

ALPHA SAUDI EQUITY FUND
(Managed by Alpha Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

AND INDEPENDENT AUDITOR'S REVIEW REPORT

Alpha Saudi Equity Fund
(Managed by Alpha Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
To the Unitholders of Alpha Saudi Equity Fund
(Managed by Alpha Capital Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Alpha Saudi Equity Fund ("the Fund") being managed by Alpha Capital Company (the "Fund Manager") as at 30 June 2022, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, including a summary of significant accounting policies and other explanatory notes. The Fund Manager 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 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 the 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 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 Alluhaid & Alyahya Chartered Accountants



Turki A. Alluhaid
Certified Public Accountant
License No. 438



Riyadh: 16 Muharram 1444H
(14 August 2022)

Alpha Saudi Equity Fund
(Managed by Alpha Capital Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

		30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
	Note		
ASSETS			
Cash and cash equivalents		10,277,254	299,014
Financial assets at fair value through profit or loss ("FVTPL")	5	154,393,718	43,485,953
Other receivables		22,713	7,017,309
TOTAL ASSETS		164,693,685	50,802,276
LIABILITIES AND EQUITY			
LIABILITIES			
Payable against acquisition of financial assets at FVTPL		8,516,707	-
Management and administration fees payable	6	886,023	253,143
Director's fees payable	6	16,790	28,000
Accrued expenses and other current liabilities		89,432	165,475
Redemption payable		-	6,624,412
TOTAL LIABILITIES		9,508,952	7,071,030
EQUITY			
Net assets attributable to unitholders of redeemable units		155,184,733	43,731,246
TOTAL LIABILITIES AND EQUITY		164,693,685	50,802,276
Redeemable units in issue (numbers)		7,268,179	2,221,121
Net asst value per unit attributable to unitholders (SR)		21.35	19.69

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

Alpha Saudi Equity Fund
(Managed by Alpha Capital Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

		<i>Unaudited</i>	
		<i>For the six-month period ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2022</i>	<i>2021</i>
<i>Note</i>		<i>SR</i>	<i>SR</i>
	(LOSS) INCOME		
	(Loss) Income from financial assets at FVTPL:		
	Unrealised (loss) gain	(5,805,465)	2,654,239
	Realised gain	3,707,638	4,240,118
	Dividend income	573,138	339,533
	TOTAL (LOSS) INCOME	(1,524,689)	7,233,890
	OPERATING EXPENSES		
	Management fees	6 (754,381)	(176,200)
	Transaction costs	(144,358)	(48,439)
	Value-added tax expenses	(154,699)	(41,989)
	Administration fees	6 (55,788)	(55,788)
	Other operating expenses	(112,459)	(49,934)
	TOTAL OPERATING EXPENSES	(1,221,685)	(372,350)
	NET (LOSS) INCOME FOR THE PERIOD	(2,746,374)	6,861,540
	Other comprehensive income	-	-
	TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(2,746,374)	6,861,540

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

Alpha Saudi Equity Fund
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INTERIM CONDENSED STATEMENT OF CASH FLOWS

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Net (loss) income for the period	(2,746,374)	6,861,540
Adjustments for:		
Unrealised loss (gain) from the financial assets at FVTPL	5,805,465	(2,654,239)
Dividend income	(573,138)	(339,533)
	<u>2,485,953</u>	<u>3,867,768</u>
Changes in operating assets and liabilities:		
Increase in financial assets at FVTPL	(116,713,230)	(7,048,380)
Decrease (increase) in other receivables	6,994,596	(499,759)
(Decrease) increase in redemption payable	(6,624,412)	510,000
Increase in payable against acquisition of financial assets at FVTPL	8,516,707	-
Increase in management and administration fees payable	632,880	36,103
Decrease in director's fees	(11,210)	(14,794)
(Decrease) increase in accrued expenses and other current liabilities	(76,043)	14,177
	<u>(104,794,759)</u>	<u>(3,134,885)</u>
Dividend received	573,138	339,533
Net cash flows used in operating activities	<u>(104,221,621)</u>	<u>(2,795,352)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of units	129,806,133	9,884,745
Payments against redemption of units	(15,606,272)	(7,832,782)
Net cash flows from financing activities	<u>114,199,861</u>	<u>2,051,963</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>9,978,240</u>	<u>(743,389)</u>
Cash and cash equivalents at beginning of the period	<u>299,014</u>	<u>862,537</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>10,277,254</u></u>	<u><u>119,148</u></u>

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

Alpha Saudi Equity Fund
(Managed by Alpha Capital Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
EQUITY AT THE BEGINNING OF THE PERIOD	43,731,246	20,083,180
Comprehensive (loss) income:		
Net (loss) income for the period	(2,746,374)	6,861,540
Other comprehensive income for the period	-	-
Total comprehensive (loss) income for the period	(2,746,374)	6,861,540
	40,984,872	26,944,720
CHANGE FROM UNIT TRANSACTIONS		
Proceeds from issuance of units	129,806,133	9,884,745
Payments against redemption of units	(15,606,272)	(7,832,782)
Net change from unit transactions	114,199,861	2,051,963
EQUITY AT THE END OF THE PERIOD	155,184,733	28,996,683

REDEEMABLE UNITS TRANSACTIONS

Transactions in redeemable units for the period are summarised as follows:

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>Units</i>	<i>Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	2,221,121	1,452,327
Units issued during the period	5,692,567	619,189
Units redeemed during the period	(645,509)	(479,503)
Net increase in the units	5,047,058	139,686
UNITS AT THE END OF THE PERIOD	7,268,179	1,592,013

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

Alpha Saudi Equity Fund
(Managed by Alpha Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2022

1 INCORPORATION AND ACTIVITIES

Alpha Saudi Equity Fund (the "Fund") is an open-ended fund created by agreement between Alpha Capital Company and investors ("the unitholders") in the Fund. The main activity of the Fund is to achieve medium to long-term capital growth for unitholders through investing in the shares of the companies listed on the Saudi Stock Exchange, in accordance with the shariah regulations for investment.

