

## Annex 3

### a. Investment Fund Information

#### 1) Name of Investment Fund

Kamco Saudi Equity Fund

#### 2) Investment Objectives & policies

Kamco Saudi Equity Fund is an open-ended investment fund which invests primarily in shares of listed companies and in IPOs on the Saudi Stock Market to achieve long term capital growth.

Fund Manager depends on research and recommendations of its research team in making investment decisions and to evaluate the economic conditions and capital markets, to manage the Fund at a high level of efficiency and professionalism.

Fund shall invest at least 80% of its Net Asset Value (NAV) in shares of listed companies and IPOs and not more than 10% of the NAV can be invested in shares of a single company. In case the market value of a listed company exceeds 10% of the total market capitalization of companies listed on the Saudi Stock Exchange, the Fund Manager can increase the investment proportion in the company to the percentage represented by the company in the mentioned market capitalization. Fund plans to diversify its investment over different sectors, without any intention to concentrate in a single or more sectors. Fund Manager aims to make diversified investments into sectors and companies based on its view of risk-adjusted return expectations and assessment of the investment opportunity.

#### 3) Distribution of Income and Gain Policy

Dividends and/or income are reinvested in the Fund and are not paid out or distributed to unitholders.

#### 4) Fund's reports shall be made available upon request "Free of Charge".

#### 5) Fund's Benchmark: Tadawul All Share Index – TASI

### b. Fund Performance

#### 1. Last three (3) financial years

Year	(A) Net Asset Value (SAR)	(B) Net Asset Value per Unit (SAR)		(D) No. of Units	(F) Expense Ratio %
		End	(C)High (C)Low		
2023	998,701,517.09	450.5278	450.5278 364.6098	2,216,736.9442	1.32%
2022	854,411,647.35	385.4143	480.7790 366.8504	2,216,865.26	1.43%
2021	885,082,336.22	399.5734	414.7279 304.6098	2,215,068.15	1.38%

E) Income Distribution per unit: Not Applicable.

G) Percentage of borrowed assets from the total asset value, the period of their exposure period and due date: Not Applicable.

#### H) Fund performance Vs Benchmark performance:

Year	2023	2022	2021
CI A	15.59%	-4.62%	28.60%
CI B	16.93%	-3.52%	30.09%
TASI	14.21%	-7.12%	29.83%

## 2. A performance record that covers the following:

### 2.a) Total return for 1yr, 3yrs and 5yrs

Years	1 year	3 Years	5 Years
Returns % - CI A	15.59%	41.78%	68.70%
Returns % - CI B	16.93%	46.76%	76.55%

### 2.b) Annual total return for last 10 years

Years	Annual Returns %
2023	CI A – 15.59% CI B – 16.93%
2022	CI A – -4.62% CI B – -3.52%
2021	CI A – 28.60% CI B – 30.09%
2020	CI A – 8.16% CI B – 9.36%
2019	10.01%
2018	15.71%
2017	5.82%
2016	-1.85%
2015	-10.62%
2014	13.82%
2013	30.10%

### 2.c) Fund Fees and Expenses

Year	2023
Management Fees	7,015,575
Administration Fees	1,179,916
Custody Fees	588,501
Audit Fees	55,000
Director Fees	15,000
CMA Fees	7,500
Tadawul Fees -CL A	5,000
Tadawul Fees -CL B	5,000
Other Expenses (Incl Transaction Cost)	1,793,948
VAT Expenses	1,327,982
<b>Total</b>	<b>11,993,422</b>
Expense Ratio	1.32%

### 2.d) The bases for calculating performance data and any assumption made are applied consistently.

## 3. Material Changes

Not Applicable.

## 4. Exercise of Voting Rights

During 2023, the Fund Manager exercised voting for the following companies in the Fund.

#	Name of Issuer	Date of General Assembly	Subject of the Vote	Decision
1	Al Rajhi Bank	21/03/2023	Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on the Board of Directors recommendation to distribute cash dividends of SAR 1.25 per share for FY 2022	Yes
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Audit Committee members for the FY 2022	Abstain
			Vote on amending Board Audit & Compliance Committee charter	Yes
			Vote on the Board of Directors Resolution to appoint Mr. Waleed bin Abdullah Al Mogbel as Executive Board Member (Managing Director) to the Board of Directors starting from date of appointment on 09-11-2022 until end of the current term of the Board of Directors on 13-11-	Yes

			2023 replacing the previous Board member Mr. Stephano Paulo Bertamini	
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
2	SABIC Agri-Nutrients Co.	26/03/2023	Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation for the FY 2023	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on the recommendation of the Board of Directors to distribution cash dividends to the Shareholders for the second half of FY 2022 at SAR 8 per share	Yes
			Vote on the election of the Board of Directors members for the next Board term of three years starting on March 29, 2023 and ending on March 28, 2026	Abstain
			Vote on the formation, of the Audit Committee, defining its duties, working procedure and members remuneration for the new term of three years – starting on March 29, 2023 and ending on March 28, 2026	Yes
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
3	Bank Aljazira	12/04/2023	Vote on Board of Directors report for the fiscal year ended on December 31, 2022	Yes
			Vote on Financial Statements for the fiscal year ended on December 31, 2022	Yes
			Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on the amendment of remuneration and compensation of members of the Board of Directors, committees and executive management Policy	Yes
			Vote on the amendment of Remuneration and Nomination Committee charter	Yes
			Vote on the amendment of Board of Directors and Committees Membership Criteria Policy	Yes
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
			Vote on related party transactions	Abstain

4	Saudi Basic Industries Corp.	13/04/2023	Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Voting on the Board of Directors' Resolution to the appointment of Mr. Abdulrahman Saleh Al-Fageeh as an executive member of the Board, in the vacant seat	Yes
5	Alinma Bank	30/04/2023	Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on the Board of Directors' recommendation to distribute cash dividends for the second half of 2022 at SAR 0.50 per share	Yes
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on the amendments of the Shariah Committee Charter	Yes
			Vote on the amendments of the Audit Committee Charter	Yes
			Vote on the Corporate Social Responsibility (CSR) Policy	Yes
			Vote on the Board's recommendation of appointing two members in the Audit Committee, which ends on 05-20-2025	Yes
			Vote on the deletion of Article (8) of the bank's bylaws, relating to subscription	Yes
			Vote on the amendment of Article (14) of the Bank's bylaw, relating to capital reduction	Yes
			Vote on the amendment of Article (9) of the Bank's bylaws, relating to shares	Yes
			Vote on the amendment of Article (10) of the Bank's bylaws, relating to share trading	Yes
			Vote on the amendment of Article (13) of the Bank's bylaw, relating to capital increase	Yes
			Vote on the amendment of Article (15) of the Bank's bylaw, relating to share purchase	Yes
			Vote on the amendment of Article (18) of the Bank's bylaw, relating to management	Yes
			Vote on the amendment of Article (19) of the Bank's bylaw, relating to membership expiry	Yes
			Vote on the amendment of Article (20) of the Bank's bylaw, relating to authorities	Yes
			Vote on the amendment of Article (22) of the Bank's bylaw, relating to the Executive Committee	Yes

Vote on the amendment of Article (23) of the Bank's bylaw, relating to the Audit Committee	Yes
Vote on the amendment of Article (25) of the Bank's bylaw, relating to chairman of the board of directors, vice-chairman and secretary	Yes
Vote on the amendment of Article (26) of the Bank's bylaw, relating to meetings	Yes
Vote on the deletion of Article (30) of the Bank's bylaw, relating to authorities of the founding assembly	Yes
Vote on the amendment of Article (27) of the Bank's bylaw, relating to the quorum for meetings	Yes
Vote on the amendment of Article (28) of the Bank's bylaw, relating to resolutions	Yes
Vote on the amendment of Article (29) of the Bank's bylaw, relating to shareholder assemblies	Yes
Vote on the amendment of Article (33) of the Bank's bylaw, relating to convening of shareholders' general assemblies	Yes
Vote on the amendment of Article (34) of the Bank's bylaw, relating to manner of attendance	Yes
Vote on the amendment of Article (35) of the Bank's bylaw, relating to the quorum of the ordinary general assemblies	Yes
Vote on the amendment of Article (36) of the Bank's bylaw, relating to the quorum of the extraordinary general assemblies	Yes
Vote on the amendment of Article (38) of the Bank's bylaw, relating to resolutions	Yes
Vote on the amendment of Article (39) of the Bank's bylaw, relating to the meeting agenda	Yes
Vote on the amendment of Article (40) of the Bank's bylaw, relating to general assemblies chairmanship	Yes
Vote on the amendment of Article (47) of the Bank's bylaw, relating to the liability claim	Yes
Vote on the amendment of Article (42) of the Bank's bylaw, relating to access to records	Yes
Vote on the amendment of Article (43) of the Bank's bylaw, relating to the fiscal year	Yes
Vote on the amendment of Article (44) of the Bank's bylaw, relating to the financial statements and the Directors' report	Yes
Vote on the amendment of Article (48) of the Bank's bylaw, relating to the losses of the company	Yes
Vote on the amendment of Article (51) of the Bank's bylaw, relating to Shariah Governance	Yes
Vote on the Employee Stock Incentive Plan and to authorize the Board of Directors to determine the terms of this program	Yes
Vote on the Bank's shares buy-back (maximum 5,000,000 shares) to be allocated to the long-term employee incentive program, provided that the purchase shall be financed from the Bank's own resources. The Board of Directors will be authorized to finalize the purchase transaction within no more than	Yes

