equity Fund (Formerly known as Alawwal Invest Saudi Freestyle Equity Fund) (the “Fund”) is an open-ended investment fund created by an agreement between SAB Invest (Formerly known as Alawwal Invest) (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The address of the Fund Manager is as follows:

SAB INVEST Saudi Arabia, Head Office
SAB INVEST Building 7267
Olaya Street (Al-Murooj District)
Riyadh 12283-2255
Kingdom of Saudi Arabia

The objective of the Fund is to achieve capital appreciation over the medium to long-term by investing in Shariah compliant Saudi equities listed on Tadawul (Saudi Stock Market). The Fund invests in a concentrated portfolio and is managed in a manner that is both active and flexible to provide returns to investors that are not linked to a benchmark or weighting tied to an index.

The Fund is managed by the Fund Manager who also acts as the administrator of the Fund. Al Bilad Capital is the custodian of the Fund. All income is reinvested in the Fund and is reflected in the unit price.

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 by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12 Rajab 1442H. Corresponding to 24 February 2021G (the “Amended Regulations”). The amended regulations are effective from 19 Ramadan 1442, corresponding to 1 May 2021).

3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

3.1 Basis of preparation

These unaudited interim condensed financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia.

The unaudited 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 2022. In addition, result for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The unaudited interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for financial assets held at FVTPL that are measured at fair value. These unaudited interim condensed financial statements are presented in Saudi Arabian Riyals (“SR”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest SR.

SAB Invest Saudi Freestyle Equity Fund
(Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Notes to unaudited interim condensed financial statements (continued)
30 June 2023

3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

3.2. New standards and amendments to standards

3.2.1 New standards and amendments adopted by the Fund

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the Fund's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements.

Standard, interpretation and amendments	Description	Effective date
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which previously permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	Annual periods beginning on or after 1 January 2023
Amendment to IAS 12-deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023

3.2.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	Deferred until accounting periods starting not earlier than 1 January 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	Annual periods beginning on or after 1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	Annual periods beginning on or after 1 January 2024

SAB Invest Saudi Freestyle Equity Fund
(Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Notes to unaudited interim condensed financial statements (continued)
30 June 2023

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The composition of the investment's portfolio on the last valuation day of the period/year end is summarised below:

	30 June 2023 (Unaudited)			
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain (loss), net SR</i>
<i>Investments in equities (by sector)</i>				
Banks	16.78%	47,497,186	59,165,800	11,668,614
Consumer Services	16.38%	46,517,719	57,773,924	11,256,205
Transportation	11.02%	30,632,553	38,870,908	8,238,355
Software & Services	8.39%	19,209,184	29,588,298	10,379,114
Capital Goods	6.40%	15,531,498	22,576,320	7,044,822
Energy	6.31%	16,411,538	22,249,312	5,837,774
Insurance	5.97%	14,424,638	21,069,860	6,645,222
Media and Entertainment	5.96%	12,223,359	21,011,832	8,788,473
Pharma, Biotech & Life Science	5.35%	16,065,813	18,850,962	2,785,149
Health Care Equipment & Svc	4.58%	8,497,313	16,143,981	7,646,668
Food & Beverages	3.92%	13,365,069	13,815,026	449,957
Utilities	3.32%	7,854,112	11,710,343	3,856,231
Retailing	3.30%	13,195,607	11,651,525	(1,544,082)
Materials	2.32%	8,782,288	8,199,777	(582,511)
Total	100.00%	270,207,877	352,677,868	82,469,991

The above equity investments are listed on the Saudi Stock Exchange ("Tadawul"). The Fund Manager seeks to limit risk for the Fund by monitoring exposures in each investment sector and individual securities.

