

**SAB INVEST SAUDI 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**



**Ernst & Young Professional Services (Professional LLC)**  
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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST SAUDI EQUITY INCOME FUND (MANAGED BY SAB INVEST)

### Introduction:

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Saudi 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 SAUDI EQUITY INCOME FUND

## Interim condensed statement of financial position

As at 30 June 2024

	<i>Notes</i>	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
<b>ASSETS</b>			
Cash and cash equivalents		<b>3,430,291</b>	4,525,915
Financial assets at fair value through profit or loss ("FVTPL")	4	<b>224,909,128</b>	221,949,910
Dividend receivable		<b>173,149</b>	-
Receivable and advances		<b>155,484</b>	-
<b>TOTAL ASSETS</b>		<b>228,668,052</b>	226,475,825
<b>LIABILITIES</b>			
Management fee payable		<b>399,602</b>	341,062
Payable against purchased securities		<b>528,723</b>	-
Accrued expenses and other payables		<b>151,586</b>	137,974
<b>TOTAL LIABILITIES</b>		<b>1,058,419</b>	479,036
<b>EQUITY</b>			
Net assets attributable to unitholders of redeemable units		<b>227,609,633</b>	225,996,789
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>228,668,052</b>	226,475,825
Redeemable units in issue		<b>1,162,438</b>	1,156,103
Net asset value attributable to each per unit		<b>195.80</b>	195.48

The accompanying notes 1 to 9 form an integral part of these interim condensed financial statements.

## SAB INVEST SAUDI EQUITY INCOME FUND

### Interim condensed statement of comprehensive income (unaudited)

For the six-month period ended 30 June 2024

	Note	2024 SR	2023 SR
<b>INCOME</b>			
Net realised gain on financial assets at FVTPL		28,530,238	303,526
Net unrealised (loss) / gain on financial assets at FVTPL		(23,809,920)	35,900,684
Dividend income		2,123,699	3,267,458
Other income		-	1,441
<b>TOTAL INCOME</b>		<b>6,844,017</b>	<b>39,473,109</b>
<b>EXPENSES</b>			
Management fees	5	2,276,411	1,685,513
Other expenses		256,829	141,888
<b>TOTAL EXPENSES</b>		<b>2,533,240</b>	<b>1,827,401</b>
<b>NET INCOME FOR THE PERIOD</b>		<b>4,310,777</b>	<b>37,645,708</b>
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>4,310,777</b>	<b>37,645,708</b>

The accompanying notes 1 to 9 form an integral part of these interim condensed financial statements.

## SAB INVEST SAUDI EQUITY INCOME FUND

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

For the six-month period ended 30 June 2024

	2024 SR	2023 SR
<b>EQUITY AT THE BEGINNING OF THE PERIOD</b>	<b>225,996,789</b>	162,198,803
Net income for the period	4,310,777	37,645,708
Other comprehensive income for the period	-	-
Total comprehensive income for the period	4,310,777	37,645,708
Issue of units during the period	8,840,347	2,252,314
Redemption of units during the period	(7,437,538)	(2,953,582)
Net change	1,402,809	(701,268)
Dividend paid during the period	(4,100,742)	(4,161,895)
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>227,609,633</b>	194,981,348

	<u>Units</u>	<u>Units</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>		
Transactions in redeemable units during the period are summarised as follows:		
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>1,156,103</b>	1,188,909
Issue of units during the period	44,258	15,705
Redemption of units during the period	(37,923)	(20,146)
Net change	6,335	(4,441)
<b>UNITS AT THE END OF THE PERIOD</b>	<b>1,162,438</b>	1,184,468

The accompanying notes 1 to 9 form an integral part of these interim condensed financial statements.

