

**Saudi Equity Fund
Open-Ended Fund
(Managed by SAB Invest previously known as Al Awwal Invest))
Interim Condensed Financial Statements (Unaudited)
For the six-month period ended 30 June 2023
Together with the
Independent Auditor's Review Report to the Unitholders**

Saudi Equity Fund
Open-Ended Fund
(Managed by SAB Invest (previously known as Al Awwal Invest))

INTERIM CONDENSED FINANCIAL STATEMENTS (Un-audited)
For the six-month period ended 30 June 2023

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**PKF****Ibrahim Ahmed Al-Bassam
& Co. Certified Public Accountants**

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

(1 / 1)

TO THE UNITHOLDERS OF SAUDI EQUITY FUND

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of **SAUDI EQUITY FUND** (the "Fund") as at 30 June 2023 and the related interim statement of comprehensive income for the six-month period then ended, and the interim statements of changes in net assets 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
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Corresponding to: 8 August 2023



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Saudi Equity Fund
Open-Ended Fund
(Managed by SAB Invest (previously known as Al Awwal Invest))

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

(Amounts in Saudi Arabian Riyals)

	Note	30 June 2023 (Un-audited)	31 December 2022 (Audited)
<u>ASSETS</u>			
Bank balances		379,231	2,926,613
Investments designated at fair value through profit or loss (FVTPL)	6	35,570,226	26,981,980
Receivable and advances		4,656	750,614
TOTAL ASSETS		35,954,113	30,659,207
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		95,868	119,780
TOTAL LIABILITIES		95,868	119,780
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		35,858,245	30,539,427
Units in issue (in numbers)		2,642,174	2,705,209
Net Asset (Equity) Value per unit		13.57	11.26

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

Saudi Equity Fund**Open-Ended Fund**

(Managed by SAB Invest (previously known as Al Awwal Invest))

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

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
<u>Income</u>			
Net gain from investments designated at FVTPL	7	6,046,762	1,933,378
Dividend income		476,914	389,760
		6,523,676	2,323,138
<u>Expenses</u>			
Management fees	9	(308,697)	(362,916)
Other expenses	8	(123,884)	(120,070)
		(432,581)	(482,986)
Net income for the period		6,091,095	1,840,152
Other comprehensive income for the period		-	-
Total comprehensive income for the period		6,091,095	1,840,152

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

Saudi Equity Fund**Open-Ended Fund**

(Managed by SAB Invest (previously known as Al Awwal Invest))

INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS (UN-AUDITED)**For the six-month period ended 30 June****(Amounts in Saudi Arabian Riyals)**

	<u>30 June 2023</u>	<u>30 June 2022</u>
Net assets (Equity) attributable to the Unitholders at beginning of the period	30,539,427	33,189,282
Total comprehensive income for the period	6,091,095	1,840,152
Net assets (Equity) attributable to the Unitholders before changes in unit transaction	36,630,522	35,029,434
Issuance of units	-	1,000,000
Redemption of units	<u>(772,277)</u>	<u>(2,613,129)</u>
Net changes from unit transactions	<u>(772,277)</u>	<u>(1,613,129)</u>
Net assets (Equity) attributable to the Unitholders at end of the period	35,858,245	33,416,305

UNIT TRANSACTIONS

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

	<u>30 June 2023</u> <u>Units</u>	<u>30 June 2022</u> <u>Units</u>
Units at the beginning of the period	2,705,209	2,822,133
Issuance of units	-	77,214
Redemption of units	<u>(63,035)</u>	<u>(189,138)</u>
Net decrease in unit transactions	(63,035)	(111,924)
Units at end of the period	2,642,174	2,710,209

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

Saudi Equity Fund**Open-Ended Fund**

(Managed by SAB Invest (previously known as Al Awwal Invest))

