

**SAB Invest Saudi Riyal Murabaha Fund
(Formerly known as Alawwal Invest Saudi
Riyal Murabaha Fund)
(Managed by SAB Invest)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023



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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST SAUDI RIYAL MURABAHA FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Saudi Riyal Murabaha Fund (formerly known as Alawwal Invest Saudi Riyal Murabaha Fund) (the "Fund") managed by SAB Invest (formerly known as Alawwal Invest) (the "Fund Manager") as at 30 June 2023, and the related interim condensed statement of comprehensive income, statement of changes in equity attributable to the unitholders and cash flows for the six-month period then ended, and explanatory notes. The Fund Manager 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") as 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 Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 22 Muharram 1445H
(9 August 2023)



SAB Invest Saudi Riyal Murabaha Fund
(Formerly known as Alawwal Invest Saudi Riyal Murabaha Fund)

Interim condensed statement of financial position
As at 30 June 2023

	<i>Note</i>	30 June 2023 (Unaudited) SR	<i>31 December 2022 (Audited) SR</i>
ASSETS			
Cash and cash equivalents	4	2,703,978	7,467,031
Financial assets measured at amortised cost	5	1,392,229,626	1,389,611,381
Financial assets at fair value through other comprehensive income (“FVOCI”)	6	25,277,039	25,279,597
TOTAL ASSETS		<u>1,420,210,643</u>	<u>1,422,358,009</u>
LIABILITIES			
Management fee payable	7	467,127	541,305
Accrued expenses		163,005	193,036
TOTAL LIABILITIES		<u>630,132</u>	<u>734,341</u>
EQUITY			
Equity attributable to unitholders		<u>1,419,580,511</u>	<u>1,421,623,668</u>
TOTAL LIABILITIES AND EQUITY		<u>1,420,210,643</u>	<u>1,422,358,009</u>
Units in issue		<u>81,971,306</u>	<u>84,017,938</u>
Equity value per unit		<u>17.32</u>	<u>16.92</u>

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

SAB Invest Saudi Riyal Murabaha Fund
(Formerly known as Alawwal Invest Saudi Riyal Murabaha Fund)

Interim condensed statement of comprehensive income (unaudited)
For the six-month period ended 30 June 2023

	Note	2023 SR	2022 SR
INCOME			
Special commission income from financial assets at FVOCI		790,266	264,157
Special commission income from financial assets held at amortized cost		34,330,659	13,951,127
TOTAL INCOME		35,120,925	14,215,284
EXPENSES			
Management fees	7	2,757,506	3,843,141
Other expenses		476,457	649,744
Impairment reversal for expected credit losses		(185,197)	(234,556)
TOTAL EXPENSES		3,048,766	4,258,329
NET INCOME FOR THE PERIOD		32,072,159	9,956,955
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Movement in fair value / allowance for expected credit losses on investments at FVOCI		(4,718)	(236)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		32,067,441	9,956,719

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

SAB Invest Saudi Riyal Murabaha Fund
(Formerly known as Alawwal Invest Saudi Riyal Murabaha Fund)

Interim condensed statement of changes in equity attributable to the unitholders (unaudited)
For the six-month period ended 30 June 2023

	2023 SR	2022 SR
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AS AT THE BEGINNING OF THE PERIOD	1,421,623,668	1,971,934,285
Net income for the period	32,072,159	9,956,955
Other comprehensive income	(4,718)	(236)
Total comprehensive income for the period	32,067,441	9,956,719
Contributions and redemptions by the unitholders:		
Proceeds from issuance of units	467,659,860	843,096,659
Payments for redemption of units	(501,770,458)	(1,068,079,425)
Net change	(34,110,598)	(224,982,766)
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AS AT THE END OF THE PERIOD	1,419,580,511	1,756,908,238
	<i>Units</i>	<i>Units</i>
UNIT TRANSACTIONS		
Transactions in units for the period ended 30 June are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	84,017,938	118,755,519
Issue of units during the period	27,294,916	50,643,042
Redemption of units during the period	(29,341,548)	(64,137,187)
Net decrease in units	(2,046,632)	(13,494,145)
UNITS AT THE END OF THE PERIOD	81,971,306	105,261,374

