

ALISTITHMAR CAPITAL FREESTYLE SAUDI EQUITY FUND
An open-ended mutual fund
**(Managed by Alistithmar for Financial
Securities and Brokerage Company)**
Condensed Interim Financial Statements (Unaudited)
together with the
Independent Auditor's Review Report to the Unitholders
For the six-month period ended 30 June 2024



KPMG Professional Services

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كي بي إم جي للاستشارات المهنية

واجهة روشن، 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 Freestyle Saudi Equity Fund

Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of **Alistithmar Capital Freestyle 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 2024;
- the condensed statement of comprehensive income for the six-month period ended 30 June 2024;
- the condensed statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2024;
- the condensed statement of cash flows for the six-month period ended 30 June 2024; 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 the 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 2024 condensed interim financial statements of **Alistithmar Capital Freestyle 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



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كي بي إم جي للاستشارات المهنية
KPMG Professional Services

Nasser Ahmed Al Shutairy
License No: 454

Al Riyadh, 25 Muharram 1446H
Corresponding to: 31 July 2024

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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مملها (٤٠,٠٠٠,٠٠٠) ريال سعودي متفرع بالكامل، المنسمة سابقاً "شركة كي بي إم جي للوزن وشركاء محليون ومرجعون 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 FREESTYLE SAUDI EQUITY FUND
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2024
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	9	21,652,624	1,176,527
Other assets	10	3,110,000	--
Investments	11	195,180,620	174,958,426
Total assets		219,943,244	176,134,953
<u>LIABILITIES</u>			
Management fee payable	13, 14	362,479	287,561
Accrued expenses		55,794	130,045
Total liabilities		418,273	417,606
Net assets (Equity) attributable to the Unitholders		219,524,971	175,717,347
Units in issue (numbers)		14,258,101	12,430,193
Net assets (Equity) attributable to each unit (SAR)		15.40	14.14

The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL FREESTYLE SAUDI EQUITY FUND
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
For the six-month period ended 30 June 2024
(Amounts in Saudi Arabian Riyals)

		For the six-month period ended 30 June	
<u>INCOME</u>	<i>Notes</i>	<u>2024</u>	<u>2023</u>
Dividend income		2,548,277	1,798,165
Gain on investments, net	12	15,732,152	36,140,394
Total income		18,280,429	37,938,559
<u>EXPENSES</u>			
Management fee	13, 14	(1,798,781)	(1,389,576)
Custody fee		(81,049)	(80,409)
Other expenses		(573,504)	(367,662)
Total expenses		(2,453,334)	(1,837,647)
 Net income for the period		15,827,095	36,100,912
Other comprehensive income for the period		--	--
 Total comprehensive income for the period		15,827,095	36,100,912

The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL FREESTYLE 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 2024
(Amounts in Saudi Arabian Riyals)

	For the six-month period ended	
	30 June	
	2024	2023
Net assets (Equity) attributable to the Unitholders at beginning of the period	175,717,347	153,580,373
Total comprehensive income for the period	15,827,095	36,100,912
Contributions and redemptions by the Unitholders:		
Contributions by the Unitholders	47,408,193	4,076,853
Redemptions by the Unitholders	(19,427,664)	(29,868,952)
Net contributions / (redemptions) by the Unitholders	27,980,529	(25,792,099)
Net assets (Equity) attributable to the Unitholders at end of the period	219,524,971	163,889,186

UNITS TRANSACTIONS *(numbers)*

	For the six-month period ended	
	30 June	
	2024	2023
Units at beginning of the period	12,430,193	15,384,873
Units issued during the period	3,090,791	376,889
Units redeemed during the period	(1,262,883)	(2,662,482)
Net increase / (decrease) in units	1,827,908	(2,285,593)
Units at end of the period	14,258,101	13,099,280

The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL FREESTYLE SAUDI EQUITY FUND
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)
For the six-month period ended 30 June 2024
(Amounts in Saudi Arabian Riyals)

	For the six-month period ended 30 June	
<i>Notes</i>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Net profit for the period	15,827,095	36,100,912
<i>Adjustment for:</i>		
Dividend income	<u>(2,548,277)</u>	<u>(1,798,165)</u>
	13,278,818	34,302,747
Changes in operating assets and liabilities:		
Increase in investments	(20,222,194)	(6,416,316)
Increase in other asset	(3,110,000)	--
Increase in management fee payable	74,918	255,794
Decrease in accrued expenses	<u>(74,251)</u>	<u>(46,104)</u>
Cash (used in) / generated from operations	(10,052,709)	28,096,121
Dividend received	<u>2,548,277</u>	<u>1,733,960</u>
Net cash (used in) / generated from operating activities	<u>(7,504,432)</u>	<u>29,830,081</u>
Cash flows from financing activities		
Contributions by the Unitholders	47,408,193	4,076,853
Redemptions by the Unitholders	<u>(19,427,664)</u>	<u>(29,868,952)</u>
Net cash generated from / (used in) financing activities	<u>27,980,529</u>	<u>(25,792,099)</u>
Net increase in cash and cash equivalents	20,476,097	4,037,982
Cash and cash equivalents at beginning of the period	9 1,176,527	2,667,069
Cash and cash equivalents at end of the period	9 <u>21,652,624</u>	<u>6,705,051</u>

The accompanying notes 1 to 18 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL FREESTYLE SAUDI EQUITY FUND

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2024

(Amounts in Saudi Arabian Riyals)

1. GENERAL

Alistithmar Capital Freestyle 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 16 November 2021.