## SAB INVEST SAUDI EQUITY INCOME FUND

### Interim condensed statement of cash flows (unaudited)

For the six-month period ended 30 June 2024

	2024 SR	2023 SR
<b>Operating activities</b>		
Net income for the period	4,310,777	37,645,708
<i>Adjustments to reconcile net (loss) / income to net cash flows from operating activities:</i>		
Movement in unrealised (loss) / gain on financial assets at FVTPL	23,809,920	(35,900,684)
Dividend income	(2,123,699)	(3,267,458)
	<u>25,996,998</u>	<u>(1,522,434)</u>
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	(26,769,138)	(12,501,248)
Payable against purchased securities	528,723	-
Receivables and advances	(155,484)	6,280,415
Management fee payable	37,048	(40,969)
Accrued expenses and other payables	13,612	49,675
	<u>(348,241)</u>	<u>(7,734,561)</u>
Cash flows used in operations	(348,241)	(7,734,561)
Dividends received	1,950,550	3,267,458
	<u>1,602,309</u>	<u>(4,467,103)</u>
Net cash flows generated from / (used in) operating activities	<u>1,602,309</u>	<u>(4,467,103)</u>
<b>Financing activities</b>		
Proceeds from issuance of units	8,840,347	2,252,314
Payment on redemption of units	(7,437,538)	(2,953,582)
Dividends distributed during the period	(4,100,742)	(4,161,895)
	<u>(2,697,935)</u>	<u>(4,863,163)</u>
Net cash flows used in financing activities	<u>(2,697,935)</u>	<u>(4,863,163)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,095,624)</b>	<b>(9,330,266)</b>
Cash and cash equivalents at the beginning of the period	4,525,915	10,961,107
<b>Cash and cash equivalents at the end of the period</b>	<u><u>3,430,291</u></u>	<u><u>1,630,841</u></u>

The accompanying notes 1 to 9 form an integral part of these interim condensed financial statements.

# SAB INVEST SAUDI EQUITY INCOME FUND

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## Notes to unaudited interim condensed financial statements

At 30 June 2024

### 1. INCORPORATION AND ACTIVITIES

Sab Invest Saudi Equity Income Fund (the “Fund”) is an investment fund established through an agreement between SAB Invest (the “Fund Manager”) and investors (the “Unitholders”). 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

The objective of the Fund is to achieve long term capital appreciation, and income distribution, through investing in Sharia-compliant Saudi 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.

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 EQUITY INCOME FUND

## Notes to 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, interpretations and amendments adopted by the Fund

##### 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 SAUDI EQUITY INCOME FUND

## Notes to 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, interpretations and amendments adopted by the Fund (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 SAUDI EQUITY INCOME FUND

## Notes to 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) SR</i>
<b><i>Investments in equities (by sector)</i></b>				
Energy	13.7%	26,566,743	30,877,025	4,310,282
Banks	13.3%	30,818,535	29,992,433	(826,102)
Health Care Equipment & Services	12.0%	26,364,943	27,016,429	651,486
Capital Goods	10.5%	13,842,986	23,534,525	9,691,539
Insurance	10.5%	17,210,731	23,499,478	6,288,747
Software & Services	8.4%	10,335,805	18,927,238	8,591,433
Food & Beverages	7.0%	13,221,167	15,688,058	2,466,891
Consumer Services	6.8%	11,782,660	15,321,831	3,539,171
Transportation	3.9%	6,748,288	8,848,566	2,100,278
Telecommunication Services	3.9%	9,601,375	8,744,871	(856,504)
Pharma, Biotech & Life Science	3.3%	4,237,974	7,459,892	3,221,918
Media and Entertainment	3.0%	4,795,929	6,741,830	1,945,901
Utilities	2.1%	3,161,966	4,714,982	1,553,016
Materials	1.2%	2,396,767	2,569,238	172,471
Consumer Discretionary Distribution & Retail	0.4%	958,928	972,732	13,804
<b>Total</b>	<b>100.0%</b>	<b>182,044,797</b>	<b>224,909,128</b>	<b>42,864,331</b>

