

**Al Yusr Saudi Equity Fund
Open-Ended Fund
(Managed by Alawwal Invest Company)
Interim Condensed Financial Statements (Unaudited)
For the six-month period ended 30 June 2022
Together with the
Independent Auditor's Review Report to the Unitholders**

Al Yusr Saudi Equity Fund
Open-Ended Fund
(Managed by Alawwal Invest Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (Un-audited)
For the six-month period ended 30 June 2022

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

TO THE UNITHOLDERS OF Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Al Yusr Saudi Equity Fund (the "Fund") managed by Alawwal Invest Company (the "Fund Manager") as at 30 June 2022 and the related interim statements of comprehensive income, changes in net assets (Equity) attributable to the unitholders and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.



Ahmed A. Mohandis
Certified Public Accountant
License No. 477



24 Muharram 1444H
22 August 2022G
Riyadh, Kingdom of Saudi Arabia

Al Yusr Saudi Equity Fund
Open-Ended Fund
(Managed by Alawwal Invest Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

(Amounts in Saudi Arabian Riyals)

	<u>Note</u>	<u>30 June 2022</u> <u>(Un-audited)</u>	<u>31 December 2021</u> <u>(Audited)</u>
<u>ASSETS</u>			
Cash and cash equivalent		8,207,571	1,576,056
Investments designated at fair value through profit or loss (FVTPL)	6	40,526,690	51,305,583
Dividend receivable		34,093	-
Receivables and advances		438,566	-
TOTAL ASSETS		49,206,920	52,881,639
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		127,338	161,149
TOTAL LIABILITIES		127,338	161,149
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		49,079,582	52,720,490
Units in issue (in numbers)		404,684	457,203
Net Asset (Equity) Value per unit		121.28	115.31

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

Al Yusr Saudi Equity Fund**Open-Ended Fund**

(Managed by Alawwal Invest Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**For the six-month period ended 30 June 2022****(Amounts in Saudi Arabian Riyals)**

	<u>Note</u>	<u>30 June 2022</u>	<u>30 June 2021</u>
<u>Income</u>			
Net gain from investments designated at FVTPL	7	3,533,016	10,757,883
Dividend income		<u>583,054</u>	<u>653,374</u>
		4,116,070	11,411,257
<u>Expenses</u>			
Management fees	9	(550,969)	(446,487)
Other expenses	8	<u>(158,211)</u>	<u>(129,286)</u>
		(709,180)	(575,773)
Net income for the period		<u>3,406,890</u>	<u>10,835,484</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>3,406,890</u>	<u>10,835,484</u>

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

Al Yusr Saudi Equity Fund**Open-Ended Fund**

(Managed by Alawwal Invest Company)

INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE**UNITHOLDERS (UN-AUDITED)****For the six-month period ended 30 June 2022****(Amounts in Saudi Arabian Riyals)**

	30 June 2022	30 June 2021
Net assets (Equity) attributable to the Unitholders at beginning of the period	52,720,490	42,045,635
Total comprehensive income for the period	3,406,890	10,835,484
Changes from unit transactions		
Issuance of units	-	-
Redemption of units	(7,047,798)	(2,584,679)
Net changes from unit transactions	(7,047,798)	(2,584,679)
Net assets (Equity) attributable to the Unitholders at end of the period	49,079,582	50,296,440

UNIT TRANSACTIONS

Transactions in units for the period ended 30 June are summarised as follows:

	30 June 2022	30 June 2021
	Units	Units
Units at the beginning of the period	457,203	499,647
Issuance of units	-	-
Redemption of units	(52,519)	(27,145)
Net decrease in unit transactions	(52,519)	(27,145)
Units at end of the period	404,684	472,502

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Al Yusr Saudi Equity Fund**Open-Ended Fund**

(Managed by Alawwal Invest Company)

INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**For the six-month period ended 30 June 2022****(Amounts in Saudi Arabian Riyals)**

	<u>Note</u>	<u>30 June 2022</u>	<u>30 June 2021</u>
<u>Cash flows from operating activities:</u>			
Net income for the period		3,406,890	10,835,484
Adjustments for:			
Unrealized loss / (gain) from investments designated at FVTPL	7	<u>2,714,209</u>	<u>(8,211,470)</u>
		6,121,099	2,624,014
<u>Net changes in operating assets and liabilities:</u>			
Investments designated at FVTPL		8,064,684	260,881
(Increase) / decrease in receivables and advances		(438,566)	5,171
Dividend receivable		(34,093)	(53,650)
Accrued expenses and other liabilities		(33,811)	(31,392)
Net cash generated from operating activities		<u>13,679,313</u>	<u>2,805,024</u>
<u>Cash flows from financing activity:</u>			
Redemption of units		<u>(7,047,798)</u>	<u>(2,584,679)</u>
Net cash used in financing activity		<u>(7,047,798)</u>	<u>(2,584,679)</u>
Net change in cash and cash equivalents		6,631,515	220,345
Cash and cash equivalents at beginning of the period		<u>1,576,056</u>	337,965
Cash and cash equivalents at end of the period		<u>8,207,571</u>	<u>558,310</u>

