

ALISTITHMAR CAPITAL 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 2023
together with the
Independent Auditor's Review Report to the Unitholders



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كي بي إم جي للاستشارات المهنية

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الرياض 11663
المملكة العربية السعودية
سجل تجاري رقم 1010425494

المركز الرئيسي في الرياض

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

To the Unitholders of Alistithmar Capital Saudi Equity Fund

Introduction

We have reviewed the accompanying 30 June 2023 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 2023;
- the condensed statement of comprehensive income for the six-month period ended 30 June 2023;
- the condensed statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2023;
- the condensed statement of cash flows for the six-month period ended 30 June 2023; 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 and the Fund's Terms and Conditions. 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 condensed interim 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 30 June 2023 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, 22 Muharram 1445H
Corresponding to: 09 August 2023



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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
 An open-ended mutual fund
CONDENSED STATEMENT OF FINANCIAL POSITION
 As at 30 June 2023
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	30 June 2023 (Unaudited)	31 December 2022 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	9	336,088	3,364,123
Dividend receivable		12,347	3,181
Investments	10	<u>31,433,505</u>	<u>81,792,168</u>
Total assets		<u>31,781,940</u>	<u>85,159,472</u>
<u>LIABILITIES</u>			
Management fee payable	12, 13	103,386	144,028
Accrued expenses		<u>33,757</u>	<u>65,844</u>
Total liabilities		<u>137,143</u>	<u>209,872</u>
Net assets (Equity) attributable to the Unitholders		<u>31,644,797</u>	<u>84,949,600</u>
Units in issue (numbers)		<u>66,267</u>	<u>209,621</u>
Net assets (equity) attributable to each unit (SAR)		<u>477.53</u>	<u>405.25</u>

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

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
 An open-ended mutual fund
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
 For the six-month period ended 30 June 2023
 (Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	For the six-month period ended 30 June	
		2023	2022
<u>INCOME</u>			
Dividend income		481,372	1,118,733
Gain on investments, net	<i>11</i>	5,394,020	5,748,627
Total income		<u>5,875,392</u>	<u>6,867,360</u>
<u>EXPENSES</u>			
Management fee	<i>12, 13</i>	(390,701)	(885,078)
Custody fee		(52,499)	(69,983)
Other expenses		(143,286)	(244,287)
Total expenses		<u>(586,486)</u>	<u>(1,199,348)</u>
Net income for the period		5,288,906	5,668,012
Other comprehensive income for the period		--	--
Total comprehensive income for the period		<u>5,288,906</u>	<u>5,668,012</u>

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

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
An open-ended mutual fund
CONDENSED STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS (Unaudited)
For the six-month period ended 30 June 2023
(Amounts in Saudi Arabian Riyals)

	For the six-month period ended 30 June	
	<u>2023</u>	<u>2022</u>
Net assets (Equity) attributable to the Unitholders at beginning of the period	84,949,600	81,884,984
Total comprehensive income for the period	5,288,906	5,668,012
Contributions and redemptions by the Unitholders:		
Contributions by the Unitholders	1,636,533	14,304,866
Redemptions by the Unitholders	(60,230,242)	(9,496,821)
Net (redemptions) / contributions by the Unitholders	(58,593,709)	4,808,045
Net assets (Equity) attributable to the Unitholders at end of the period	31,644,797	92,361,041

UNITS TRANSACTIONS *(numbers)*

	For the six-month period ended 30 June	
	<u>2023</u>	<u>2022</u>
Units at beginning of the period	209,621	202,843
Units issued during the period	3,909	32,812
Units redeemed during the period	(147,263)	(20,579)
Net (decrease) / increase in units	(143,354)	12,233
Units at end of the period	66,267	215,076

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

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
An open-ended mutual fund
CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
For the six-month period ended 30 June 2023
(Amounts in Saudi Arabian Riyals)

