

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 2023

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 2023

<u>Contents</u>	<u>Page</u>
Report on review of condensed interim financial statements	1
Condensed interim statement of financial position	2
Condensed interim statement of profit or loss and other comprehensive income	3
Condensed interim statement of changes in net assets attributable to unit holders	4
Condensed interim statement of cash flows	5
Notes to the condensed interim financial statements	6-11

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

(Managed by Bait Al Mal Al Khaleeji Company)

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 2023, 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 six-month 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 condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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

Al-Khobar, Kingdom of Saudi Arabia


Bader Hatim Al Tamimi

License No. 489

27 Muharram 1445H

14 August 2023



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 2023

		<i>As at</i> 30 June 2023	<i>As at</i> 31 December 2022
	<i>Note</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR</i>	<i>SR</i>
ASSETS			
Prepayments and other assets		16,642	594,141
Investments at fair value through profit or loss	7	6,919,740	4,490,444
Cash and cash equivalents		360,088	1,134,248
TOTAL ASSETS		7,296,470	6,218,833
LIABILITIES			
Accrued expenses	8	56,747	93,331
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		7,239,723	6,125,502
Units in issue (number of units)		427,939	427,939
Net assets attributable to each unit (SR)		16.92	14.31

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 2023

		<i>For the six-month period ended 30 June 2023 (Unaudited)</i>	<i>For the six-month period ended 30 June 2022 (Unaudited)</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
Income			
Gain on investments at fair value through profit or loss	7	1,195,986	5,145,677
Dividend income		52,182	347,171
		<u>1,248,168</u>	<u>5,492,848</u>
Expenses			
Fund management fees	6,9	(59,559)	(342,907)
Board of Directors' fees	9	(5,967)	(5,967)
Custody fees		(5,408)	(18,048)
Brokerage commission		-	(21,421)
Others		(63,013)	(125,856)
		<u>(133,947)</u>	<u>(514,199)</u>
Profit for the period		1,114,221	4,978,649
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>1,114,221</u></u>	<u><u>4,978,649</u></u>

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 2023**

	<i>For the six-month period ended 30 June 2023 (Unaudited)</i>	<i>For the six-month period ended 30 June 2022 (Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Net assets attributable to unit holders at 1 January	6,125,502	33,035,779
Total comprehensive income for the period	1,114,221	4,978,649
Payments for units redeemed	-	(2,558,544)
Net assets attributable to unit holders at 30 June	<u>7,239,723</u>	<u>35,455,884</u>

Units transactions:

	<i>For the six-month period ended 30 June 2023 (Unaudited)</i>	<i>For the six-month period ended 30 June 2022 (Unaudited)</i>
Units at the beginning of the period	427,939	2,580,372
Units redeemed during the period	-	(169,800)
Units at the end of the period	<u>427,939</u>	<u>2,410,572</u>

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 2023

	<i>For the six-month period ended 30 June 2023 (Unaudited)</i>	<i>For the six-month period ended 30 June 2022 (Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Operating activities		
Profit for the period	1,114,221	4,978,649
<i>Adjustments for changes in operating assets and liabilities:</i>		
Net change in investments at fair value through profit or loss	(2,429,296)	(483,872)
Prepayments and other assets	577,499	(59,975)
Accrued expenses	(36,584)	124,568
Net cash flows (used in) / generated from operating activities	(774,160)	4,559,370
Financing activities		
Payments of units redeemed	-	(2,558,544)
Net cash flows used in financing activities	-	(2,558,544)
Net change in cash and cash equivalents	(774,160)	2,000,826
Cash and cash equivalents at the beginning of the period	1,134,248	6,647,507
Cash and cash equivalents at the end of the period	360,088	8,648,333

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 2023

1 - THE FUND AND ITS ACTIVITIES

BMK Saudi Freestyle 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 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 2023 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 2022.

5 - NEW STANDARDS AND AMENDMENTS TO STANDARDS

There is no new standards issued, however, there are number of amendments to the standards which are effective from 1 January 2023 and have been explained in the Funds's annual financial statements, but they do not have a significant effect on these condensed interim financial statements for the six-month period ended 30 June 2023.

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 2023****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:

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 16	Lease liability in sale and lease back	January 1, 2024	The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.
IAS 1	Amendments regarding the classification of debt with covenants, as current or non-current	January 1, 2024	The amendments clarified how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances.
IAS 1	Classification of liabilities, as current or non-current	January 1, 2024	The amendments has clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period and non-current liabilities with covenants.

The Fund Manager 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 on a daily basis.