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

Al Yusr Saudi Equity Fund

Open-Ended Fund

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

1 INCORPORATION AND PRINCIPAL ACTIVITIES

Al Yusr Saudi Equity Fund (the “Fund”) is an open-ended fund domiciled in Kingdom of Saudi Arabia, created by an agreement between Alawwal Invest (the “Fund Manager”), a subsidiary of The Saudi British Bank (formerly a subsidiary of Alawwal Bank) (the “Bank”) and investors in the Fund (the “Unitholders”).

The Fund Manager registered office is at P.O. Box 1467, Riyadh 11431, Kingdom of Saudi Arabia.

Al Yusr Saudi Equity Fund	
Commencement Date	22 July 1995
Latest Governing Terms and Condition Date	28 February 2022
Category	Sharia’ah compliant
Objective	Long term capital appreciation
Allowed Investment Channels	Saudi equity markets
	Morabaha funds

The Fund has appointed Riyadh Capital Company (the “Custodian”) to act as its custodian and registrar. The fees of the custody and registration services are paid by the Fund.

The Fund Manager is responsible for the overall management of the Fund’s activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) detailing requirements for all investments funds operating within the Kingdom of Saudi Arabia and published by the Capital Market Authority (the “CMA”) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were further amended on 12 07 (Rajab) 1442H (corresponding to 22 February 2021) (the “Amended Regulations”). The Fund Manager believes that the Amended Regulations was effective since 19 09 (Ramadan) 1442H (corresponding to 01 May 2021).

3 BASIS OF PREPARATION

3.1. Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

Assets and liabilities in the interim statement of financial position are presented in the order of liquidity.

The interim condensed 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 as at 31 December 2021. The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

3.2. Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments carried at FVTPL which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

3.3. Functional and presentation currency

Items included in these interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These interim condensed financial statements are presented in Saudi Arabian Riyals (SR) which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into SR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SR using the exchange rates prevailing at date of the interim statement of financial position. Foreign exchange gains and losses arising from translation are included in the interim statement of comprehensive income

Al Yusr Saudi Equity Fund

Open-Ended Fund

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

3 BASIS OF PREPARATION (CONTINUED)

3.4. Critical accounting judgments, estimates and assumptions.

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. The Fund based its assumptions and estimates on parameters available when the interim condensed financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

3.5. Going concern

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2021. Certain new standards, amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the Fund.

There are several other amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial statements. In the opinion of the Fund's Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

5 MANAGEMENT FEE, AND OTHER CHARGES

Fund management fees are recognized on an accrual basis and charged to the interim statement of comprehensive income at rates agreed with the Fund Manager and as stated in the terms and conditions of the Fund.

Al Yusr Saudi Equity Fund**Open-Ended Fund**

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

6 INVESTMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

As at the interim statement of financial position date, investments designated at FVTPL comprise of the following sectors:

Industry sector	30 June 2022 (Unaudited)		
	Cost	Fair Value	%
Materials	8,923,094	10,636,916	26.25%
Banks	6,806,270	14,779,932	36.47%
Telecommunication Services	3,676,844	4,247,681	10.48%
Energy	4,087,799	4,737,413	11.69%
Retailing	215,691	232,966	0.57%
Health Care Equipment and Services	2,396,570	3,333,312	8.22%
Media	696,006	526,400	1.30%
Food and Beverages	580,072	566,444	1.40%
Transportation	403,890	357,075	0.88%
Consumer Services	323,505	265,330	0.65%
Capital Goods	773,648	843,221	2.08%
Total	28,883,391	40,526,690	100.00%

Industry sector	31 December 2021 (Audited)		
	Cost	Fair value	%
Banks	8,087,677	16,798,596	33.06
Materials	11,049,263	13,918,855	27.39
Telecommunication Services	5,457,828	6,729,438	13.24
Energy	4,095,004	4,121,369	8.11
Food and Beverages	714,224	648,863	1.28
Health Care Equipment and Services	2,307,391	2,970,504	5.85
Retailing	2,450,348	3,088,581	6.08
Insurance	396,391	395,492	0.78
Building & construction sector	891,000	901,692	1.77
Capital Goods	424,252	664,668	1.31
Transportation	583,397	576,225	1.13
Total	36,456,775	50,814,283	100%
Jahez IPO	491,300	491,300	-
Total	36,948,075	51,305,583	100%

