

AL DANAH GCC EQUITY TRADING FUND
(Managed by Saudi Fransi Capital Company)

CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW
REPORT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

AL DANAH GCC EQUITY TRADING FUND
(Managed by Saudi Fransi Capital Company)

CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
AND INDEPENDENT AUDITOR'S REVIEW REPORT

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Report on review of condensed interim financial information

To the Unitholders and Fund Manager of
Al Danah GCC Equity Trading Fund

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al Danah GCC Equity Trading Fund (the "Fund") as of 30 June 2023 and the related condensed interim statements of comprehensive income, changes in equity attributable to the unitholders and cash flows for the six-month period then ended and other explanatory notes. Fund Manager is responsible for the preparation and presentation of this condensed interim financial information 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 this condensed interim financial information 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"*, as endorsed in the Kingdom of Saudi Arabia. A review of 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, as 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

A blue ink signature, appearing to read "Bader I. Benmohareb", written over a circular blue stamp or seal.

Bader I. Benmohareb
License Number 471

10 August 2023

AL DANAH GCC EQUITY TRADING FUND

(Managed by Saudi Fransi Capital Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		<i>As at 30 June 2023 (Un-Audited) SR</i>	<i>As at 31 December 2022 (Audited) SR</i>
	<i>Note</i>		
<u>ASSETS</u>			
Cash and cash equivalents	7	1,519,833	1,308,528
Investments measured at fair value through profit or loss (FVTPL)	8	18,875,605	16,237,004
Due from a related party	10	462,951	286,412
TOTAL ASSETS		20,858,389	17,831,944
<u>LIABILITIES</u>			
Management fee payable	10	25,161	27,020
Due to a related party	10	610,954	654,349
Accruals and other liabilities		47,781	55,277
Redemption payable		-	315,110
TOTAL LIABILITIES		683,896	1,051,756
Equity attributable to the Unitholders		20,174,493	16,780,188
Units in issue		780,723	759,581
Equity per unit in Saudi Riyals		25.8408	22.0914

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial information.

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CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

		<i>For the six-month period ended 30 June 2023 SR</i>	<i>For the six-month period ended 30 June 2022 SR</i>
	<i>Note</i>		
<u>INCOME</u>			
Net gain on investments measured at FVTPL	9	2,798,630	507,611
Dividend income		337,700	312,387
Other income		1,554	-
		3,137,884	819,998
<u>EXPENSES</u>			
Management fees	10	(174,761)	(184,576)
Other expenses		(90,058)	(73,959)
		(264,819)	(258,535)
NET INCOME FOR THE PERIOD		2,873,065	561,463
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,873,065	561,463

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial information.

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

	<i>For the six-month period ended 30 June 2023 SR</i>	<i>For the six-month period ended 30 June 2022 SR</i>
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD	16,780,188	15,932,852
CHANGES FROM OPERATIONS		
Total comprehensive income for the period	2,873,065	561,463
CHANGES FROM UNIT TRANSACTIONS		
Value of units sold	1,060,134	1,629,600
Value of units redeemed	(538,894)	(691,278)
Net change from unit transactions	521,240	938,322
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD	20,174,493	17,432,637

Transactions in units during the period are summarised as follows:

	<i>For the six-month period ended 30 June 2023 Units</i>	<i>For the six-month period ended 30 June 2022 Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	759,581	744,392
Units sold	44,399	68,082
Units redeemed	(23,257)	(30,004)
Net change in units	21,142	38,078
UNITS AT THE END OF THE PERIOD	780,723	782,470

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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

		<i>For the six-month period ended 30 June 2023 SR</i>	<i>For the six-month period ended 30 June 2022 SR</i>
	<i>Note</i>		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period		2,873,065	561,463
<i>Adjustment to reconcile net income to net cash generated from / (used in) operating activities:</i>			
Unrealised (gain) / loss on investments measured at FVTPL	9	(2,464,705)	203,882
		408,360	765,345
Changes in operating assets and liabilities:			
Investments measured at FVTPL		(173,896)	(1,911,756)
Prepayments and other assets		-	164,073
Due from a related party		(176,539)	-
Management fee payable		(1,859)	3,098
Accruals and other liabilities		(7,497)	(787,004)
Due to a related party		(43,394)	-
Net cash generated from / (used in) operating activities		5,175	(1,766,244)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units sold		1,060,134	1,629,600
Payment against units redeemed, net off redemption payable		(854,004)	(603,848)
Net cash generated from financing activities		206,130	1,025,752
NET CHANGE IN CASH AND CASH EQUIVALENTS		211,305	(740,492)
Cash and cash equivalents at the beginning of the period		1,308,528	1,653,005
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,519,833	912,513

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial information.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the six-month period ended 30 June 2023

1. GENERAL

Al Danah GCC Trading Equity Fund (the “Fund”) is an open-ended investment fund established based on an agreement between Saudi Fransi Capital Company (the “Fund Manager”) and the investors (the “Unitholders”). The Fund commenced its operations on 19 Rabi` al-Awwal 1427H (corresponding to 17 April 2006).

