

**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
AND INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022**

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(Managed by Bait Al Mal Al Khaleeji Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)****AND INDEPENDENT AUDITOR'S REVIEW REPORT****FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED  
INTERIM FINANCIAL STATEMENTS****To the Unitholders  
BMK Saudi Equity Fund****Introduction**


We have reviewed the accompanying condensed interim statement of financial position of BMK Saudi Equity Fund ("the Fund"), managed by Bait Al Mal Al Khaleeji Company ("the Fund Manager") as at 30 June 2022, and the related condensed interim statements of profit or loss and other comprehensive income, changes in net assets attributable to unit holders and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. The Fund Manager is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia and to comply with the Fund's terms and conditions. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

**Baker Tilly MKM and Co.**  
Certified Public Accountants  
**Majid Moneer AlNemer**  
License No. 381  
Al-Khobar 2 Rabi' al-Awwal 1444H  
28 September 2022

**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2022**

	<i>Note</i>	<b>30 June 2022</b> <b>(Unaudited)</b> <b>SR</b>	<b>31 December</b> <b>2021 (Audited)</b> <b>SR</b>
<b>ASSETS</b>			
Prepayments and other assets		<b>36,419</b>	2,020
Investments at fair value through profit or loss	7	<b>31,888,642</b>	27,391,264
Cash and cash equivalents		<b>12,950,660</b>	7,920,771
<b>TOTAL ASSETS</b>		<b>44,875,721</b>	35,314,055
<b>LIABILITIES</b>			
Accrued expenses	8	<b>241,953</b>	82,239
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>44,633,768</b>	35,231,816
<b>Units in issue (number)</b>		<b>1,498,879</b>	1,447,342
<b>Net assets attributable to each unit (SR)</b>		<b>29.78</b>	24.34

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The accompanying notes from 1 to 12 form an integral part of these condensed interim financial statements

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**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(UNAUDITED)****FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022**

	<i>Note</i>	<i>For the six month period ended 30 June 2022</i>	<i>For the six month period ended 30 June 2021</i>
		<i>SR</i>	<i>SR</i>
<b>Income</b>			
Gain on investments at fair value through profit or loss	7	7,974,168	6,034,261
Dividend income		468,880	486,643
		<b>8,443,048</b>	<b>6,520,904</b>
<b>Expenses</b>			
Fund management fees	6 , 9	(405,493)	(284,068)
Brokerage commission		(25,482)	(12,932)
Custody fees		(21,342)	(15,103)
Board of Directors' fees	9	(5,967)	(5,967)
Others		(89,080)	(63,955)
		<b>(547,364)</b>	<b>(382,025)</b>
<b>Profit for the period</b>		<b>7,895,684</b>	<b>6,138,879</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>7,895,684</b>	<b>6,138,879</b>

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The accompanying notes from 1 to 12 form an integral part of these condensed interim financial statements

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**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (UNAUDITED)  
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022**

	<i>For the six month period ended 30 June 2022</i>	<i>For the six month period ended 30 June 2021</i>
	<i>SR</i>	<i>SR</i>
Net assets attributable to unit holders at 1 January	<b>35,231,816</b>	27,249,615
Profit for the period	<b>7,895,684</b>	6,138,879
Proceeds from units issued	<b>2,931,000</b>	-
Units redeemed	<b>(1,424,732)</b>	(592,639)
<b>Net assets attributable to unit holders at 30 June</b>	<b>44,633,768</b>	32,795,855

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**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)****FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022**

	<i>For the six month period ended 30 June 2022</i>	<i>For the six month period ended 30 June 2021</i>
	<i>SR</i>	<i>SR</i>
<b>Operating activities</b>		
Profit for the period	7,895,684	6,138,879
Changes in operating assets and liabilities:		
Net change in investments at fair value through profit or loss	(4,497,378)	(4,849,676)
Prepayments and other assets	(34,399)	(55,534)
Accrued expenses	159,714	9,252
<b>Net cash flows generated from operating activities</b>	<b>3,523,621</b>	<b>1,242,921</b>
<b>Financing activities</b>		
Payments of units redeemed	(1,424,732)	(592,639)
Proceeds from units issued	2,931,000	-
<b>Net cash flows from / (used in) financing activities</b>	<b>1,506,268</b>	<b>(592,639)</b>
<b>Net change in cash and cash equivalents</b>	<b>5,029,889</b>	<b>650,282</b>
Cash and cash equivalents at the beginning of the period	7,920,771	956,815
<b>Cash and cash equivalents at the end of the period</b>	<b>12,950,660</b>	<b>1,607,097</b>

