

ANB Capital Pure Saudi Equity Fund (Shariah)
(Formerly, Al-Mubarak Pure Saudi Equity Fund)
(Managed by anb capital Company)
(Formerly, Arab National Investment Company)

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE UNITHOLDERS OF ANB CAPITAL PURE SAUDI EQUITY FUND (SHARIAH) (FORMERLY, AL
MUBARAK PURE SAUDI EQUITY FUND)
(MANAGED BY ANB CAPITAL COMPANY)
(FORMERLY, ARAB NATIONAL INVESTMENT COMPANY)**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of ANB Capital Pure Saudi Equity Fund (Formerly, Al Mubarak Pure Saudi Equity Fund) (the "Fund") managed by anb capital company (Formerly, Arab National Investment Company) (the "Fund Manager") as at 30 June 2023, and the related interim condensed statement of comprehensive income, interim condensed statement of changes in equity attributable to the unitholders and interim condensed statement of 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 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" as 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

AFM


Rashid S. Roshod
Certified Public Accountant
License No. 366

Riyadh: 23 Muharram 1445H
(10 August 2023)



ANB Capital Pure Saudi Equity Fund (Shariah)
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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		30 June 2023 (Unaudited) SR	31 December 2022 (Audited) SR
	<i>Note</i>		
ASSETS			
Financial assets at fair value through profit or loss (FVTPL)	5	286,508,489	242,387,306
Advances for IPO subscription		6,230,000	-
Dividend receivables		-	25,198
Cash and cash equivalent with custodian		27,544,867	4,716,046
TOTAL ASSETS		320,283,356	247,128,550
LIABILITIES			
Management fees payable	6	1,395,369	1,247,099
Accrued expenses		299,753	260,463
Redemption payable		-	293,246
TOTAL LIABILITIES		1,695,122	1,800,808
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)		318,588,234	245,327,742
TOTAL LIABILITIES AND EQUITY		320,283,356	247,128,550
Redeemable units in issue		17,631,828	15,850,394
Net asset value attributable to each unit		18.07	15.48

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

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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six-month period ended 30 June 2023

	<i>Note</i>	30 June 2023 SR	30 June 2022 SR
INCOME			
Net realized gain on disposal of financial assets at FVTPL	5	39,372,231	47,042,511
Net unrealized gain (loss) on financial assets at FVTPL	5	5,423,846	(15,090,829)
Dividend income		3,980,397	2,818,316
TOTAL INCOME		48,776,474	34,769,998
EXPENSES			
Management fees	6	(2,549,485)	(2,745,211)
Other fees	6	(570,794)	(588,271)
TOTAL EXPENSES		(3,120,279)	(3,333,482)
NET INCOME FOR THE PERIOD		45,656,195	31,436,516
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		45,656,195	31,436,516

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ANB Capital Pure Saudi Equity Fund (Shariah)
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO
THE UNITHOLDERS (UNAUDITED)

For the six-month period ended 30 June 2023

	<i>30 June 2023 SR</i>	<i>30 June 2022 SR</i>
Equity attributable to the unitholders at beginning of the period	245,327,742	257,082,102
Total comprehensive income for the period	45,656,195	31,436,516
<i>Issuance and redemption of units</i>		
Issuance of units during the period	50,549,890	51,330,290
Redemptions of units during the period	(22,945,593)	(63,303,125)
Net changes in units	27,604,297	(11,972,835)
Equity attributable to the unitholders at end of the period	318,588,234	276,545,783

REDEEMABLE UNIT TRANSACTIONS

Transactions in redeemable units during the period are summarised, as follows:

	<i>30 June 2023 Units</i>	<i>30 June 2022 Units</i>
Units at beginning of the period	15,850,394	18,559,003
Issuance of units during the period	3,145,067	3,113,640
Redemptions of units during the period	(1,363,633)	(3,860,608)
Net changes in units	1,781,434	(746,968)
Units at end of the period	17,631,828	17,812,035

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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2023

