

SAB Invest Saudi Equity Fund
(Formerly known as Alawwal Invest Saudi Equity
Fund)
(Managed by SAB Invest)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023



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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST SAUDI EQUITY FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Saudi Equity Fund (Formerly known as Alawwal Invest Saudi Equity Fund) (the "Fund") managed by SAB Invest (Formerly known as Alawwal Invest) (the "Fund Manager") as at 30 June 2023, and the related interim condensed statement of comprehensive income, statement of changes in equity attributable to the unitholders and cash flows for the six-month period then ended, and 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") as 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" endorsed in the Kingdom of Saudi Arabia. A review of 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young professional services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 22 Muharram 1445H
(9 August 2023)



SAB Invest Saudi Equity Fund
(Formerly known as Alawwal Invest Saudi Equity Fund)

Interim condensed statement of financial position
As at 30 June 2023

	<i>Notes</i>	30 June 2023 (Unaudited) SR	31 December 2022 (Audited) SR
ASSETS			
Cash and cash equivalents		1,569,030	10,329,048
Financial assets at fair value through profit or loss ("FVTPL")	4	170,739,213	143,880,518
Receivables and advances		432,471	4,838,142
TOTAL ASSETS		172,740,714	159,047,708
LIABILITIES			
Management fee payable	5	270,222	313,681
Accrued expenses and other payables		770,723	11,913,002
TOTAL LIABILITIES		1,040,945	12,226,683
EQUITY			
Net assets attributable to unitholders of redeemable units		171,699,769	146,821,025
TOTAL LIABILITIES AND EQUITY		172,740,714	159,047,708
Redeemable units in issue		470,178	482,351
Net asset value attributable to each per unit		365.18	304.39

The accompanying notes 1 to 9 form an integral part of these interim condensed financial statements.

SAB Invest Saudi Equity Fund
(Formerly known as Alawwal Invest Saudi Equity Fund)

Interim condensed statement of comprehensive income (unaudited)
For the six-month period ended 30 June 2023

	<i>Note</i>	2023 SR	2022 SR
INCOME			
Net realized income on financial assets at FVTPL		923,188	23,967,630
Net unrealized gain / (loss) income on financial assets at FVTPL		27,217,814	(5,132,502)
Dividend income		2,323,067	1,759,131
Other income		31	-
TOTAL INCOME		30,464,100	20,594,259
EXPENSES			
Management fees	5	1,497,639	1,541,692
Other expenses		138,490	134,445
TOTAL EXPENSES		1,636,129	1,676,137
NET INCOME FOR THE PERIOD		28,827,971	18,918,122
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		28,827,971	18,918,122

The accompanying notes 1 to 9 form an integral part of these interim condensed financial statements.

SAB Invest Saudi Equity Fund
(Formerly known as Alawwal Invest Saudi Equity Fund)

Interim condensed statement of changes in equity attributable to the unit holders
(unaudited)

For the six-month period ended 30 June 2023

	2023 SR	2022 SR
EQUITY AT THE BEGINNING OF THE PERIOD	146,821,025	133,267,506
Net income for the period	28,827,971	18,918,122
Other comprehensive income for the period	-	-
Total comprehensive income for the period	28,827,971	18,918,122
Issue of units during the period	1,628,140	21,437,940
Redemption of units during the period	(5,577,367)	(24,496,983)
Net change	(3,949,227)	(3,059,043)
EQUITY AT THE END OF THE PERIOD	171,699,769	149,126,585

	<u>Units</u>	<u>Units</u>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the period are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	482,351	474,660
Issue of units during the period	5,083	64,431
Redemption of units during the period	(17,256)	(70,247)
Net decrease in units	(12,173)	(5,816)
UNITS AT THE END OF THE PERIOD	470,178	468,844

The accompanying notes 1 to 9 form an integral part of these interim condensed financial statements.

SAB Invest Saudi Equity Fund
(Formerly known as Alawwal Invest Saudi Equity Fund)

Interim condensed statement of cash flows (unaudited)
For the six-month period ended 30 June 2023

	2023 SR	2022 SR
Operating activities		
Net income for the period	28,827,971	18,918,122
<i>Adjustments to reconcile net income (loss) to net cash flows from operating activities:</i>		
Movement in unrealised (gain) / loss on financial assets at FVTPL	(27,217,814)	5,132,502
Dividend income	(2,323,067)	(1,759,131)
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	359,119	(20,123,300)
Receivables and advances	4,405,671	652,530
Management fee payable	(43,459)	(12,473)
Accrued expenses and other payables	(11,142,279)	(1,474,132)
Cash flows (used in) / generated from operations	(7,133,858)	1,334,118
Dividends received	2,323,067	1,759,131
Net cash flows (used in) / generated from operating activities	(4,810,791)	3,093,249
Financing activities		
Proceeds from issuance of units	1,628,140	21,437,940
Payment on redemption of units	(5,577,367)	(24,496,983)
Net cash flows used in financing activities	(3,949,227)	(3,059,043)
Net (decrease) / increase in cash and cash equivalents	(8,760,018)	34,206
Cash and cash equivalents at the beginning of the period	10,329,048	4,911,804
Cash and cash equivalents at the end of the period	1,569,030	4,946,010

The accompanying notes 1 to 9 form an integral part of these interim condensed financial statements.

