

GIB OPPORTUNISTIC MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Interim condensed financial statements (Un-audited)
For the six-months period ended 30 June 2022
Together with the
Independent Auditor's Review Report to the Unitholders

GIB OPPORTUNISTIC_MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Interim Condensed Financial Statements (Un-audited)
For the period ended 30 June 2022

	PAGES
INDEPENDENT AUDITOR’S REVIEW REPORT	1
INTERIM STATEMENT OF FINANCIAL POSITION	2
INTERIM STATEMENT OF COMPREHENSIVE INCOME	3
INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS	4
INTERIM STATEMENT OF CASH FLOWS	5
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	6 - 13

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE UNITHOLDERS OF
GIB OPPORTUNISTIC MENA EQUITY FUND**

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of GIB OPPORTUNISTIC MENA EQUITY FUND (the "Fund") managed by GIB Capital Company (the "Fund Manager") as at 30 June 2022 and the related interim statement of comprehensive Income, interim statement of changes in net assets (Equity) attributable to the unitholders and interim statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management 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") that is 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 Engagement (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 condensed 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.



For Al-Bassam & Co.

Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh: 24 Muharram 1444H
Corresponding to: 22 August 2022



RIYADH
Tel. +966 11 206 5333 | P.O Box 69658
Fax +966 11 206 5444 | Riyadh 11557

JEDDAH
Tel. +966 12 652 5333 | P.O Box 15651
Fax +966 12 652 2894 | Jeddah 21454

AL KHOBAR
Tel. +966 13 893 3378 | P.O Box 4636
Fax +966 13 893 3349 | Al Khobar 11557

GIB OPPORTUNISTIC MENA EQUITY FUND**Open-Ended Mutual Fund****(Managed by GIB Capital)****INTERIM STATEMENT OF FINANCIAL POSITION****As at 30 June 2022****(Amounts in Saudi Arabian Riyal)**

	Note	30 June 2022 (Un-audited)	31 December 2021 (Audited)
ASSETS			
Cash and cash equivalents	6	2,577,896	2,769,860
Investments carried at fair value through profit or loss (FVPL)	7	51,924,069	47,789,794
Advance to purchase investments		406,330	781,240
Total assets		54,908,295	51,340,894
LIABILITIES			
Management fees payable	11	74,791	63,076
Accrued expenses		125,687	78,428
Total liabilities		200,478	141,504
Net assets (equity) attributable to the Unitholders		54,707,817	51,199,390
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS:			
Class A		-	-
Class B		-	-
Class C		54,707,817	51,199,390
		54,707,817	51,199,390
UNITS IN ISSUE (number):			
	8		
Class A		-	-
Class B		-	-
Class C		2,933,429.31	2,927,273.74
		2,933,429.31	2,927,273.74
NET ASSETS ATTRIBUTABLE TO EACH UNIT:			
Class A		-	-
Class B		-	-
Class C		18.65	17.49

GIB OPPORTUNISTIC MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyal)

	Note	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
<u>Investment income</u>			
Net gain from investments carried at FVPL	9	2,671,940	12,562,180
Dividend income		973,946	1,307,730
		3,645,886	13,869,910
<u>Expenses</u>			
Management fees payable	11	(143,903)	(161,343)
Board of Directors' fees	11	(24,658)	(24,795)
Custody fees		(11,645)	(20,108)
Other expenses	10	(77,309)	(61,933)
		(257,515)	(268,179)
Net income for the period		3,388,371	13,601,731
Other comprehensive income for the period		-	-
Total comprehensive income for the period		3,388,371	13,601,731

GIB OPPORTUNISTIC MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)

INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS (UN-AUDITED)

For the six-month period ended 30 June 2022
(Amounts in Saudi Arabian Riyal)

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
Net assets (equity) attributable to the Unitholders at the beginning of the period	51,199,390	58,277,393
Total comprehensive income for the period	3,388,371	13,601,731
Contributions and redemptions by the Unitholders		
Issuance of units		
Class A	-	-
Class B	-	-
Class C	120,056	-
Redemption of units		
Class A	-	-
Class B	-	-
Class C	-	17,185,442
Net changes from unit transactions	120,056	(17,185,442)
Net assets (equity) attributable to the Unitholders at the end of the period	54,707,817	54,693,682

GIB OPPORTUNISTIC MENA EQUITY FUND**Open-Ended Mutual Fund****(Managed by GIB Capital)****INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)****For the six-month period ended 30 June 2022****(Amounts in Saudi Arabian Riyal)**