	<i>30 June</i> <i>2023</i> <i>SR</i>	<i>30 June</i> <i>2022</i> <i>SR</i>
OPERATING ACTIVITIES		
Net income for the period	45,656,195	31,436,516
Adjustments:		
Net movement in unrealized (gain) loss on financial assets at FVTPL	(5,423,846)	15,090,829
Dividend income	(3,980,397)	(2,818,316)
	36,251,952	43,709,029
Working capital adjustments:		
Financial assets at FVTPL	(38,697,337)	(42,781,498)
Management fees payable and accrued expenses	187,560	355,184
Dividend receivable	25,198	-
Redemption payable	(293,246)	-
Advances for IPO subscription	6,230,000	-
Net cash (used in) from operations	(8,755,873)	1,282,715
Dividend received	3,980,397	2,908,916
Net cash flows (used in) operating activities	(4,775,476)	4,191,631
FINANCING ACTIVITIES		
Proceed from issuance of units	50,549,890	51,330,290
Payment on redemption of units	(22,945,593)	(63,303,125)
Net cash flows from (used in) financing activities	27,604,297	(11,972,835)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,828,821	(7,781,204)
Cash and cash equivalents at beginning of the period	4,716,046	14,811,140
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	27,544,867	7,029,936

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ANB Capital Pure Saudi Equity Fund (Shariah)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2023

1. GENERAL

ANB Capital Pure Saudi Equity Fund (Shariah) (Formerly, Al-Mubarak Pure Saudi Equity Fund) (the “Fund”) is open-ended fund. The investment object of the Fund is to achieve long-term growth of capital through investments in a broadly diversified portfolio of pure Shariah compliant Saudi Arabian equity securities including Murabaha transactions. The Fund was established on 21 Sha’aban 1426H (corresponding to 25 October 2005) by Arab National Bank (the “Bank”) which is now managed by anb capital company (Formerly, ANB Investment Company) (the “Fund Manager”). The address of the registered office of the Fund Manager is anb capital company Building, King Faisal Road, Murabba district, Riyadh, Kingdom of Saudi Arabia.

In accordance with the Capital Market Authority’s (CMA) decision No. 1-83-2005 dated 21 Jumada Awal 1426H (corresponding to 28 June 2005) issued by the CMA Board in connection with the regulations relating to Authorised Persons, the Bank has transferred its asset management operations to anb capital company (Formerly, Arab National Investment Company) (“the Fund Manager”), a wholly owned subsidiary of the Bank, effective 1 January 2008.

The Fund has appointed AlBilad Investment Company (the “Custodian”) to act as its custodian and registrar. The fees of the custodian and registrar’s services are paid by the Fund.

The Fund Manager is responsible for the overall management of the Fund’s activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

On 29 September 2022, the Fund’s Board of Directors resolved to change the name of the Fund from , Al-Mubarak Pure Saudi Equity Fund to ANB Capital Pure Saudi Equity Fund (Shariah). The legal procedures for CMA approval for change in the Fund’s name were completed on 03 October 2022.

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 Rajab1442H. Corresponding to 24 February 2021G (the “Amended Regulations”). The amended regulations are effective from 19 Ramadan 1442, corresponding to 1 May 2021).

3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

3.1. Basis of preparation

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

The interim condensed financial statements do not include all the information and disclosures required in annual financial statements and should, therefore, be read in conjunction with the annual financial statements for the year ended 31 December 2022. In addition, result 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.

These interim condensed financial statements have been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss which are stated at their fair value.

These interim condensed financial statements are presented in Saudi Riyals (“SR”), which is the functional currency of the Fund.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2023

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

3.2 New standards and amendments to standards

3.2.1 New standards and amendments adopted by the Fund

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

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

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

3.2.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	Deferred until accounting periods starting not earlier than 1 January 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	Annual periods beginning on or after 1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7	Disclosures enhancement for supplier finance arrangements on the entity's liabilities.	Annual periods beginning on or after 1 January 2024

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATE AND ASSUMPTIONS

The significant accounting judgements, estimates and assumptions used in preparation of interim condensed financial statements are consistent with those used in preparation of the Fund's annual financial statements for the year ended 31 December 2022.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The composition of the financial assets at fair value through profit or loss is summarised below:

<i>30 June 2023 (Unaudited)</i>				
<i>Equity shares - Sectors</i>	<i>% of market value</i>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>Unrealized gain/(loss) SR</i>
Banks	27.07%	60,173,458	77,499,567	17,326,109
Capital Goods	6.02%	13,770,477	17,261,928	3,491,451
Commercial & Professional Services	4.88%	11,267,661	13,993,223	2,725,562
Energy	8.58%	19,066,119	24,571,649	5,505,530
Food & Staples Retailing	4.60%	12,292,904	13,188,773	895,869
Health Care Equipment & Services	6.27%	8,783,301	17,977,054	9,193,753
Insurance	5.27%	9,942,440	15,112,800	5,170,360
Materials	11.44%	30,963,831	32,778,778	1,814,947
REITs	1.02%	2,979,250	2,926,443	(52,807)
Telecommunication Services	16.80%	39,418,305	48,133,882	8,715,577
Retailing	3.95%	10,353,513	11,316,959	963,446
Information Technology	4.10%	10,525,480	11,747,433	1,221,953
	100.00%	229,536,739	286,508,489	56,971,750

