

**SAB Invest US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar
Murabaha 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 US DOLLAR MURABAHA FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest US Dollar Murabaha Fund (formerly known as Alawwal Invest US Dollar Murabaha 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 US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Interim condensed statement of financial position

As at 30 June 2023

	<i>Notes</i>	30 June 2023 (Unaudited) USD	<i>31 December 2022 (Audited) USD</i>
ASSETS			
Cash and cash equivalents	4	801,535	211,539
Financial assets measured at amortised cost	5	17,677,029	16,817,028
Financial assets at fair value through profit or loss (FVTPL)	6	822,058	801,282
Receivables and advances		41	-
TOTAL ASSETS		19,300,663	17,829,849
LIABILITIES			
Management fee payable	7	4,548	4,760
Accrued expenses and other payables		19,804	26,626
TOTAL LIABILITIES		24,352	31,386
EQUITY			
Equity attributable to unitholders		19,276,311	17,798,463
TOTAL LIABILITIES AND EQUITY		19,300,663	17,829,849
Units in issue (numbers)		1,227,808	1,158,306
Equity value per unit		15.70	15.35

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

SAB Invest US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Interim condensed statement of comprehensive income (unaudited)

For the six-month period ended 30 June 2023

	<i>Notes</i>	30 June 2023 USD	30 June 2022 USD
INCOME			
Net unrealized gain on financial assets measured at FVTPL	6	20,776	5,164
Special commission income from financial assets at amortised cost		425,595	93,396
TOTAL INCOME		446,371	98,560
EXPENSES			
Management fees		26,794	31,637
Impairment (reversal of) / charge for expected credit losses	5	(403)	(1,684)
Other expenses		15,804	16,302
TOTAL EXPENSES		42,195	46,255
NET INCOME FOR THE PERIOD		404,176	52,305
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		404,176	52,305

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

SAB Invest US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Interim condensed statement of changes in equity attributable to the unitholders (unaudited)
For the six-month period ended 30 June 2023

	<i>30 June 2023 USD</i>	<i>30 June 2022 USD</i>
Equity attributable to the unitholders as at the beginning of the period	17,798,463	22,968,460
Net income for the period	404,176	52,305
Contributions and redemptions by the unitholders:		
Proceeds from issuance of units	1,170,795	37,657
Payments for redemption of units	(97,123)	(1,311,411)
Net change from unit transactions	1,073,672	(1,273,754)
Equity attributable to the unitholders as at the end of the period	19,276,311	21,747,011

	<u><i>Units</i></u>	<u><i>Units</i></u>
UNIT TRANSACTIONS		
Transactions in units for the period ended 30 June are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	1,158,306	1,515,168
Issue of units during the period	75,742	2,483
Redemption of units during the period	(6,240)	(86,430)
Net change in units	69,502	(83,947)
UNITS AT THE END OF THE PERIOD	1,227,808	1,431,221

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

SAB Invest US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Interim condensed statement of cash flows (unaudited)

For the six-month period ended 30 June 2023

	<i>30 June</i> 2023 <i>USD</i>	<i>30 June</i> 2022 <i>USD</i>
Operating activities		
Net income for the period	404,176	52,305
<i>Adjustments for:</i>		
<i>Unrealized gain on financial assets at FVTPL</i>	(20,776)	(5,164)
Impairment (reversal) / charge for expected credit losses	(403)	(1,684)
	382,997	45,457
<i>Net changes in operating assets and liability</i>		
Financial assets measured at amortised cost	(859,598)	1,611,373
Receivables and advances	(41)	-
Management fee payable	(212)	(380)
Accrued expenses	(6,822)	3,776
Net cash flows (used in) / from operating activities	(483,676)	1,660,226
Cash flow from financing activities		
Proceeds from issuance of units	1,170,795	37,657
Payment on redemption of units	(97,123)	(1,311,411)
Net cash flows from / (used in) financing activities	1,073,672	(1,273,754)
Increase in cash and cash equivalents	589,996	386,472
Cash and cash equivalents at the beginning of the period	211,539	553,533
Cash and cash equivalents at the end of the period	801,535	940,005
<u>Operational cash flows from special commission income:</u>		
Special commission income received	385,997	59,769

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

SAB Invest US Dollar Murabaha Fund (Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Notes to unaudited interim condensed financial statements

At 30 June 2023

1. INCORPORATION AND ACTIVITIES

SAB Invest US Dollar Murabaha Fund (formerly known as Alawwal Invest US Dollar Murabaha Fund) (the “Fund”) is an investment fund established through the agreement between SAB Invest (formerly known as Alawwal Invest) (the “Fund Manager”) and the investors (the “Unitholders”). The address of the Fund Manager is as follows:

SAB Invest, 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 seek capital appreciation and potential for capital preservation through participation in a professionally managed portfolio of short-term US Dollar deposits, placements and monetary instruments. The funds are invested in accordance with Shariah Investment Guidelines as determined by Shariah Supervisory Committee.

The Fund is managed by the Fund Manager. 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 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 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.

The interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for investments at fair value through FVOCI that are measured at fair value. These interim condensed financial statements are presented in US Dollars (“USD”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest USD.