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The accompanying notes from 1 to 12 form an integral part of these condensed interim financial statements

**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022**

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**1 - THE FUND AND ITS ACTIVITIES**

BMK Saudi Equity Fund (the "Fund") is an open-ended investment Fund, established and managed by Bait Al Mal Al Khaleeji Company (the "Fund Manager"). The terms and conditions of the Fund were approved by the Capital Market Authority ("CMA") on 4 Jumada I 1435H (corresponding to 5 March 2014) and the Fund commenced its activities on 5 Rajab 1435H (corresponding to 4 May 2014) pursuant to such approval and after concluding the subscription procedures.

The Fund's objective is to achieve long-term capital growth through investment in Saudi equities listed on the Saudi Stock Market ("Tadawul").

The Fund Manager is licensed and regulated by the CMA, through license no. 08123-37, to engage in dealing as a principle, managing mutual funds and providing consultation and safe keeping services for securities business.

The Fund is governed by Investment Fund Regulations ("the Regulations") published by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006), thereafter amended on 16 Sha'ban 1437H (corresponding to 23 May 2016), detailing requirements of all funds within the Kingdom of Saudi Arabia.

In dealing with the unit holders, the Fund Manager considers the Fund as an independent entity. Accordingly, the Fund prepares its own financial statements. Furthermore, unit holders are considered as owners of the assets of the Fund and distributions are made in relation to their respective ownership in the total number of outstanding units.

**2 - BASIS OF PREPARATION**

The condensed interim financial statements of the Fund for the six - month period ended 30 June 2022 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements. The interim results may not be an indicator of the annual results of the Fund.

The condensed interim financial statements have been prepared on a historical cost basis, except for investments at fair value through profit or loss that have been measured at fair value. The Fund's condensed interim financial statements are presented in Saudi Riyals, which is also the Fund's functional currency.

**3 - SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The significant judgements made by the Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

**4 - ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those applicable in the annual financial statements for the year ended 31 December 2021.

**5 - NEW STANDARDS AND AMENDMENTS TO STANDARDS**

There are no new standards issued, however, there are number of amendments to the standards which are effective from 1 January 2022 but they do not have a significant effect on these condensed interim financial statements for the six month period ended 30 June 2022.



**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)  
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022****5 - NEW STANDARDS AND AMENDMENTS TO STANDARDS (Continued)****5.1 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The Fund has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

<u><i>New and revised IFRSs</i></u>	<u><i>Effective from periods beginning on or after the following date:</i></u>
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities.	1 January 2023
IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.	1 January 2023
Amendments to IAS8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates.	1 January 2023
Amendments to IAS12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction.	1 January 2023
Management anticipates that these new standards, interpretations and amendments will be adopted in the Fund's financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the condensed interim financial statements of the Fund in the period of initial application.	

**6 - MANAGEMENT FEE AND OTHER EXPENSES**

The Fund is managed and administered by the Fund Manager. For these services, the Fund accrues a management fee, as set out in the Fund's terms and conditions, at an annual rate of 1.9% of the Funds net assets calculated every valuation day.

The Fund is responsible for all expenses, fees, other costs and liabilities incurred in managing and operating the Fund. Such expenses include, but are not limited to, audit, remuneration of the Fund's Board, administration, dealing costs, custody, government and other professional fees.

**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)  
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022****7 - INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

This represents investment in equity securities listed on the Tadawul.

The investment portfolio is allocated among the various economic sectors, the fair values of these investments are as follows :

<b>Sector</b>	<b>30 June 2022 (Unaudited)</b>		<b>31 December 2021 (Audited)</b>	
	<b><u>Fair value</u></b>	<b><u>%</u></b>	<b><u>Fair value</u></b>	<b><u>%</u></b>
	<b>SR</b>		<b>SR</b>	
Mutual Funds	<b>22,021,833</b>	<b>69.06</b>	-	-
Energy	<b>4,174,531</b>	<b>13.09</b>	4,484,346	16.37
Materials	<b>2,796,696</b>	<b>8.77</b>	715,117	2.61
Financials	<b>1,547,021</b>	<b>4.85</b>	17,921,030	65.43
Real Estate	<b>819,225</b>	<b>2.57</b>	894,215	3.26
Health Care	<b>529,336</b>	<b>1.66</b>	-	-
Communication Services	-	-	2,913,615	10.64
Consumer Staples	-	-	462,941	1.69
<b>Total</b>	<b>31,888,642</b>	<b>100</b>	<b>27,391,264</b>	<b>100</b>

