

**SAUDI FRANSI CAPITAL SAUDI EQUITY  
INCOME 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**

SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND  
(Managed by Saudi Fransi Capital Company)

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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  
Saudi Fransi Capital Saudi Equity Income Fund

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Saudi Fransi Capital Saudi Equity Income Fund (the "Fund") as of 30 June 2024 and the related condensed interim statements of comprehensive income, changes in net assets 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

SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME 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>		
<b><u>ASSETS</u></b>			
Cash and cash equivalents	7	5,675,007	875,242
Investments measured at fair value through profit or loss (FVTPL)	8	40,288,021	25,644,901
Dividend receivable		101,591	-
Due from related party	10	163,378	-
Prepayments and other assets		12,760	49,519
<b>TOTAL ASSETS</b>		<b>46,240,757</b>	<b>26,569,662</b>
<b><u>LIABILITIES</u></b>			
Due to a related party	10	185	-
Management fee payable	10	77,155	43,791
Accruals and other liabilities		40,539	39,925
Payable against units redeemed		26	-
<b>TOTAL LIABILITIES</b>		<b>117,905</b>	<b>83,716</b>
<b>Net assets attributable to the Unitholders</b>		<b>46,122,852</b>	<b>26,485,946</b>
Units in issue		<b>4,649,824</b>	<b>2,530,995</b>
<b>Net assets per unit in Saudi Riyals</b>		<b>9.9193</b>	<b>10.4646</b>

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

SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND  
(Managed by Saudi Fransi Capital Company)

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>		
<b><u>INCOME</u></b>			
Net (loss) / gain on investments measured at FVTPL	9	(1,301,670)	3,469,336
Dividend income		639,495	592,018
Other income		1	9
		<u>(662,174)</u>	<u>4,061,363</u>
<b><u>EXPENSES</u></b>			
Management fees	10	(333,469)	(228,141)
Other expenses		(142,354)	(81,611)
		<u>(475,823)</u>	<u>(309,752)</u>
<b>NET (LOSS) INCOME FOR THE PERIOD</b>		<u>(1,137,997)</u>	<u>3,751,611</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>		<u>(1,137,997)</u>	<u>3,751,611</u>
Distribution to redeemable unitholders		(674,937)	(539,444)
<b>(DECREASE) / INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS DURING THE PERIOD</b>		<u>(1,812,934)</u>	<u>3,212,167</u>

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

SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND

(Managed by Saudi Fransi Capital Company)

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS 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>
<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>	<b>26,485,946</b>	20,959,382
<b>CHANGES FROM OPERATIONS</b> (Decrease) / increase in net assets attributable to unitholders during the period	<b>(1,812,934)</b>	3,212,167
<b>CHANGES FROM UNIT TRANSACTIONS</b>		
Value of units sold	<b>23,780,023</b>	5,026,249
Value of units redeemed	<b>(2,330,183)</b>	(2,660,971)
Net change from unit transactions	<b>21,449,840</b>	2,365,278
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>46,122,852</b>	26,536,827

Transactions in units during the period are summarised as follows:

	<i>For the six-month period ended 30 June 2024 Units</i>	<i>For the six-month period ended 30 June 2023 Units</i>
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>2,530,995</b>	2,303,567
Units sold	<b>2,344,628</b>	518,862
Units redeemed	<b>(225,800)</b>	(268,100)
Net change in units	<b>2,118,828</b>	250,762
<b>UNITS AT THE END OF THE PERIOD</b>	<b>4,649,823</b>	2,554,329

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

SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND  
(Managed by Saudi Fransi Capital Company)