	For the six-month period ended 30 June		
	<u>Notes</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		5,288,906	5,668,012
<i>Adjustment for:</i>			
Dividend income		<u>(481,372)</u>	<u>(1,118,733)</u>
		4,807,534	4,549,279
Changes in operating assets and liabilities:			
Decrease / (increase) in investments		50,358,663	(9,309,224)
Decrease in other assets		--	947,750
(Decrease) / increase in management fee payable		(40,642)	24,105
Decrease in accrued expenses		<u>(32,087)</u>	<u>(28,086)</u>
Cash generated from / (used in) operations		55,093,468	(3,816,176)
Dividend received		472,206	1,101,163
Net cash generated from / (used in) operating activities		<u>55,565,674</u>	<u>(2,715,013)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution by the Unitholders		1,636,533	14,304,866
Redemption by the Unitholders		<u>(60,230,242)</u>	<u>(9,496,821)</u>
Net cash (used in) / generated from financing activities		<u>(58,593,709)</u>	<u>4,808,045</u>
Net (decrease) / increase in cash and cash equivalents		(3,028,035)	2,093,032
Cash and cash equivalents at beginning of the period		3,364,123	3,975,067
Cash and cash equivalents at end of the period	9	<u>336,088</u>	<u>6,068,099</u>

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

ALISTITHMAR CAPITAL SAUDI EQUITY FUND

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2023

(Amounts in Saudi Arabian Riyals)

1. GENERAL

Alistithmar Capital 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.

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 12 Rajab 1442 H (corresponding to 24 February 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”) and the Fund’s terms and conditions. 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 2022.

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

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2023

(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 2022.

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 2023 and accordingly adopted by the Fund, as applicable:

<u>Standards / Amendments</u>	<u>Description</u>
Amendments to IAS 1 and IFRS practice statement 2	Disclosure of accounting policies
Amendments to IAS 8	Definition of accounting estimates
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to IFRS 17	Insurance Contracts

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 are listed below. The Fund intends to adopt these standards when they become effective. The Fund anticipates that the application of these new standards and amendments in the future will not have significant impact on the amounts reported.

<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 and non current liabilities with covenant	1 January 2024
Amendments to IFRS 16	Lease liability in a sale and leaseback	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture	1 January 2024

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
An open-ended mutual fund
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the six-month period ended 30 June 2023
(Amounts in Saudi Arabian Riyals)

9. CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash with custodian	<u>336,088</u>	<u>3,364,123</u>

10. INVESTMENTS

Equity securities:	30 June 2023	31 December 2022
Investments at FVTPL	<u>31,433,505</u>	<u>81,792,168</u>

The table below summarizes the Fund's exposure to listed equity securities of various industry sectors in the Kingdom of Saudi Arabia:

Industry Sector	30 June 2023		31 December 2022	
	*Carrying amount	Fair value	*Carrying amount	Fair value
Financial services	11,328,221	11,678,457	41,120,458	37,218,397
Materials	5,325,102	6,290,540	17,178,088	13,987,921
Consumer discretionary	2,675,055	3,525,821	7,047,348	6,826,597
Energy	2,859,715	3,135,346	10,032,679	8,525,439
Health care	1,010,775	1,655,886	1,528,068	1,795,844
Industrial	1,213,917	1,303,204	8,424,017	6,434,164
Information technology	866,290	1,112,222	1,923,243	2,190,509
Real estate	806,346	938,100	963,908	764,272
Utilities	620,674	929,027	2,009,556	2,048,873
Communication services	519,913	864,902	1,998,583	2,000,152
	<u>27,226,008</u>	<u>31,433,505</u>	<u>92,225,948</u>	<u>81,792,168</u>

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

11. GAIN ON INVESTMENTS, NET

	For the six-month period ended 30 June	
	<u>2023</u>	<u>2022</u>
Realised gain, net	1,186,523	9,367,659
Unrealised gain / (loss), net	<u>4,207,497</u>	<u>(3,619,032)</u>
	<u>5,394,020</u>	<u>5,748,627</u>

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
 An open-ended mutual fund
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
 For the six-month period ended 30 June 2023
 (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>2023</u>	<u>2022</u>
Alistithmar Capital	The Fund Manager	Management fee	390,701	885,078
		Securities transaction cost	42,678	65,754
The Fund Board	The Fund Board	The Fund Board fee	4,959	4,959

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>2023</u>	<u>2022</u>
Alistithmar Capital	The Fund Manager	Management fee payable	103,386	144,028

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.

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
 An open-ended mutual fund
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
 For the six-month period ended 30 June 2023
(Amounts in Saudi Arabian Riyals)

14. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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 fair value measurements below are recurring.

	30 June 2023			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	31,433,505	--	--	31,433,505
	31 December 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	81,792,168	--	--	81,792,168

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.

ALISTITHMAR CAPITAL SAUDI EQUITY FUND
An open-ended mutual fund
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the six-month period ended 30 June 2023
(Amounts in Saudi Arabian Riyals)

15. LAST VALUATION DAY

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

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 15 Muharram 1445H (corresponding to 02 August 2023).