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

SAB Invest Saudi Riyal Murabaha Fund
(Formerly known as Alawwal Invest Saudi Riyal Murabaha Fund)

Interim condensed statement of cash flows (unaudited)
For the six-month period ended 30 June 2023

	2023 SR	2022 SR
Operating activities		
Net income for the period	32,072,159	9,956,955
<i>Adjustments for:</i>		
Impairment (reversal of) charge for expected credit losses	(185,197)	(234,556)
	31,886,962	9,722,399
<i>Net changes in operating assets and liability</i>		
Financial assets measured at amortised cost	(2,437,766)	142,248,760
Financial assets measured at FVOCI	2,558	(67,972)
Accrued expenses	(30,031)	(715,648)
Management fees payable	(74,178)	(48,255)
Net cash flows from operating activities	29,347,545	151,139,284
Cash flow from financing activities		
Proceeds from issuance of units	467,659,860	843,096,659
Payment on redemption of units	(501,770,458)	(1,068,079,425)
Net cash flows used in financing activities	(34,110,598)	(224,982,766)
Decrease in cash and cash equivalents	(4,763,053)	(73,843,482)
Cash and cash equivalents at the beginning of the period	7,467,031	159,851,492
Cash and cash equivalents at the end of the period	2,703,978	86,008,010
<u>Supplemental cash flow information</u>		
Special commission income received	38,685,717	19,396,072

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

SAB Invest Saudi Riyal Murabaha Fund (Formerly known as Alawwal Invest Saudi Riyal Murabaha Fund)

Notes to the unaudited interim condensed financial statements
At 30 June 2023

1. INCORPORATION AND ACTIVITIES

SAB Invest Saudi Riyal Murabaha Fund (formerly known as Alawwal Invest Saudi Riyal Murabaha Fund) (the “Fund”) is an investment fund created through the agreement between SAB Invest (formerly known as Alawwal Invest) (the “Fund Manager”) and the investors (the “unitholders”). The address of the Fund Manager is as follows:

SAB Invest, Head Office
SAB Invest Building 7267
Olaya Street (Al-Murooj District)
Riyadh 12283-2255
Kingdom of Saudi Arabia

The objective of the Fund is to seek capital growth and potential for capital preservation through participation in a professionally managed portfolio of short-term Saudi Riyal deposits and monetary instruments. The funds are invested in accordance with Shariah Investment Guidelines as determined by Shariah Supervisory Committee.

The Fund is managed by the Fund Manager who also acts as the administrator of the Fund. Albilad Capital is the custodian of the Fund. All income is reinvested in the Fund and is reflected in the unit price.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and effective from 6 Safar 1438H (corresponding to 6 November 2016) by the New Investment Fund Regulations (“Amended Regulations”) published by the CMA on 16 Sha’aban 1437H (corresponding to 23 May 2016) detailing requirements for all funds within the Kingdom of Saudi Arabia. The Regulations were further Amended by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12/7/1442H. Corresponding to 24/2/2021G.

3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

3.1 Basis of preparation

These unaudited interim condensed financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the kingdom of Saudi Arabia.

The unaudited 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 2022.

The unaudited interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for investments at fair value through FVOCI that are measured at fair value. These unaudited interim condensed financial statements are presented in Saudi Arabian Riyals (“SR”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest SR.

SAB Invest Saudi Riyal Murabaha Fund
(Formerly known as Alawwal Invest Saudi Riyal Murabaha Fund)

Notes to the unaudited interim condensed financial statements (continued)
At 30 June 2023

3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

3.2 New standards, interpretations and amendments (continued)

3.2.1 New standards and amendments adopted by the Fund

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the Fund's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements.