The Fund is designed for investors seeking capital appreciation over the long-term period, through exposure to publicly traded Shariah compliant 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 period ended 31 December 2023.

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 FREESTYLE SAUDI EQUITY FUND

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2024

(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. MATERIAL ACCOUNTING POLICIES

The accounting policies 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 period ended 31 December 2023.

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 2024 and accordingly adopted by the Fund, as applicable:

<u>Standards / Amendments</u>	<u>Description</u>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements
Amendments to IAS 1	Classification of liabilities as current or non-current and non-current liabilities with covenants

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 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 21	Lack of exchangeability	1 January 2025
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture	Effective date deferred indefinitely
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Reducing subsidiaries` disclosures	1 January 2027

ALISTITHMAR CAPITAL FREESTYLE SAUDI EQUITY FUND
An open-ended mutual fund
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the six-month period ended 30 June 2024
(Amounts in Saudi Arabian Riyals)

9. CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
Cash with custodian	<u>21,652,624</u>	<u>1,176,527</u>

10. OTHER ASSETS

This represents IPO subscription in Alistithmar AREIC Diversified REIT Fund.

11. INVESTMENTS

Equity securities:

Investments at FVTPL	<u>195,180,620</u>	<u>174,958,426</u>
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The table below summarizes the Fund's exposure to listed equity securities of various industry sectors in the Kingdom of Saudi Arabia:

<u>Industry Sector</u>	30 June 2024		31 December 2023	
	<u>Carrying amount *</u>	<u>Fair value</u>	<u>Carrying amount *</u>	<u>Fair value</u>
Financial services	52,037,067	48,593,665	47,041,229	52,992,114
Healthcare	21,034,182	23,747,970	6,838,841	13,203,272
Materials	26,112,781	23,298,202	26,788,293	28,251,199
Energy	23,583,093	22,117,866	16,579,638	19,145,154
Consumer discretionary	18,699,957	18,228,594	11,863,157	16,230,613
Industrial	14,847,737	17,649,981	13,487,452	15,705,017
Realestate	14,297,522	16,300,724	17,563,687	19,796,584
Consumer staples	13,706,279	11,521,925	--	--
Communication services	10,684,750	9,715,500	4,458,138	6,312,263
Information technology	3,322,208	4,006,193	3,005,841	3,322,210
	<u>198,325,576</u>	<u>195,180,620</u>	<u>147,626,276</u>	<u>174,958,426</u>

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

12. GAIN ON INVESTMENTS, NET

	For the six-month period ended 30 June	
	<u>2024</u>	<u>2023</u>
Realised gain, net	18,877,108	11,765,327
Unrealised (loss) / gain, net	(3,144,956)	24,375,067
	<u>15,732,152</u>	<u>36,140,394</u>

13. 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 in accrued expenses.

ALISTITHMAR CAPITAL FREESTYLE SAUDI EQUITY FUND

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2024

(Amounts in Saudi Arabian Riyals)

14. 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>	<u>For the six-month period ended 30 June</u>	
			<u>2024</u>	<u>2023</u>
Alistithmar Capital	The Fund Manager	Management fee	1,798,781	1,389,576
		Securities transaction cost	97,638	87,923
The Fund Board	The Fund Board	The Fund Board fee	4,973	4,959

Balances with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
			Alistithmar Capital	The Fund Manager

Units (in numbers) of the Fund held with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
		Key Management Personnel	Key Management Personnel

15. 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.

ALISTITHMAR CAPITAL FREESTYLE SAUDI EQUITY FUND

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2024

(Amounts in Saudi Arabian Riyals)

15. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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 recorded at fair value have been categorized based on fair value hierarchy Level 1.

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.

	30 June 2024 (Unaudited)				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Investments	<u>195,180,620</u>	<u>195,180,620</u>	<u>--</u>	<u>--</u>	<u>195,180,620</u>

	31 December 2023 (Audited)				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Investments	<u>174,958,426</u>	<u>174,958,426</u>	<u>--</u>	<u>--</u>	<u>174,958,426</u>

Other financial instruments such as cash and cash equivalents, 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.

16. LAST VALUATION DAY

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

17. 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.

18. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 22 Muharram 1446H (corresponding to 28 July 2024).