

**SAB Invest Saudi Construction & Cement Companies
Equity Fund
(Formerly known as Alawwal Invest Saudi Construction
And Cement Companies Equity 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 CONSTRUCTION AND CEMENT COMPANIES EQUITY FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Saudi Construction and Cement Companies Equity Fund (formerly known as Alawwal Invest Saudi Construction and Cement Companies Equity 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 Construction and Cement Companies Equity Fund
(Formerly known as Alawwal Invest Saudi Construction and Cement Companies
Equity Fund)

Interim condensed statement of financial position

As at 30 June 2023

	<i>Notes</i>	30 June 2023 (Unaudited) SR	<i>31 December 2022 (Audited) SR</i>
ASSETS			
Cash and cash equivalents		3,850,651	3,853,738
Financial assets at fair value through profit or loss (“FVTPL”)	4	45,798,611	37,883,366
Receivables and advances		50,202	23,908
TOTAL ASSETS		49,699,464	41,761,012
LIABILITIES			
Management fee payable	5	82,597	75,527
Accrued expenses and other payables		161,745	197,950
TOTAL LIABILITIES		244,342	273,477
EQUITY			
Net assets attributable to unitholders of redeemable units		49,455,122	41,487,535
TOTAL LIABILITIES AND EQUITY		49,699,464	41,761,012
Redeemable units in issue		6,256,700	6,287,057
Net asset value attributable to each per unit		7.90	6.60

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

SAB Invest Saudi Construction and Cement Companies Equity Fund
(Formerly known as Alawwal Invest Saudi Construction and Cement Companies Equity Fund)

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

	<i>Notes</i>	2023 SR	2022 SR
INCOME			
Net realized loss on financial assets at FVTPL		-	(510,054)
Net unrealized gain / (loss) on financial assets at FVTPL		7,915,246	(4,855,729)
Dividend income		1,086,779	1,227,232
Other income		128	1,604
TOTAL INCOME / (LOSS)		9,002,153	(4,136,947)
EXPENSES			
Management fees	5	450,062	543,919
Other expenses		68,169	79,402
TOTAL EXPENSES		518,231	623,321
NET INCOME / (LOSS) FOR THE PERIOD		8,483,922	(4,760,268)
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		8,483,922	(4,760,268)

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

SAB Invest Saudi Construction and Cement Companies Equity Fund
(Formerly known as Alawwal Invest Saudi Construction and Cement Companies
Equity 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 AT THE BEGINNING OF THE PERIOD	41,487,535	56,932,518
Net income / (loss) for the period	8,483,922	(4,760,268)
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	8,483,922	(4,760,268)
Issue of units during the period	4,107,360	3,839,932
Redemption of units during the period	(4,623,695)	(9,212,007)
Net change	(516,335)	(5,372,075)
EQUITY AT THE END OF THE PERIOD	49,455,122	46,800,175
	<u>Units</u>	<u>Units</u>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the period are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	6,287,057	7,206,599
Issue of units during the period	592,476	467,460
Redemption of units during the period	(622,833)	(1,153,695)
Net change in units	(30,357)	(686,235)
UNITS AT THE END OF THE PERIOD	6,256,700	6,520,364

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

SAB Invest Saudi Construction and Cement Companies Equity Fund
(Formerly known as Alawwal Invest Saudi Construction and Cement Companies
Equity 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 / (loss) for the period	8,483,922	(4,760,268)
<i>Adjustments to reconcile net income / (loss) to net cash flows from operating activities:</i>		
Movement in unrealised (gain) / loss on financial assets at FVTPL	(7,915,246)	4,855,729
Dividend income	(1,086,779)	(1,227,232)
Operating income before changes in working capital	(518,103)	(1,131,771)
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	-	4,562,151
Receivable and advances	(26,294)	(4,965)
Management fee payable	7,070	(4,746)
Accrued expenses and other payables	(36,204)	42,327
Cash flows (used in) / generated from operations	(573,531)	3,462,996
Dividends received	1,086,779	1,227,232
Net cash flows generated from operating activities	513,248	4,690,228
Financing activities		
Proceeds from issuance of units	4,107,360	3,839,932
Payment on redemption of units	(4,623,695)	(9,212,007)
Net cash flows used in financing activities	(516,335)	(5,372,075)
Net decrease in cash and cash equivalents	(3,087)	(681,847)
Cash and cash equivalents at the beginning of the period	3,853,738	1,171,427
Cash and cash equivalents at the end of the period	3,850,651	489,580

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

SAB Invest Saudi Construction and Cement Companies Equity Fund (Formerly known as Alawwal Invest Saudi Construction and Cement Companies Equity Fund)

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

1. INCORPORATION AND ACTIVITIES

SAB Invest Saudi Construction and Cement Companies Equity Fund (Formerly known as Alawwal Invest Saudi Construction and Cement Companies Equity Fund) (the “Fund”) is an investment fund established through an agreement between SAB Invest (Formerly known as Alawwal Invest) (the “Fund Manager”) and investors (the “Unitholders”).

