

ALISTITHMAR CAPITAL GCC EQUITY FUND
(Formerly known as SAIB GCC Equity Fund)
An open-ended mutual fund
(Managed by Alistithmar for Financial
Securities and Brokerage Company)
Condensed Interim Financial Statements (Unaudited)
For the six-month period ended 30 June 2022
together with the
Independent Auditor's Review Report to the Unitholders



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كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Unitholders of Alistithmar Capital GCC Equity Fund (formerly known as SAIB GCC Equity Fund)

Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of **Alistithmar Capital GCC Equity Fund** ("the Fund"), managed by Alistithmar for Financial Securities and Brokerage Company ("the Fund Manager"), which comprises:

- the condensed statement of financial position as at 30 June 2022;
- the condensed statement of comprehensive income for the six-month period ended 30 June 2022;
- the condensed statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2022;
- the condensed statement of cash flows for the six-month period ended 30 June 2022; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by Capital Market Authority, the Fund's Terms and Conditions and the Information Memorandum. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 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 financial information 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 30 June 2022 condensed interim financial statements of **Alistithmar Capital GCC Equity Fund** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Hani Hamzah A. Bedair
License No: 460

Al Riyadh, 19 Muharram 1444H
Corresponding to: 17 August 2022

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كي بي إم جي للاستشارات المهنية شركة مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٢٥.٠٠٠.٠٠٠) ريال سعودي مدفوع بالكامل، الفسحة سابقاً "شركة كي بي إم جي للفرزان وشركاه محاسبون ومراجعون تقوئين". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة تجزئية محدودة بضمان. جميع الحقوق محفوظة.

ALISTITHMAR CAPITAL GCC EQUITY FUND
(FORMERLY KNOWN AS SAIB GCC EQUITY FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2022
(Amounts in United States Dollars)

	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	9	1,309,272	1,605,496
Dividend receivable		59,686	--
Investments	10	<u>23,267,442</u>	<u>22,205,922</u>
Total Assets		<u>24,636,400</u>	<u>23,811,418</u>
<u>LIABILITIES</u>			
Management fee payable	12, 13	87,545	41,373
Accrued expenses		9,909	17,429
Total Liabilities		<u>97,454</u>	<u>58,802</u>
Net assets (Equity) attributable to the Unitholders		<u>24,538,946</u>	<u>23,752,616</u>
Units in issue (numbers)		<u>63,353</u>	<u>66,564</u>
Net assets (Equity) attributable to each unit (USD)		<u>387.34</u>	<u>356.84</u>

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL GCC EQUITY FUND
(FORMERLY KNOWN AS SAIB GCC EQUITY FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in United States Dollars)

	<i>Notes</i>	For the six-month period ended 30 June	
<u>INCOME</u>		<u>2022</u>	<u>2021</u>
Dividend income		372,234	321,516
Gain on investments, net	11	<u>2,066,177</u>	<u>4,909,336</u>
Total income		<u>2,438,411</u>	<u>5,230,852</u>
<u>EXPENSES</u>			
Management fee	12, 13	(231,694)	(174,278)
Custody fee		(15,142)	(7,934)
Other expenses		<u>(75,228)</u>	<u>(18,878)</u>
Total expenses		<u>(322,064)</u>	<u>(201,090)</u>
Net income for the period		2,116,347	5,029,762
Other comprehensive income for the period		--	--
Total comprehensive income for the period		<u>2,116,347</u>	<u>5,029,762</u>

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL GCC EQUITY FUND
(FORMERLY KNOWN AS SAIB GCC EQUITY FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in United States Dollars)

	For the six-month period ended 30 June	
	2022	2021
Net assets (Equity) attributable to the Unitholders at beginning of the period	23,752,616	17,903,938
Total comprehensive income for the period	2,116,347	5,029,762
Contributions and redemptions by the Unitholders:		
Contributions by the Unitholders	15,362	--
Redemptions by the Unitholders	(1,345,379)	(510,485)
Net redemptions by the Unitholders	(1,330,017)	(510,485)
Net assets (Equity) attributable to the Unitholders at end of the period	24,538,946	22,423,215

UNITS TRANSACTIONS *(numbers)*

	For the six-month period ended 30 June	
	2022	2021
Units at the beginning of the period	66,564	69,504
Units issued during the period	37	--
Units redeemed during the period	(3,248)	(1,600)
Net decrease in units	(3,211)	(1,600)
Units at the end of the period	63,353	67,904

