

**SAB Invest Sukuk and 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 2024**



**Ernst & Young Professional Services (Professional LLC)**  
**Paid-up capital (SR 5,500,000 -Five million five hundred thousand Saudi Riyal)**  
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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST SUKUK AND MURABAHA FUND (MANAGED BY SAB INVEST)

### Introduction:

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Sukuk and Murabaha 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.

### Other matter:

The financial statements of the Fund for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 17 Ramadan 1445H (corresponding to 27 March 2024). Further, the interim condensed financial statements of the Fund for the six-month period ended 30 June 2023 were also reviewed by another auditor who expressed unmodified review conclusion on those interim condensed financial statements on 21 Muharram 1445H (corresponding to 8 August 2023).

### 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 Sukuk and Murabaha Fund

Interim condensed statement of financial position  
As at 30 June 2024

	<i>Notes</i>	<b>30 June 2024 (Unaudited) SR</b>	31 December 2023 (Audited) SR
<b>ASSETS</b>			
Cash and cash equivalent	5	22,292,785	31,093,174
Investment measured at amortized cost – Sukuk	6	36,588,971	39,421,129
Investment measured at amortized cost - Murabaha		-	15,233,568
Other receivables		2,813	12,164,040
<b>TOTAL ASSETS</b>		<b>58,884,569</b>	97,911,911
<b>LIABILITIES</b>			
Accrued expenses and other liabilities		658,424	134,776
<b>TOTAL LIABILITIES</b>		<b>658,424</b>	134,776
<b>EQUITY</b>			
Net assets attributable to the unitholders		58,226,144	97,777,135
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>58,884,568</b>	97,911,911
Redeemable units in issue		4,380,824	7,571,371
Net Asset attributable to each unit		13.29	12.91

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

SAB Invest Sukuk and Murabaha Fund

Interim condensed statement of Comprehensive income  
For the six-months period ended 30 June 2024

	<i>Note</i>	<b>30 June 2024 (Unaudited) SR</b>	30 June 2023 (Unaudited) SR
<b>INCOME</b>			
Realized gain from investments, net		41,279	-
Income from Sukuk		1,268,217	-
Income from Islamic Placements		756,422	-
Other income		125	-
Special commission income		-	9,755,070
<b>TOTAL INCOME</b>		<b>2,066,043</b>	<b>9,755,070</b>
<b>EXPENSES</b>			
Management fees	4	(176,632)	(844,356)
Other expenses		(96,518)	(171,757)
Provision for impairment		(6,066)	-
<b>TOTAL EXPENSES</b>		<b>(279,216)</b>	<b>(1,016,113)</b>
<b>NET INCOME FOR THE PERIOD</b>		<b>1,786,827</b>	<b>8,738,957</b>
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,786,827</b>	<b>8,738,957</b>

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

SAB Invest Sukuk and Murabaha Fund

Interim condensed statement of changes in equity attributable to the unitholders  
For the six-months period ended 30 June 2024

	<b>30 June 2024 (Unaudited) SR</b>	30 June 2023 (Unaudited) SR
<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>	<b>97,777,135</b>	356,565,594
Total comprehensive income for the period	<b>1,786,827</b>	8,738,957
<b>NET ASSETS BEFORE CHANGES IN UNIT TRANSACTIONS</b>	<b>99,563,962</b>	365,304,551
Issuance of units	<b>45,000</b>	-
Redemption of units	<b>(41,382,818)</b>	(26,094,812)
Net changes from unit transactions	<b>(41,337,818)</b>	(26,094,812)
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>58,226,144</b>	339,209,739

**REDEEMABLE UNIT TRANSACTIONS**

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

	<i>Units</i>	<i>Units</i>
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>7,571,371</b>	28,560,863
Issuance of units	<b>3,403</b>	-
Redemption of units	<b>(3,193,950)</b>	(2,079,424)
Net decrease in unit transactions	<b>(3,190,547)</b>	(2,079,424)
<b>UNITS AT THE END OF THE PERIOD</b>	<b>4,380,824</b>	26,481,439

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

SAB Invest Sukuk and Murabaha Fund  
Interim condensed statement of cash flows  
For the six-months period ended 30 June 2024

	<b>30 June 2024 (Unaudited) SR</b>	30 June 2023 (Unaudited) SR
<b>OPERATING ACTIVITIES</b>		
Net income for the period	<b>1,786,827</b>	8,738,957
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>		
Dividend income	-	(9,755,070)
<i>Working capital adjustments:</i>		
Decrease / (increase) in financial assets at amortized cost - Murabaha	<b>15,233,568</b>	(41,045,772)
Decrease / (increase) in financial assets at amortized cost - Sukuk	<b>2,832,158</b>	(2,287,945)
Decrease in other receivables	<b>12,161,228</b>	9,200
Increase / (decrease) in accrued expenses and other liabilities	<b>523,648</b>	(37,479)
Net cash generated from / (used in) operating activities	<b>32,537,429</b>	(34,623,039)
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>45,000</b>	-
Redemption of units	<b>(41,382,818)</b>	(26,094,812)
Net cash used in financing activities	<b>(41,337,818)</b>	(26,094,812)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,800,389)</b>	(60,717,851)
Cash and cash equivalents at beginning of the period	<b>31,093,174</b>	84,515,379
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>22,292,785</b>	23,797,528

## **1 INCORPORATION AND PRINCIPAL ACTIVITIES**

SAB Invest Sukuk and Murabaha 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 (the “Bank”) and investors in the Fund (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 capital preservation and appreciation through investing in Murabaha deposits.