			twelve (12) months as of the date of the Extraordinary General Assembly resolution	
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (2) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
6	Arriyadh Development Co.	30/04/2023	Vote on Board of Directors report for the fiscal year ended on December 31, 2022	Yes
			Vote on Financial Statements for the fiscal year ended on December 31, 2022	Yes
			Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on the Board of Directors' decision to distribute cash dividends during the first half of FY 2022 of SAR 0.25 per share	Yes
			Vote on the Board of Directors' decision to distribute cash dividends during the second half of FY 2022 of SAR 0.25 per share	Yes
7	United Electronics Co.	01/05/2023	Vote on Board of Directors report for the fiscal year ended on December 31, 2022	Yes
			Vote on Financial Statements for the fiscal year ended on December 31, 2022	Yes
			Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain

			Vote on related party transactions	Abstain
8	Saudi Awwal Bank	03/05/2023	Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
			Vote on the Board of Directors' recommendation to distribute dividends for the second half FY 2022, at SAR 0.74 per share	Yes
			Vote on the shares buy-back, with a maximum of 1,000,000 shares, to be allocated to the long-term incentive program for employees, provided that the purchase of these shares to be financed through the bank's own resources.	Yes
			Vote on related party transactions	Abstain
			Vote on the Corporate Social Responsibility Policy	Yes
			Vote on amending the Remuneration Policy for Board Directors, Committee Members & Executive Management	Yes
9	Mouwasat Medical Services Co.	07/05/2023	Vote on Board of Directors report for the fiscal year ended on December 31, 2022	Yes
			Vote on Financial Statements for the fiscal year ended on December 31, 2022	Yes
			Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on the Board of Directors' recommendation to distribute dividends for the FY 2022, at SAR 3 per share	Yes
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
10	The Saudi National Bank	07/05/2023	Vote on the Board of Directors' recommendation to increase the Bank's capital by granting Bonus Shares to the Shareholders at a percentage capital increase of 33.99%. Bank's capital increase to SAR (60,000,000,000) from SAR (44,780,000,000)	Yes
			Vote on Board of Directors report for the fiscal year ended on December 31, 2022	Yes
			Vote on Financial Statements for the fiscal year ended on December 31, 2022	Yes
			Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes



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			Audit Committee until the end of the current committee's work period on 09-12-2025	
14	Saudi Telecom Co.	11/05/2023	Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
15	Kingdom Holding Co.	14/05/2023	Vote on Board of Directors report for the fiscal year ended on December 31, 2022	Yes
			Vote on Financial Statements for the fiscal year ended on December 31, 2022	Yes
			Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on the Board of Directors' recommendation corresponding to 30/03/2023 to distribute cash dividends from retained earnings amounting to SAR (1,037.6) million to shareholders during the year of 2023, amounting to SAR 0.28 per share for the whole year and the distribution will be made on a quarterly basis at the rate 7 halalas per quarter	Yes
16	Banque Saudi Fransi	24/05/2023	Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote on the Board of Directors' decision to distribute cash dividends during the first half of FY 2022 of SAR 0.75 per share	Yes
			Vote on the Board of Directors' recommendation to distribute cash dividends during the second half of FY 2022 of SAR 0.90 per share	Yes
			Vote on Board's resolution to appoint Mr. Abdulaziz Al Gudaimi as an independent member in bank's Board of Directors to complete the Board term until the end of the current term on 31/12/2024	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (2) of Article (27) of the Companies Law to the Board of Directors for one year	Yes

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			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
19	Arabian Centres Co.	21/06/2023	Vote on Board of Directors report for the fiscal year ended on December 31, 2022	Yes
			Vote on Financial Statements for the fiscal year ended on December 31, 2022	Yes
			Vote on Auditors' report for the fiscal year ended on December 31, 2022	Yes
			Vote to discharge the members of the Board of Directors from liability for the FY 2022	Abstain
			Vote on disbursement of remuneration to the Board members for the FY 2022	Abstain
			Vote on authorizing the Board of Directors to distribute interim dividends for the FY 2023 semi-annually or quarterly	Yes
			Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation	Yes
			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
			Vote on related party transactions	Abstain
20	Saudi Telecom Co.	21/06/2023	Vote on the amendment of the Company's Bylaws in accordance with the new Companies Law	Yes
			Vote on the amendment of Board Audit Committee Charter	Yes
			Vote on the amendment of Board Nomination and Remuneration Committee Charter	Yes
			Vote on the amendment of Nomination and Remuneration of stc Board members and the members of its standing Committees and Remuneration of the Executive Management Policy	Yes
			Vote on transferring the balance of the statutory reserve amounting to SAR (11,217,053,716) as shown in the Financial Statements for the year ended 31 December 2022 to the retained earnings	Yes
21	Saudi Basic Industries Corp.	22/06/2023	Vote on the amendment of Article (8) of the company's bylaws, related to the sale of shares of insufficient value	Yes
			Vote on amending Article (11) of the company's bylaws related to preferred shares	Yes
			Vote on amending Article (12) of the company's bylaws related to capital increase	Yes
			Vote on amending Article (13) of the company's bylaws related to capital reduction	Yes
			Vote on amending Article (15) of the company's bylaws related to board meetings	Yes
			Vote on amending Article (19) of the company's bylaws related to the vacancy of the board membership position	Yes

			Vote on amending Article (25) of the company's bylaws related to holding general assemblies	Yes
			Vote on the amendment of Article (26) of the company's basic system related to the invitation to assemblies	Yes
			Vote on the amendment of Article (27) of the company's basic system related to the chairmanship of associations	Yes
			Vote on amending Article (30) of the company's bylaws related to the quorum of the Ordinary General Assembly meeting	Yes
			Vote on amending Article (32) of the company's bylaws related to the quorum of the extraordinary general assembly meeting	Yes
			Vote on amending Article (33) of the company's bylaws related to the decisions of the general assemblies	Yes
			Vote on deleting Article (34) of the company's bylaws related to the formation of the audit committee	Yes
			Vote on deleting Article (35) of the company's bylaws related to the audit committee's meeting quorum	Yes
			Vote on deleting Article (36) of the company's bylaws related to the audit committee's terms of reference.	Yes
			Vote on the deletion of Article (37) of the company's bylaws related to the audit committee's reports	Yes
			Vote on amending Article (41) of the company's bylaws related to financial documents	Yes
			Vote on amending Article (42) of the company's bylaws related to the distribution of profits	Yes
			Vote on amending Article (46) of the company's bylaws related to the termination of the company	Yes
			Vote on the amendment of the Remuneration Policy of Board Members, Committee Members and Senior Executives	Yes
			Ratification of dividend distributed for the H2-2022 at (SR 6,000,000,000) six billion Saudi riyals; and the total dividend for the year ended on 31 December 2022 at (SR 12,750,000,000)	Yes
			Vote on the appointment of Mr. Bassam Mohammed Asiri as a non-director (independent) member of the Audit Committee, up to the end of the current Committee term on 09 April 2025	Yes
			Vote on transferring the Statutory Reserve amount of (SR 15,000,000,000) – as stated in the financial statements for the year ended on 31 Dec 2022 – to the Retained Earnings account	Yes
22	Al Rajhi Bank	08/11/2023	Vote on the election of the Board of Directors' members from among the candidates for the next term which will commence on 14/11/2023 for a term of three years ending on 13/11/2026	Abstain
			Vote on the formation of Audit Committee and defining its duties, work regulations and remunerations of its members for the new term, starting from 14/11/2023 until the end of the term on 13/11/2026	Yes

			Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year	Yes
			Vote on amending the charter of Nominations & Remunerations Committee	Yes
23	Jahez International Company for Information System Technology	29/11/2023	Vote on the amendments of the Audit Committee Charter	Yes
			Vote on the Nominations and Remunerations Committee Charter	Yes
			Vote on the Standards and Procedures Policy of the Board of Directors Membership	Yes
			Vote on the Remunerations Policy	Yes
			Vote on the split of the company's shares according to the following: - The nominal value of the share before the amendment: 10 Saudi Riyals. - The nominal value of the share after the amendment: 50 halalas, (0.50) Saudi Riyals	Yes
			Vote on the shares buy-back with a maximum of (293,770) shares, to retain them as treasury shares, as the Board of Directors considers that the share price on the market is lower than its fair value, and the purchase of these shares will be financed through the company internal resources or bank facilities	Yes
			Vote on the addition of Article (9) of the Company's bylaws relating to Preferred shares	Yes
			Vote on the amendment of Article (15) of the Company's bylaws relating to Purchase, sale and mortgage of the Company's shares	Yes
			Vote on the amendment of Article (17) of the Company's bylaws relating to Management of the Company	Yes
			Vote on the amendment of Article (29) of the Company's bylaws relating to Quorum of the Meeting of the Ordinary General Assembly	Yes
			Vote on the amendment of Article (30) of the Company's bylaws relating to Quorum of the Meeting of the Extraordinary General Assembly	Yes
			Vote on the amendment of the Company's bylaws in line with the new companies' bylaws	Yes



## 5. Fund Board Members and Meetings:

### a) Names of Fund Board members and indicating membership type:

- Mr. Mohammad Abdullah Al-Jebreen (Chairman of the Fund's Board of Directors - Non-Independent).
- Mr. Tariq Zaid bin Abdulaziz Al-Fayyad (Independent Member).
- Mr. Saleh Abdulhadi Al-Qahtani (Independent Member).

### b) A brief about of the fund board members' qualifications:

- Mr. Mohammad Abdullah Al- Jebreen: He is currently the Assistant Vice President of Wealth Management at KAMCO Investment Company. Mr. Mohammad has more than 20 years of practical experience in the banking sector and the financial markets. He also holds a bachelor's degree in business administration with a major in Marketing from King Saud University. Mr. Mohammed held many positions, including managing major branches and private banking centers in Riyadh Bank for major clients before joining KAMCO Investment Company, where Mr. Mohammed was working as Vice President of A&B Branch Manager (Olaya Branch), which is considered one of the largest main branches of the bank in the Kingdom of Saudi Arabia.
- Mr. Tariq Zaid Al-Fayyad: He is currently the Executive Director of the Board of Directors of Sheikh Saleh Abdulaziz Al-Rajhi, Vice-Chairman of the Investment Committee of the Charitable Society for the Memorization of the Holy Qur'an in Riyadh, Member of the Board of Directors for Import Development at the Charitable Society for the Memorization of the Holy Qur'an in Riyadh, and Vice-Chairman of the Board of Directors Charitable Engineering Services. In addition to his membership in the Saudi Society for Science and Urbanism, and his membership in the Islamic Press Advocacy Foundation. He has long experience in the business sector, project management and development consultancy, and is the owner and manager of (Al Fayyad Consulting Engineers) office. Previously, he worked as an urban planning and distribution engineer at the Ministry of Municipal and Rural Affairs, in addition to his work as a project manager or consultant for several projects in different regions of the Kingdom. He holds a bachelor's degree in urban planning and design from the College of Architecture and Planning at King Saud University, in addition to a bachelor's degree in Sharia sciences from Imam Muhammad bin Saud Islamic University, and a master's degree in business administration from the Arab Academy for Science and Technology.
- Mr. Salah Abdulhadi Al-Qahtani holds a bachelor's degree in business administration from the University of Houston - Texas, USA, and is currently the Vice Chairman of the Abdulhadi Abdullah Al-Qahtani & Sons Group of Companies.

### c) Description of the roles and responsibilities of the Fund Board:

- Approval of all contracts, decisions, and essential reports to which the Fund is a party.
- Adopting a written policy regarding voting rights related to the Fund's assets.
- Supervising, and when appropriate, approving or approving any conflict of interest disclosed by the fund manager in accordance with the Investment Funds Regulations.
- Meeting at least twice annually with the compliance officer (the Compliance and Compliance Committee) at the fund manager and his Money Laundering and Terrorist Financing Reporting Officer, to ensure that the fund manager complies with all applicable rules and regulations.
- Approval of all changes (basic and non-essential) before the fund manager obtains the approval or notification of the unit owners and the authority.
- Ensuring the completeness and accuracy of the terms and conditions of the fund and any other document that includes disclosures related to the fund, the fund manager and its management of the fund, and their compliance with the investment funds regulations.
- Ensuring that the fund manager carries out his responsibilities in a manner that serves the interest of the unit holders in accordance with the terms and conditions of the fund, and the provisions of the investment funds regulations.
- Reviewing the report that includes evaluating the performance and quality of services provided by the parties concerned with providing essential services to the fund to ensure that the fund manager fulfills his responsibilities in the interest of unit holders in accordance with the terms and conditions of the fund and the investment funds regulations.
- Evaluate the fund manager's handling of risks related to the fund's assets in accordance with the fund manager's policies and procedures regarding monitoring risks related to the fund and how to deal with them.
- Act with honesty, good faith, interest, skill, care, and diligence in the interest of the investment fund and its unit holders.
- Recording the minutes of the meetings that show all the minutes of the meetings and the decisions taken by the Board.
- Reviewing the report that includes all complaints and the measures taken against them, to ensure that the fund manager is carrying out his responsibilities in a way that serves the interests of unit holders in accordance with the terms and conditions of the fund and the investment funds regulations.



**d) Details on the remuneration of fund board members:**

Each of the independent board members shall receive a remuneration of (5,000) Saudi riyals for each meeting of the fund's board of directors, and a maximum of 40,000 Saudi riyals per year for the two independent members.

In addition, each independent member receives a maximum of 1,500 Saudi riyals to cover travel and accommodation expenses for each meeting.

**e) There are no conflict or potential conflict of interest between the interests of a fund board member and the interests of the fund. and in the event of any potential conflict of interest, a fund board member shall not have the right to vote on any decision taken by the fund manager regarding any matter in which a fund board member has any direct or indirect interest and any such benefits shall be disclosed to the fund board.**

**f) Board members of KAMCO Saudi Equity Fund are not members of any other fund boards managed by the fund manager.**

**g) Topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives:**

**I. Held on March 21, 2023 (No. 01/2023)**

**Topics Discussed**

- Board approved minutes of the meeting held on August 9, 2022.
- Khaled Al-Luwaihiq, secretary of the Fund Board informed that the Company's Board of Directors had rejected the request for an increase in the Fund Board of Directors remuneration, since the current limit fulfills the tasks assigned to the members, in addition to rejecting the recommendation of Mr. Salah Al-Qahtani for changing the second Fund Board meeting No.(02/2023) as the company should meet the CMA regulations which related to the Financials announcements of the Fund within 30 days from the end date of the financial period.
- Board reviewed the annual performance reports of KAMCO Saudi Equity Fund for the year 2022. And the Fund Manager went through the following points:
  - 2022 was an eventful year of 2 halves. Tadawul started the year very strongly, with high institutional participation, and was up more than 20% during Jan-Apr. However, higher global inflation kicked in volatility in equity markets and likewise Tadawul witnessed significant volatility with the index declining nearly 25% by year end from the high of April 2022. Tightening liquidity and prospects of weaker earnings momentum from Banks and Petrochemicals during 2H 2022 weighed on sentiments. Collective earnings of all companies reached a new high with earnings for 2022 expected to cross SAR 150 billion. This was aided by new market listings (IPOs) that boosted the market depth and earnings profile.
  - The Fund performance was modest due to the disconnect between company fundamentals and market momentum during 2022 whilst the focus remained on positioning in alpha opportunities. Higher cash buffer during beginning of 2022 helped shield the downside during the second half of the year. Despite the above, though market valuations have corrected significantly and trade in line with the historical average, market is expected to remain weak in 2023 due to global inflationary and domestic liquidity issues and the impact of higher FED Fund rates on global macro activity. For 2023, though the Fund was fully positioned in the market with investment in companies supported by strong operations and healthy balance sheet, the current financial events globally warrant caution and hence a tentative rebound during Q2 would be used as a window to raise cash again.
  - Mr. Salah Al-Qahtani asked the Fund Manager about the market's expectations for the year of 2023, and the fund manager stated that the market's performance is expected to remain weak in 2023 due to issues of inflation, local and global liquidity, and the impact of the Federal Reserve Fund's high interest rates on global macro activity. Although the fund was well positioned in the market with investments in companies backed by strong operations and a healthy balance sheet, the current financial events globally require caution, and therefore the expected temporary bounce during the second quarter will be used as a window to raise funds again.
- The Fund Board reviewed the audited financial statements of KAMCO Saudi Equity Fund as of 31 December 2022. Compliance Officer, Munirah Al-Obaid, indicated that there were no reservations made by External Auditor on the financial statements and confirmed that they will be uploaded on the company's website and Tadawul website and that the same will be available to the unitholders upon request. Financial statements were approved by the Board members.
- The Fund Board members agreed to coordinate the dates of upcoming meetings, to be initially as follows:
  - Second Meeting of 2023 to be held at 13:00 August 8, 2023 – (No.02/2023)
  - First Meeting of 2024 to be held at 13:00 March 19, 2024– (No.01/2024)