SAB Invest Saudi Equity Fund (Formerly known as Alawwal Invest Saudi Equity Fund)

Notes to unaudited interim condensed financial statements At 30 June 2023

1. INCORPORATION AND ACTIVITIES

SAB Invest Saudi Equity Fund (Formerly known as Alawwal Invest Saudi Equity Fund) (the "Fund") is an investment fund established through an agreement between SAB Invest (Formerly known as Alawwal Invest) (the "Fund Manager") and the investors (the "Unitholders"). The address of the Fund Manager is as follows:

SAB Invest, Head Office
SAB INVEST Building 7267
Olaya Street (Al-Murooj District)
Riyadh 12283-2255
Kingdom of Saudi Arabia

The objective of the Fund is to achieve capital appreciation over the medium to long-term by investing in Shariah compliant Saudi equities listed on Tadawul (Saudi Stock Market).

The Fund is managed by the Fund Manager. The Fund Administration function is carried out by a department within HSBC Saudi Arabia that has reporting line and control structures, which are independent of the Asset management business. Albilad Capital is the custodian of the Fund. All income is reinvested in the Fund and is reflected in the unit price.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") detailing requirements for all investments funds operating within the Kingdom of Saudi Arabia and published by the Capital Market Authority (the "CMA") on 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were further Amended by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12 Rajab 1442H. Corresponding to 24 February 2021G (the "Amended Regulations"). The amended regulations are effective from 19 Ramadan 1442, corresponding to 1 May 2021).

3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

3.1. Basis of preparation

These interim condensed financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as endorsed in the kingdom of Saudi Arabia.

The unaudited interim condensed 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 financial statements as at 31 December 2022.

The unaudited interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for financial assets held at FVTPL that are measured at fair value. These interim condensed financial statements are presented in Saudi Arabian Riyals ("SR"), which is the Fund's functional currency. All financial information presented has been rounded to the nearest SR.

SAB Invest Saudi Equity Fund

(Formerly known as Alawwal Invest Saudi Equity Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

3.2. New standards and amendments to standards

3.2.1 New standards and amendments adopted by the Fund

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the Fund's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements.

Standard, interpretation and amendments	Description	Effective date
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which previously permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	Annual periods beginning on or after 1 January 2023
Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023

3.2.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	Deferred until accounting periods starting not earlier than 1 January 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	Annual periods beginning on or after 1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	Annual periods beginning on or after 1 January 2024

SAB Invest Saudi Equity Fund
(Formerly known as Alawwal Invest Saudi Equity Fund)

Notes to unaudited interim condensed financial statements (continued)
At 30 June 2023

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

The composition of the investment’s portfolio on the last valuation day of the period/year end is summarised below:
30 June 2023 (Unaudited)

	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain/ (loss) SR</i>
<u>Investments in equities (by sector)</u>				
Banks	25.8%	42,059,566	44,081,552	2,021,986
Consumer Services	14.8%	20,229,785	25,208,024	4,978,239
Transportation	9.1%	12,623,579	15,495,470	2,871,891
Health Care Equipment & Services	7.7%	9,599,432	13,123,481	3,524,049
Energy	7.4%	9,906,365	12,630,293	2,723,928
Software & Services	6.6%	5,780,654	11,301,858	5,521,204
Insurance	5.2%	6,390,365	8,960,560	2,570,195
Pharma, Biotech & Life Science	5.0%	7,492,945	8,558,736	1,065,791
Capital Goods	4.7%	5,662,941	8,010,326	2,347,385
Media and Entertainment	4.4%	4,536,636	7,462,472	2,925,836
Food & Beverages	2.7%	4,356,294	4,659,805	303,511
Utilities	2.4%	2,894,444	4,129,866	1,235,422
Retailing	2.3%	4,877,955	3,949,684	(928,271)
Materials	1.9%	3,406,847	3,167,086	(239,761)
Total	100.0%	139,817,808	170,739,213	30,921,405

The Fund Manager seeks to limit risk for the Fund by monitoring exposures in each investment sector and individual securities.