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 Rajab 1442H (corresponding to 22 February 2021) (the “Amended Regulations”). The Fund Manager believes that the Amended Regulations was effective since 19 Ramadan 1442H (corresponding to 01 May 2021).

## **3 BASIS OF PREPARATION AND CHANGES TO 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 and financial assets held at FVOCI 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.

**3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)****3.3 New standards, interpretations and amendments****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.

<b>Standard, interpretation and amendments</b>	<b>Description</b>	<b>Effective date</b>
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



**3. BASIS OF PREPARATION AND CHANGES TO MATERIAL ACCOUNTING POLICIES (continued)****3.3 New standards and amendments to standards (continued)****3.3.2 Significant standards issued but not yet effective**

<b>Standard, interpretation and amendments</b>	<b>Description</b>	<b>Effective date</b>
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

**4 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.

**5 CASH AND CASH EQUIVALENT**

	<i>Notes</i>	<b>30 June 2024 (Unaudited) SR</b>	31 December 2023 (Audited) SR
Bank balances		<b>1,920,25</b>	262,940
Money market placement with maturity less than 90 days	<i>5.1</i>	<b>20,372,529</b>	30,830,234
		<b>22,292,785</b>	31,093,174

5.1. Short-term deposits represent money market placements at prevailing special commission rates, with local banks, having original maturities of less than three months.

**6 INVESTMENTS MEASURED AT AMORTIZED COST - SUKUK**

	<b>30 June 2024 (Unaudited) SR</b>	31 December 2023 (Audited) SR
Bank Albilad Tier II Sukuk – SAR	<b>10,167,189</b>	19,326,880
Bank Aljazira Tier II Sukuk – SAR	<b>10,045,818</b>	20,094,249
Egypt Taskeek Company - USD	<b>1,722,757</b>	-
TMS Issuer SARL - USD	<b>1,567,308</b>	-
Air Lease Corporation Sukuk Limited – USD	<b>1,526,061</b>	-
DP World Salaam Sukuk - USD	<b>1,490,742</b>	-
OTEL Sukuk Ltd. - USD	<b>1,485,981</b>	-
Perusahaan Penerbit SBSN Indonesia III - USD	<b>1,454,956</b>	-
Ahli United Sukuk - USD	<b>1,052,408</b>	-
Al Rajhi Tier 1 Sukuk Ltd. - USD	<b>1,053,548</b>	-
ESIC Sukuk Ltd - USD	<b>1,010,412</b>	-
Mazoon Assets Company - USD	<b>877,656</b>	-
Almarai Sukuk Ltd.	<b>816,920</b>	-
DP World Crescent Ltd. - USD	<b>815,787</b>	-
Alpha Star Holding VII Sukuk – USD	<b>767,114</b>	-
Saudi Electricity Sukuk Programme Co. - USD	<b>734,314</b>	-
<b>Total</b>	<b>36,588,971</b>	39,421,129

Investments measured at amortized cost are subject to impairment assessment based on the ECL model as per IFRS 9. The management has assessed that allowance for ECL on investments measured at amortized cost is not significant.

## 7 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.

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</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)	176,632	844,356	-	-
	Admin fee	16,930	-	2,054	10,015
	Board member fees	7,118	5,714	4,263	5,714
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 0.5% per annum calculated on the net asset value at each valuation date.

### *Units held by related parties*

<i>Related party and nature of relationship</i>	<i>Nature of transactions</i>	<i>30 June</i>	<i>31 December</i>
		<i>2024</i> <i>(Unaudited)</i> <i>Units</i>	<i>2023</i> <i>(Audited)</i> <i>Units</i>
SAB Invest (Fund Manager)	Units held	<b>1,477,287</b>	1,477,287

## 8 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>30 June 2024 (Unaudited)</i>	<i>Within 12 months</i> <i>SR</i>	<i>After 12 months</i> <i>SR</i>	<i>No fixed maturity</i> <i>SR</i>	<i>Total</i> <i>SR</i>
<b>ASSETS</b>				
Cash and cash equivalent	22,292,785	-	-	22,292,785
Investment measured at amortized cost – Sukuk	36,588,970	-	-	36,588,970
Other receivables	2,813	-	-	2,813
<b>TOTAL ASSETS</b>	<b>58,884,568</b>	-	-	<b>58,884,568</b>
<b>LIABILITIES</b>				
Accrued expenses and other liabilities	658,424	-	-	658,424
<b>TOTAL LIABILITIES</b>	<b>658,424</b>	-	-	<b>658,424</b>

**8 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Continued)**

<i>31 December 2023 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>No fixed maturity SR</i>	<i>Total SR</i>
<b>ASSETS</b>				
Cash and cash equivalent	31,093,174	-	-	31,093,174
Investment measured at amortized cost – Sukuk	39,421,129	-	-	39,421,129
Investment measured at amortized cost - Murabaha	15,233,568	-	-	15,233,568
Other receivables	12,164,040	-	-	12,164,040
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>97,911,911</u>	<u>-</u>	<u>-</u>	<u>97,911,911</u>
Accrued expenses and other liabilities	134,776	-	-	134,776
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<u>134,776</u>	<u>-</u>	<u>-</u>	<u>134,776</u>

**9 EVENTS AFTER THE REPORTING DATE**

In the opinion of management, no events have occurred after the reporting date and before the issuance of these interim condensed financial statements which requires adjustment to, or disclosure, these interim condensed financial statements.

**10 LAST VALUATION DAY**

The last valuation day for the period was 30 June 2024 (2023: 31 December 2023)

**11 APPROVAL OF THE 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).