- Munirah Al-Obaid ensured the independence of the independent members of the Board, as the independent members confirmed that there is no contractual relationship between them and the company or any of its subsidiaries, and they also confirmed that there is no conflict of interest between the members and the company.
- Board reviewed the report that included an evaluation of the performance and quality of services provided by external parties and clarified the extent of the Fund Manager satisfaction with the services provided by external parties and their desire to continue with service providers.
- The Board reviewed the Fund's annual report, which was prepared according to the requirements of Annex 3 of the Investment Funds Regulations and Munirah Al-Obaid confirmed it will be uploaded to the Tadawul website and the company's website.
- Mr. Salah Al-Qahtani expressed his dissatisfaction with the decision to refuse to increase the fees of independent members and demanded that it be reconsidered. The Chairman of the Fund Board, Mr. Mohammed Al-Jebreen, agreed to rereview this recommendation and study it, provided that a decision in this regard will be taken and discussed at the next meeting.
- The board then reviewed the presentation of the external auditor.
- Compliance and Anti-Money Laundering Officer, Munirah Al-Obaid, informed that no violation was registered on the Fund by the Capital Market Authority.
- Munirah Al-Obaid confirmed the absence of any error in the work of the Fund's investment since the date of the last meeting of the Board of Directors of the Fund and noted the continued monitoring of the work of the Fund on a daily basis.
- The Compliance and Anti-Money Laundering Officer conducted an audit of the Board's decisions in accordance with the regulations of the Capital Market Authority and there were no reservations or observations.
- Compliance Committee Member, Munirah Al-Obaid, reviewed the Conformity and Compliance Control Program of the Fund.

## **II. Held on August 1, 2023 (No. 02/2023)**

### **Topics Discussed**

- Board approved minutes for meeting held on March 21, 2023.
- The Chairman of the Fund Board, Mr. Mohammed Al-Jebreen, informed the Fund Board members of rejecting the recommendation to request an increase in the remuneration of the independent members, given that the current remuneration is consistent with the work assigned to the members. He supported this with a report containing data on the remuneration of members of the Funds' Board of Directors in competing companies, where the report shows that the remuneration paid by the Fund is equal. With the highest bonus offered by competing funds to their independent members compared to the bonus for a single meeting.
- The Board reviewed the semi-annual performance reports of KAMCO Saudi Equity Fund for the year of 2023. And the Fund Manager went through the following points:
  - The performance for 6 months of 2023 was very modest. This was primarily due to Overweight position built in Banks during Q1 during market meltdown. Whereas, the market momentum seen in Q2 was driven by the small and midcap names. Hence, the performance of the Fund was muted with an alpha of 0.50%. The variation in performance seen during Q2 in the small / midcap names vis-à-vis the large cap names (primarily banks) is very wide and would likely would not be sustainable going forward and hence the Fund Manager is of the opinion that price correction would follow going forward.
  - On being questioned on the rationale for an overweight in Banks given the high-rate environment, the Fund Manager drew a parallel of how valuations of Banks look reasonable compared to a 15-year period with Banks loan and earnings growth expected to deliver positively given the low risk of loan books and healthy domestic activity. The Fund Manager also stressed that the overweight position in Banks is primarily concentrated within the corporate segment which are exposed to the government related capex spending and pick in private sector participation.
  - On a query on the high cash balance seen in the financial statements of the Fund, the Fund Manager highlighted that the same is due to the Fund having a 5% cash exposure as of June end. The Fund Manager also highlighted that the same could increase / decrease based on the market direction and stock opportunities going forward.
  - The Fund Manager also summarized that there were no observations from Audit during their scope of work and all information was made available to complete their audit of the Fund.
  - On breach of investment limits, the Fund Manager mentioned that during the month of June there was quarterly index rebalancing by Tadawul. Post rebalancing, the Fund had been in breach of the benchmark weight for Aramco by less than 10bps. However, the same had been corrected the following day and was informed to compliance. The Fund Manager clarified that the breach falls under clause (b) of Article 59 of the IFR i.e. due to a change of circumstance that is beyond the control of the Fund Manager.

- The Board reviewed the audited financial statements of the KAMCO Saudi Equity Fund as of June 30, 2023.
- Ms. Munira Al-Obaid indicated that the external auditor had no reservations regarding the financial statements and confirmed that they would be uploaded to the company's website and the Tadawul website after the Board's approval of them, and the financial statements were approved by the members of the Fund's Board of Directors.
- The Fund Board members agreed to coordinate the dates of upcoming meetings, to be initially as follows:
  - First Meeting of 2024 to be held at 13:00 March 19, 2024— (No.01/2024)
  - Second Meeting of 2024 to be held at 13:00 July 30, 2024— (No.02/2024)
- The CEO of the company, Mr. Mohammed Al-Faris, mentioned the initial plan to establish other funds by the end of the current year, provided that they are compatible with the desires of clients and the funds offered in the local market. He expressed his desire for the independent members, Mr. Salah Al-Qahtani and Mr. Tariq Al-Fayyad, to participate as independent members of the new funds.
- The Fund Board reviewed the external auditor's presentation and there were no comments on it.
- The compliance representative, Munirah Al-Obaid, informed the members that no violations had been recorded against the fund by the Capital Market Authority.
- Munirah reported that there was an unintended violation of the investment limits by the fund manager, and Mr. Husain as a fund manager explained the violation that occurred on his part and stated that during the month of June there was a quarterly rebalancing of the index by Tadawul. After rebalancing, the fund had breached Aramco's benchmark weight by less than 10 basis points. However, the same was corrected the next day, and the compliance was informed. The fund manager explained that the violation falls under Clause (b) of Article 59 of the Investment Funds Regulations, that is, due to a change in circumstances beyond the fund manager's control, and Ms. Munirah indicated that the fund's work continues to be monitored on a daily basis.
- The company's Compliance, Compliance and Anti-Money Laundering representative conducted an audit of the Board's deliberations in accordance with the rules and regulations of the Saudi Capital Market Authority, and there were no reservations or observations.
- Compliance representative, Munirah Al-Obaid, reviewed the Fund's compliance and compliance monitoring program.

### C. Fund Manager

#### 1) Name and address of the fund manager

Kamco Investment Company S.C.S.C  
 P.O. Box 66930  
 Riyadh 11586  
 Kingdom of Saudi Arabia

#### 2) Names and addresses of sub-manager and/or investment adviser (if any)

Not applicable

#### 3) Review of Investment Activities

At Kamco Invest (Saudi), investment decision making is fundamental research driven process in order to generate higher risk-adjusted returns for unitholders. As an investment strategy, the Fund Manager uses a top-down economic and sector overlay along with bottom-up company analysis.

2022 was a year of 2 halves. Tadawul started the year very strongly, with high institutional participation, and was up more than 20% during Jan-Apr. However, higher global inflation kicked in volatility in equity markets and likewise Tadawul witnessed significant volatility with the index declining nearly 25% by year end from the high of April 2022. Tightening liquidity and prospects of weaker earnings momentum from Banks and Petrochemicals during 2H 2022 weighed on sentiments. Collective earnings of all companies reached a new high with earnings for 2022 expected to cross SAR 150 billion. This was aided by new market listings (IPOs) that boosted the market depth and earnings profile.

Despite the above, though market valuations have corrected significantly and trade in line with the historical average, market is expected to remain weak in 2023 due to global inflationary and domestic liquidity issues and the impact of higher FED Fund rates on global macro activity. The Fund is positioned defensively with investment in companies supported by strong operations and healthy balance sheet.

#### 4) Fund Performance

Kamco Saudi Equity Fund had a return of 15.59% (Class A) and 16.93% (Class B) as of December 31, 2023 vis-a-vis 14.21% for the benchmark. The performance was modest due to the disconnect between company fundamentals and the strong market momentum during the year whilst the focus remained on

positioning in alpha opportunities. Since inception, the Fund has delivered an annualized return of 10.28% (Class A) and 10.61% (Class B) vis-à-vis 6.33% for the benchmark for the corresponding period.