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>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period		(1,137,997)	3,751,611
<i>Adjustment to reconcile net income to net cash used in operating activities:</i>			
Unrealised losses / (gain) on investments measured at FVTPL	9	<u>2,831,874</u>	<u>(3,681,775)</u>
		1,693,877	69,836
<b>Changes in operating assets and liabilities:</b>			
Investments measured at FVTPL		(17,474,994)	(1,754,728)
Prepayments and other assets		36,759	-
Due from a related party		(163,378)	466,967
Dividend receivable		(101,591)	(14,413)
Management fee payable		33,364	(626)
Accruals and other liabilities		614	14,825
Due to a related party		185	(248,408)
<b>Net cash used in operating activities</b>		<u>(15,975,164)</u>	<u>(1,466,547)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from units sold		23,780,023	5,026,249
Payment against units redeemed, net of redemption payable		(2,330,157)	(2,660,971)
Dividend distribution		(674,937)	(539,444)
<b>Net cash generated from financing activities</b>		<u>20,774,929</u>	<u>1,825,834</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>4,799,765</b>	<b>359,287</b>
Cash and cash equivalents at the beginning of the period		875,242	1,151,897
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7	<u><b>5,675,007</b></u>	<u><b>1,511,184</b></u>

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

# SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND

(Managed by Saudi Fransi Capital Company)

## 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

Saudi Fransi Capital Saudi Equity Income Fund (the “Fund”) is an open-ended Shariah compliant investment fund established based on an agreement between Saudi Fransi Capital Company (the ‘Fund Manager’ or ‘BSF Capital’) and investors (the ‘Unitholders’). The Fund commenced its operations on 20 Rabi Thani 1435H (corresponding to 20 February 2014). The Fund is registered with Zakat, Tax and Customs Authority registration number 3119629963 dated 19 December 2023 (corresponding to 06 Jumada Al-Awwal 1445H).

The objective of the Fund is to provide medium to long term growth by investing in listed companies in the Saudi Stock Exchange i.e. Tadawul.

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

The Fund also aim to make cash distributions to its Unitholders considering following two options as per the terms and conditions, whichever is higher;

- 2.5% of the Fund's net unit price, regardless of the Fund's performance during the period; or
- If the Fund's net unit price on the day of registration achieved the highest price level achieved by the Fund since its inception in comparison with previous registration days, then 50% of the increase in the net unit price will be distributed compared to the last price that was calculated on the day of the previous registration.

Fund Manager distributes the cash at the end of each six-month period. The amount is calculated as of the end of the last dealing day of each six-month period. The proceeds of the cash distribution are paid within four business days.

### 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 to 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 statements 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.



# SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND

(Managed by Saudi Fransi Capital Company)

## 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*

### 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.

### 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 these condensed interim financial information are 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 continue 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

# SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND

(Managed by Saudi Fransi Capital Company)

## 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

### 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 the Fund reasonably expects to be 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"> <li>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;</li> <li>clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</li> <li>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</li> <li>make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).</li> </ul>	1 January 2026

# SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND

(Managed by Saudi Fransi Capital Company)

## 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

### 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 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

### 7. CASH AND CASH EQUIVALENTS

		As at 30 June 2024 (Un-Audited)	As at 31 December 2023 (Audited)
	Note	SR	SR
Bank balances	10	14,826	12,678
Cash with custodian		5,660,181	862,564
		<b>5,675,007</b>	<b>875,242</b>

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 composition of investments measured at FVTPL is summarized below:

	As at 30 June 2024 (Un-Audited)			
<u>Saudi Equity Sectors</u>	Cost	Market Value	Cumulative unrealized fair value gain / (loss)	% of Market Value
Materials	17,400,770	15,558,809	(1,841,961)	38.62
Retailing	5,258,483	4,670,131	(588,352)	11.59
Energy	3,450,064	3,951,143	501,079	9.81
Transportation	2,606,678	3,329,028	722,350	8.26
Real Estate & Dev	2,970,972	2,866,615	(104,357)	7.12
Telecom Services	2,274,220	2,422,588	148,368	6.01
Utilities	1,166,002	1,767,528	601,526	4.39
Information Tech	1,495,306	1,555,484	60,178	3.86
Consumer Services	1,421,116	1,487,487	66,371	3.69
Food & Staples	1,026,454	992,587	(33,867)	2.46
Banks	932,772	991,779	59,007	2.46
Cements	849,905	694,842	(155,063)	1.72
	<b>40,852,742</b>	<b>40,288,021</b>	<b>(564,721)</b>	<b>100.00</b>

SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND

(Managed by Saudi Fransi Capital Company)