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

	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
<u>Cash flows from operating activities:</u>			
Net income for the period		6,091,095	1,840,152
Adjustments for:			
Unrealized loss / (gain) from investments designated at FVTPL	7	(5,289,403)	2,528,783
(Decrease) / (Increase) investments designated at FVTPL		(3,298,843)	3,617,268
Decrease / (Increase) in other assets		4,544	(13,768)
Increase / (decrease) in receivables and advances		741,414	(222,073)
Accrued expenses and other liabilities		(23,912)	(27,912)
Net cash generated from operating activities		<u>(1,775,105)</u>	<u>7,722,450</u>
<u>Cash flows from financing activities:</u>			
Issuance of units		-	1,000,000
Redemption of units		<u>(772,277)</u>	<u>(2,613,129)</u>
Net cash used in financing activities		<u>(772,277)</u>	<u>(1,613,129)</u>
Net change in cash and cash equivalents		(2,547,382)	6,109,321
Cash and cash equivalents at beginning of the period		<u>2,926,613</u>	<u>376,194</u>
Cash and cash equivalents at end of the period		<u><u>379,231</u></u>	<u><u>6,485,515</u></u>

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

Saudi Equity Fund

Open-Ended Fund

(Managed by SAB Invest (previously known as Al Awwal Invest))

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June

(Amounts in Saudi Arabian Riyals)

1 INCORPORATION AND PRINCIPAL ACTIVITIES

Saudi Equity Fund (the “Fund”) is an open-ended fund domiciled in Kingdom of Saudi Arabia, created by an agreement between SAB Invest (the “Fund Manager”), a subsidiary of The Saudi Al-Awal Bank (formerly a subsidiary of the Saudi British 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.

Saudi 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	Saudi equity markets
	Money market funds

The Fund has appointed Riyadh Capital (the “Custodian”) to act as its custodian. 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 2022. The results 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.

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 (SAR) which is the Fund’s functional and presentation currency.

Saudi Equity Fund**Open-Ended Fund**

(Managed by SAB Invest (previously known as Al Awwal Invest))

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June

(Amounts in Saudi Arabian Riyals)

3 BASIS OF PREPARATION (CONTINUED)**3.3. Functional and presentation currency (Continued)***Transactions and balances*

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR 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.

a. 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.

b. 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 2022. Certain new standards, amendments and interpretations apply for the first time in 2023, 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.

Saudi Equity Fund**Open-Ended Fund**

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June

(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:

Investment Sector	30 June 2023 (Un-audited)			
	Market value	Cost	Unrealized gain /(loss)	%
Banks	7,711,044	5,702,757	2,008,287	21.68
Food & Staples Retailing	3,682,589	3,351,120	331,469	10.35
Software & Services	2,781,960	1,763,702	1,018,258	7.82
Health Care Equipment & Svc	2,412,248	1,861,738	550,510	6.78
Capital Goods	2,372,037	1,791,192	580,845	6.67
Building & Construction Sector	2,071,742	1,319,674	752,068	5.82
Consumer Services	2,025,300	1,515,943	509,357	5.69
Insurance	2,006,760	1,393,644	613,116	5.64
Transportation	1,988,117	1,428,501	559,616	5.59
Energy	1,927,087	1,301,564	625,523	5.42
Food and beverages	1,239,866	1,190,077	49,789	3.49
Transport Sector	1,214,493	1,119,668	94,825	3.41
Pharmaceuticals	827,517	554,760	272,757	2.33
Materials	824,009	882,685	(58,676)	2.32
Utilities	794,313	545,028	249,285	2.23
Pharma Biotech & Life Science	793,380	815,129	(21,749)	2.23
Retailing	522,914	468,936	53,978	1.47
Energy & Utilitise Sector	374,850	503,491	(128,641)	1.05
Total	35,570,226	27,509,609	8,060,617	100.00

Saudi Equity Fund**Open-Ended Fund**

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June

(Amounts in Saudi Arabian Riyals)