**5) Material Changes on the T&C:**

- Changing the Benchmark Index for the KAMCO Saudi Equity Fund.
- Change the Custody fees for the Kamco Saudi Equity Fund from 0.08% to 0.05%, plus 15% value-added tax.
- Adding the article of Zakat in compliance with the ministerial decision and the directives of the Capital Market Authority.

**6) There was no other information that would enable unitholders to make an informed judgment about the fund's activities during 2023.**

**7) Kamco Saudi Equity Fund does not invest substantially in other investment funds.**

**8) There was no special commission received by the fund manager during 2023.**

**9) The Fund Manager believes there are no other data and other information required by the IFRs to be included in this report.**

**10) Period for the management of the person registered as fund manager**

7 Years and 5 months.

**11) A disclosure of the expense ratio of each underlying fund at end of the year and the weighted average expense ratio of all underlying funds that invested in:**

Not Applicable.

**d. Custodian**

**1) Name and address of custodian:**

HSBC Saudi Arabia  
 2<sup>nd</sup> Floor, HSBC Building, Olaya Road  
 7267 Olaya, Al Murooj,  
 Riyadh 12283-2255,  
 Kingdom of Saudi Arabia

**2) Duties and responsibilities:**

A custodian is a service provider to the Fund in line with article 22 to 29 of Investment Funds Regulations issued by the Capital Market Authority. Below are the brief responsibilities of the custodian:

- Opening of segregated accounts for the Fund in the name of the custodian for the benefit of Kamco Saudi Equity Fund.
- Safekeeping and periodic reconciliation of assets under custody
- Movements of Funds for Fund's investment and Operational purposes based on Fund Manager Instructions
- Settlements of trades after execution and handling corporate action in the Fund portfolio based on Fund Manager Instructions
- Providing periodic statements to the Fund's managers and the auditors.
- Complying with Client Money rules and Investment Account Instructions issued by the CMA.

**e. Fund Operator**

**1) Name and address of Fund Operator:**

KAMCO Investment Company (Fund Manager), a closed joint stock company, commercial registration No. 1010245276  
 P.O. Box 66930  
 Riyadh 11586  
 Kingdom of Saudi Arabia

**2) Duties & Responsibilities:**

- The fund operator is responsible for evaluating the assets of the general fund. In doing so, the fund operator must make a full and fair evaluation.
- The fund operator must comply with the provisions of the Investment Funds Regulations regarding the valuation of public funds.
- The fund operator must keep books and records relating to the operation of all the funds it manages.
- The fund operator shall maintain, always, records of all issued and canceled units, and shall maintain an up-to-date record of the outstanding unit balance for each fund in the course of its operation.
- The fund operator must create a register of unit holders and keep it in the Kingdom.  
The fund operator must promptly update the unit holders' register to reflect changes in the information.
- The fund operator shall process subscription or redemption requests at the price calculated at the next evaluation point after the deadline for submitting subscription or redemption requests.

**f. Auditor****1) Name and address of Auditor:**

KPMG Professional Services  
Riyadh Front, Airport Road  
P. O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia.

**g. Financial Statement:**

The Financial statements for Kamco Saudi Equity Fund are prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants.

**KAMCO SAUDI EQUITY FUND**  
**An open-ended mutual fund**  
Managed by KAMCO Investment Company  
**For the year ended 31 December 2023**  
together with the  
**Independent Auditor's Report to the Unitholders**



## KPMG Professional Services

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent Auditor's Report

To the Unitholders of KAMCO Saudi Equity Fund

## Opinion

We have audited the financial statements of **KAMCO Saudi Equity Fund ("the Fund")**, managed by KAMCO Investment Company (the "Fund Manager"), which comprise of the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in net assets (equity) attributable to the unit holders and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA), and to comply with the applicable provision of the Investment Funds Regulations issued by the Capital Markets Authority and the Fund's Terms and Conditions and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Fund Board, are responsible for overseeing the Fund's financial reporting process.





**KAMCO SAUDI EQUITY FUND**  
**An open-ended mutual fund**  
Managed by KAMCO Investment Company  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2023**  
*(Saudi Arabian Riyals)*

	<i>Notes</i>	<b>31 December 2023</b>	31 December 2022
<b><u>ASSETS</u></b>			
Cash and cash equivalents	10	<b>58,177,357</b>	21,907,833
Investments at fair value through profit or loss	11	<b>899,106,200</b>	819,963,000
Receivables and other assets	9	<b>42,378,675</b>	23,707,731
<b>TOTAL ASSETS</b>		<b><u>999,662,232</u></b>	<u>865,578,564</u>
<b><u>LIABILITIES</u></b>			
Payables to broker	9	--	10,297,096
Management fee payable	12	<b>728,693</b>	636,171
Accrued expenses and other current liabilities		<b>232,023</b>	233,650
<b>TOTAL LIABILITIES</b>		<b><u>960,716</u></b>	<u>11,166,917</u>
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS (Note 1):</b>			
- Class A		<b><u>22,773,774</u></b>	<u>19,750,632</u>
- Class B		<b><u>975,927,742</u></b>	<u>834,661,015</u>
<b>Units in issue (<i>numbers</i>) (Note 1):</b>			
- Class A		<b><u>52,847</u></b>	<u>52,975</u>
- Class B		<b><u>2,163,890</u></b>	<u>2,163,890</u>
<b>Net assets (equity) value per unit (Note 1):</b>			
- Class A		<b><u>430.9376</u></b>	<u>372.8268</u>
- Class B		<b><u>451.0062</u></b>	<u>385.7225</u>

The accompanying notes 1 to 17 form an integral part of these financial statements.

**KAMCO SAUDI EQUITY FUND**  
**An open-ended mutual fund**  
Managed by KAMCO Investment Company  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2023**  
*(Saudi Arabian Riyals)*

	<i>Notes</i>	<b>31 December <u>2023</u></b>	31 December <u>2022</u>
<b><u>INCOME</u></b>			
Net gain / (loss) from investments	<i>11.1</i>	<b>124,827,060</b>	(40,646,626)
Dividend income		<b>31,501,803</b>	22,898,070
Other income		<b>2,035</b>	3
<b>Total income</b>		<b><u>156,330,898</u></b>	<u>(17,748,553)</u>
<b><u>EXPENSES</u></b>			
Management fee	<i>12</i>	<b>7,015,575</b>	7,341,364
Other expenses	<i>13</i>	<b>3,189,962</b>	3,404,908
Transaction costs		<b>1,787,885</b>	2,878,070
<b>Total expenses</b>		<b><u>11,993,422</u></b>	<u>13,624,342</u>
<b>Profit / (loss) for the year</b>		<b>144,337,476</b>	(31,372,895)
<b>Other comprehensive income for the year</b>		--	--
<b>Total comprehensive income / (loss) for the year</b>		<b><u>144,337,476</u></b>	<u>(31,372,895)</u>

The accompanying notes 1 to 17 form an integral part of these financial statements.

**KAMCO SAUDI EQUITY FUND**  
**An open-ended mutual fund**  
Managed by KAMCO Investment Company  
**STATEMENT OF CHANGES IN NET ASSETS (EQUITY)**  
**ATTRIBUTABLE TO THE UNITHOLDERS**  
**For the year ended 31 December 2023**  
*(Saudi Arabian Riyals)*

	<b>31 December 2023</b>	31 December 2022
<b>Net assets (equity) attributable to the Unitholders at the beginning of the year</b>	<b>854,411,647</b>	885,082,336
<b>Total comprehensive income / (loss) for the year:</b>		
Profit / (loss) for the year	<b>144,337,476</b>	(31,372,895)
Other comprehensive income for the year	--	--
Total comprehensive (loss)/ income for the year	<b>144,337,476</b>	(31,372,895)
<b>Subscriptions and redemptions by the Unitholders:</b>		
Value of Units issued during the year		
– Class A	<b>16,914</b>	1,421,339
– Class B	--	--
	<b>16,914</b>	1,421,339
Value of Units redeemed during the year		
– Class A	<b>(64,521)</b>	(719,133)
– Class B	--	--
	(64,521)	(719,133)
<b>Subscriptions/(Redemptions) by the Unitholders, net</b>	<b>(47,607)</b>	702,206
<b>Net assets (equity) attributable to the Unitholders at the end of the year</b>	<b>998,701,516</b>	854,411,647

**Units transactions (numbers):**

Transactions in units for the year ended 31 December are summarised as follows:

	<b>(in Units)</b>	
	<b>31 December 2023</b>	31 December 2022
<b>Class A:</b>		
<b>Units at the beginning of the year</b>	<b>52,975</b>	51,178
Units issued during the year	<b>42</b>	3,487
Units redeemed during the year	<b>(170)</b>	(1,690)
<b>Net change in units during the year</b>	<b>(128)</b>	1,797
<b>Units at end of the year</b>	<b>52,847</b>	52,975
<b>Class B:</b>		
<b>Units at the beginning of the year</b>	<b>2,163,890</b>	2,163,890
Units issued during the year	--	--
Units redeemed during the year	--	--
<b>Net change in units during the year</b>	--	--
<b>Units at end of the year</b>	<b>2,163,890</b>	2,163,890

The accompanying notes 1 to 17 form an integral part of these financial statements.

