

SAB Invest GCC Companies Equity Income Fund
(Managed by SAB Invest)

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024



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

Introduction:

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest GCC Companies Equity Income Fund (the "Fund") managed by SAB Invest (the "Fund Manager") as at 30 June 2024, and the related interim condensed statement of comprehensive income for the six-month period ended 30 June 2024, and the related interim condensed 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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: 7 Safar 1446H
(11 August 2024)

SAB Invest GCC Companies Equity Income Fund

Interim condensed statement of financial position

As at 30 June 2024

	<i>Notes</i>	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
ASSETS			
Cash and cash equivalents		18,292,120	3,356,911
Financial assets at fair value through profit or loss ("FVTPL")	4	136,426,155	137,693,011
Dividend receivable		31,424	-
TOTAL ASSETS		154,749,699	141,049,922
LIABILITIES			
Management fee payable	5	259,119	150,650
Accrued expenses and other payables		241,173	363,382
TOTAL LIABILITIES		500,292	514,032
EQUITY			
Net assets attributable to unitholders of redeemable units		154,249,407	140,535,890
TOTAL LIABILITIES AND EQUITY		154,749,699	141,049,922
Redeemable units in issue		7,466,894	7,574,888
Net asset value attributable to each per unit		20.66	18.55

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

SAB Invest GCC Companies Equity Income Fund

Interim condensed statement of comprehensive income (unaudited)

For the six-month period ended 30 June 2024

	<i>Note</i>	<i>30 June</i> 2024 <i>SR</i>	<i>30 June</i> 2023 <i>SR</i>
INCOME			
Net movement in unrealised (loss) / gain on financial assets at FVTPL		(4,269,304)	22,343,770
Net realised gain on disposal of financial assets at FVTPL		21,931,218	3,152,788
Dividend income		2,854,750	3,908,203
Net exchange loss		(38,573)	(124,807)
TOTAL INCOME		20,478,091	29,279,954
EXPENSES			
Management fees	5	1,475,220	1,280,832
Other expenses		254,454	5,930
TOTAL EXPENSES		1,729,674	1,286,762
NET INCOME FOR THE PERIOD		18,748,417	27,993,192
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		18,748,417	27,993,192

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

SAB Invest GCC Companies Equity Income Fund

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

For the six-month period ended 30 June 2024

	2024 SR	2023 SR
EQUITY AT THE BEGINNING OF THE PERIOD	140,535,890	124,163,006
Net income for the period	18,748,417	27,993,192
Other comprehensive income for the period	-	-
Total comprehensive income for the period	18,748,417	27,993,192
Issue of units during the period	12,659,962	5,552,978
Redemption of units during the period	(14,827,398)	(5,795,032)
Dividend distributed	(2,867,464)	(3,153,509)
Net changes from unit transactions	(5,034,900)	(3,395,563)
EQUITY AT THE END OF THE PERIOD	154,249,407	148,760,635
	<i>Units</i>	<i>Units</i>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the period are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	7,574,888	9,368,826
Issue of units during the period	621,363	386,268
Redemption of units during the period	(729,357)	(406,263)
Net changes in units	(107,994)	(19,995)
UNITS AT THE END OF THE PERIOD	7,466,894	9,348,831

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

SAB Invest GCC Companies Equity Income Fund

Interim condensed statement of cash flows (unaudited)

For the six-month period ended 30 June 2024

	2024 SR	2023 SR
OPERATING ACTIVITIES		
Net income for the period	18,748,417	27,993,192
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>		
Net movement in unrealised gain on financial assets at FVTPL	4,269,304	(22,343,770)
Dividend income	(2,854,750)	(3,908,203)
Operating income before changes in working capital	20,162,971	1,741,219
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	(3,002,448)	(7,593,672)
Receivables from sold securities	-	660,428
Management fee payable	108,469	(36,130)
Accrued expenses and other payables	14,405	(222,091)
Cash flows used in operations	17,283,397	(5,450,246)
Dividends received	2,823,326	3,888,644
Net cash flows generated from / (used in) operating activities	20,106,723	(1,561,602)
FINANCING ACTIVITIES		
Proceeds from issuance of units	12,659,962	5,552,978
Payment on redemption of units	(14,964,012)	(4,991,479)
Payment of dividends	(2,867,464)	(3,153,509)
Net cash flows used in financing activities	(5,171,514)	(2,592,010)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	14,935,209	(4,153,612)
Cash and cash equivalents at the beginning of the period	3,356,911	9,805,245
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	18,292,120	5,651,633

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

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements

At 30 June 2024

1. INCORPORATION AND ACTIVITIES

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

SAB Invest, Head Office
SAB Tower 7383
King Fahad Branch Rd (Al-Yasmeen District)
Riyadh 13325
Kingdom of Saudi Arabia

Fund Objective: Long term capital appreciation, and income distribution, through investing in Shariah-compliant GCC equities.

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. The Fund distributes income, subject to the approval of the Fund Board, on a semi-annual basis.

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 MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance

These unaudited interim condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia.

3.2 Basis of preparation

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 2023. In addition, result for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

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

3.3 New standards and amendments to standards (continued)

3.3.1 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 2023, except for the adoption of new standards effective as of 1 January 2024. 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 2024.