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

Investment Sector	31 December 2022 (Audited)			
	Market value	Cost	Unrealized gain / (loss)	%
Banks	10,885,515	7,947,501	2,938,014	40.30
Food & Staples Retailing	2,851,376	2,954,667	(103,291)	10.60
Health Care Equipment & Svc	1,881,668	2,021,840	(140,172)	7.00
Utilities	1,767,437	1,752,865	14,572	6.60
Materials	1,512,878	1,245,596	267,282	5.60
Building & Construction Sector	1,410,367	1,492,165	(81,798)	5.20
Retailing	1,259,484	1,324,238	(64,754)	4.70
Transport Sector	1,104,138	1,128,472	(24,334)	4.10
Energy	1,045,170	980,301	64,869	3.90
Telecommunication Services	1,004,706	998,677	6,029	3.70
Energy & Utilities Sector	267,747	285,021	(17,274)	1.00
Software & Services	632,460	578,832	53,628	2.30
Capital Goods	630,016	693,394	(63,378)	2.3
Transportation	313,113	303,706	9,407	1.2
Jahez (Energy & Utilitise Sector)	415,905	503,491	(87,586)	1.54
Total	26,981,980	24,210,766	2,771,214	100.00

7 NET GAIN FROM INVESTMENTS DESIGNATED AT FVTPL

	30 June 2023 (Un-audited)	30 June 2022 (Un-audited)
Realized gain	757,359	4,462,366
Unrealized gain / (loss)	5,289,403	(2,528,783)
Total	6,046,762	1,933,583

Saudi Equity Fund**Open-Ended Fund**

(Managed by SAB Invest (previously known as Al Awwal Invest))

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June****(Amounts in Saudi Arabian Riyals)****8 OTHER EXPENSES**

	30 June 2023 (Un-audited)	30 June 2022 (Un-audited)
Audit fees	9,918	9,918
Value Added Tax	50,829	58,271
Custody fee	17,768	13,163
Standards and Poor benchmarking fee	7,903	7,903
Brokerage fee	28,434	21,782
Board members' fees	2,834	2,834
CMA monitoring fee	3,719	3,719
Tadawul fees	2,479	2,480
Total	123,884	120,070

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 SAR 308,697 (30 June 2022: SAR 362,916).

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

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 SAR 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, SAR 2,000 are paid to each independent director by the Fund per annum.

The director's total remuneration during the period amounted to SAR 2,834 (2022: SAR 2,834) while the fees payable to directors at the period-end were SAR 2,834 (31 December 2022: SAR 5,714).

Units held by related parties

Employee of Bank (SAAB) - Units held	Nature of transactions	30 June 2023 (Un-audited)	31 December 2022 (Audited)
		Units	Units
SAB Bank Staff	Units held	628	628

Saudi Equity Fund**Open-Ended Fund**

(Managed by SAB Invest (previously known as Al Awwal Invest))

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June

(Amounts in Saudi Arabian Riyals)

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 2023 (Un-audited)		
	Within 12 months	After 12 months	Total
Bank balances	379,231	-	379,231
Investments designated at FVTPL	35,570,226	-	35,570,226
Receivable and advances	4,656	-	4,656
TOTAL ASSETS	35,954,113	-	35,954,113
Accrued expenses and other liabilities	111,158	-	111,158
TOTAL LIABILITIES	111,158	-	111,158
MATURITY GAP	35,858,245	-	35,858,245
	31 December 2022 (Audited)		
	Within 12 months	After 12 months	Total
Bank balances	2,926,613	-	2,926,613
Investments designated at FVTPL	26,981,980	-	26,981,980
Trade Receivables	750,614	-	750,614
TOTAL ASSETS	30,659,207	-	30,659,207
Accrued expenses and other liabilities	119,780	-	119,780
TOTAL LIABILITIES	119,780	-	119,780
MATURITY GAP	30,539,427	-	30,539,427

11 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.

12 LAST VALUATION DAY

The last valuation day for the period was 30 June 2023 (2022: 31 December 2022)

13 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 20 Muharram 1445H corresponding to 20 August 2023G.