**KAMCO SAUDI EQUITY FUND**  
**An open-ended mutual fund**  
Managed by KAMCO Investment Company  
**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2023**  
*(Saudi Arabian Riyals)*

	<i>Notes</i>	<b>31 December 2023</b>	31 December 2022
<b>OPERATING ACTIVITIES</b>			
Profit /(loss) for the year		<b>144,337,476</b>	(31,372,895)
<i>Adjustment to reconcile net income for the year to net cash generated from operating activities:</i>			
Net (gain) / loss from investments	<i>11.1</i>	<b>(124,827,060)</b> <b>19,510,416</b>	40,646,626 9,273,731
<i>Changes in operating assets and liabilities:</i>			
Purchase of investments at fair value through profit or loss		<b>(932,462,210)</b>	(1,704,345,566)
Proceeds from sale of investments at fair value through profit or loss		<b>978,146,070</b>	1,563,708,840
Receivables and other assets		<b>(18,670,944)</b>	(20,361,395)
Payables to broker		<b>(10,297,096)</b>	3,818,248
Management fee payable		<b>92,522</b>	(20,863)
Accrued expenses and other current liabilities		<b>(1,627)</b>	3,213
<b>Net cash generated from / (used in) operating activities</b>		<b>36,317,131</b>	(147,923,792)
<b>FINANCING ACTIVITIES</b>			
Receipt from subscription of units		<b>16,914</b>	1,421,339
Payment against redemption of units		<b>(64,521)</b>	(719,133)
<b>Net cash (used in) / generated from financing activities</b>		<b>(47,607)</b>	702,206
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>36,269,524</b>	(147,221,586)
Cash and cash equivalents at beginning of the year		<b>21,907,833</b>	169,129,419
<b>Cash and cash equivalents at the end of the year</b>	<i>10</i>	<b>58,177,357</b>	21,907,833

The accompanying notes 1 to 17 form an integral part of these financial statements.

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**1. REPORTING ENTITY**

KAMCO Saudi Equity Fund (the “Fund”) is an open-ended Saudi Riyal denominated investment fund created by agreement between KAMCO Investment Company (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The objective of the Fund is long-term capital growth through investment in equities traded on the Saudi Stock Market (“Tadawul”).

The Fund was established on 21 Dhul Qadah 1429H (corresponding to 19 November 2008) per approval from the Capital Market Authority (“CMA”) and commenced its operations on 28 January 2009. As approved by CMA, in response to letter No. T.N.264 dated 29 December 2019, the units of the Fund at the time were converted to two different classes namely “Unit Class A” and “Unit Class B” effective from 9 January 2020.

The Fund appointed HSBC Securities Limited to act as its custodian, administrator and registrar. During 2010, the Fund transferred the responsibility of registrar and administrator to the Fund Manager. HSBC Securities Limited continues to act as custodian of the Fund. The related fees are paid by the Fund.

Effective from 22 Shawwal 1441H (Corresponding to 14 June 2020), the name of the Fund was changed from Global Saudi Equity Fund to KAMCO Saudi Equity Fund, and the name of the Fund Manager was changed from Global Investment House Saudia to KAMCO Investment Company.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund.

The Fund Manager’s registered address is as follows:  
Mazaya Tower  
King Saud Street  
P.O Box 66930  
Riyadh 11586  
Kingdom of Saudi Arabia.

**2. REGULATING AUTHORITY**

The Fund is governed by the Investment Funds Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and amended by the CMA on 16 Sha’aban 1437H (corresponding to 23 May 2016), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations came into effect from 6 Safar 1438 H (corresponding to 6 November 2016).

The Regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442 H (corresponding to 1 March 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations came into effect from 19 Ramadan 1442 H (corresponding to 1 May 2021). Accordingly, the Fund has amended their terms and conditions in accordance with the Amended Regulations.

**3. SUBSCRIPTION / REDEMPTION OF UNITS**

The Fund is open for subscriptions / redemptions with a cutoff time of 12:00 pm on Sunday and Tuesday (each a “Dealing Day”). The net assets attributable to the Unitholders of the Fund’s portfolio is published on Monday and Wednesday. The net assets attributable to the Unitholders of the Fund for the purpose of subscription / redemption of units is determined by dividing the net assets attributable to the Unitholders of the Fund (fair value of the Fund’s assets minus the Fund’s liabilities) by the total number of the Fund’s units outstanding on the relevant dealing day.

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**4. BASIS OF ACCOUNTING**

**a) *Statement of compliance***

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and to comply with the applicable provisions of the Investment Funds Regulations issued by Capital Market Authority and the Fund’s Terms and Conditions.

**b) *Basis of measurement***

These financial statements have been prepared on a historical cost basis, except for measurement of investments at fair value through profit or loss (“FVTPL”) at fair value, using the accrual basis of accounting and the going concern concept.

**5. FUNCTIONAL AND PRESENTATION CURRENCY**

These financial statements have been presented in SAR, which is also the functional and presentation currency of the Fund. All financial information presented has been rounded to the nearest SAR.

**6. USE OF ESTIMATES AND JUDGMENTS**

In preparing these financial statements, management has made 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 estimates are recognized prospectively.

**7. MATERIAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) *Foreign currency***

Transactions in foreign currencies are translated into SAR at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into SAR at the exchange rate at the reporting date. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income as net foreign exchange gains or losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gain from financial instruments at FVTPL.



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**7. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**b) *Revenue Recognition***

*Dividend income*

Dividend income is recognized in the statement of comprehensive income on the date on which the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. For quoted equity securities, this is usually the eligibility date announced by the Board of the listed company. Dividend income from equity securities designated as at FVTPL is recognized in the statement of comprehensive income in a separate line item.

*Net gain from financial instruments at FVTPL*

Net gain from financial instruments at FVTPL includes all realised and unrealised fair value changes and excludes dividend income and transaction costs. Net realised gain from financial instruments at FVTPL is calculated using the weighted average cost method.

**c) *Zakat and income tax***

Under the current system of zakat and income tax in the Kingdom of Saudi Arabia, the Fund is exempt from paying any zakat and income tax. Zakat and income tax are considered to be the obligation of the Unitholders and are not provided in these financial statements.

The Fund is registered with the Zakat, Tax and Customs Authority ("ZATCA") and is required to submit an information declaration to ZATCA within 120 days from the end of its fiscal year, including audited financial statements, records of related party transactions and any other data requested by ZATCA.

The Value Added Tax (VAT) applicable for fees and expenses is recognized in the statement of comprehensive income under other expenses.

**d) *Net asset value***

Net asset value per unit for Class A and Class B, disclosed in the statement of financial position, is calculated by dividing the net assets of the Fund attributable to Class A and Class B by the number of units in issue for Class A and Class B at year-end.

**e) *Provisions***

Provisions are recognized whenever there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**f) *Subscription and redemption of units***

Units subscribed and redeemed are recorded at the net asset value (NAV) per unit on the dealing day for which the subscription request and redemption applications are received.

**g) *Cash and cash equivalents***

Cash and cash equivalents represents cash maintained with the custodian held under an omnibus account with a local bank, and are available to the Fund without any restrictions.

**h) *Accrued expenses***

Liabilities are recognized for amounts currently due to be paid in the future for goods or services received, whether billed by the suppliers or not.

**i) *Trade date accounting***

All regular way purchases and sales of financial assets are recognized and derecognized in the statement of financial position on the trade date i.e. the date at which the Fund becomes a party to the contractual provisions of the instrument.

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**7. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**j) Fees and other expenses**

Fees and other expenses are recognized in the statement of comprehensive income as the related services are received.

**k) Financial assets and liabilities**

***Classification of financial assets***

On initial recognition, a financial asset is classified and measured at amortized cost, FVOCI or FVTPL.

