

BMK SAUDI FREESTYLE EQUITY FUND SHARIA COMPLIANT
(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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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 FREESTYLE EQUITY FUND SHARIA COMPLIANT

Introduction

We have reviewed the accompanying condensed interim statement of financial position of BMK Saudi Equity Freestyle Fund Sharia Compliant (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 FREESTYLE EQUITY FUND SHARIA COMPLIANT
(Managed by Bait Al Mal Al Khaleeji Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	<i>Note</i>	30 June 2022 <i>(Unaudited)</i> SR	31 December 2021 <i>(Audited)</i> SR
ASSETS			
Prepayments and other assets		70,421	10,446
Investments at fair value through profit or loss	7	26,940,907	26,457,035
Cash and cash equivalents		8,648,333	6,647,507
TOTAL ASSETS		35,659,661	33,114,988
LIABILITIES			
Accrued expenses	8	203,777	79,209
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		35,455,884	33,035,779
Units in issue (number)		2,410,572	2,580,372
Net assets attributable to each unit (SR)		14.71	12.80

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

BMK SAUDI FREESTYLE EQUITY FUND SHARIA COMPLIANT

(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>
Income			
Gain on investments at fair value through profit or loss	7	5,145,677	4,614,070
Dividend income		347,171	542,516
		5,492,848	5,156,586
Expenses			
Fund management fees	6 , 9	(342,907)	(305,806)
Brokerage commission		(21,421)	(10,689)
Custody fees		(18,048)	(16,255)
Board of Directors' fees	9	(5,967)	(5,967)
Others		(125,856)	(95,566)
		(514,199)	(434,283)
Profit for the period		4,978,649	4,722,303
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,978,649	4,722,303

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

BMK SAUDI FREESTYLE EQUITY FUND SHARIA COMPLIANT

(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	33,035,779	29,683,528
Profit for the period	4,978,649	4,722,303
Proceeds from units issued	-	293,100
Units redeemed	(2,558,544)	(250,000)
Net assets attributable to unit holders at 30 June	35,455,884	34,448,931

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

BMK SAUDI FREESTYLE EQUITY FUND SHARIA COMPLIANT
(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>
Operating activities		
Profit for the period	4,978,649	4,722,303
Changes in operating assets and liabilities:		
Net change in investments at fair value through profit or loss	(483,872)	(6,957,509)
Prepayments and other assets	(59,975)	(17,076)
Accrued expenses	124,568	8,940
Net cash flows from / (used in) operating activities	4,559,370	(2,243,342)
Financing activities		
Payments of units redeemed	(2,558,544)	(250,000)
Proceeds from units issued	-	293,100
Net cash flows (used in) / from financing activities	(2,558,544)	43,100
Net change in cash and cash equivalents	2,000,826	(2,200,242)
Cash and cash equivalents at the beginning of the period	6,647,507	4,095,316
Cash and cash equivalents at the end of the period	8,648,333	1,895,074

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

BMK SAUDI FREESTYLE EQUITY FUND SHARIA COMPLIANT

(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

1 - THE FUND AND ITS ACTIVITIES

BMK Saudi Freestyle Equity Fund (the "Fund") is an open-ended investment Fund, established and managed by the 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 11 Jumada I 1440H (corresponding to 17 January 2019) and the Fund commenced its activities on 14 Ramadan 1440H (corresponding to 19 May 2019) 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") that comply with Shariah Committee's regulations.

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 safekeeping 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 FREESTYLE EQUITY FUND SHARIA COMPLIANT

(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, Sharia advisory, remuneration of the Fund's Board, administration, dealing costs, custody, government and other professional fees.

BMK SAUDI FREESTYLE EQUITY FUND SHARIA COMPLIANT

(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 :

Sector	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	<u>Fair value</u>	<u>%</u>	<u>Fair value</u>	<u>%</u>
	SR		SR	
Mutual Funds	17,014,819	63.16	-	-
Energy	5,048,311	18.74	5,524,454	20.88
Materials	3,014,973	11.19	8,180,446	30.92
Financials	996,280	3.70	7,236,666	27.35
Health Care	479,320	1.78		
Real Estate	387,204	1.43	1,450,354	5.48
Consumer Discretionary	-	-	569,804	2.15
Communication Services	-	-	3,055,784	11.55
Consumer Staples	-	-	439,527	1.67
Total	26,940,907	100	26,457,035	100

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

	<i>For the six month period ended 30 June 2022</i>	<i>Year ended 31 December 2021 (Audited)</i>
	SR	SR
1 January	26,457,035	25,636,336
Addition	25,328,473	18,492,405
Disposal	(29,990,278)	(21,576,014)
Change in fair value	5,145,677	3,904,308
Closing balance	26,940,907	26,457,035

8 - ACCRUED EXPENSES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	SR	SR
Accrued management fees (note 6)	155,842	61,307
Others	47,935	17,902
	203,777	79,209

BMK SAUDI FREESTYLE EQUITY FUND SHARIA COMPLIANT

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**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	342,907	305,806	155,842	61,307
Fund Board	Board of Directors remuneration	5,967	5,967	5,967	-
Elite House GCC Equity Fund	Units redeemed	500,000	250,000	-	-
				161,809	61,307

As at 30 June 2022 the Elite House GCC Equity Fund (managed by same Fund Manager) holds 2,265,951 units in BMK Saudi Freestyle Equity Fund Sharia Compliant (31 December 2021: 2,303,085 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.

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**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	8,648,333	6,647,507

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.

	30 June 2022			
	Carrying amount	Less than 1 year	1 year to 5 years	More than 5 years
	SR	SR	SR	SR
Financial Liabilities				
Accrued expenses	203,777	203,777	-	-
	203,777	203,777	-	-
	31 December 2021			
	Carrying amount	Less than 1 year	1 year to 5 years	More than 5 years
	SR	SR	SR	SR
Financial Liabilities				
Accrued expenses	79,209	79,209	-	-
	79,209	79,209	-	-

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.