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL GCC EQUITY FUND
(FORMERLY KNOWN AS SAIB GCC EQUITY FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in United States Dollars)

	<i>Notes</i>	For the six-month period ended 30 June	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		2,116,347	5,029,762
<i>Adjustment for:</i>			
Dividend income		(372,234)	(321,516)
		1,744,113	4,708,246
Changes in operating assets and liabilities:			
Increase in investments		(1,061,520)	(4,931,521)
Increase in management fee payable		46,172	6,623
Decrease in accrued expenses		(7,520)	(7,278)
Cash generated from / (used in) operations		721,245	(223,930)
Dividend received		312,548	328,168
Net cash generated from operating activities		1,033,793	104,238
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions by the Unitholders		15,362	--
Redemptions by the Unitholders		(1,345,379)	(510,485)
Net cash used in financing activities		(1,330,017)	(510,485)
Net (decrease) in cash and cash equivalents		(296,224)	(406,247)
Cash and cash equivalents at the beginning of the period		1,605,496	868,613
Cash and cash equivalents at the end of the period	9	1,309,272	462,366

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

**ALISTITHMAR CAPITAL GCC EQUITY FUND
(FORMERLY KNOWN AS SAIB GCC EQUITY FUND)**

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

1. GENERAL

Alistithmar Capital GCC Equity Fund (formerly known as SAIB GCC Equity Fund) (the “Fund”) is an open-ended investment fund created by an agreement between Alistithmar for Financial Securities and Brokerage Company (“Alistithmar Capital” or the “Fund Manager”), a wholly owned subsidiary of The Saudi Investment Bank (the “Bank”), and the investors (the “Unitholders”). The Fund commenced its operations on 24 July 2004.

During the period, the name of the Fund was changed from SAIB GCC Equity Fund to Alistithmar Capital GCC Equity Fund.

The Fund is designed for investors seeking long-term capital growth through diversified exposure to GCC, Arab markets and other Gulf countries’ equities and financial products. All income is reinvested in the Fund and is reflected in the net assets (equity) attributable to each unit.

Alistithmar Capital is the Fund Manager and Riyadh Capital Company (“Riyad Capital”) is the custodian of the Fund.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate condensed interim financial statements of the Fund.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by Capital Market Authority (“CMA”) on 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended (the “Amended Regulations”) on 16 Sha’ban 1437 H (corresponding to 23 May 2016). The Regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442 H (corresponding to 1 March 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442 H (corresponding to 1 May 2021).

3. BASIS OF ACCOUNTING

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by the Capital Market Authority (“CMA”), the Fund’s terms and conditions and the Information Memorandum. The condensed interim 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 audited financial statements for the year ended 31 December 2021.

4. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on a historical cost basis, except for measurement of investments at fair value, using the accrual basis of accounting and the going concern concept.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

5. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in United States Dollars (“USD”), which is the Fund’s functional currency. All amounts have been rounded to the nearest USD, unless otherwise indicated.

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An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

6. USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

7. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended 31 December 2021.

8. NEW STANDARDS

a) New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Fund

The following new standards, amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (“IASB”) have been effective from 1 January 2022 and accordingly adopted by the Fund, as applicable:

<u>Standards / Amendments</u>	<u>Description</u>
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
IFRS standards 2018-2020	Annual improvements to IFRS Standards 2018-2020
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	COVID 19 – Related Rent Concessions beyond 30 June 2021

The adoption of the amended standards and interpretations applicable to the Fund did not have any significant impact on these condensed interim financial statements.

b) New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective

The following new standards, amendments and revisions to existing standards, which were issued by IASB but not yet effective up to the date of issuance of the Fund’s condensed interim financial statements. The Fund intends to adopt these standards when they become effective.

