

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 2024

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 2024
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 2024 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 stamp or seal.

Bader I. Benmohareb
License Number 471

8 August 2024

AL DANAH GCC EQUITY TRADING FUND

(Managed by Saudi Fransi Capital Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		<i>As at 30 June 2024 (Un-Audited) SR</i>	<i>As at 31 December 2023 (Audited) SR</i>
	<i>Note</i>		
<u>ASSETS</u>			
Cash and cash equivalents	7	3,612,880	1,378,676
Investments measured at fair value through profit or loss (FVTPL)	8	19,835,410	20,932,881
Prepayments and other assets		48,203	14,267
Due from a related party	10	82,334	28,042
TOTAL ASSETS		23,578,827	22,353,866
<u>LIABILITIES</u>			
Management fee payable	10	39,438	36,014
Due to a related party	10	91	-
Accruals and other liabilities		36,431	40,088
Redemption payable		96,146	-
TOTAL LIABILITIES		172,106	76,102
Equity attributable to the Unitholders		23,406,721	22,277,764
Units in issue		799,547	764,770
Equity per unit in Saudi Riyals		29.2750	29.1300

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 2024 SR</i>	<i>For the six- month period ended 30 June 2023 SR</i>
	<i>Note</i>		
<u>INCOME</u>			
Net (loss) / gain on investments measured at FVTPL	9	(81,968)	2,798,630
Dividend income		526,456	337,700
Other income		175	1,554
		<u>444,663</u>	<u>3,137,884</u>
<u>EXPENSES</u>			
Management fees	10	(232,042)	(174,761)
Other expenses		(107,946)	(90,058)
		<u>(339,988)</u>	<u>(264,819)</u>
NET INCOME FOR THE PERIOD		<u>104,675</u>	<u>2,873,065</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>104,675</u>	<u>2,873,065</u>

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AL DANAH GCC EQUITY TRADING FUND
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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 2024 SR</i>	<i>For the six-month period ended 30 June 2023 SR</i>
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD	22,277,764	16,780,188
CHANGES FROM OPERATIONS		
Total comprehensive income for the period	104,675	2,873,065
CHANGES FROM UNIT TRANSACTIONS		
Value of units sold	1,493,841	1,060,134
Value of units redeemed	(469,559)	(538,894)
Net change from unit transactions	1,024,282	521,240
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD	23,406,721	20,174,493

Transactions in units during the period are summarised as follows:

	<i>For the six-month period ended 30 June 2024 SR</i>	<i>For the six-month period ended 30 June 2023 Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	764,770	759,581
Units sold	50,536	44,399
Units redeemed	(15,759)	(23,257)
Net change in units	34,777	21,142
UNITS AT THE END OF THE PERIOD	799,547	780,723

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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

		<i>For the six-month period ended 30 June 2024 SR</i>	<i>For the six-month period ended 30 June 2023 SR</i>
	<i>Note</i>		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period		104,675	2,873,065
<i>Adjustment to reconcile net income to net cash generated from operating activities:</i>			
Unrealised loss / (gain) on investments measured at FVTPL	9	1,558,532	(2,464,705)
		1,663,207	408,360
Changes in operating assets and liabilities:			
Investments measured at FVTPL		(461,061)	(173,896)
Prepayments and other assets		(33,936)	-
Due from a related party		(54,292)	(176,539)
Management fee payable		3,424	(1,859)
Accruals and other liabilities		(3,657)	(7,497)
Due to a related party		91	(43,394)
Net cash generated from operating activities		1,113,776	5,175
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units sold		1,493,841	1,060,134
Payment against units redeemed, net off redemption payable		(373,413)	(854,004)
Net cash generated from financing activities		1,120,428	206,130
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,234,204	211,305
Cash and cash equivalents at the beginning of the period		1,378,676	1,308,528
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	3,612,880	1,519,833

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

AL DANAH GCC EQUITY TRADING FUND

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

For the six-month period ended 30 June 2024

All amounts presented in Saudi Riyals unless otherwise stated

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” or “BSF Capital”) and the investors (the “Unitholders”). The Fund commenced its operations on 19 Rabi` al-Awwal 1427H (corresponding to 17 April 2006). The Fund is registered with Zakat, Tax and Customs Authority registration number 3119611317 dated 31 December 2023 (corresponding to 18 Jumada Al-Akhirah 1445H).

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.

The Fund Manager and Administrator of the Fund is BSF Capital. 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).

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, it should be read in conjunction with the Fund’s annual audited financial statements as at and for the year ended 31 December 2023. The results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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. MATERIAL ACCOUNTING AND RISK MANAGEMENT POLICIES

The material 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 2023, unless otherwise mentioned in Note 6 to this condensed interim financial information.