The Fund was offered for subscription under the laws and regulations of CMA on 14 Shawal 1439H (corresponding to 28 June 2018). The Fund commenced its operations on 12 Dhul-Qa'dah 1439H (corresponding to 25 July 2018).

The Fund is managed by Alpha Capital Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010936196, licensed by the Capital Market Authority of the Kingdom of Saudi Arabia ("CMA") under license number 33-18187.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

The Fund has appointed Albilad Investment Company (the "Custodian") to act as its custodian. The fees of the custodian are paid by the Fund.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the CMA detailing requirements for all Investment Funds within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements for the six-months period ended 30 June 2022 of the Fund have been prepared in accordance with International Accounting Standard 34 ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The Fund Manager has prepared the financial statements on the basis that the Fund will continue to operate as a going concern. The Fund Manager considers that there are no material uncertainties that may doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's annual financial statements as at 31 December 2021.

3.2 Basis of measurement

These interim condensed financial statements have been prepared under historical cost convention, except for the financial assets that are measured at FVTPL which are measured at fair value.

The interim condensed statement of financial position is stated broadly in order of liquidity

3.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyal (SR), which is also the functional currency of the Fund. All financial information has been rounded off to the nearest SR, unless otherwise stated.

Alpha Saudi Equity Fund
(Managed by Alpha Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2022

3 BASIS OF PREPARATION (continued)

3.4 Use of judgements, estimates and assumptions

In preparing these interim condensed financial statements, Fund Manager has made the judgement, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2021 except for the adoption of new standards effective as of 1 January 2022. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the Fund.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but not effective yet.

5 FINANCIAL ASSETS AT FVTPL

Financial assets classified at FVTPL comprised of investment in equity instruments of entities listed and registered in the Kingdom of Saudi Arabia.

Industry concentration of the investment portfolio of the Fund is disclosed in the table below:

Industry group	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost SR	Fair value SR	% of market value	Cost SR	Fair value SR	% of market value
Banks	58,495,610	56,615,530	36.67	12,525,661	13,592,646	31.26
Materials	22,954,893	21,673,806	14.04	10,178,820	10,210,022	23.48
Food and Staples						
Retailing	14,819,870	14,810,519	9.59	-	-	-
Health care equipment and services	12,103,051	13,312,540	8.62	1,422,331	1,488,332	3.43
Consumer services	12,455,843	11,928,149	7.73	3,248,835	3,265,831	7.51
Retailing	9,728,238	8,917,595	5.78	1,415,625	1,775,470	4.08
Insurance	8,757,793	7,858,234	5.09	2,545,594	2,463,291	5.66
Software and services	5,427,059	5,687,343	3.68	1,798,793	2,101,253	4.83
Utilities	4,463,538	4,986,474	3.23	2,856,766	2,996,703	6.89
Capital goods	5,469,575	4,945,754	3.20	1,982,228	2,170,775	4.99
Real Estate						
Management and Development	3,568,560	3,657,774	2.37	-	-	-
Telecommunication	-	-	-	1,965,500	2,209,222	5.08
Transportation	-	-	-	1,590,647	1,212,408	2.79
	158,244,030	154,393,718	100.00	41,530,800	43,485,953	100.00

6 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Fund Manager and entities / persons related to Fund Manager and the Fund's Board of Directors are considered as related parties of the Fund. In the ordinary course of its activities, the Fund transacts business with its related parties.

Alpha Saudi Equity Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2022

6 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

6.1 Related party transactions

The following are the details of the significant transactions with related parties during the period

Name of related party	Nature of relationship	Nature of transaction	Unaudited For the six-month period ended	
			30 June 2022 SR	30 June 2021 SR
Alpha Capital Company	Fund Manager	Management fees	(754,381)	(176,200)
		Administration fees	(55,788)	(55,788)
		Subscription of Fund units	1,000,000	-
Board of Directors of the Fund	Members of Board of Director of the Fund	Board fee (expense) reversal	(4,790)	24,744
Alpha Capital Private IPO Fund	Affiliated funds managed by Fund Manager	Subscription of units	-	14,436
		Redemption of units	-	(22,854)
Shareholders of Fund Manager	Affiliate	Redemption of Fund units	-	3,339,390

6.2 Related party balances

The following are the details of the major balances with related parties during the period/year:

Name of related party	Nature of relationship	Balances	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Alpha Capital Company	Fund Manager	Management fees payable	(871,535)	(232,867)
		Administration fees payable	(14,488)	(20,276)
Board of Director of the Fund	Members of Board of Directors of the Fund	Remuneration payable	(16,790)	(28,000)

- (i) As at 30 June 2022, the Fund Manager held 44,287 units (31 December 2021: nil units).

7 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund held financial assets at FVTPL which is measured at fair values and are classified within level 1 of the fair value hierarchy. The fair value of all other financial assets and liabilities classified as amortized cost approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

Alpha Saudi Equity Fund
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2022

8 COMMITMENTS AND CONTINGENCIES

There are no commitments and contingencies as at the reporting date.

9 LAST VALUATION DATE

The last valuation date of the period was 29 June 2022 (31 December 2021: 29 December 2021) for the Fund. However, the interim condensed financial statements of the Fund has been prepared based on the valuation as of 30 June 2022 (31 December 2021: 31 December 2021).

10 COMPARATIVE FIGURES

Certain of the prior period amounts have been reclassified to conform to the presentation in the current period.

11 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 16 Muharram 1444H (corresponding to 14 August 2022).