<u>Standards / Amendments</u>	<u>Description</u>	Effective from periods beginning on or after <u>the following date</u>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimate	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12 Income Taxes	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2023

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

9. CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
Cash in trading account	98,375	308,527
Cash with custodian	<u>1,210,897</u>	<u>1,296,969</u>
	<u>1,309,272</u>	<u>1,605,496</u>

10. INVESTMENTS

Equity securities:	30 June 2022	31 December 2021
Fair value through profit or loss	<u>23,267,442</u>	<u>22,205,922</u>

The table below summarizes the Fund's exposure to listed equity securities measured at FVTPL within the various industry sectors:

Industry sector	30 June 2022		31 December 2021	
	*Carrying Amount	Fair Value	*Carrying Amount	Fair Value
Financial services	11,662,346	12,173,862	7,988,407	11,147,423
Materials	5,202,842	4,585,620	3,362,727	3,700,752
Industrial	1,895,554	1,742,808	1,709,305	1,680,131
Energy	1,003,669	1,036,589	827,208	831,468
Health care	904,241	994,398	895,448	1,153,765
Information Technology	739,297	901,215	486,932	606,891
Consumer discretionary	890,994	731,816	392,747	379,423
Transport	449,695	416,790	480,436	449,723
Real estate	348,738	370,846	962,511	983,799
Consumer staples	320,691	313,498	--	--
Communication services	--	--	743,897	795,781
Utilities	--	--	429,571	476,766
	<u>23,418,067</u>	<u>23,267,442</u>	<u>18,279,189</u>	<u>22,205,922</u>

The geographical exposure of investments is as follows:

	30 June 2022		31 December 2021	
	*Carrying Amount	Fair Value	*Carrying Amount	Fair Value
Kingdom of Saudi Arabia	18,684,704	18,208,173	14,678,591	17,750,552
United Arab Emirates	2,632,601	2,785,536	2,133,850	2,632,768
Kuwait	<u>2,100,762</u>	<u>2,273,733</u>	<u>1,466,748</u>	<u>1,822,602</u>
	<u>23,418,067</u>	<u>23,267,442</u>	<u>18,279,189</u>	<u>22,205,922</u>

**This represents carrying amount before fair value remeasurement as at the reporting date.*

**ALISTITHMAR CAPITAL GCC EQUITY FUND
(FORMERLY KNOWN AS SAIB GCC EQUITY FUND)**

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

11. GAIN ON INVESTMENTS, NET

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Realised gain, net	2,216,802	981,037
Unrealised (loss) / gain, net	<u>(150,625)</u>	<u>3,928,299</u>
	<u>2,066,177</u>	<u>4,909,336</u>

12. MANAGEMENT FEE

As per the terms and conditions of the Fund, the Fund pays a management fee to the Fund Manager equal to 1.75% per annum of the net assets value at each valuation date. Additionally, administration expenses paid by the Fund Manager on behalf of the Fund are reimbursed by the Fund and related expenses, if any, payable to the Fund Manager are classified under accrued expenses.

13. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Fund include the Fund Manager and the Fund Board. The Fund transacts business with its related parties in the ordinary course of its business.

In addition to transactions disclosed elsewhere in these condensed interim financial statements, related party transactions and balances resulting from these transactions are as follows:

Transactions with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	For the six-month period ended 30 June	
			<u>2022</u>	<u>2021</u>
Alistithmar Capital	The Fund Manager	Management fee	231,694	174,278
		Securities transaction costs	13,515	15,658
The Fund Board	The Fund Board	The Fund Board fee	1,323	873

Balances with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>	30 June	31 December
			<u>2022</u>	<u>2021</u>
Alistithmar Capital	The Fund Manager	Cash in trading account	98,375	308,527
		Management fee payable	87,545	41,373

**ALISTITHMAR CAPITAL GCC EQUITY FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Fund measures certain financial instruments at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Valuation models

The fair values of financial instruments that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Fund values equity securities that are traded on a stock exchange at their last reported prices. To the extent that equity securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy, hence the Fund's assets carried at fair value have been categorized in Level 1 of fair value hierarchy.

Fair value hierarchy – Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position. All below fair value measurements are recurring.

**ALISTITHMAR CAPITAL GCC EQUITY FUND
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An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

14. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	30 June 2022			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments	23,267,442	--	--	23,267,442
	31 December 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	22,205,922	--	--	22,205,922

During the period, there has been no transfer in fair value hierarchy.

Other financial instruments such as cash and cash equivalents, dividend receivable, management fee payable and accrued expenses are short term financial assets and financial liabilities whose carrying amounts are approximate to their fair values. Cash and cash equivalents are classified under level 1 while the remaining financial assets and liabilities are classified under level 3.

15. LAST VALUATION DAY

The last valuation day of the period was 30 June 2022 (2021: 31 December 2021).

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events subsequent to the statement of financial position date which require adjustments of or disclosure in the condensed interim financial statements or notes thereto.

17. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 04 Muharram 1444H (corresponding to 02 August 2022).