The objective of the Fund is to achieve capital appreciation over the medium to long-term by investing in Shariah compliant shares of construction and cement companies listed on Tadawul (Saudi Stock Market). The Fund has become shariah compliant with effect from 17 January 2012.

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”) 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 by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12 Rajab 1442H. Corresponding to 24 February 2021G (the “Amended Regulations”). The amended regulations are effective from 19 Ramadan 1442, corresponding to 1 May 2021).

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 financial assets held at FVTPL 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 Construction and Cement Companies Equity Fund
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Notes to unaudited interim condensed financial statements (continued)
At 30 June 2023

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

3.2. New standards and amendments to standards

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

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Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

The composition of the investment’s portfolio on the last valuation day of the period/year end is summarised below:

	30 June 2023 (Unaudited)			
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain/(loss) SR</i>
<i>Investments in equities (by sector)</i>				
Materials	85.1%	39,721,798	38,957,713	(764,085)
Capital goods	14.9%	6,377,853	6,840,898	463,045
Total	100.0%	46,099,651	45,798,611	(301,040)
	31 December 2022 (Audited)			
	<i>% of Market Value</i>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>Unrealised Gain/(loss) SR</i>
<i>Investments in equities (by sector)</i>				
Materials	86%	39,721,798	32,562,822	(7,158,976)
Capital goods	14%	6,377,854	5,320,544	(1,057,310)
Total	100.0%	46,099,652	37,883,366	(8,216,286)

The above equity investments are listed on the Saudi Stock Exchange (“Tadawul”). The Fund Manager seeks to limit risk for the Fund by monitoring exposures in each investment sector and individual securities.

5. TRANSACTIONS WITH RELATED PARTIES

A. Transactions and balances with Fund Manager

In the ordinary course of its activities, the Fund transacts business with related parties. The following are the details of major related party transactions during the period:

<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 (Fund Manager)	Fund management fee	450,062	543,919	82,597	75,527
	Administration fee	13,237	15,998	2,433	2,094
	Board member fee	9,917	9,917	34,457	24,540
	Cash and cash equivalents			-	-
Saudi Awwal Bank (Parent of Fund Manager)	Cash at bank			-	64,485

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.70% per annum calculated on the total asset value at each valuation date. The fee is intended to compensate the Fund Manager for administration of the Fund.

The management fees amounting to SR 450,062 (30 June 2022: SR 543,919) reflected in the unaudited interim condensed statement of comprehensive income represent the fees charged by the Fund Manager during the period as described above.

SAB Invest Saudi Construction and Cement Companies Equity Fund
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Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

5. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 30 June 2023, management fees amounting to SR 82,597 (31 December 2022: SR 75,527) are payable to the Fund Manager.

There are no units in issue as at 30 June 2023 (31 December 2022: Nil units) that are held by the Fund Manager or any other funds managed by the fund manager.

B. Transactions with 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 5,000 per meeting.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 1 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 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

7. 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 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	3,850,651	-	3,850,651
Financial assets at FVTPL	45,798,611	-	45,798,611
Receivables and advances	50,202	-	50,202
TOTAL ASSETS	49,699,464	-	49,699,464
LIABILITIES			
Management fee payable	82,597	-	82,597
Accrued expenses and other payables	161,745	-	161,745
TOTAL LIABILITIES	244,342	-	244,342

SAB Invest Saudi Construction and Cement Companies Equity Fund
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Notes to unaudited interim condensed financial statements (continued)

At 30 June 2023

7. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

<i>As at 31 December 2022 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	3,853,738	-	3,853,738
Financial assets at FVTPL	37,883,366	-	37,883,366
Receivables and advances	23,908	-	23,908
TOTAL ASSETS	41,761,012	-	41,761,012
LIABILITIES			
Management fee payable	75,527	-	75,527
Accrued expenses and other payables	197,950	-	197,950
TOTAL LIABILITIES	273,477	-	273,477

8. LAST VALUATION DAY

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

9. 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).

10. 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).