

SAB INVEST SAUDI EQUITY INCOME FUND
(Formerly known as ALAWWAL INVEST SAUDI
EQUITY INCOME 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 INCOME FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Saudi Equity Income Fund (formerly known as Alawwal Invest Saudi Equity Income 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 INCOME FUND
(Formerly known as Alawwal Invest Saudi Equity Income Fund)

Interim condensed statement of financial position
As at 30 June 2023

		30 June 2023 (Unaudited) SR	31 December 2022 (Audited) SR
	<i>Notes</i>		
ASSETS			
Cash and cash equivalents		1,630,841	10,961,107
Financial assets at fair value through profit or loss ("FVTPL")	4	193,737,129	145,335,197
Receivable and advances		172,203	6,452,618
TOTAL ASSETS		195,540,173	162,748,922
LIABILITIES			
Management fee payable		306,636	347,605
Accrued expenses and other payables		252,189	202,514
TOTAL LIABILITIES		558,825	550,119
EQUITY			
Net assets attributable to unitholders of redeemable units		194,981,348	162,198,803
TOTAL LIABILITIES AND EQUITY		195,540,173	162,748,922
Redeemable units in issue		1,184,468	1,188,909
Net asset value attributable to each per unit		164.62	136.43

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

SAB INVEST SAUDI EQUITY INCOME FUND
(Formerly known as Alawwal Invest Saudi Equity Income 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 gain on financial assets at FVTPL		303,526	21,721,929
Net unrealized gain / (loss) on financial assets at FVTPL		35,900,684	(5,604,378)
Dividend income		3,267,458	2,634,171
Other income		1,441	-
TOTAL INCOME		39,473,109	18,751,722
EXPENSES			
Management fees	5	1,685,513	1,859,524
Other expenses		141,888	136,467
TOTAL EXPENSES		1,827,401	1,995,991
NET INCOME FOR THE PERIOD		37,645,708	16,755,731
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		37,645,708	16,755,731

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

SAB INVEST SAUDI EQUITY INCOME FUND
(Formerly known as Alawwal Invest Saudi Equity Income 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	162,198,803	183,788,252
Net income for the period	37,645,708	16,755,731
Other comprehensive income for the period	-	-
Total comprehensive income for the period	37,645,708	16,755,731
Issue of units during the period	2,252,314	2,108,990
Redemption of units during the period	(2,953,582)	(25,594,338)
Net change	(701,268)	(23,485,348)
Dividend paid during the period	(4,161,895)	(4,413,140)
EQUITY AT THE END OF THE PERIOD	194,981,348	172,645,495
	<u><i>Units</i></u>	<u><i>Units</i></u>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the period are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	1,188,909	1,359,388
Issue of units during the period	15,705	13,869
Redemption of units during the period	(20,146)	(163,913)
Net decrease in units	(4,441)	(150,044)
UNITS AT THE END OF THE PERIOD	1,184,468	1,209,344

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

SAB INVEST SAUDI EQUITY INCOME FUND
(Formerly known as Alawwal Invest Saudi Equity Income 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	37,645,708	16,755,731
<i>Adjustments to reconcile net (loss) / income to net cash flows from operating activities:</i>		
Movement in unrealised (gain) / loss on financial assets at FVTPL	(35,900,684)	5,604,378
Dividend income	(3,267,458)	(2,634,171)
	(1,522,434)	19,725,938
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	(12,501,248)	2,383,065
Management fee payable	(40,969)	(20,764)
Receivables and advances	6,280,415	5,479,906
Accrued expenses and other payables	49,675	(3,928,445)
Cash flows (used in) / generated from operations	(7,734,561)	23,639,700
Dividends received	3,267,458	2,634,171
Net cash flows (used in) / generated from operating activities	(4,467,103)	26,273,871
Financing activities		
Proceeds from issuance of units	2,252,314	2,108,990
Payment on redemption of units	(2,953,582)	(25,594,339)
Dividends distributed during the period	(4,161,895)	(4,413,139)
Net cash flows used in financing activities	(4,863,163)	(27,898,488)
Net decrease in cash and cash equivalents	(9,330,266)	(1,624,617)
Cash and cash equivalents at the beginning of the period	10,961,107	7,087,192
Cash and cash equivalents at the end of the period	1,630,841	5,462,575

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

SAB INVEST SAUDI EQUITY INCOME FUND

(Formerly known as Alawwal Invest Saudi Equity Income Fund)

Notes to unaudited interim condensed financial statements
At 30 June 2023

1. INCORPORATION AND ACTIVITIES

Sab Invest Saudi Equity Income Fund (formerly known as Alawwal Invest Saudi Equity Income Fund) (the “Fund”) is an investment fund established through an agreement between SAB Invest (formerly known as Alawwal Invest) (the “Fund Manager”) and 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 who also acts as the administrator of the Fund. Al Bilad Capital is the custodian of the Fund. All income is reinvested in the Fund and is reflected in the unit price. The Fund distributes income, subject to the approval of the Fund Board, on a semi-annual basis.

