

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 2024**

BMK SAUDI EQUITY FUND

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**AND INDEPENDENT AUDITOR'S REVIEW REPORT****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE
CONDENSED INTERIM FINANCIAL STATEMENTS**

To the Unitholders
BMK Saudi Equity Fund
(Managed by Bait Al Mal Al Khaleeji Company)

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 2024, 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 other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") 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 these 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 Statements Performed by the Independent Auditor of the Entity' as endorsed in the Kingdom of Saudi Arabia. A review of condensed interim 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
22 Safar 1446H
26 August 2024



BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2024**

	<i>Note</i>	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
ASSETS			
Cash and cash equivalents		15,412,501	13,294,428
Investments at fair value through profit or loss	7	7,058,487	9,922,266
Prepayments and other assets		146,179	-
TOTAL ASSETS		22,617,167	23,216,694
LIABILITIES			
Accrued expenses	8	187,484	172,595
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		22,429,683	23,044,099
Units in issue (number of units)		751,031	751,031
Net assets attributable to each unit (SR)		29.87	30.68

The accompanying notes from 1 to 13 form an integral part of these condensed interim financial statements

BMK SAUDI EQUITY FUND

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**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

		<i>For the six- month period ended 30 June 2024 (Unaudited)</i>	<i>For the six-month period ended 30 June 2023 (Unaudited)</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
Income			
(Loss) / gain on investments at fair value through profit or loss	7	(395,867)	1,577,801
Dividend income		81,405	92,787
		<u>(314,462)</u>	<u>1,670,588</u>
Expenses			
Fund management fees	6,9	(209,411)	(199,842)
Custody fees		(11,022)	(11,474)
Board of Directors' fees	9	(6,000)	(5,967)
Brokerage commission		-	(185)
Others		(73,521)	(56,602)
		<u>(299,954)</u>	<u>(274,070)</u>
(Loss) / profit for the period		(614,416)	1,396,518
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		<u>(614,416)</u>	<u>1,396,518</u>

The accompanying notes from 1 to 13 form an integral part of these condensed interim financial statements

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 2024**

	<i>For the six-month period ended 30 June 2024 (Unaudited)</i>	<i>For the six-month period ended 30 June 2023 (Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Net assets attributable to unit holders at 1 January	23,044,099	21,794,566
Total comprehensive (loss) / income for period	(614,416)	1,396,518
Net assets attributable to unit holders at 30 June	22,429,683	23,191,084
	<i>For the six-month period ended 30 June 2024 (Unaudited)</i>	<i>For the six-month period ended 30 June 2023 (Unaudited)</i>
Number of units		
Units at the beginning of the period	751,031	751,031
Units at the end of the period	751,031	751,031

The accompanying notes from 1 to 13 form an integral part of these condensed interim financial statements

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 2024**

	<i>For the six-month period ended 30 June 2024 (Unaudited)</i>	<i>For the six-month period ended 30 June 2023 (Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Operating activities		
(Loss) / profit for the period	(614,416)	1,396,518
<i>Adjustments for changes in operating assets and liabilities:</i>		
Net change in investments at fair value through profit or loss	2,863,779	(5,090,179)
Prepayments and other assets	(146,179)	758,322
Accrued expenses	14,889	(144,250)
Net cash flows generated from / (used in) operating activities	2,118,073	(3,079,589)
Net change in cash and cash equivalents	2,118,073	(3,079,589)
Cash and cash equivalents at the beginning of the period	13,294,428	16,167,743
Cash and cash equivalents at the end of the period	15,412,501	13,088,154

The accompanying notes from 1 to 13 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 2024**

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.

During 2023, the Fund Manager updated the Fund's terms and conditions, however, the changes do not have any direct material effect on these financial statements. The summary of such changes in the terms and conditions is that the fund manager undertakes to register the Fund with Zakat, Tax, and Customs Authority ("ZATCA") within the regulatory period and submit the information and data declarations requested by the ZATCA for the purposes of examining and reviewing the declarations within the regulatory period.

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 2024 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.

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****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 2023.