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>31 December 2023</i>			
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain/ (loss) SR</i>
<b><i>Investments in equities (by sector)</i></b>				
Energy	18.2%	25,650,160	40,474,456	14,824,296
Consumer Services	11.8%	18,118,890	26,114,338	7,995,448
Insurance	11.6%	21,229,643	25,855,078	4,625,435
Capital Goods	8.1%	8,892,387	17,963,086	9,070,699
Food & Beverages	7.9%	12,726,906	17,601,005	4,874,099
Software & Services	7.7%	7,419,054	17,168,790	9,749,736
Media and Entertainment	6.5%	9,630,374	14,461,928	4,831,554
Health Care Equipment & Services	6.2%	10,593,903	13,689,856	3,095,953
Banks	5.1%	9,037,202	11,227,277	2,190,075
Pharma, Biotech & Life Science	5.1%	8,798,807	11,222,686	2,423,879
Telecommunication Services	4.2%	10,173,112	9,432,269	(740,843)
Transportation	3.9%	6,688,249	8,642,521	1,954,272
Consumer Discretionary Distribution & Retail	3.6%	6,316,972	8,096,620	1,779,648
<b>Total</b>	<b>100.0%</b>	<b>155,275,659</b>	<b>221,949,910</b>	<b>66,674,251</b>

## SAB INVEST SAUDI EQUITY INCOME FUND

### Notes to unaudited interim condensed financial statements (continued)

At 30 June 2024

#### 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 significant related party transactions during the period:

Related party	Nature of transactions	Amount of transactions		Balance	
		2024	2023	2024	2023
		SR	SR	SR	SR
SAB Invest (Fund Manager)	Fund management fee	<b>2,276,411</b>	1,685,513	<b>378,110</b>	341,062
Fund Administrator	Administration fee	<b>93,734</b>	49,574	<b>21,576</b>	18,338
Board Member	Board member fee	<b>8,289</b>	9,918	<b>26,892</b>	18,603
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents			-	-

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.70% per annum and administrator fee up to 0.10% calculated on the net asset value at each valuation date.

The units in issue at 30 June 2024 include 647.63 units held by the employees of the Fund Manager (31 December 2023: 347.52 units).

There are no units in issue as at 30 June 2024 (31 December 2023: Nil units) that are held by the Fund Manager and by other funds managed by SAB Invest.

#### 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.

## SAB INVEST SAUDI EQUITY INCOME FUND

### Notes to unaudited interim condensed financial statements (continued)

At 30 June 2024

#### 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 USD</i>	<i>After 12 months USD</i>	<i>No Fixed Maturity USD</i>	<i>Total USD</i>
<b>ASSETS</b>				
Cash and cash equivalent	3,430,291	-	-	3,430,291
Financial assets at fair value through profit or loss (FVTPL)	-	-	224,909,128	224,909,128
Dividend receivable	173,149	-	-	173,149
Receivable and advances	155,484	-	-	155,484
<b>TOTAL ASSETS</b>	<b>3,758,924</b>	<b>-</b>	<b>224,909,128</b>	<b>228,668,052</b>
<b>LIABILITY</b>				
Management fee payable	399,602	-	-	399,602
Payable against purchased securities	528,723	-	-	528,723
Accrued expenses and other payables	658,817	-	-	658,817
<b>TOTAL LIABILITY</b>	<b>1,058,419</b>	<b>-</b>	<b>-</b>	<b>1,058,419</b>
<i>As at 31 December 2023 (Audited)</i>	<i>Within 12 months USD</i>	<i>After 12 months USD</i>	<i>No Fixed Maturity USD</i>	<i>Total USD</i>
<b>ASSETS</b>				
Cash and cash equivalent	4,525,915	-	-	4,525,915
Financial assets at fair value through profit or loss (FVTPL)	-	-	221,949,910	221,949,910
<b>TOTAL ASSETS</b>	<b>4,525,915</b>	<b>-</b>	<b>221,949,910</b>	<b>226,475,825</b>
<b>LIABILITY</b>				
Management fee payable	341,062	-	-	341,062
Accrued expenses and other payables	137,974	-	-	137,974
<b>TOTAL LIABILITY</b>	<b>479,036</b>	<b>-</b>	<b>-</b>	<b>479,036</b>

#### 8. LAST VALUATION DAY

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

#### 9. 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).