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOC
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

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

3.3 New standards and amendments to standards (continued)

3.3.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	Annual periods beginning on or after 1 January 2025
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	IASB amended to the requirements related to: setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features.	Annual periods beginning on or after 1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences	Annual periods beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	Annual periods beginning on or after 1 January 2027

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

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:

	<i>30 June 2024 (Unaudited)</i>			
	<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>				
Capital Goods	22.81%	11,978,459	24,132,909	12,154,450
Banks	13.39%	14,925,060	14,164,876	(760,184)
Insurance	12.55%	11,779,010	13,274,143	1,495,133
Food & Beverages	10.77%	10,765,012	11,397,242	632,230
Software & Services	7.11%	2,338,830	7,522,886	5,184,056
Transportation	6.64%	4,471,770	7,026,561	2,554,791
Real Estate Management & Development	6.56%	7,006,916	6,942,233	(64,683)
Consumer Services	5.69%	2,399,350	6,016,798	3,617,448
Consumer Staples Distribution & Retail	5.10%	3,988,847	5,396,676	1,407,829
Health Care Equipment & Services	4.78%	2,325,923	5,057,898	2,731,975
Consumer Discretionary Distribution & Retail	4.60%	3,884,563	4,862,005	977,442
Total	100.00%	75,863,740	105,794,227	29,930,487

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.

	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain / (loss) SR</i>
<i>Investments (by country)</i>			
Kingdom of Saudi Arabia	75,863,740	105,794,227	29,930,487
United Arab Emirates	25,375,459	28,152,841	2,777,382
State of Qatar	2,035,361	2,479,087	443,726
Total	103,274,560	136,426,155	33,151,595

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

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

	31 December 2023 (Audited)			
	% of Market value	Cost SR	Market value SR	Unrealised gain / (loss), net SR
<i>Investments in equities (by sector)</i>				
Capital Goods	20.20%	13,046,194	19,523,495	6,477,301
Energy	8.77%	4,768,619	8,477,544	3,708,925
Consumer Services	8.35%	3,575,007	8,068,471	4,493,464
Transportation	7.32%	4,700,244	7,071,369	2,371,125
Software & Services	7.17%	1,088,512	6,930,760	5,842,248
Insurance	7.02%	6,103,404	6,787,977	684,573
Banks	6.87%	5,614,271	6,640,345	1,026,074
Media and Entertainment	6.83%	2,926,456	6,597,375	3,670,919
Health Care Equipment & Services	6.77%	3,672,443	6,538,779	2,866,336
Consumer Discretionary Distribution & Retail	5.09%	4,105,534	4,915,650	810,116
Commercial & Professional Services	4.93%	3,220,602	4,761,906	1,541,304
Real Estate Management & Development	4.81%	4,663,279	4,644,891	(18,388)
Consumer Staples Distribution & Retail	2.97%	2,471,255	2,873,194	401,939
Food & Beverages	2.91%	2,705,148	2,816,802	111,654
Total	100.00%	62,660,968	96,648,558	33,987,590
		<i>Cost</i> SR	<i>Market value</i> SR	<i>Unrealised</i> gain / (loss), net SR
<i>Investments (by country)</i>				
Kingdom of Saudi Arabia		62,660,968	96,648,558	33,987,590
United Arab Emirates		24,654,189	26,932,011	2,277,822
State of Kuwait		5,458,329	6,562,878	1,104,549
State of Qatar		4,735,032	4,688,430	(46,602)
Oman		2,763,594	2,861,134	97,540
Total		100,272,112	137,693,011	37,420,899

5. TRANSACTIONS WITH RELATED PARTIES

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties of the Fund comprise SAB Invest (being the Fund Manager, the Fund Board and administrator of the Fund), mutual funds managed by the Fund Manager and The Saudi Awwal Bank (“SAB”) (being significant shareholder of the Fund Manager).

In the ordinary course of its activities, the Fund transacts business with Fund Manager and 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.

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

5. TRANSACTIONS WITH RELATED PARTIES (continued)

During the period/ year, 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</i>		<i>Balance</i>	
		<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
SAB Invest (Fund Manager)	Fund management fee (including VAT)	1,475,220	1,280,832	259,119	150,650
	Administration fee	78,100	-	911	12,475
	Board member fee	8,289	-	15,276	6,987
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents			5,352	-

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.70% per annum, and administrator fee up to 0.15% calculated on the net asset value at each valuation date.

The units in issue at 30 June 2024 include 41,417.4 units held by the employees of the Fund Manager (31 December 2023: 500 units).

The units in issue at 31 December 2023 include no units held by the Fund Manager (31 December 2023: Zero units).

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. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

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 2024 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>No Fixed Maturity SR</i>	<i>Total SR</i>
ASSETS				
Cash and cash equivalents	18,292,120	-	-	18,292,120
Financial assets at FVTPL	-	-	136,426,155	136,426,155
Dividend receivable	31,424	-	-	31,424
TOTAL ASSETS	18,323,544	-	136,426,155	154,749,699
LIABILITY				
Management fee payable	259,119	-	-	259,119
Accrued expenses and other payables	241,173	-	-	241,173
TOTAL LIABILITY	500,292	-	-	500,292

SAB Invest GCC Companies Equity Income Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

7. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

<i>As at 31 Dec 2023 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>No Fixed Maturity SR</i>	<i>Total SR</i>
ASSETS				
Cash and cash equivalents	3,356,911	-	-	3,356,911
Financial assets at FVTPL	-	-	137,693,011	137,693,011
TOTAL ASSETS	<u>3,356,911</u>	<u>-</u>	<u>137,693,011</u>	<u>141,049,922</u>
LIABILITY				
Management fee payable	150,650	-	-	150,650
Accrued expenses and other payables	363,382	-	-	363,382
TOTAL LIABILITY	<u>514,032</u>	<u>-</u>	<u>-</u>	<u>514,032</u>

8. LAST VALUATION DAY

The last valuation day of the period/year was 30 June 2024 (year ended 31 December 2023: 31 December 2023).

9. EVENTS AFTER THE REPORTING DATE

As of the date of approval of these interim condensed financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these interim condensed financial statements.

10. APPROVAL OF THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 7 Safar 1446H (corresponding to 11 August 2024).