The objective of the Fund is to provide medium to long-term capital growth primarily by investing in publicly listed Companies that are Shariah compliant in the Kingdom of Saudi Arabia, United Arab Emirates, State of Kuwait, State of Qatar, Sultanate of Oman, and the Kingdom of Bahrain. The Fund may also invest up to 20% of its total investments in other Arab countries in the Middle East and North Africa.

During the period, the Fund updated its terms and conditions, which have been approved by the Capital Market Authority “CMA” on 21 Shawwal 1444H (corresponding to 11 May 2023).

The Fund Manager and Administrator of the Fund is Saudi Fransi Capital Company. The Custodian of the Fund is HSBC Saudi Arabia.

2. REGULATORY AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the Capital Market Authority (CMA) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and amended by resolution of the Board of the Capital Market Authority on 12 Rajab 1442H (corresponding to 24 February 2021) effective from 19 Ramadan 1442H (corresponding 1 May 2021) by the New Investment Fund Regulations (“Amended Regulations”) published by the Capital Market Authority on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements; therefore, this should be read in conjunction with the Fund’s annual audited financial statements as at and for the year ended 31 December 2022. The results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Assets and liabilities in the condensed interim statement of financial position are presented in the order of liquidity.

3.2 BASIS OF MEASUREMENT

This condensed interim financial information is prepared under the historical cost convention, using the accrual basis of accounting except for investment held at fair value through profit or loss (FVTPL) that are measured at fair value.

3.3 FUNCTIONAL CURRENCY

This condensed interim financial information is presented in Saudi Riyal (“SR”), which is the Fund’s functional and presentation currency.

4. ACCOUNTING AND RISK MANAGEMENT POLICIES

The accounting and risk management policies used in the preparation of this condensed interim financial information are consistent with those used and disclosed in the financial statements for the year ended 31 December 2022, unless otherwise mentioned in Note 6 to this condensed interim financial information.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The significant accounting estimates and assumptions used in the preparation of this condensed interim financial information is consistent with those used and disclosed in the financial statements for the year ended 31 December 2022.

Going concern

The Fund Manager 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 about the Fund's ability to continue as a going concern. Therefore, this condensed interim financial information continues to be prepared on the going concern basis.

6. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS**New standards, interpretations and amendments adopted by the Fund**

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after 1 January 2023. Fund Manager has assessed that the amendments have no impact on the Fund's financial statements.

- IFRS 17, 'Insurance contracts' – This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts.
- 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.
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction - requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendment to IAS 12 - International tax reform - pillar two model rules - These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

New Standards, interpretations and amendments not yet effective and not early adopted

The listing of standards and interpretations issued which are applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective. These amendments and standards are not expected to have any impact on the financial statements of the Fund.

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024

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For the six-month period ended 30 June 2023

6. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

New Standards, interpretations and amendments not yet effective and not early adopted (continued)

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

7. CASH AND CASH EQUIVALENTS

	30 June 2023 (Un-Audited) SR	31 December 2022 (Audited) SR
Bank balances	109,826	353,855
Cash with custodian	1,410,007	954,673
	1,519,833	1,308,528

The bank balances represent the cash in a current account maintained with Banque Saudi Fransi (Note 10).

The management has conducted a review as required under IFRS 9 and based on such an assessment, the effect of expected credit loss allowance against the carrying value of cash and cash equivalents is insignificant as the balances are held with investment grade credit rated financial institutions and therefore has not been recognised in this condensed interim financial information.