	Note	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
Cash flows from operating activities:			
Net income for the period		3,388,371	13,601,731
Adjustments for:			
Unrealized loss / (gain) from investments carried at FVPL	9	2,494,932	(6,384,848)
		5,883,303	7,216,883
Net changes in operating assets and liabilities:			
Investments carried at FVPL		(6,629,207)	8,101,284
Advance against investment		374,910	(9,521)
Management fees payable		11,715	15,902
Accrued expenses		47,259	(27,746)
Net cash (used in) / generated from operating activities		(312,020)	15,296,802
Cash flows from financing activities:			
Proceeds from issuance of units		120,056	-
Redemptions of the units		-	(17,185,442)
Net cash generated from / (used in) financing activities		120,056	(17,185,442)
Net changes in cash and cash equivalents		(191,964)	(1,888,640)
Cash and cash equivalents at beginning of the period		2,769,860	2,371,663
Cash and cash equivalents at end of the period	6	2,577,896	483,023

GIB OPPORTUNISTIC MENA EQUITY FUND

Open-Ended Mutual Fund

(Managed by GIB Capital)

Notes to the interim condensed financial statements (Un-audited)

For the six-month period ended 30 June 2022

(All amounts in Saudi Arabian Riyal unless otherwise stated)

1 FUND AND ITS ACTIVITIES

The GIB Opportunistic MENA Equity Fund (“the Fund”) is an open-ended investment fund to invest in Shariah-compliant Saudi listed equities. It was established and managed by GIB Capital (“Fund Manager”), which is a one-person company in accordance with the laws in the Kingdom of Saudi Arabia under the Commercial Registration No. 1010244294 dated 6/2/1429H and Capital Market Authority License No. 37-07078.

The Fund aims to achieve capital growth in the medium and long term by investing in shares of Saudi companies listed on the main Saudi stock market or the parallel Saudi stock market (Nomu) in accordance with Islamic Sharia'a.

The Fund's grandmothers are divided into three categories A, B, and C as follows:

- Category (A), which is for institutional and individual investors.
- Category (B), which is for small-investor, institutional and individual investor.
- Category (C), related to the Fund Manager and Gulf International Bank.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statement for the Fund. The management of the Fund is the responsibility of the Fund Manager. However, in accordance with the Fund's Agreement, the Fund Manager can delegate or assign its duties to one or more of the financial institutions in the Kingdom of Saudi Arabia and overseas.

The Fund Manager and Administrator of the Fund is GIB Capital. The Custodian of the Fund is Albilad Investment Company.

Date of approval of the Capital Market Authority (“CMA”) for the establishment of the Fund and the offering of its units: 17 October 2019.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) thereafter amended on 16 Sha'ban 1437H (corresponding to 23 May 2016). The regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442H (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 1442H (corresponding to 1 May 2021).

3 BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting standard 34 – Interim Financial Reporting (“IAS 34”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization of Chartered and Professional Accountants (SOCPA).

These interim condensed financial statements do not include all of the information required in annual financial statements and should be read in conjunction with the annual financial statements of the Fund for the year ended 31 December 2021. The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

3.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments carried at fair value through profit or loss which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

GIB OPPORTUNISTIC MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the six-month period ended 30 June 2022

(All amounts in Saudi Arabian Riyal unless otherwise stated)

3.3 Functional and Presentation Currency

Items included in the interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These interim condensed financial statements are presented in Saudi Arabian Riyal (“SAR”) which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates prevailing at date of the interim statement of financial position. Foreign exchange gains and losses, if any, arising from translation are included in the interim statement of comprehensive income / (loss).

3.4 Critical accounting judgments, estimates and assumption

The preparation of the interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. The Fund based its assumptions and estimates on parameters available when the interim condensed financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Going concern

The Fund Manager has made an assessment of the Fund’s ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund’s ability to continue as a going concern.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2021. Certain new standards, amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund’s interim condensed financial statements. In the opinion of the Fund’s Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

5 MANAGEMENT FEE, AND OTHER CHARGES

The Fund Manager charges the management fees for categories A, B and C at 1.00%, 1.75% and 0.50% per annum respectively of the net asset value of the Fund, calculated on a daily basis and payable on a quarterly basis. The Fund Manager is also reimbursed for any other expenses which are paid on behalf of the Fund, such as custodian fees of 0.41% as maximum per annum of the net asset value of the Fund and transaction fees of USD 70 (SAR 262.50) as maximum per transaction.

6 CASH AND CASH EQUIVALENTS

	Note	30 June 2022 (Un-audited)	31 December 2021 (Audited)
Cash in investment account	6.1	2,577,896	2,769,860

6.1 Cash in investment account is held in an investment account with Albilad Investment Company, a related party. The Fund does not earn profit on these investment accounts.