	31 December 2022 (Audited)			
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain (loss), net SR</i>
<i>Investments in equities (by sector)</i>				
Banks	27.79%	66,895,673	89,138,155	22,242,482
Software & Services	9.98%	28,193,730	32,004,587	3,810,857
Utilities	9.97%	28,738,536	31,972,010	3,233,474
Health Care Equipment & Services	9.81%	26,886,627	31,483,528	4,596,901
Consumer Services	8.55%	24,568,963	27,433,687	2,864,724
Energy	5.49%	18,844,894	17,597,710	(1,247,184)
Real Estate Management & Development	5.40%	17,238,655	17,332,799	94,144
Transportation	5.31%	15,865,154	17,043,426	1,178,272
Materials	5.21%	18,639,992	16,712,679	(1,927,313)
Media and Entertainment	4.76%	14,659,323	15,274,571	615,248
Food & Staples Retailing	2.71%	9,572,652	8,699,275	(873,377)
Capital Goods	2.71%	8,643,234	8,690,356	47,122
Retailing	2.31%	8,964,732	7,421,982	(1,542,750)
Total	100.00%	287,712,165	320,804,765	33,092,600

SAB Invest Saudi Freestyle Equity Fund (Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Notes to unaudited interim condensed financial statements (continued)
30 June 2023

5. TRANSACTIONS WITH RELATED PARTIES

A. *Transactions and balances with Fund Manager*

In the ordinary course of its activities, the Fund transacts business with related parties. The following are the details of major related party transactions during the period:

Related party	Nature of transactions	Amount of transactions		Balance	
		2023 SR	2022 SR	2023 SR	2022 SR
SAB Invest (Fund Manager)	Fund management fee	3,331,988	4,992,825	563,057	773,672
	Administration fee	98,000	146,848	17,842	18,621
	Board member fee	9,918	9,863	34,457	24,540
	Cash and cash equivalents			-	-
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents			-	699,221

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.7% per annum, calculated on the net asset value at each valuation date. The fee is intended to compensate the Fund Manager for administration of the Fund.

The units in issue at 30 June 2023 include NIL units held by the employees of the Fund Manager (31 December 2022: NIL units) and units held by other funds managed by the Fund manager aggregating to 936,322 units (31 December 2022: 2,144,405 units).

The Saudi Awwal Bank (“SAB”) parent of the Fund Manager acts as the Fund’s banker.

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 up to SR 20,000.

B. *Transactions and balances with Funds managed by the Fund Manager*

Investments by other Funds in SAB Invest Freestyle Equity Fund are set out below:

Related party	Nature of transactions	Amount of transactions		Balance	
		2023 SR	2022 SR	2023 SR	2022 SR
Alawwal Invest Multi-Assets Defensive Fund	Issuance / redemption, net	-	(15,255,952)	-	-
Alawwal Invest Multi-Assets Balanced Fund	Issuance / redemption, net	-	(48,000,895)	-	56,505,994
Alawwal Invest Multi-Assets Growth Fund	Issuance / redemption, net	(2,795,285)	(2,710,500)	46,354,843	48,686,054

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 1 of the fair value hierarchy. All other financial assets and liabilities are classified as amortized cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

SAB Invest Saudi Freestyle Equity Fund
(Formerly known as Alawwal Invest Saudi Freestyle Equity Fund)

Notes to unaudited interim condensed financial statements (continued)
30 June 2023

7. 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:

<i>As at 30 June 2023 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	5,186,124	-	5,186,124
Financial assets at FVTPL	352,677,868	-	352,677,868
Receivable and advances	47,617	-	47,617
Receivables against sold securities	153,849	-	153,849
TOTAL ASSETS	358,065,458	-	358,065,458
LIABILITIES			
Management fee payable	563,057	-	563,057
Accrued expenses and other payables	287,435	-	287,435
TOTAL LIABILITIES	850,492	-	850,492

<i>As at 31 December 2022 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	22,388,982	-	22,388,982
Financial assets at FVTPL	320,804,765	-	320,804,765
Receivable and advances	9,061,220	-	9,061,220
Receivables against sold securities	399	-	399
TOTAL ASSETS	352,255,366	-	352,255,366
LIABILITIES			
Management fee payable	773,672	-	773,672
Accrued expenses and other payables	339,437	-	339,437
TOTAL LIABILITIES	1,113,109	-	1,113,109

8. LAST VALUATION DAY

The last valuation day of the period/year was 30 June 2023 (year ended 31 December 2022: 31 December 2022).

9. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the Fund Manager has made certain revisions to the Terms and Conditions of the Fund. The latest update was approved by the Capital Market authority (the "CMA") on 24 Dhul Hijja 1444H (corresponding to 12 July 2023).

Further, the Fund Manager announced changes in the board of directors on 5 Muharram 1445H (Corresponding to 23 July 2023).

10. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 20 Muharram 1445H (corresponding to 7 August 2023).