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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 2023.

Going concern

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 Fund Manager 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 2024. Fund Manager has assessed that the amendments have no impact on the Fund's condensed interim financial information.

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
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

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6. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

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 condensed interim financial information of the Fund.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS as endorsed in KSA and other standards and pronouncements issued by SOCPA with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	These amendments: <ul style="list-style-type: none"> clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). 	1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely

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7. CASH AND CASH EQUIVALENTS

	<i>As at 30 June 2024 (Un-Audited)</i>	<i>As at 31 December 2023 (Audited)</i>
Bank balances	8,043	263,490
Cash with custodian	3,604,837	1,115,186
	3,612,880	1,378,676

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

The Fund Manager 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.

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>As at 30 June 2024 (Un-Audited)</i>				
<i>Description by geographical segment</i>	<i>Cost</i>	<i>Market Value</i>	<i>Cumulative unrealized fair value gain / (loss)</i>	<i>% of Market Value</i>
Kingdom of Saudi Arabia	11,585,644	14,879,744	3,294,100	75.02
United Arab Emirates	2,959,764	3,767,268	807,504	18.99
Kuwait	539,795	496,390	(43,405)	2.50
Qatar	685,065	692,008	6,943	3.49
	15,770,268	19,835,410	4,065,142	100.00
<i>As at 31 December 2023 (Audited)</i>				
<i>Description by geographical segment</i>	<i>Cost</i>	<i>Market Value</i>	<i>Cumulative unrealized fair value gain / (loss)</i>	<i>% of Market Value</i>
Kingdom of Saudi Arabia	11,124,583	16,045,367	4,920,784	76.65
United Arab Emirates	2,959,764	3,566,322	606,558	17.04
Qatar	685,065	703,690	18,625	3.36
State of Kuwait	539,795	617,502	77,707	2.95
	15,309,207	20,932,881	5,623,674	100.00

The effect on the equity as a result of the change in the fair value of investments as at 30 June 2024 (Un-Audited) and 31 December 2023 (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>As at 30 June 2024 (Un-Audited)</i>		<i>As at 31 December 2023 (Audited)</i>	
	<i>Potential reasonable change %</i>	<i>Effect on Equity</i>	<i>Potential reasonable change %</i>	<i>Effect on Equity</i>
Kingdom of Saudi Arabia	±1%	148,797	±1%	160,454
United Arab Emirates	±1%	37,673	±1%	35,663
Qatar	±1%	6,920	±1%	7,037
State of Kuwait	±1%	4,964	±1%	6,175
		198,354		209,329

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9. NET (LOSS) / GAIN ON INVESTMENTS MEASURED AT FVTPL

	<i>For the six-month period ended 30 June 2024 (Un-Audited)</i>	<i>For the six-month period ended 30 June 2023 (Un-Audited)</i>
Realised loss on sale of investments measured at FVTPL, net	1,476,564	333,925
Unrealised (loss) / gain on remeasurement of investments measured at FVTPL for the period	(1,558,532)	2,464,705
	(81,968)	2,798,630

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 BSF Capital, 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% (2023: 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:

<i>Name of related party</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance</i>	
		<i>Income / (expenses)</i>		<i>Receivable / (payable)</i>	
		<i>For the period ended 30 June 2024 (Un-Audited)</i>	<i>For the period ended 30 June 2023 (Un-Audited)</i>	<i>As at 30 June 2024 (Un-Audited)</i>	<i>As at 31 December 2023 (Audited)</i>
BSF Capital	Fund management fee	(232,042)	(174,761)	(39,438)	(36,014)
	Due from a related party	-	-	82,334	28,042
	Brokerage fee	(13,276)	(11,190)	-	-
	Due to a related party	-	-	(91)	-
Board of Directors	Annual remuneration	(240)	(160)	(268)	-
Banque Saudi Fransi	Bank balance	-	-	8,043	263,490

The units in issue at 30 June 2024, include 5,400.8522 units held by the employees of Banque Saudi Fransi and BSF Capital (31 December 2023: Nil units).

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11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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>Carrying value</i>	<i>Level 1</i>	<i>Total</i>
30 June 2024 (Un-Audited)			
Investments measured at FVTPL	19,835,410	19,835,410	19,835,410
31 December 2023 (Audited)			
Investments measured at FVTPL	20,932,881	20,932,881	20,932,881

During the period ended 30 June 2024, 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 2024.

13. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information was approved and authorised for issue by the Fund Board on 8 August 2024 (Corresponding to 4 Safar 1446H).