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8. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The geographical composition of the investments measured at fair value through profit or loss (FVTPL) in equity investments on the last valuation day of the period is summarized below:

<i>30 June 2023 (Un-Audited)</i>				
<i>Description by geographical segment</i>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>Cumulative unrealized fair value gain / (loss) SR</i>	<i>% of Market Value</i>
Kingdom of Saudi Arabia	12,432,447	15,665,426	3,232,979	82.99
United Arab Emirates	1,855,441	2,045,792	190,351	10.84
Kuwait	539,795	676,233	136,438	3.58
Qatar	552,264	488,154	(64,110)	2.59
	15,379,947	18,875,605	3,495,658	100.00

<i>31 December 2022 (Audited)</i>				
<i>Description by geographical segment</i>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>Cumulative unrealized fair value gain SR</i>	<i>% of Market Value</i>
Kingdom of Saudi Arabia	13,589,791	14,488,016	898,225	89.23
United Arab Emirates	1,076,465	1,127,844	51,379	6.95
Kuwait	539,795	621,144	81,349	3.82
	15,206,051	16,237,004	1,030,953	100.00

The effect on the equity as a result of the change in the fair value of investments as at 30 June 2023 (Un-Audited) and 31 December 2022 (Audited) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constant, is as follows:

	<i>30 June 2023 (Un-Audited)</i>		<i>31 December 2022 (Audited)</i>	
	<i>Potential reasonable change %</i>	<i>Effect on Equity SR</i>	<i>Potential reasonable change %</i>	<i>Effect on Equity SR</i>
Kingdom of Saudi Arabia	±1%	156,654	±1%	144,880
United Arab Emirates	±1%	20,458	±1%	11,278
Kuwait	±1%	6,762	±1%	6,211
Qatar	±1%	4,882	±1%	-
		188,756		162,369

9. NET GAIN ON INVESTMENTS MEASURED AT FVTPL

	<i>For the six-month period ended 30 June 2023 (Un-Audited) SR</i>	<i>For the six-month period ended 30 June 2022 (Un-Audited) SR</i>
Realised gain on sale of investments measured at FVTPL, net	333,925	711,493
Net unrealised gain / (loss) on remeasurement of investments measured at FVTPL for the period	2,464,705	(203,882)
	2,798,630	507,611

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10. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include Saudi Fransi Capital Company ("the Fund Manager"), Banque Saudi Fransi (the Bank and the shareholder of the Fund Manager), the Fund Board Directors, affiliates of the Fund Manager, the Funds managed by the Fund Manager and the unitholders of the Fund. In the ordinary course of its activities, the Fund transacts business with related parties.

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.75% (2022: 1.75%) per annum plus applicable taxes calculated on the total net assets value on daily basis and paid on a monthly basis. The fee is intended to compensate the Fund Manager for management and administration of the Fund.

Subscription fee up to 3 percent of the invested amount is adjusted by deduction from the gross subscription, hence, it does not impact or reflect in the condensed interim financial information of the Fund.

Related party transactions for the periods ended and balances are as follows:

Name of related party	Nature of transactions	Amount of transactions		Balance	
		Income / (expenses)		Receivable / (payable)	
		For the period ended 30 June 2023	For the period ended 30 June 2022	As at 30 June 2023	As at 31 December 2022
		(Un-Audited) SR	(Un-Audited) SR	(Un-Audited) SR	(Audited) SR
Saudi Fransi Capital Company	Fund management fee	(174,761)	(184,576)	(25,161)	(27,020)
	Due from a related party	-	-	462,951	286,412
	Brokerage fee	(11,190)	(1,118)	(1,216)	-
	Due to broker	-	-	(610,954)	(654,349)
Board of Directors	Annual remuneration	(160)	(147)	(150)	-
Banque Saudi Fransi	Bank balance	-	-	109,826	353,855

The units in issue at 30 June 2023, include 5,401 units held by the employees of Banque Saudi Fransi and Saudi Fransi Capital Company (31 December 2022: 5,477 units).

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability the principal or the most advantageous market must be accessible to the Fund.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted market price: financial instruments with quoted unadjusted prices for identical instruments in active markets.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Fund's financial assets consist of cash and cash equivalents, investments measured at FVTPL, and due to a related party. The Fund's financial liabilities consist of management fee payable, due to a related party and accruals and other liabilities.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

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11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value. The fair value of investments measured at FVTPL are based on quoted prices in active markets and are therefore classified within Level 1.

	<i><u>Carrying value</u></i>	<i><u>Level 1</u></i>	<i><u>Total</u></i>
30 June 2023 (Un-Audited)			
Investments measured at FVTPL	18,875,605	18,875,605	18,875,605
31 December 2022 (Audited)			
Investments measured at FVTPL	16,237,004	16,237,004	16,237,004

During the period ended 30 June 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

12. LAST VALUATION DAY

The last valuation day for the purpose of preparation of this condensed interim financial information for the six-month period ended was 30 June 2023.

13. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information was approved and authorised for issue by the Fund Board on 22 Muharram 1445H (corresponding to 9 August 2023 G).