***Financial Asset at amortized cost***

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial instruments not measured at fair value are short-term financial assets whose carrying amounts are a reasonable approximation of fair value. The Fund Manager classifies cash and cash equivalents, receivable from broker and dividend receivables as financial assets at amortized cost.

***Financial Asset at fair value through profit or loss ("FVTPL")***

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Investments in equity securities are classified under this category.

***Reclassifications***

Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Fund changes its business model for managing financial assets.

***Classification of financial liabilities***

Financial liabilities includes management fee payable, payable to broker, accrued expenses and other current liabilities and are classified as financial liabilities at amortized cost.

***Initial recognition and measurement***

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in statement of income. Financial assets or financial liabilities not classified as FVTPL are initially recognized at fair value plus / (minus) transaction costs that are directly attributable to their acquisition or issue.

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**7. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**k) *Financial assets and liabilities (Continued)***

Net gains from financial assets at FVTPL includes all realized and unrealized fair value changes and foreign exchange differences, but excludes commission and dividend income. Net realized gain / loss from financial assets at FVTPL is calculated using the average cost method.

Financial assets and liabilities at amortized cost are initially measured at fair value including direct and incremental transaction costs, and subsequently measured at amortized cost. The amortized cost is the amount at which the financial asset or financial liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any allowance for impairment.

***Derecognition***

The Fund derecognizes a financial asset (or where applicable, a part of a financial asset or a part of a group of similar financial assets) when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed), and (ii) any cumulative gain or loss that had been recognized in Other Comprehensive Income (OCI) is recognized in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

The Fund may enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

For transactions in which the Fund neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and where it retains control over the asset, the Fund continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

***Offsetting***

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

**l) *Fair value measurement***

'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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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**7. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**l) Fair value measurement (continued)**

The Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market as per the official closing price in the related stock exchange where the instrument is traded.

**8. NEW STANDARDS AND REGULATIONS**

**8.1 New Standards and interpretations amendments applicable from 1 January 2023**

Following new standards, amendments and revisions to existing standards and interpretations which were issued by IASB have been effective for annual reporting periods commencing on or after 1 January 2023 and accordingly adopted by the Company, as applicable:

- IFRS 17 Insurance Contract;
- Amendment to IAS 1 and IFRS Practice statement 2: Disclosures of accounting policies;
- Amendments to IAS 8: Definition of accounting estimate;
- Amendment to IAS 12: Deferred tax related to assets and liabilities arising from single transaction;
- Amendments to IAS 12: International Tax Reforms – Pillar Two Model Rules

The management of the Fund has assessed that the adoption of these new or amended standards and interpretations did not have any significant impact on these financial statements.

**8.2 New standards and interpretations issued but not yet effective**

A number of new standards, amendments and revisions to existing standards are effective for annual reporting periods beginning on or after 1 January 2024 are listed below which are not early adopted by the management of the Company in the preparation of these financial statements:

Effective date	New standards, amendments or interpretations
1 January 2024	<ul style="list-style-type: none"> <li>• Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants;</li> <li>• Amendments to IAS 7 and IFRS 7: Supplier finance arrangement</li> <li>• Amendments to IFRS 16: Lease liability in a Sale and Leaseback;</li> </ul>
1 January 2025	<ul style="list-style-type: none"> <li>• Amendments to IAS 21: Lack of Exchangeability</li> </ul>
Available for optional adoption / effective date deferred indefinitely	<ul style="list-style-type: none"> <li>• Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture.</li> </ul>

**8.3 New regulations effective during the year**

The Minister of Finance via Ministerial Resolution No. (29791) dated 9 Jumada-al-Awwal 1444 H (corresponding to 3 December 2022) approved the Zakat Rules for Investment Funds permitted by the CMA.

The Rules are effective from 1 January 2023 requiring Investment Funds to register with Zakat, Tax and Customs Authority (ZATCA). The Rules also require the Investment Funds to submit an information declaration to ZATCA within 120 days from the end of their fiscal year, including audited financial statements, records of related party transactions and any other data requested by ZATCA. Under the Rules, Investment Funds are not subject to Zakat provided they do not engage in unstipulated economic or investment activities as per their CMA approved Terms and Conditions. Zakat collection will be applied on the Fund's Unitholders.

The Fund Manager has completed the registration of the Fund with ZATCA and will be submitting information declaration in due course.

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**9. RECEIVABLE AND OTHER ASSETS**

This represent advance amount to invest in an IPO of MBC Group amounting to SAR 42,378,675 whose shares were not transferred to the Fund's name at the year end. The shares were transferred to in the name of the Fund after the year end.

**10. CASH AND CASH EQUIVALENTS**

	<i>Note</i>	<b>31 December 2023</b>	31 December 2022
Cash in trading account	10.1	<b>58,177,357</b>	21,907,833

- 10.1** This balance is maintained with the custodian and is used to conduct investment transactions. Cash is held in a client account with a local bank having an investment grade credit rating.

**11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>31 December 2023</b>	31 December 2022
Investments measured at fair value through profit	<b>899,106,200</b>	819,963,000

- 11.1** Below are the details of net gain from investments for the year ended 31 December:

	<b>31 December 2023</b>	31 December 2022
Realized gain on investments at fair value through profit or loss	<b>55,197,934</b>	76,435,955
Unrealized gain / (loss) on investments at fair value through profit or loss	<b>69,629,126</b>	(117,082,581)
	<b>124,827,060</b>	(40,646,626)

- 11.2** Investments at fair value through profit or loss are investments in equity securities that are held for trading and listed on Saudi Stock Exchange ("Tadawul"). Following is the sectoral exposures as at reporting date:

**11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

<b>31 December 2023:</b>	<b>% of Fair value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Unrealised gain / (loss)</b>
<b><u>Sectors</u></b>				
Financials	49.01%	440,656,000	406,904,737	33,751,263
Energy	9.18%	82,500,000	73,175,180	9,324,820
Communication Services	8.38%	75,316,200	66,738,139	8,578,061
Consumer Discretionary	7.94%	71,346,000	67,265,039	4,080,961
Materials	6.68%	60,049,000	59,873,308	175,692
Real Estate	5.24%	47,095,000	45,160,709	1,934,291
Consumer Staples	5.19%	46,625,000	46,352,117	272,883
Industrials	4.28%	38,460,000	31,628,032	6,831,968
Information Technology	2.14%	19,239,000	16,498,438	2,740,562
Health Care	1.98%	17,820,000	15,881,375	1,938,625
	<b>100%</b>	<b>899,106,200</b>	<b>829,477,074</b>	<b>69,629,126</b>

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**11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

<b>31 December 2022:</b>	<b>% of Fair</b>	<b>Fair</b>	<b>Carrying</b>	<b>Unrealised</b>
<b><u>Sectors</u></b>	<b><u>value</u></b>	<b><u>value</u></b>	<b><u>value</u></b>	<b><u>gain / (loss)</u></b>
Financials	45.80%	375,522,500	439,270,144	(63,747,644)
Materials	15.65%	128,356,500	152,651,964	(24,295,464)
Energy	14.68%	120,375,000	131,111,482	(10,736,482)
Communication Services	7.61%	62,360,000	70,090,782	(7,730,782)
Consumer Discretionary	5.12%	41,999,000	46,335,287	(4,336,287)
Real Estate	4.79%	39,244,000	45,602,743	(6,358,743)
Industrials	3.93%	32,251,000	34,626,936	(2,375,936)
Health Care	2.42%	19,855,000	17,356,243	2,498,757
<b>Total</b>	<b>100%</b>	<b>819,963,000</b>	<b>937,045,581</b>	<b>(117,082,581)</b>

**12. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Fund include the Fund Manager, Parent of the Fund Manager and the Fund Board. In the ordinary course of its activities, the Fund transacts with the Fund Manager (Refer Note 1).

**Management fee**

Until 8 January 2020, the Fund used to pay management fees to the Fund Manager calculated at an annual rate of 1.75% of the net assets (equity) value accrued on a daily basis.

From 9 January 2020, after the conversion of units to Class A and Class B (Note 1), the Fund pays management fees to the Fund Manager calculated at an annual rate of 1.75% of the net assets (equity) value for Class A and 0.75% of the net assets (equity) value for Class B. The said fee is accrued on a daily basis.

**Administration fee**

The Fund also pays an administration fee to the Fund Manager calculated at an annual rate of 0.13% of the net assets (equity) value accrued on a daily basis.