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

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

<u>Saudi Equity Sectors</u>	<i>As at 31 December 2023 (Audited)</i>			
	<i>Cost</i>	<i>Market Value</i>	<i>Cumulative unrealized fair value gain / (loss)</i>	<i>% of Market Value</i>
Materials	11,732,703	11,192,461	(540,242)	43.64
Retailing	2,549,907	2,665,236	115,329	10.39
Telecommunication services	2,275,433	2,851,734	576,301	11.12
Real estate management and development	1,233,871	1,448,141	214,270	5.65
Transportation	1,133,319	1,708,928	575,609	6.66
Banks	1,022,244	1,236,336	214,092	4.82
Energy	926,924	1,647,864	720,940	6.43
Cements	880,574	904,077	23,503	3.53
Consumer services	711,925	862,407	150,482	3.36
Food and staples retailing	549,772	638,246	88,474	2.49
Media	361,076	489,471	128,395	1.91
	<b>23,377,748</b>	<b>25,644,901</b>	<b>2,267,153</b>	<b>100</b>

The effect on the net assets 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>	
	<b>Potential reasonable change %</b>	<b>Effect on Net assets SR</b>	<b>Potential reasonable change %</b>	<b>Effect on Net assets SR</b>
Materials	±1%	<b>155,588</b>	±1%	<b>111,925</b>
Retailing	±1%	<b>46,701</b>	±1%	<b>26,652</b>
Energy	±1%	<b>39,511</b>	±1%	<b>16,479</b>
Transportation	±1%	<b>33,290</b>	±1%	<b>17,089</b>
Real estate management and development	±1%	<b>28,666</b>	±1%	<b>14,481</b>
Telecommunication services	±1%	<b>24,226</b>	±1%	<b>28,517</b>
Utilities	±1%	<b>17,675</b>	±1%	-
Information Tech	±1%	<b>15,555</b>	±1%	-
Consumer services	±1%	<b>14,875</b>	±1%	<b>8,624</b>
Food and staples retailing	±1%	<b>9,926</b>	±1%	<b>6,382</b>
Banks	±1%	<b>9,918</b>	±1%	<b>12,363</b>
Cements	±1%	<b>6,948</b>	±1%	<b>9,041</b>
Media	±1%	-	±1%	<b>4,895</b>
		<b>402,880</b>		<b>256,448</b>

**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 gain/ (loss) on sale of investments measured at FVTPL, net	<b>1,530,204</b>	(212,439)
Net unrealised (loss)/ gain on remeasurement of investments measured at FVTPL for the period	<b>(2,831,874)</b>	3,681,775
	<b>(1,301,670)</b>	<b>3,469,336</b>

# SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND

(Managed by Saudi Fransi Capital Company)

## 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

### 10. TRANSACTIONS 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 (“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 (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 as at balances are as follows:

Name of related party	Nature of transactions	Amount of transactions		Balance receivable / (payable)	
		For the period ended 30 June 2024 (Un-Audited)	For the period ended 30 June 2023 (Un-Audited)	As at 30 June 2024 (Un-Audited)	As at 31 December 2023 (Audited)
BSF Capital	Management fee	(333,469)	(228,141)	(77,155)	(43,791)
	Brokerage fee	(44,386)	(17,493)	-	-
	Due from a related party	-	-	163,378	-
	Due to a related party	-	-	(185)	-
Board of Directors	Annual remuneration	(240)	(210)	(268)	-
Banque Saudi Fransi	Bank balances	-	-	14,826	12,678

The units in issue at 30 June 2024, include 2,563.33 units held by the employees of Banque Saudi Fransi and BSF Capital (31 December 2023: 52,563 units).

### 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

# SAUDI FRANSI CAPITAL SAUDI EQUITY INCOME FUND

(Managed by Saudi Fransi Capital Company)

## 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

### 11. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	<u>Carrying value</u>	<u>Level 1</u>	<u>Total</u>
<b>30 June 2024 (Un-Audited)</b>			
Investments measured at FVTPL	<b>40,288,021</b>	<b>40,288,021</b>	<b>40,288,021</b>
<b>31 December 2023 (Audited)</b>			
Investments measured at FVTPL	25,644,901	25,644,901	25,644,901

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).