SAB Invest US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

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

3.2 New standards, interpretations and amendments

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 non-current, 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 US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

4. CASH AND CASH EQUIVALENTS

	<i>30 June 2023 (Unaudited) USD</i>	<i>31 December 2022 (Audited) USD</i>
Cash and cash equivalents	801,535	211,539
Placement with banks (with original maturity of less than 90 days)	11,700,000	12,830,000
Total cash and cash equivalents	12,501,535	13,041,539

5. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	<i>30 June 2023 (Unaudited) USD</i>	<i>31 December 2022 (Audited) USD</i>
Murabaha placements with original maturity of less than 90 days	11,700,000	12,830,000
Murabaha placements – maturing between 90 and 360 days	5,800,000	3,850,000
	17,500,000	16,680,000
Accrued special commission income	180,018	140,420
Allowance for expected credit losses	(2,989)	(3,392)
	17,677,029	16,817,028

The movement in the allowance for expected credit losses for Murabaha placements is summarized as follows:

	<i>30 June 2023 (Unaudited) USD</i>	<i>30 June 2022 (Unaudited) USD</i>
Balance at beginning of the period	3,392	6,048
(Reversal of) / charge for the period	(403)	(1,684)
Balance at the end of the period	2,989	4,364

The methodology and assumptions applied by the Fund in estimating the ECL on the Murabaha placements are based on using the Moody's rating scales which are then adjusted for country specific data based on where the Murabaha placements are, forward looking estimates and macroeconomic variables such as expected GDP growth, to determine the ECL as at the end of the reporting period.

SAB Invest US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

5. FINANCIAL ASSETS MEASURED AT AMORTISED COST (continued)

Financial assets measured at amortised cost are composed of the following:

<u>30 June 2023 (Unaudited)</u>	<i>% of</i>	<i>Cost</i>
Remaining maturity	<i>Value</i>	<i>USD</i>
Up to 1 month	19%	3,400,000
1-3 months	48%	8,300,000
3-6 months	33%	5,800,000
	100%	17,500,000

<u>31 December 2022 (Audited)</u>	<i>% of</i>	<i>Cost</i>
Remaining maturity	<i>Value</i>	<i>USD</i>
Up to 1 month	26%	4,400,000
1-3 months	51%	8,430,000
3-6 months	23%	3,850,000
	100%	16,680,000

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

	30 June 2023 (Unaudited)			31 December 2022 (Audited)		
	<i>Cost</i>	<i>Market</i>	<i>Unrealized</i>	<i>Cost</i>	<i>Market</i>	<i>Unrealized</i>
	<i>USD</i>	<i>Value</i>	<i>gain</i>	<i>USD</i>	<i>Value</i>	<i>gain</i>
	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
SAB Invest Saudi Riyal Murabaha Fund	797,924	822,058	24,134	797,924	801,282	3,358
	797,924	822,058	24,134	797,924	801,282	3,358

7. TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are governed by limits set by the regulations issued by CMA. All the related party transactions are undertaken at mutually agreed prices and approved by the Fund Manager. These transactions were carried out on the basis of approved Terms and Conditions of the Fund.

During the period, the Fund entered into the following transactions with related parties in the ordinary course of business:

<i>Related Party</i>	<i>Nature of transactions</i>	<i>Amount of transactions during the period</i>		<i>Closing Balance</i>	
		<i>June 2023</i>	<i>June 2022</i>	<i>June 2023</i>	<i>June 2022</i>
		<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
SAB Invest (Fund Manager)	Management fee	26,794	31,637	4,548	4,760
	Administration fee	5,359	6,327	888	930
	Board Member fee	2,088	2,077	6,289	4,211
Saudi Awwal Bank (Parent of Fund manager)	Cash at bank	-	-	-	-

SAB Invest US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

7. TRANSACTIONS WITH RELATED PARTIES

The Fund Manager charges to the Fund on each Valuation Day, management fees at a rate of 0.65% of Net assets value (31 December 2022: 0.25% of Net assets value), these management fees represent maximum rates as per approved terms and conditions.

Subscription fee up to 2% is not considered in the financial statement of the Fund, as investment to the Fund are always net of subscription fees. The Fund does not charge any redemption fees on redemption of units.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has investments at fair value through profit or loss which is measured at fair values and are classified within level 2 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 3 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

9. 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>Less than 1 month USD</i>	<i>1 to 3 Months USD</i>	<i>3 months to 1 year USD</i>	<i>Total USD</i>
ASSETS				
Financial assets measured at amortised cost	3,400,000	8,300,000	5,800,000	17,500,000
Total commission -bearing assets	3,400,000	8,300,000	5,800,000	17,500,000
LIABILITIES				
Total commission – bearing liabilities	-	-	-	-
Total commission rate gap	3,400,000	8,300,000	5,800,000	17,500,000

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 31 December 2022 (Audited)</i>	<i>Less than 1 month USD</i>	<i>1 to 3 months USD</i>	<i>3 months to 1 year USD</i>	<i>Total USD</i>
ASSETS				
Financial assets measured at amortised cost	4,400,000	8,430,000	3,850,000	16,680,000
Total commission -bearing assets	4,400,000	8,430,000	3,850,000	16,680,000
LIABILITIES				
Total commission – bearing liabilities	-	-	-	-
Total commission rate gap	4,400,000	8,430,000	3,850,000	16,680,000

10. LAST VALUATION DAY

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

SAB Invest US Dollar Murabaha Fund
(Formerly known as Alawwal Invest US Dollar Murabaha Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

11. 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).

12. 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).