Standard, interpretation and amendments	Description	Effective date
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which previously permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	Annual periods beginning on or after 1 January 2023
Amendment to IAS 12-deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023

3.2.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	Deferred until accounting periods starting not earlier than 1 January 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	Annual periods beginning on or after 1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	Annual periods beginning on or after 1 January 2024

SAB Invest Saudi Riyal Murabaha Fund
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Notes to the unaudited interim condensed financial statements (continued)
At 30 June 2023

4. CASH AND CASH EQUIVALENTS

	<i>30 June 2023 (Unaudited) SR</i>	<i>31 December 2022 (Audited) SR</i>
Cash and cash equivalents	2,703,978	7,467,031
Placement with banks (with original maturity of less than 90 days)	829,000,000	1,065,000,000
Total cash and cash equivalents	831,703,978	1,072,467,031

5. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	<i>30 June 2023 (Unaudited) SR</i>	<i>31 December 2022 (Audited) SR</i>
Murabaha placements with original maturity of less than 90 days	829,000,000	1,065,000,000
Murabaha placements – maturing between 90 and 360 days	550,000,000	308,000,000
	1,379,000,000	1,373,000,000
Accrued special commission income	13,379,456	16,941,690
Allowance for expected credit losses	(149,830)	(330,309)
	1,392,229,626	1,389,611,381

The movement in the allowance for expected credit losses for Murabaha placements is summarized as follows:

	<i>30 June 2023 (Unaudited) SR</i>	<i>30 June 2022 (Unaudited) SR</i>
Balance at beginning of the period	330,309	751,071
(Reversal of) / charge for the period	(180,479)	(234,320)
Balance at the end of the period	149,830	516,751

The methodology and assumptions applied by the Fund in estimating the ECL on the Murabaha placements are based on using the Moody's rating scales which are then adjusted for country specific data based on where the Murabaha placements are, forward looking estimates and macroeconomic variables such as expected GDP growth, to determine the ECL as at the end of the reporting period.

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Notes to the unaudited interim condensed financial statements (continued)
At 30 June 2023

5. FINANCIAL ASSETS MEASURED AT AMORTISED COST (continued)

Financial assets measured at amortised cost are composed of the following:

<u>30 June 2023 (Unaudited)</u>	<i>% of Value</i>	<i>Cost SR</i>
Remaining maturity		
Up to 1 month	23%	319,000,000
1-3 months	37%	510,000,000
3-6 months	40%	550,000,000
	100%	1,379,000,000

<u>31 December 2022 (Audited)</u>	<i>% of Value</i>	<i>Cost SR</i>
Remaining maturity		
Up to 1 month	36%	500,000,000
1-3 months	41%	565,000,000
3-6 months	23%	308,000,000
	100%	1,373,000,000

6. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	<i>30 June 2023 (Unaudited) SR</i>	<i>31 December 2022 (Audited) SR</i>
Debt Securities - Sukuks	25,000,000	25,000,000
Accrued special commission income	277,039	279,597
	25,277,039	25,279,597

SAB Invest Saudi Riyal Murabaha Fund
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Notes to the unaudited interim condensed financial statements (continued)
 At 30 June 2023

6. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (continued)

The average special commission rate on investments as at the end of June 2022 is 6.43% p.a. (31 December 2022: 6.39% p.a.). The above debt securities are redeemable at par.

The movement in the allowance for expected credit losses for debt securities (sukuk) is summarized as follows:

	30 June 2023 (Unaudited) SR	30 June 2022 (Unaudited) SR
Balance at beginning of the period	7,766	8,004
(Reversal of) charge for the period	(4,718)	(236)
Balance at the end of the period	3,048	7,768

The methodology and assumptions applied by the Fund in estimating the ECL on sukuk placements is based on using the Moody's rating scales which are then adjusted for country specific data based on where the sukuk's underlying assets / projects are, forward looking estimates and macroeconomic variables such as expected GDP growth, to determine the ECL as at the end of the reporting year.

7. TRANSACTIONS WITH RELATED PARTIES

The Fund Manager charges to the Fund on each Valuation Day, management fees at a rate of 0.35% of Net assets value. The Fee schedule allows charging up to 0.70%, subject to certain conditions, as detailed in Fund Terms and conditions.