	31 December 2022 (Audited)			
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain/ (loss) SR</i>
<u>Investments in equities (by sector)</u>				
Banks	35.4%	47,798,638	50,908,456	3,109,818
Capital Goods	2.3%	3,173,033	3,258,237	85,204
Consumer Services	6.6%	8,302,961	9,491,875	1,188,914
Energy	11.1%	16,831,047	16,036,586	-794,461
Food & Staples Retailing	4.7%	7,120,240	6,779,401	-340,839
Health Care Equipment & Services	7.4%	9,347,034	10,692,151	1,345,117
Materials	6.8%	11,609,282	9,734,342	-1,874,940
Media and Entertainment	2.3%	3,226,033	3,351,454	125,421
Real Estate Management & Development	2.7%	3,905,460	3,876,467	-28,993
Retailing	2.9%	5,649,342	4,213,855	-1,435,487
Software & Services	5.5%	5,697,859	7,907,724	2,209,865
Telecommunication Services	3.1%	4,812,005	4,413,740	-398,265
Transportation	3.7%	5,331,336	5,323,039	-8,297
Utilities	5.5%	7,372,657	7,893,191	520,534
Total	100.0%	140,176,927	143,880,518	3,703,591

SAB Invest Saudi Equity Fund

(Formerly known as Alawwal Invest Saudi Equity Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

5. TRANSACTIONS WITH RELATED PARTIES

A. Transactions and balances with Fund Manager

In the ordinary course of its activities, the Fund transacts business with related parties. The following are the details of significant related party transactions during the period:

Related party	Nature of transactions	Amount of transactions		Balance	
		2023 SR	2022 SR	2023 SR	2022 SR
SAB Invest (Fund Manager)	Fund management fee	1,497,639	1,541,692	270,222	313,681
	Administration fee	44,048	45,344	8,423	7,554
	Board member fee	9,918	9,863	34,457	24,540
	Cash and cash equivalents	-	-	-	-
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents	-	-	-	280,218

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.70% per annum calculated on the total asset value at each valuation date. The fee is intended to compensate the Fund Manager for administration of the Fund.

The management fees amounting to SR 1,497,639 (30 June 2022: SR 1,541,693) reflected in the interim condensed statement of comprehensive income represent the fees charged by the Fund Manager during the period as described above. As at 30 June 2023, management fees amounting to SR 270,222 (31 December 2022: SR 313,681) are payable to the Fund Manager.

B. Transactions with Board of Directors

The independent directors are entitled to remuneration for their services at rates determined by the Fund's terms and conditions in respect of attending meetings of the board of directors or meetings of the Fund. Independent director's fees are currently SR 5,000 per meeting up to a maximum of 2 meetings per annum per director which is paid equally by all funds supervised by the board.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 1 of the fair value hierarchy. All other financial assets and liabilities are classified as amortized cost and management believes that the fair value of all other financial assets and liabilities at the reporting date 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.

SAB Invest Saudi Equity Fund (Formerly known as Alawwal Invest Saudi Equity Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

7. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

<i>As at 30 June 2023 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	1,569,030	-	1,569,030
Financial assets at FVTPL	170,739,213	-	170,739,213
Receivables and advances	432,471	-	432,471
TOTAL ASSETS	172,740,714	-	172,740,714
LIABILITIES			
Management fee payable	270,222	-	270,222
Accrued expenses and other payables	770,723	-	770,723
TOTAL LIABILITIES	1,040,945	-	1,040,945
 <i>As at 31 December 2022 (Audited)</i>	 <i>Within 12 months SR</i>	 <i>After 12 months SR</i>	 <i>Total SR</i>
ASSETS			
Cash and cash equivalents	10,329,048	-	10,329,048
Financial assets at FVTPL	143,880,518	-	143,880,518
Receivables and advances	4,838,142	-	4,838,142
TOTAL ASSETS	159,047,708	-	159,047,708
LIABILITIES			
Management fee payable	313,681	-	313,681
Accrued expenses and other payables	11,913,002	-	11,913,002
TOTAL LIABILITIES	12,226,683	-	12,226,683

8. LAST VALUATION DAY

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

9. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the Fund Manager has made certain revisions to the Terms and Conditions of the Fund. The latest update was approved by the Capital Market authority (the "CMA") on 24 Dhul Hijja 1444H (corresponding to 12 July 2023).

Further, the Fund Manager announced changes in the board of directors on 5 Muharram 1445H (Corresponding to 23 July 2023).

10. APPROVAL OF THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 20 Muharram 1445H (corresponding to 7 August 2023).