<i>31 December 2022 (Audited)</i>				
<i>Equity shares - Sectors</i>	<i>% of market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain/(loss) SR</i>
Banks	40.23%	70,065,280	97,506,259	27,440,979
Materials	15.55%	34,346,837	37,700,646	3,353,809
Telecommunication Services	11.84%	28,989,129	28,686,539	(302,590)
Software and Services	7.56%	11,988,218	18,323,746	6,335,528
Health Care Equipment and Services	5.65%	4,163,818	13,704,455	9,540,637
Insurance	4.45%	7,953,830	10,781,693	2,827,863
Food and Staples Retailing	4.31%	8,831,293	10,447,591	1,616,298
Capital Goods	3.38%	9,829,323	8,189,298	(1,640,025)
Energy	2.66%	5,913,694	6,451,947	538,253
Utilities	2.59%	5,193,687	6,281,364	1,087,677
Retailing	1.60%	3,108,993	3,868,909	759,916
Transportation	0.18%	455,300	444,859	(10,441)
	100%	190,839,402	242,387,306	51,547,904

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2023

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) (continued)

The movements of financial assets at fair value through profit and loss during the period, are as follow:

	30 June 2023 SR	30 June 2022 SR
Fair value as at beginning of the period	242,387,306	243,559,414
Net (sales) purchase of financial assets at FVTPL	(674,894)	(4,261,013)
Net realized gain on disposal of financial assets at FVTPL	39,372,231	47,042,511
Net unrealized (loss) gain on financial assets at FVTPL	5,423,846	(15,090,829)
Fair value as at end of period	<u>286,508,489</u>	<u>271,250,083</u>

6. TRANSACTIONS WITH RELATED PARTIES

The Fund pays a management fee at the rate of 1.75% per annum calculated based on the total net asset value at each valuation date. In addition, the Fund Manager also charges a fee at a maximum rate of 1% per annum calculated based on the total net asset value at each valuation date to meet other expenses of the Fund. A subscription fee of 2% may be charged to the subscribers by the Fund Manager upon subscription.

The management fees amounting to Nil (30 June 2022: SR 2,745,211) and other fees amounting to Nil (30 June 2022: SR 588,271) which have been reflected in the interim condensed statement of comprehensive income and represent the fees charged by the Fund Manager as described above.

The management fees payable and other fees payable to the Fund Manager at the period-end are disclosed in the interim condensed statement of financial position.

The unitholders' account included units held by:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Funds under the Fund Managers	91,531	172,060
Employees of the Bank	-	21,603
	<u>91,531</u>	<u>193,663</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2023

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund measures its investments in financial instruments at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

The Fund has only investments at fair value through profit or loss which is measured at fair values. 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. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Fund's financial assets as at 30 June 2023 and 31 December 2022. There are no financial liabilities measured at fair value.

		<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
	<i>Total SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>As at 30 June 2023</i>				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL (listed on Tadawul)	286,508,489	286,508,489	-	-
<i>As at 31 December 2022</i>				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL (listed on Tadawul)	242,387,306	242,387,306	-	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2023

8. 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			
Financial assets at FVTPL	286,508,489	-	286,508,489
Advances for IPO subscription	6,230,000	-	6,230,000
Cash and cash equivalent with custodian	27,544,867	-	27,544,867
TOTAL ASSETS	320,283,356	-	320,283,356
LIABILITIES			
Management fees payable	1,395,369	-	1,395,369
Accrued expenses	299,753	-	299,753
TOTAL LIABILITIES	1,695,122	-	1,695,122
 <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			
Financial assets at FVTPL	242,387,306	-	242,387,306
Dividend receivable	25,198	-	25,198
Cash and cash equivalent with custodian	4,716,046	-	4,716,046
TOTAL ASSETS	247,128,550	-	247,128,550
LIABILITIES			
Management fees payable	1,247,099	-	1,247,099
Accrued expenses	260,463	-	260,463
Redemption payable	293,246	-	293,246
TOTAL LIABILITIES	1,800,808	-	1,800,808

9. LAST VALUATION DAY

The last valuation published day of the period was 22 June 2023 (2022: 29 December 2022).

10. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund's management on 23 Muharram 1445H (corresponding to 10 August 2023).