

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(Formerly known as SAIB Saudi 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 Saudi Equity Fund (formerly known as SAIB Saudi Equity Fund)

Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of **Alistithmar Capital Saudi 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 Saudi 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. Bedairi
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 مقفلة مسجلة في المملكة العربية السعودية، رأسمالها (٢٥.٠٠٠.٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي التوازن وشركاه محاسبين ومراجعين قانونيين". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية للمحدودة، شركة إنجليزية محدودة بضمان. جميع الحقوق محفوظة.

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI EQUITY FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2022
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	9	6,068,099	3,975,067
Dividend receivable		17,570	--
Investments	10	86,469,891	77,160,667
Other assets		--	947,750
Total Assets		<u>92,555,560</u>	<u>82,083,484</u>
<u>LIABILITIES</u>			
Management fee payable	12, 13	160,761	136,656
Accrued expenses		33,758	61,844
Total Liabilities		<u>194,519</u>	<u>198,500</u>
Net assets (Equity) attributable to the Unitholders		<u>92,361,041</u>	<u>81,884,984</u>
Units in issue (numbers)		<u>215,076</u>	<u>202,843</u>
Net assets (Equity) attributable to each unit (SAR)		<u>429.43</u>	<u>403.69</u>

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

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

	<i>Notes</i>	For the six-month period ended 30 June	
<u>INCOME</u>		2022	2021
Dividend income		1,118,733	618,995
Gain on investments, net	<i>11</i>	5,748,627	19,014,979
Total income		6,867,360	19,633,974
<u>EXPENSES</u>			
Management fee	<i>12, 13</i>	(885,078)	(536,359)
Custody fee		(69,983)	(24,839)
Other expenses		(244,287)	(180,911)
Total expenses		(1,199,348)	(742,109)
Net income for the period		5,668,012	18,891,865
Other comprehensive income for the period		--	--
Total comprehensive income for the period		5,668,012	18,891,865

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

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Net assets (Equity) attributable to the Unitholders at beginning of the period	81,884,984	56,648,452
Total comprehensive income for the period	5,668,012	18,891,865
Contributions and redemptions by the Unitholders:		
Contributions by the Unitholders	14,304,866	4,741,381
Redemptions by the Unitholders	(9,496,821)	(8,796,525)
Net contributions / (redemptions) by the Unitholders	4,808,045	(4,055,144)
Net assets (Equity) attributable to the Unitholders at end of the period	<u>92,361,041</u>	<u>71,485,173</u>
 UNITS TRANSACTIONS <i>(numbers)</i>		
	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Units at the beginning of the period	202,843	203,237
Units issued during the period	32,812	13,943
Units redeemed during the period	(20,579)	(27,686)
Net increase / (decrease) in units	12,233	(13,743)
Units at the end of the period	<u>215,076</u>	<u>189,494</u>

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

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

	For the six-month period ended 30 June	
<i>Notes</i>	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	5,668,012	18,891,865
<i>Adjustment for:</i>		
Dividend income	<u>(1,118,733)</u>	<u>(618,995)</u>
	4,549,279	18,272,870
Changes in operating assets and liabilities:		
Increase in investments	(9,309,224)	(15,425,242)
Decrease in other assets	947,750	--
Increase in management fee payable	24,105	25,194
Decrease in accrued expenses	<u>(28,086)</u>	<u>(29,267)</u>
Cash (used in) / generated from operations	(3,816,176)	2,843,555
Dividend received	<u>1,101,163</u>	<u>655,530</u>
Net cash (used in) / generated from operating activities	<u>(2,715,013)</u>	<u>3,499,085</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution by the Unitholders	14,304,866	4,741,381
Redemption by the Unitholders	<u>(9,496,821)</u>	<u>(8,796,525)</u>
Net cash generated from / (used in) financing activities	<u>4,808,045</u>	<u>(4,055,144)</u>
Net increase / (decrease) in cash and cash equivalents	2,093,032	(556,059)
Cash and cash equivalents at the beginning of the period	3,975,067	1,565,074
Cash and cash equivalents at the end of the period	<u>9</u> <u>6,068,099</u>	<u>1,009,015</u>

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

**ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

1. GENERAL

Alistithmar Capital Saudi Equity Fund (formerly known as SAIB Saudi 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 Saudi Equity Fund to Alistithmar Capital Saudi Equity Fund.

The Fund is designed for investors seeking capital appreciation over the long-term, through diversified exposure to publicly traded Saudi 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 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 Saudi Arabian Riyals (“SAR”), which is the Fund’s functional currency. All amounts have been rounded to the nearest SAR, unless otherwise indicated.

**ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

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 IFRS standards 2018-2020	Onerous Contracts – Cost of Fulfilling a Contract Annual improvements to IFRS Standards 2018-2020
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IFRS 3 Amendment to IFRS 16	Reference to the Conceptual Framework 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>	<u>Effective from periods beginning on or after 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

**ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

9. CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
Cash with custodian	<u>6,068,099</u>	<u>3,975,067</u>

10. INVESTMENTS

Equity securities:	30 June 2022	31 December 2021
Fair value through profit or loss	<u>86,469,891</u>	<u>77,160,667</u>

The table below summarize 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	Fair Value	*Carrying	Fair Value
	Amount	Amount	Amount	Amount
Financial services	41,847,833	41,348,380	26,064,340	36,408,040
Materials	18,753,122	16,945,521	12,216,659	13,217,261
Energy	8,244,776	8,425,265	3,420,428	3,442,572
Industrial	5,979,837	4,784,227	6,322,788	6,021,910
Health Care	3,401,090	3,836,538	3,008,324	3,983,139
Information Technology	2,222,791	2,802,928	2,557,638	3,187,732
Consumer discretionary	3,294,862	2,706,302	1,536,439	1,687,452
Communication Services	2,907,371	2,667,633	2,536,083	2,711,765
Real Estate	2,290,612	1,832,523	5,105,010	4,430,171
Consumer staples	1,146,629	1,120,574	--	--
Utilities	--	--	1,900,159	2,070,625
	<u>90,088,923</u>	<u>86,469,891</u>	<u>64,667,868</u>	<u>77,160,667</u>

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

All investments are concentrated in the Kingdom of Saudi Arabia.

11. GAIN ON INVESTMENTS, NET

	For the six-month period ended 30 June	
	2022	2021
Realised gain, net	9,367,659	5,205,622
Unrealised loss / (gain), net	<u>(3,619,032)</u>	<u>13,809,357</u>
	<u>5,748,627</u>	<u>19,014,979</u>

**ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

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 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>	<u>For the six-month period ended 30 June</u>	
			<u>2022</u>	<u>2021</u>
Alistithmar Capital	The Fund Manager	Management fee	885,078	536,359
		Securities transaction cost	65,754	60,669
The Fund Board	The Fund Board	The Fund Board fee	4,959	3,273

Balances with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>	<u>30 June</u>	<u>31 December</u>
			<u>2022</u>	<u>2021</u>
Alistithmar Capital	The Fund Manager	Management fee payable	160,761	136,656

14. FAIR VALUES OF FINANCIAL INSTRUMENTS

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.

**ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

14. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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 fair value measurements below are recurring.

	30 June 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	86,469,891	--	--	86,469,891
	31 December 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	77,160,667	--	--	77,160,667

During the period, there has been no transfer in fair value hierarchy for the financial assets held at fair value.

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).

**ALISTITHMAR CAPITAL SAUDI EQUITY FUND
(FORMERLY KNOWN AS SAIB SAUDI 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 Saudi Arabian Riyals)

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).