7 NET GAIN FROM INVESTMENTS DESIGNATED AT FVTPL

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
	SR	SR
Realized gain / (loss)	6,247,225	2,546,413
Unrealized gain / (loss)	(2,714,209)	8,211,470
	3,533,016	10,757,883

Al Yusr Saudi Equity Fund**Open-Ended Fund**

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in Saudi Arabian Riyals)****8 OTHER EXPENSES**

	30 June 2022	30 June 2021
	(Un-audited)	(Un-audited)
	SR	SR
Standard & Poor's benchmarking fee	7,903	7,902
Custody fee	17,593	15,000
Value added tax	87,144	71,083
Audit fees	9,918	9,917
Board members' fees (note 9)	2,834	4,250
CMA monitoring fee	3,719	3,719
Brokerage fee	26,620	14,935
Tadawul fees	2,480	2,480
Total	158,211	129,286

9 TRANSACTIONS WITH RELATED PARTIES*Management fee and other transactions*

The Fund is managed and administered by the Fund Manager. For this service the Fund pays a management fee calculated on every valuation day, at an annual rate of 1.95 % of the Fund's daily net assets. In addition, the Fund Manager charges a subscription fee of 1.5 % on gross subscriptions to cover administration costs and a redemption fee of 0.5% on redemptions within a month of subscribing, which is reinvested in the Fund. Total management fees for the period amounted to SR 550,969 (30 June 2021: SR 446,487).

Other expenses paid by the Fund Manager on behalf of the Fund are charged to the Fund.

Board of Directors

The independent directors are entitled to remuneration for their services at rates determined by the Fund's terms and conditions in respect of attending meetings of the board of directors or meetings of the Fund. Independent director's fees are currently SR 3,000 per meeting up to a maximum of 2 meetings per annum per director which is paid equally by all funds supervised by the board. In addition, SR 2,000 are paid to each independent director by the Fund per annum. The director's total remuneration during the period amounted to SR 2,834 (2021: SR 4,250) while the fees payable to directors at the period-end were SR 2,834 (31 December 2021: SR 4,250).

Units held by related parties

Related party and nature of relationship	Nature of transactions	30 June 2022	31 December 2021
		(Un-audited)	(Audited)
		Units	Units
Employees of the Bank (SABB)	Units held	36	36

Al Yusr Saudi Equity Fund

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For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

10 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

	30 June 2022 (Un-audited)		
	Within 12 months SR	After 12 months SR	Total SR
Bank balances	8,207,571	-	8,207,571
Investments designated at FVTPL	40,526,690	-	40,526,690
Dividend receivable	34,093	-	34,093
Receivables and advances	438,566	-	438,566
TOTAL ASSETS	49,206,920	-	49,206,920
Accrued expenses and other liabilities	127,338	-	127,338
TOTAL LIABILITIES	127,338	-	127,338

	31 December 2021 (Audited)		
	Within 12 months SR	After 12 months SR	Total SR
Bank balances	1,576,056	-	1,576,056
Investments designated at FVTPL	51,305,583	-	51,305,583
Receivables and advances	-	-	-
TOTAL ASSETS	52,881,639	-	52,881,639
Accrued expenses and other liabilities	161,149	-	161,149
TOTAL LIABILITIES	161,149	-	161,149

11 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENT

The outbreak of the newly emerging Corona Virus (COVID-19) is still evolving and increasing. Therefore, it is yet difficult to predict the magnitude and full extent of the resulting impact on business and the Fund.

It is still not certain what size and extent of these impacts will be determined, depending on future developments that cannot be accurately predicted at the present time, such as the rate of virus transmission and the size and effectiveness of measures taken to contain it. In light of the current uncertainty of the economic impact, it is not possible to make a reliable estimate of the resulting impact at the date of these interim condensed financial statements being approved.

These developments may affect the future financial results, cash flows and the financial position of the Fund.

12 SUBSEQUENT EVENTS

In the opinion of management, no events have occurred subsequent to the reporting date and before the issuance of these interim condensed financial statements which requires adjustment to, or disclosure, in these interim condensed financial statements.

Al Yusr Saudi Equity Fund

Open-Ended Fund

(Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

13 LAST VALUATION DAY

The last valuation day for the period was 30 June 2022 (2021: 31 December 2021)

14 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 19 Muharram 1444H corresponding to 17 August 2022G.