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 unaudited 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 unaudited 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 INCOME FUND

(Formerly known as Alawwal Invest Saudi Equity Income 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, interpretations and amendments adopted by the Fund

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 INCOME FUND
(Formerly known as Alawwal Invest Saudi Equity Income 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>				
Consumer Services	15.9%	25,196,679	30,836,883	5,640,204
Banks	14.5%	27,311,850	28,114,319	802,469
Energy	9.9%	17,121,982	19,228,955	2,106,973
Transportation	9.8%	15,681,911	18,948,585	3,266,674
Health Care Equipment & Services	7.0%	10,130,241	13,638,499	3,508,258
Software & Services	6.9%	5,416,153	13,378,434	7,962,281
Capital Goods	6.1%	8,528,201	11,834,277	3,306,076
Insurance	5.9%	8,201,122	11,384,380	3,183,258
Telecommunication Services	5.7%	10,762,596	11,119,253	356,657
Pharma, Biotech & Life Science	4.6%	7,490,220	8,833,349	1,343,129
Food & Beverages	3.5%	6,485,070	6,762,048	276,978
Utilities	2.9%	3,729,128	5,690,974	1,961,846
Media and Entertainment	2.9%	3,364,221	5,554,668	2,190,447
Retailing	2.5%	5,193,070	4,837,803	(355,267)
Materials	1.9%	3,805,086	3,574,702	(230,384)
Total	100.0%	158,417,530	193,737,129	35,319,599

The above equity investments are listed on the Saudi Stock Exchange (“Tadawul”). The Fund Manager seeks to limit risk for the Fund by monitoring exposures in each investment sector and individual securities.

	31 December 2022			
	<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>				
Materials	14.9%	24,600,472	21,675,071	(2,925,401)
Energy	12.3%	19,059,093	17,920,128	(1,138,965)
Telecommunication Services	10.9%	18,152,854	15,797,621	(2,355,233)
Banks	10.7%	14,592,028	15,502,681	910,653
Software & Services	9.2%	7,271,694	13,388,392	6,116,698
REITs	7.3%	12,246,471	10,620,598	(1,625,873)
Consumer Services	7.1%	8,882,249	10,266,452	1,384,203
Food & Staples Retailing	5.9%	8,258,299	8,562,184	303,885
Retailing	5.0%	8,215,060	7,303,650	(911,410)
Capital Goods	3.7%	6,293,943	5,401,534	(892,409)
Real Estate management & development	3.7%	5,341,494	5,344,835	3,341
Health Care Equipment & Services	3.5%	4,644,237	5,039,086	394,849
Transportation	3.1%	4,471,386	4,549,915	78,529
Utilities	2.7%	3,887,000	3,963,050	76,050
Total	100.0%	145,916,280	145,335,197	(581,083)

SAB INVEST SAUDI EQUITY INCOME FUND

(Formerly known as Alawwal Invest Saudi Equity Income 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	1,685,513	1,859,524	306,636	347,605
	Administration fee	49,574	54,692	9,589	8,429
	Board member fee	9,918	9,863	34,458	24,540
	Cash and cash equivalents			-	-
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents			-	314,184

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.7% per annum calculated on the net asset value at each Valuation Day. The fee is intended to compensate the Fund Manager for administration of the Fund.

The management fees amounting to SR 1,685,513 (30 June 2022: SR 1,859,524) 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 306,636 (31 December 2022: SR 347,605) are payable to the Fund Manager.

There are no units in issue as at 30 June 2023 that are held by the Fund Manager and by other funds managed by Alawwal Invest (31 December 2022: Nil units).

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 INCOME FUND
(Formerly known as Alawwal Invest Saudi Equity Income 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	1,630,841	-	1,630,841
Financial assets at FVTPL	193,737,129	-	193,737,129
Receivables and advances	172,203	-	172,203
TOTAL ASSETS	195,540,173	-	195,540,173
LIABILITIES			
Management fee payable	306,636	-	306,636
Accrued expenses and other payables	252,189	-	252,189
TOTAL LIABILITIES	558,825	-	558,825
 <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	10,961,107	-	10,961,107
Financial assets at FVTPL	145,335,197	-	145,335,197
Other receivables	6,452,618	-	6,452,618
TOTAL ASSETS	162,748,922	-	162,748,922
LIABILITIES			
Management fee payable	347,605	-	347,605
Accrued expenses and other payables	202,514	-	202,514
TOTAL LIABILITIES	550,119	-	550,119

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).