5 - NEW STANDARDS AND AMENDMENTS TO STANDARDS

The significant accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2023, except for the new standards and amendments effective from 1 January 2024. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

5.1 Standards, amendments and interpretations 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
IAS 21	The effect of changes in foreign exchange rates.	1 January 2025	The amendment specifies the exchange rate to use in reporting financial currency transactions when exchangeability between two currencies is temporarily lacking.
SASB Standards	General requirements for disclosure of sustainability related financial information.	1 January 2025	The amendment enhances the international applicability of these standards.
IFRS 9 and IFRS 7	Financial Instruments, Financial Instruments; Disclosures	1 January 2026	The amendment addresses the matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	New standard.
IFRS 18	Presentation and disclosures in Financial Statements.	1 January 2027	New standard.

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.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****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.

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 industry sectors, the fair values of these investments are as follows:

Sector	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Fair value	%	Fair value	%
	SR		SR	
Utilities	1,724,664	24.43	2,083,552	21.00
Software & Services	1,354,673	19.19	1,933,524	19.49
Materials	1,216,939	17.24	1,605,137	16.18
Health Care Equipment & Services	1,125,593	15.95	404,876	4.08
Commercial & Professional Services	844,600	11.97	-	-
Food & Beverages	662,262	9.38	1,463,218	14.75
Consumer Staples Distribution & Retail	76,233	1.08	362,560	3.65
Financial services	53,523	0.76	59,866	0.60
Consumer Discretionary Distribution & Retail	-	-	444,288	4.48
Energy	-	-	1,565,245	15.78
Total	7,058,487	100	9,922,266	100

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

	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
	SR	SR
Opening balance	9,922,266	5,119,486
Addition	1,837,157	4,438,367
Disposal	(4,305,069)	(1,222,261)
Change in fair value	(395,867)	1,586,674
Closing balance	7,058,487	9,922,266

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****8 - ACCRUED EXPENSES**

	<i>30 June 2024</i>	<i>31 December</i>
	<i>(Unaudited)</i>	<i>2023</i>
	<i>SR</i>	<i>SR</i>
Accrued management fees (Note 9)	122,007	128,136
Others	65,477	44,459
	187,484	172,595

9 - TRANSACTIONS WITH RELATED PARTIES

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:

<i>Related party</i>	<i>Nature of transaction</i>	<i>Transactions for the period ended 30 June</i>		<i>Balances as at</i>	
		<i>2024</i>	<i>2023</i>	<i>30 June 2024</i>	<i>31 December</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Fund Manager	Management fee (Note 6 and 8)	209,411	199,842	122,007	128,136
Fund Board	Board of Directors remuneration	6,000	5,967	24,000	18,000
				146,007	146,136

As at 30 June 2024 the Elite House GCC Equity Fund (managed by same Fund Manager) holds 751,031 units in BMK Saudi Equity Fund (31 December 2023: 751,031 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

BMK SAUDI EQUITY FUND

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****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 2024.

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 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.

	30 June 2024	<i>31 December</i>
	(Unaudited)	<i>2023</i>
	SR	<i>SR</i>
Cash and cash equivalents	15,412,501	<i>13,294,428</i>

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.

BMK SAUDI EQUITY FUND

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****11 - FAIR VALUES AND RISK MANAGEMENT (Continued)****11.2 Risk Management (Continued)****Liquidity risk (Continued)**

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

	30 June 2024 (Unaudited)			
	<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	187,484	187,484	-	-
	187,484	187,484	-	-
31 December 2023 (Audited)				
	<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	172,595	172,595	-	-
	172,595	172,595	-	-

Market price risk

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, and will affect the Fund's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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:

	30 June 2024 (Unaudited)		
	Sensitivity		
	<i>SR</i>	<i>SR</i>	<i>%</i>
Markets			
<i>Investments at fair value through profit or loss</i>			
Saudi Arabia	7,058,487	+ -70,585	+ -1%
31 December 2023 (Audited)			
		<i>Sensitivity</i>	
	<i>SR</i>	<i>SR</i>	<i>%</i>
Markets			
<i>Investments at fair value through profit or loss</i>			
Saudi Arabia	9,922,266	+ -99,223	+ -1%

BMK SAUDI EQUITY FUND

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

12 - SUBSEQUENT EVENTS

There are no significant events between the end of the reporting period and the date when condensed interim financial statements are approved which require adjustments or disclosure in the condensed interim financial statements.

13 - APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 26 August 2024 corresponding to 22 Safar 1446H.