GIB OPPORTUNISTIC MENA EQUITY FUND**Open-Ended Mutual Fund****(Managed by GIB Capital)****Notes to the interim condensed financial statements (Un-audited)****For the six-month period ended 30 June 2022****(All amounts in Saudi Arabian Riyal unless otherwise stated)****7 INVESTMENTS CARRIED AT FVPL**

The Fund invests primarily in equity of listed MENA companies. The sector-wise portfolio of investments carried at FVPL is summarized as follows:

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
Saudi Market		
Banks	16,511,274	12,726,859
Materials	6,126,458	6,137,156
Retailing	2,946,976	-
Capital Goods	1,866,096	1,380,035
Telecommunication services	1,822,450	4,642,738
Energy	1,170,174	-
Real Estate	1,127,664	-
Software & Services	1,076,823	-
Consumer Services	982,781	-
Food & Staples Retailing	128,587	-
Utilities	-	2,854,572
Commercial and professional services	-	1,137,652
Transportation	-	935,630
Insurance	-	898,960
	33,759,283	30,713,602
Emirates Market		
Banks	4,606,745	1,549,752
Real Estate	2,612,210	2,458,713
Utilities	-	1,731,119
Materials	-	1,621,338
	7,218,955	7,360,922
Kuwait Market		
Telecommunication Services	1,704,608	-
	1,704,608	-
Egypt Market		
Materials	1,368,833	2,717,084
Consumer Services	810,649	1,677,539
Banks	-	2,015,425
Food, Beverage & Tobacco	-	779,177
	2,179,482	7,189,225
Qatar Market		
Capital Goods	2,272,687	1,262,856
Banks	3,581,271	1,263,189
Insurance	1,207,783	-
	7,061,741	2,526,045
Total market value	51,924,069	47,789,794
Total cost	51,793,498	42,906,684

GIB OPPORTUNISTIC MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the six-month period ended 30 June 2022
(All amounts in Saudi Arabian Riyal unless otherwise stated)

8 UNIT TRANSACTIONS

Transactions in units for the period / year are summarized as follows:

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	<i>(Units in numbers)</i>	
Units at the beginning of the period / year	2,927,273.74	5,002,821.38
Units issued during the period / year		
Class A	-	-
Class B	-	-
Class C	6,155.57	1,117.76
	6,155.57	1,117.76
Units redeemed during the period / year		
Class A	-	-
Class B	-	-
Class C	-	(2,076,665.40)
	-	(2,076,665.40)
Net change in units	6,155.57	(2,075,547.64)
Units at the end of the period / year	2,933,429.31	2,927,273.74

9 NET GAIN FROM INVESTMENTS CARRIED AT FVPL

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
Realized gain from sale of investments carried at FVPL	5,166,872	6,177,332
Unrealized (loss) / gain from revaluation of investments carried at FVPL	(2,494,932)	6,384,848
	2,671,940	12,562,180

10 OTHER EXPENSES

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
Transaction fees	13,061	8,066
Tadawul fees	4,932	4,959
VAT expense	25,397	27,274
Other expenses	33,919	21,634
	77,309	61,933

11 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include “GIB Capital” being the Fund Manager, “GIB Bank” being the shareholder of GIB Capital, Albilad Investment Company being the Custodian and the Fund’s Board of Directors.

In the ordinary course of its activities, the Fund transacts business with related parties. The related parties’ transactions are governed by limits set by the regulations issued by the CMA. All related party transactions are approved by the Fund’s Board of Directors.

The significant related party transactions entered into by the Fund during the period and the balances resulting from such transactions are as follows:

Related party	Nature of transactions	Amount of transactions during the period		Closing balance (payable)	
		30 June 2022 (Un-audited)	30 June 2021 (Un-audited)	30 June 2022 (Un-audited)	31 December 2021 (Audited)
GIB Capital	Management fees payable	143,903	161,343	(74,791)	(63,076)
	Board of Directors’ Fees	24,658	24,795	(85,791)	(35,000)
	Accrued VAT*	25,397	24,201	(20,771)	(9,641)

* Accrued VAT to related party is included in the interim statement of financial position under accrued expenses.

GIB OPPORTUNISTIC MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the six-month period ended 30 June 2022
(All amounts in Saudi Arabian Riyal unless otherwise stated)

12 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2022 (Un-audited)	Amortized cost	FVPL
Assets as per interim statement of financial position		
Cash and cash equivalents	2,577,896	-
Investments carried at FVPL	-	51,924,069
Advance against investment	406,330	-
Total	2,984,226	51,924,069

31 December 2021 (Audited)	Amortized cost	FVPL
Assets as per statement of financial position		
Cash and cash equivalents	2,769,860	-
Investments carried at FVPL	-	47,789,794
Accrued dividend	781,240	-
Total	3,551,100	47,789,794

All financial liabilities as at 30 June 2022 and 31 December 2021 were classified as financial liabilities carried at amortized cost.