In addition to the transactions disclosed elsewhere in the financial statements, transactions with related parties for the years ended 31 December are as follows:

<b><u>Related party</u></b>	<b><u>Nature of transactions</u></b>	<b>31 December 2023</b>	31 December 2022
The Fund Manager – KAMCO Investment Company	Management fees excluding VAT	<b>7,015,575</b>	7,341,364
	Administration fees excluding VAT	<b>1,179,916</b>	1,234,604
The Fund Board	Meetings fees	<b>15,000</b>	20,000

The Unitholders' transactions for the year ended 31 December are as follows:

<b><u>Related party</u></b>	<b><u>Nature of transactions</u></b>	<b>31 December 2023</b>	31 December 2022
		<b>--Numbers--</b>	
Parent of the Fund Manager -KAMCO	Subscription of units – Class A	<b>42</b>	3,487
Investment Kuwait*	Redemption of units – Class A	<b>(170)</b>	(1,690)

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**12. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

Outstanding balances with related parties as at reporting date are as follows:

<u>Related party</u>	<u>Nature of balances</u>	<b>31 December 2023</b>	31 December 2022
The Fund Manager – KAMCO Investment Company	Management fee payable	<u>728,693</u>	<u>636,171</u>
	Administration fee payable	<u>122,579</u>	<u>106,972</u>
The Fund Board	Fund Board fee	<u>10,000</u>	<u>10,000</u>

The Unitholders' account as at reporting date included the following:

<u>Units held by:</u>	<b>31 December 2023</b>	31 December 2022
	<i>--Numbers--</i>	
The Fund Manager		
– Class A	<u>45,908</u>	<u>45,908</u>
– Class B	<u>--</u>	<u>--</u>
Parent of the Fund Manager – KAMCO Investment Kuwait*		
– Class A	<u>6,889</u>	<u>6,967</u>
– Class B	<u>2,163,890</u>	<u>2,163,890</u>

\* These investments have been made by the Parent of the Fund Manager, on behalf of their clients.

**13. OTHER EXPENSES**

	<b>31 December 2023</b>	31 December 2022
Administration fee (note 12)	<u>1,179,916</u>	<u>1,234,604</u>
Custody fee (note 13.1)	<u>588,501</u>	<u>673,695</u>
Others (note 13.2)	<u>1,421,545</u>	<u>1,496,609</u>
	<u><b>3,189,962</b></u>	<u><b>3,404,908</b></u>

**13.1** The Fund pays a custody fee to the custodian calculated at an annual rate of 0.05% on the portfolio value of the Fund, accrued on a daily basis, payable on a monthly basis, and is subject to the respective monthly minimum fee.

**13.2** This includes VAT on fees and expenses amounting to SAR 1,327,982 (2022: SAR 1,398,102).



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**14. FAIR VALUE MEASUREMENT**

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.

When available, the Fund measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market as per the official closing price in the related stock exchange where the instrument is traded.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

***Valuation models:***

The fair values of financial instruments that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Fund values equity securities that are traded on an approved stock exchange at their last reported prices. To the extent that equity securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy, hence the Fund's assets recorded at fair value have been categorized based on fair value hierarchy Level 1.

Listed equity securities are valued using quoted prices in an active market for an identical instrument (Level 1 measurement).

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**14. FAIR VALUE MEASUREMENT (CONTINUED)**

***Carrying amounts and fair value***

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The following table shows the carrying amounts and fair values of financial instruments including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

31 December 2023					
-----Fair value-----					
<u>Financial assets at fair value</u>	<u>Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value through profit or loss	<u>899,106,200</u>	<u>899,106,200</u>	<u>-</u>	<u>-</u>	<u>899,106,200</u>

  

31 December 2022					
-----Fair value-----					
<u>Financial assets at fair value</u>	<u>Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value through profit or loss	<u>819,963,000</u>	<u>819,963,000</u>	<u>--</u>	<u>--</u>	<u>819,963,000</u>

There were no inter-level transfers during the year.

**15. FINANCIAL RISK MANAGEMENT**

The Operations department is primarily responsible for identifying and controlling risks. The Fund Board supervises the Investment Manager and is ultimately responsible for the overall risk management of the Fund.

The Fund has exposure to the following risks from financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risks; and
- d) operational risk.

**Risk management framework**

***Financial instruments and associated risks***

The Fund primarily aims to invest in a diversified portfolio consisting of listed equities in Saudi Arabia. The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Fund are discussed below.

The Portfolio Management Team has been given discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio are monitored by the portfolio management team on a weekly basis.

In instances where the portfolio has diverged from target asset allocations, the Portfolio Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

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**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

**a) Market risk**

‘Market Risk’ is the risk that changes in market prices – such as commission rates, foreign exchange rates, equity prices and credit spreads – will affect the Fund’s income or the fair value of its holdings in financial instruments.

The Fund’s strategy for the management of market risk is driven by the Fund’s investment objective as per the Fund’s terms and conditions.

The Fund’s market risk is managed by the Fund Manager in accordance with the policies and procedures in place. The Fund’s market positions are monitored on a daily basis by the portfolio manager.

*i) Foreign exchange risk/currency risk*

Foreign currency risk arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Fund does not invest in financial instruments or enter into transactions that are denominated in currencies other than its functional currency, hence, is not directly exposed to this risk.

*ii) Commission rate risk*

Commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of financial instruments. The Fund Manager monitors positions daily to ensure maintenance of positions within established gap limits, if any. The Fund is not subject to significant direct commission rate risk on its investments.

*(iii) Other price risk*

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from commission rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Fund Manager.

The fair value of individual securities may fluctuate as a result of e.g. company specific news, broad market movements, interest rate risk or foreign currency movements. The Fund Manager continuously monitors the (potential) determinants of the value of the securities held and the total portfolio value. As such, risk management is an integral part of investment management process which comprises security selection and portfolio construction. The exposures in various stocks, economic sectors and country economic outlook are frequently monitored, measured and managed against the norms which have been defined for those exposures.

All of the Fund’s listed investments in equity securities that are listed on Saudi Stock Exchange (Tadawul). For such investments carried at fair value, a 10% increase in the Saudi Stock Exchange (Tadawul) at the reporting date would have increased equity by SAR 89.91 million (31 December 2022: SAR 81.99 million); an equal change in the opposite direction would have decreased equity by SAR 89.91 million (31 December 2022: SAR 81.99 million).

The Fund Manager endeavours to minimize the risk through diversification across various sectors of the Saudi stock market. Further, the Fund Manager has established risk guidelines to manage its equity price risk.

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**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from cash and cash equivalents, receivable from broker and dividend receivables. The Fund's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the certain credit standards.

The Fund's activities may give rise to settlement risk. "Settlement risk" is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

	<b>31 December 2023</b>	31 December 2022
Cash and cash equivalents	<b>58,177,357</b>	21,907,833
Receivable and other assets	<b>42,378,675</b>	23,707,731
<b>Total exposure to credit risk</b>	<b><u>100,556,032</u></b>	<u>45,615,564</u>

*Analysis of credit quality*

The Fund's cash and cash equivalents are held with the custodian under an omnibus account with a local bank having sound credit ratings. Credit risk relating to receivables and other assets is small as this represents amount to invest in an IPO which was settled after the year end. The portfolio management team monitors the financial position of the broker on a regular basis. The Fund has not offset any financial assets and financial liabilities in the statement of financial position. The Fund does not have enforceable master netting or similar arrangements that cover similar financial instruments.

**Allowance for impairment**

The Fund has investment in only equity securities classified as FVTPL. Hence, no impairment allowance is recorded in these financial statements as per IFRS 9.

**(c) Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's terms and conditions provide for subscription and redemption of units on every valuation day and it is, therefore, exposed to the liquidity risk of meeting unitholder redemptions on these days. The Fund's financial liabilities primarily consist of management fee payable and payable to broker, which are expected to be settled within one month from the statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions or liquidation of the investment portfolio.

The Fund's investments in listed securities are considered to be readily realizable because they are actively traded on Tadawul.

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**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(d) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities, either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

The primary responsibility for the development and implementation of control over operational risks rests with the Risk Management Team. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- documentation of controls and procedures;
- requirements for:
  - appropriate segregation of duties between various functions, roles and responsibilities;
  - reconciliation and monitoring of transactions; and
  - yearly assessment of operational risks faced,
- the adequacy of controls and procedures to address the risks identified;
- compliance with regulatory and other legal requirements;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance if this is effective.

**16. LAST VALUATION DAY**

The Fund's units are valued on Sunday and Tuesday and the unit price is announced on the following business day. The last valuation day of the year was 31 December 2023 (2022: 31 December 2022).

**17. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Fund Board on 9 Ramadan 1445H (corresponding to 19 March 2024).