During the period, the Fund entered into the following transactions with related parties in the ordinary course of business:

<i>Related Party</i>	<i>Nature of transactions</i>	<i>Amount of transactions during the period</i>		<i>Closing Balance</i>	
		<i>June 2023</i>	<i>June 2022</i>	<i>June 2023</i>	<i>June 2022</i>
SAB Invest (Fund Manager)	Management fee	2,757,506	3,843,141	467,127	541,305
	Cash and cash equivalents			-	-
Board of directors	BOD fees	7,830	7,787	23,619	15,789
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents			-	6,728,493

*The fund management fees include VAT amount of SR 359,675 (30 June 2022: SR 501,279).

A. Transactions and balances with Funds managed by the Fund Manager

Investments by other funds in SAB Invest Saudi Riyal Murabaha Fund are set out below:

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance</i>	
		<i>2023 SR</i>	<i>2022 SR</i>	<i>2023 SR</i>	<i>2022 SR</i>
SAB Invest Sukuk Fund	Issuance / (redemption), net	(155,510)	(127,856)	2,935,641	3,034,138

SAB Invest Saudi Riyal Murabaha Fund
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Notes to the unaudited interim condensed financial statements (continued)
 At 30 June 2023

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's investments at FVOCI is measured at fair values and classified within level 2 of the fair value hierarchy. All other financial assets and liabilities are classified as amortized cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 3 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

9. 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:

<i>As at 30 June 2023</i> <i>(Unaudited)</i>	<i>Less than</i> <i>1 month</i> <i>SR</i>	<i>1 to 3</i> <i>months</i> <i>SR</i>	<i>3 months to</i> <i>1 year</i> <i>SR</i>	<i>From 1 year</i> <i>to 5 years</i> <i>SR</i>	<i>Total</i> <i>SR</i>
ASSETS					
Financial assets measured at FVOCI	-	-	-	25,000,000	25,000,000
Financial assets measured at amortised cost	319,000,000	510,000,000	550,000,000	-	1,379,000,000
Total commission -bearing assets	<u>319,000,000</u>	<u>510,000,000</u>	<u>550,000,000</u>	<u>25,000,000</u>	<u>1,404,000,000</u>
LIABILITIES					
Total commission – bearing liabilities	-	-	-	-	-
Total commission rate gap	<u>319,000,000</u>	<u>510,000,000</u>	<u>550,000,000</u>	<u>25,000,000</u>	<u>1,404,000,000</u>
<i>As at 31 December 2022</i> <i>(Audited)</i>	<i>Less than</i> <i>1 month</i> <i>SR</i>	<i>1 to 3</i> <i>months</i> <i>SR</i>	<i>3 months to</i> <i>1 year</i> <i>SR</i>	<i>From 1 year to</i> <i>5 years</i> <i>SR</i>	<i>Total</i> <i>SR</i>
ASSETS					
Financial assets measured at FVOCI	-	-	-	25,000,000	25,000,000
Financial assets measured at amortised cost	500,000,000	565,000,000	308,000,000	-	1,373,000,000
Total commission -bearing assets	<u>500,000,000</u>	<u>565,000,000</u>	<u>308,000,000</u>	<u>25,000,000</u>	<u>1,398,000,000</u>
LIABILITIES					
Total commission – bearing liabilities	-	-	-	-	-
Total commission rate gap	<u>500,000,000</u>	<u>565,000,000</u>	<u>308,000,000</u>	<u>25,000,000</u>	<u>1,398,000,000</u>

10. LAST VALUATION DAY

The last valuation day of the period was 30 June 2023 (year ended 31 December 2022: 31 December 2022).

SAB Invest Saudi Riyal Murabaha Fund
(Formerly known as Alawwal Invest Saudi Riyal Murabaha Fund)

Notes to the unaudited interim condensed financial statements (continued)
At 30 June 2023

11. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the Fund Manager has made certain revisions to the Terms and Conditions of the Fund. The latest update was approved by the Capital Market authority (the “CMA”) on 24 Dhul Hijja 1444H (corresponding to 12 July 2023). Further, the Fund Manager announced changes in the board of directors on 5 Muharram 1445H (Corresponding to 23 July 2023).

12. APPROVAL OF THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund’s management on 20 Muharram 1445H (corresponding to 7 August 2023).