13 FINANCIAL RISK MANAGEMENT

13.1 Financial risk factors

The objective of the Fund is to safeguard its ability to continue as a going concern so that it can continue to provide optimum returns to its Unitholders and to ensure reasonable safety to the Unitholders.

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

(i) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund Manager diversifies the investment portfolio and closely monitors the price movement of its investments in financial instruments. As of the interim statement of financial position date, the Fund has equity investments.

GIB OPPORTUNISTIC MENA EQUITY FUND**Open-Ended Mutual Fund****(Managed by GIB Capital)****Notes to the interim condensed financial statements (Un-audited)****For the six-month period ended 30 June 2022****(All amounts in Saudi Arabian Riyal unless otherwise stated)****13 FINANCIAL RISK MANAGEMENT (CONTINUED)****13.1 Financial risk factors (continued)****(a) Market risk (continued)****(i) Price risk (continued)**

The effect on the net assets value (as a result of the change in the fair value of investments as at 30 June 2022 (Un-audited) and 31 December 2021 (Audited) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

	30 June 2022		31 December 2021	
	(Un-audited)		(Audited)	
	Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
Saudi Market				
Banks	+/-1%	165,113	+/-1%	127,269
Materials	+/-1%	61,265	+/-1%	61,372
Retailing	+/-1%	29,470	+/-1%	-
Capital Goods	+/-1%	18,661	+/-1%	13,800
Telecommunication Services	+/-1%	18,225	+/-1%	46,427
Energy	+/-1%	11,702	+/-1%	-
Real Estate	+/-1%	11,277	+/-1%	-
Software & Services	+/-1%	10,768	+/-1%	-
Consumer Services	+/-1%	9,828	+/-1%	-
Food & Staples Retailing	+/-1%	1,286	+/-1%	-
Utilities	+/-1%	-	+/-1%	28,546
Commercial and professional Services	+/-1%	-	+/-1%	11,377
Transportation	+/-1%	-	+/-1%	9,356
Insurance	+/-1%	-	+/-1%	8,990
Emirates Market				
Banks	+/-1%	46,067	+/-1%	15,498
Real Estate	+/-1%	26,122	+/-1%	24,587
Utilities	+/-1%	-	+/-1%	17,311
Materials	+/-1%	-	+/-1%	16,213
Kuwait Market				
Telecommunication Services	+/-1%	17,046	-	-
Egypt Market				
Materials	+/-1%	13,688	+/-1%	27,171
Consumer Services	+/-1%	8,106	+/-1%	16,775
Banks	+/-1%	-	+/-1%	20,154
Food, Beverage & Tobacco	+/-1%	-	+/-1%	7,792
Qatar Market				
Banks	+/-1%	35,813	+/-1%	12,632
Capital Goods	+/-1%	22,727	+/-1%	12,629
Insurance	+/-1%	12,078	+/-1%	-

GIB OPPORTUNISTIC MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the six-month period ended 30 June 2022

(All amounts in Saudi Arabian Riyal unless otherwise stated)

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to credit risk for its cash and cash equivalent ~~and receivables~~. Bank balances are deposited in investment account in Al-Bilad Capital which is Bank with good financial rating.

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position.

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
Cash and cash equivalents	<u>2,577,896</u>	<u>2,769,860</u>

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's terms and conditions provide for subscription and redemption of units on every Sunday and Tuesday, therefore, it is exposed to the liquidity risk of meeting Unitholder redemptions on these days. The Fund's financial liabilities primarily consist of accrued expenses and management fees payable which are expected to be settled within one month from the interim statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short term loans from the Fund Manager.

The expected maturity of the assets and liabilities of the Fund is less than 12 months.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

13.2 Fair value estimation

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying values of the Fund's financial instruments carried at amortized cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

GIB OPPORTUNISTIC MENA EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the six-month period ended 30 June 2022

(All amounts in Saudi Arabian Riyal unless otherwise stated)

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

13.2 Fair value estimation (continued)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equity and debt instruments. The Fund does not adjust the quoted price for these instruments.

Fund classifies all of its financial assets except for those carried at amortized cost, at fair value as level 1.

14 SUBSEQUENT EVENTS

As of the date of approval of these interim condensed interim financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these interim condensed financial statements.

15 LAST VALUATION DAY

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

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue by the Fund's Board of Directors on 16 August 2022 (corresponding to 18 Muharram 1444H)