

## **Al Ata'a Saudi Equity Fund**

Interim Condensed Financial Statements and  
Independent Auditor's Report  
For the Period Ended June 30, 2021

**Al Ata’a Saudi Equity Fund**  
**Interim Condensed Financial Statements**  
**For the Period Ended June 30, 2021**

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## Report on review of Interim Condensed Financial Statements

To the Unit holders and the Fund Manager of Al Ata'a Saudi Equity Fund:

### Introduction

We have reviewed the accompanying interim statement of financial position of Al Ata'a Saudi Equity Fund (the "Fund") as at June 30, 2021, and the related interim statements of comprehensive income, cash flows and changes in net assets attributable to unitholders for the six-months period then ended and other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

### PricewaterhouseCoopers

Bader I. Benmohareb  
License Number 471

August 16, 2021



# Al Ata'a Saudi Equity Fund

## INTERIM STATEMENT OF FINANCIAL POSITION

As at

		<b>June 30, 2021 (Unaudited) SR</b>	<b>December 31, 2020 (Audited) SR</b>	<b>June 30, 2020 (Unaudited) SR</b>
	<b>Note</b>			
<b>ASSETS</b>				
Cash and cash equivalents	4	<b>5,695,753</b>	6,538,115	5,727,207
Investments at fair value through income statement (FVIS)		<b>128,970,058</b>	119,417,142	99,729,097
Other assets		-	-	3,640,370
<b>TOTAL ASSETS</b>		<b>134,665,811</b>	125,955,257	109,096,674
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Redemptions payable		<b>116,426</b>	151,454	34,420
Management fee payable	4	<b>669,856</b>	637,514	478,429
Dividend payable		<b>218,499</b>	214,549	239,585
Other liabilities		<b>64,712</b>	126,898	3,434,792
<b>TOTAL LIABILITIES</b>		<b>1,069,493</b>	1,130,415	4,187,226
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>				
		<b>133,596,318</b>	124,824,842	104,909,448
Units in issue		<b>8,578,130</b>	9,975,150	10,119,127
Per unit value		<b>SR 15.57</b>	SR 12.51	SR 10.37

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

# Al Ata'a Saudi Equity Fund

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended June 30

		<b>2021</b> <b>(Unaudited)</b> <b>SR</b>	<b>2020</b> <b>(Unaudited)</b> <b>SR</b>
	<b>Notes</b>		
<b>INVESTMENT INCOME</b>			
Gains / (losses) on Investment at FVIS, net	5	<b>30,351,616</b>	(19,573,688)
Dividend and other income		<b>1,830,158</b>	1,496,849
<b>TOTAL INCOME / (LOSS)</b>		<b>32,181,774</b>	(18,076,839)
<b>EXPENSES</b>			
Management fee	4	<b>1,294,142</b>	1,012,048
Others	4	<b>37,614</b>	80,272
<b>TOTAL EXPENSES</b>		<b>1,331,756</b>	1,092,320
<b>NET INCOME / (LOSS) FOR THE PERIOD</b>		<b>30,850,018</b>	(19,169,159)
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>		<b>30,850,018</b>	(19,169,159)
Distribution to redeemable unitholders		<b>(3,420,181)</b>	(2,572,744)
<b>INCREASE / (DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS DURING THE PERIOD</b>		<b>27,429,837</b>	(21,741,903)

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

# Al Ata'a Saudi Equity Fund

## INTERIM STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2021

		<b>2021</b> <b>(Unaudited)</b> <b>SR</b>	<b>2020</b> <b>(Unaudited)</b> <b>SR</b>
	<i>Note</i>		
<b>OPERATING ACTIVITIES</b>			
Net income / (loss) for the period		30,850,018	(19,169,159)
<i>Adjustment for:</i>			
Unrealised (gains) / losses on investments at FVIS	5	(20,546,676)	10,669,928
		<b>10,303,342</b>	<b>(8,499,231)</b>
<i>Changes in operating assets and liabilities:</i>			
Investments at FVIS, net		10,993,760	14,410,792
Other assets		-	(2,998,420)
Management fee payable		32,342	(148,819)
Other liabilities		(62,186)	(603,647)
Net cash generated from operating activities		<b>21,267,258</b>	<b>2,160,675</b>
<b>FINANCING ACTIVITIES</b>			
Proceed from units sold		5,870,422	4,376,111
Value of units redeemed		(24,563,811)	(7,858,135)
Dividend paid		(3,416,231)	(2,561,103)
Net cash used in financing activities		<b>(22,109,620)</b>	<b>(6,043,127)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(842,362)</b>	<b>(3,882,452)</b>
Cash and cash equivalents at the beginning of the period		6,538,115	9,609,659
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>5,695,753</b>	<b>5,727,207</b>

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

# Al Ata'a Saudi Equity Fund

## INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE UNITHOLDERS

For the six month period ended June 30

	<b>2021</b> <b>(Unaudited)</b> <b>SR</b>	<b>2020</b> <b>(Unaudited)</b> <b>SR</b>
<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>	<b>124,824,842</b>	<b>130,167,795</b>
<b>CHANGE FROM OPERATIONS</b>		
Increase / (decrease) in net assets attributable to unitholders during the period	<b>27,429,837</b>	<b>(21,741,903)</b>
<b>CHANGES FROM UNIT TRANSACTIONS</b>		
Proceeds from unit sold	<b>5,870,422</b>	<b>4,376,111</b>
Value of units redeemed, net	<b>(24,528,783)</b>	<b>(7,892,555)</b>
Net change from unit transactions	<b>(18,658,361)</b>	<b>(3,516,444)</b>
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>133,596,318</b>	<b>104,909,448</b>