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 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 2023****7 - INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

This represents investment in equity securities listed on the Saudi Stock Exchange ("Tadawul").

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

<i>Sector</i>	<i>30 June 2023 (Unaudited)</i>		<i>31 December 2022 (Audited)</i>	
	<i>Fair value</i>	<i>%</i>	<i>Fair value</i>	<i>%</i>
	<i>SR</i>		<i>SR</i>	
Materials	2,274,107	32.86	1,884,396	41.96
Energy	2,230,499	32.23	1,558,845	34.71
Consumer Staples	985,771	14.25	354,200	7.89
Health Care	379,040	5.48	341,320	7.60
Consumer Discretionary	361,398	5.22	351,683	7.83
Telecommunication services sector	688,925	9.96	-	-
Total	6,919,740	100	4,490,444	100

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

	<i>For the six-month period ended 30 June 2023 (Unaudited)</i>	<i>For the year ended 31 December 2022 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Opening balance	4,490,444	26,457,035
Addition	1,233,310	29,157,032
Disposal	-	(56,352,559)
Change in fair value	1,195,986	5,228,936
Closing balance	6,919,740	4,490,444

8 - ACCRUED EXPENSES

	<i>30 June 2022 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Accrued management fees (note 9)	23,342	55,581
Others	33,405	37,750
	56,747	93,331

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 2023

9 - RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties of the Fund include "Bait Al Mal Al Khaleeji Company" being the Fund Manager and other funds managed by the same Fund Manager.

In the ordinary course of its activities, the Fund transacts business with related parties. The related parties transactions are governed by limits set by the regulations issued by the CMA. All related party transactions are approved by the Fund's Board of Directors.

The following table provides the significant transactions and the related approximate amounts that have been entered into with related parties during the year and their related accruals as at:

Related party	Nature of transaction	Transactions for the period ended 30 June		Balances	
		2023	2022	30 June 2023 (Unaudited)	31 December 2022 (Audited)
		SR	SR	SR	SR
Fund Manager	Management fee (note 6 and 8)	59,559	342,907	23,342	55,581
Fund Board	Board of Directors remuneration	5,967	5,967	11,967	6,000
Elite House GCC Equity Fund	Units redeemed	-	500,000	-	-
				<u>35,309</u>	<u>61,581</u>

As at 30 June 2023 the Elite House GCC Equity Fund (managed by same Fund Manager) holds 283,318 units in BMK Saudi Freestyle Equity Fund Sharia Compliant (31 December 2022: 283,318 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 2023.

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.

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 2023

11 - FAIR VALUES AND RISK MANAGEMENT (Continued)

11.2 Risk Management

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

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

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

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.

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 2023</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2022 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Cash and cash equivalents	360,088	1,134,248

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

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 Monday and Wednesday, therefore, exposed to the liquidity risk of meeting unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables 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 expected maturity of the assets and liabilities of the Fund is less than 12 months.

The table below summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted amounts at the reporting period:

	<i>30 June 2023 (Unaudited)</i>			
	<i>Carrying amount</i>	<i>Less than 1 year</i>	<i>1 year to 5 years</i>	<i>More than 5 years</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Financial Liabilities				
Accrued expenses	56,747	56,747	-	-
	56,747	56,747	-	-

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 2023

11 - FAIR VALUES AND RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

	<i>31 December 2022 (Audited)</i>			
	<i>Carrying amount</i>	<i>Less than 1 year</i>	<i>1 year to 5 years</i>	<i>More than 5 years</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Financial Liabilities				
Accrued expenses	93,331	93,331	-	-
	<u>93,331</u>	<u>93,331</u>	<u>-</u>	<u>-</u>

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.

Equity 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 (refer note 7). The exposure to equity securities and its impact on equity is detailed in the table below with a % change in equity prices:

<i>Markets</i>	<i>30 June 2023 (Unaudited)</i>	<i>Sensitivity</i>	
<i>Investments at fair value through profit or loss</i>	<i>SR</i>	<i>Gain/loss</i>	<i>%</i>
Saudi Arabia	<u>6,919,740</u>	<u>+ - 69,197</u>	<u>+ - 1%</u>

<i>Markets</i>	<i>31 December 2022 (Audited)</i>	<i>Sensitivity</i>	
<i>Investments at fair value through profit or loss</i>	<i>SR</i>	<i>Gain/loss</i>	<i>%</i>
Saudi Arabia	<u>4,490,444</u>	<u>+ - 44,904</u>	<u>+ - 1%</u>

12 - APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 14 August 2023 corresponding to 27 Muharram 1445H.