The movement of investments at fair value through profit or loss is as follows:

	<b><i>For the six month period ended 30 June 2022</i></b>	<b><i>Year ended 31 December 2021 (Audited)</i></b>
	<b>SR</b>	<b>SR</b>
1 January	<b>27,391,264</b>	26,359,338
Addition	<b>31,814,599</b>	21,111,677
Disposal	<b>(35,291,389)</b>	(28,868,747)
Change in fair value	<b>7,974,168</b>	8,788,996
Closing balance	<b>31,888,642</b>	<b>27,391,264</b>

**8 - ACCRUED EXPENSES**

	<b><i>30 June 2022 (Unaudited)</i></b>	<b><i>31 December 2021 (Audited)</i></b>
	<b>SR</b>	<b>SR</b>
Accrued management fees (note 6)	<b>193,840</b>	64,191
Others	<b>48,113</b>	18,048
	<b>241,953</b>	<b>82,239</b>

**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)  
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022****9 - TRANSACTIONS WITH RELATED PARTIES**

The following table provides the total amount of transactions that have been entered into with related parties during the period and their related accruals as at :

Related party	Nature of transaction	Transactions for the period		Balances	
		ended 30 June		30 June 2022	31 December
		2022	2021	(Unaudited)	2021 (Audited)
		SR	SR	SR	SR
Fund Manager	Management fee	405,493	284,068	193,840	64,191
Fund Board	Board of Directors remuneration	5,967	5,967	5,967	-
Elite House GCC Equity Fund	Units redeemed	500,000	-	-	-
				<u>199,807</u>	<u>64,191</u>

As at 30 June 2022 the Elite House GCC Equity Fund (managed by same Fund Manager) holds 1,394,868 units in BMK Saudi Equity Fund (31 December 2021: 1,413,796 units).

Basis and term of payment for fee payable to related parties as per terms and conditions of the Fund approved by CMA are as follows:

Type of fee	Basis and rate	Basis for calculation
Management fees	1.9 % of net asset value	Annually, calculated on a daily basis
Board of Directors remunerations	SR 3,000 per meeting only payable to the independent members, maximum up to SR 12,000 per annum	Per member per meeting

**10 - VALUATION DAY**

The Fund's units are valued at every Monday and Wednesday and unit price is announced on the following business day. The last valuation day for the purpose of preparation of these condensed interim financial information was 30 June 2022.

**11 - FAIR VALUES AND RISK MANAGEMENT****11.1 Fair value measurements of financial instruments**

The Fund does not have financial assets and financial liabilities which are measured at fair value, except for Investment at fair value through profit or loss (FVTPL) which is classified in the first level of fair value hierarchy.

**11.2 Risk Management**

The Fund's activities expose it to a variety of commission rate risks, credit risk, liquidity risk and market price risk.

**Commission rate risk**

Commission rate risk is the risk that the value of financial instruments will fluctuate due to the changes in the market commission rates. The Fund is not subject to commission rate risk.

**BMK SAUDI EQUITY FUND**

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)  
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2022****11 - FAIR VALUES AND RISK MANAGEMENT (Continued)****11.2 Risk Management (Continued)****Credit risk**

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Fund seeks to manage its credit risk with respect to the banks by only dealing with reputable banks.

	<i>30 June 2022</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2021 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Cash and cash equivalents	<b>12,950,660</b>	<b>7,920,771</b>

The carrying amount of financial assets represents the maximum credit exposure.

**Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Fund manages its liquidity risk by monitoring investing activities and cash flows on regular basis.

<b>30 June 2022</b>				
	<b>Carrying amount</b>	<b>Less than 1 year</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>
	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
<b>Financial Liabilities</b>				
Accrued expenses	<b>241,953</b>	<b>241,953</b>	-	-
	<b>241,953</b>	<b>241,953</b>	-	-
<b>31 December 2021</b>				
	<b>Carrying amount</b>	<b>Less than 1 year</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>
	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
<b>Financial Liabilities</b>				
Accrued expenses	82,239	82,239	-	-
	82,239	82,239	-	-

**Market price risk**

The Fund listed equity securities are susceptible to market price risk arising from uncertainties about its future values of the investment securities. The Fund manages the equity price risk through diversification and by placing limits on individual and total equity instruments sectors.

**12 - APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved by the Fund Manager on 27 September 2022 corresponding to 1 Rabi' al-Awwal 1444H.