Transactions in units for the period ended June 30 are summarised as follows:

	<b>2020</b> <b>(Unaudited)</b> <b>Units</b>	<b>2019</b> <b>(Unaudited)</b> <b>Units</b>
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>9,975,150</b>	<b>10,428,338</b>
Units sold	<b>406,683</b>	<b>434,599</b>
Units redeemed	<b>(1,803,703)</b>	<b>(743,810)</b>
Net change in units	<b>(1,397,020)</b>	<b>(309,211)</b>
<b>UNITS AT THE END OF THE PERIOD</b>	<b>8,578,130</b>	<b>10,119,127</b>

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2021

### 1 GENERAL

Al Ata'a Saudi Equity Fund (the "Fund") is a public open ended investment fund with an objective of long-term capital growth through investment in Saudi Shariah compliant shares of companies listed on Saudi stock exchange ("Tadawul"). The Fund pays a dividend of 2.5% semi-annually (i.e., 2.5% of Net Asset Value as of the last valuation day of April and October in each calendar year).

The Capital Market Authority (the "CMA") on May 31, 2021 has approved the merger of Samba Capital and Investment Management Company ("Samba Capital") into NCB Capital by way of a statutory merger, which will result in all of the rights and obligations of Samba Capital being transferred to NCB Capital. On July 9, 2021, upon the completion of the merger, Samba Capital ceased to exist as a legal entity and NCB Capital continued to exist as the successor legal entity. As a result, NCB Capital replaced Samba Capital as the manager of the Fund and the Fund's terms and conditions were amended accordingly. English name of NCB Capital is amended to become SNB Capital (the "Fund Manager").

The Fund is managed by Fund Manager, a wholly owned subsidiary of Saudi National Bank (the "Bank").

The interim condensed financial statements should be read in conjunction with the annual audited financial statements of the Fund. The interim results may not be an indicator of the annual results of the Fund. There have been no changes to the risk management policies as set out in the audited financial statements for the year ended December 31, 2020.

### 2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by the CMA in the Kingdom of Saudi Arabia on 3 Dhul Hijja 1427H (corresponding to December 24, 2006) as amended by the resolution of the CMA Board on 12 Rajab 1442H (corresponding to February 24, 2021).

### 3 SIGNIFICANT ACCOUNTING POLICIES

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard – 34 "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia.

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2020.

### 4 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 the ordinary course of business, the Fund transacts with the related parties. The principal related parties of the Fund are the Fund Manager, the Bank and the Fund Board.

The Fund pays a management fee calculated at an annual rate of 1.75% (2020: 1.75%) of the net asset value at the end of each Valuation Day. The Bank acts as one of the Fund's bankers, cash at bank includes SR 64,700 (December 31, 2020: SR 535,920, June 30, 2020: SR 1,870,671) held with the Bank. Trade transactions on the Tadawul are executed through the Manager. Other expenses for the period include SR 630 (2020: SR 1,092) towards the Fund Board remuneration.

### 5 GAINS / (LOSSES) ON INVESTMENTS AT FVIS, NET

	<b>2021</b> <b>(Unaudited)</b> <b>SR</b>	<b>2020</b> <b>(Unaudited)</b> <b>SR</b>
Realised gains / (losses)	<b>9,804,940</b>	(8,903,760)
Unrealised gains / (losses)	<b>20,546,676</b>	(10,669,928)
	<b>30,351,616</b>	(19,573,688)



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

For the six month period ended June 30, 2021

**6 FAIR VALUE ESTIMATION**

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The estimated fair value of the Fund's financial assets and liabilities is not considered to be significantly different from their carrying values. The fair value of investments at FVIS is based on quoted prices in active markets and are therefore classified within Level 1.

**7 FINANCIAL INSTRUMENTS BY CATEGORY**

All financial assets and financial liabilities as at June 30, 2021 were classified under amortised cost category except for investments at FVIS which are classified as and measured at fair value.

**8 LAST VALUATION DAY**

The last valuation date for the purpose of preparation of these interim condensed financial statements was June 30, 2020 (2019: June 30, 2019).

**9 IMPACT OF COVID-19**

The Coronavirus ("COVID-19") pandemic continues to disrupt global markets as many geographies are experiencing multiple waves of infections despite having previously controlled the outbreak through aggressive precautionary measures. The Government of the Kingdom of Saudi Arabia, however, managed to successfully control the outbreak to date. The Fund Manager continues to evaluate the current situation through conducting stress-testing scenarios of expected movements in key macroeconomic indicators (e.g. oil prices, GDP etc.) and its impact on key credit, liquidity, operational and solvency ratios and performance indicators in addition to other risk management practices. The management will continue to follow the Government policies and advice and, in parallel, will do its utmost to continue the Fund's operations in the best and safest way possible without jeopardising the health of its employees.

**10 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved by the Fund Management on August 16, 2021.