

YAQEEEN SAUDI EQUITY FUND
(Managed by Yaqeen Capital)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2024
Together with the
Independent Auditor's Review Report

YAQEEEN SAUDI EQUITY FUND
(Managed by Yaqeen Capital)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2024

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KPMG Professional Services

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كي بي إم جي للاستشارات المهنية

واجهة رoshn، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Unitholders of Yaqeen Saudi Equity Fund

Introduction

We have reviewed the accompanying condensed interim financial statements of **Yaqeen Saudi Equity Fund** (the "Fund"), managed by Yaqeen Capital (the "Fund Manager"), which comprises:

- the condensed interim statement of financial position as at 30 June 2024;
- the condensed interim statement of comprehensive income for the six-month period ended 30 June 2024;
- the condensed interim statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2024;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2024; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by Capital Market Authority and 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 Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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 30 June 2024 condensed interim financial statements of **Yaqeen Saudi Equity Fund** (the "Fund") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Hani Hamzah A. Bedairi
License No. 460



Riyadh on 8 August 2024
Corresponding to: 4 Safar 1446H

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كي بي إم جي للاستشارات المهنية شركة مبنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠.٠٠٠.٠٠٠) ريال سعودي منفوخ بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاء محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

YAQEEEN SAUDI EQUITY FUND
(Managed By Yaqeen Capital)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

(All amounts are in Saudi Riyals unless stated otherwise)

	<u>Notes</u>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
Cash and cash equivalent	6	3,850,669	17,282,378
Financial assets at fair value through profit or loss (FVTPL)	7	156,358,918	163,281,737
Dividends receivable		301,246	-
Total assets		160,510,833	180,564,115
LIABILITIES			
Management fee payable	9	854,746	851,621
Other liabilities		17,296	15,891
Total liabilities		872,042	867,512
Net assets (equity) attributable to the Unitholders		159,638,791	179,696,603
Units in issue (number)		30,670,227	36,542,451
Net asset value per unit	10	5.21	4.92

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

YAQEEEN SAUDI EQUITY FUND
(Managed By Yaqeen Capital)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

	Note	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Income			
Dividend income		2,838,402	2,588,575
Fair value gain on financial assets at FVTPL, net		9,415,437	27,881,523
Total income		12,253,839	30,470,098
Expenses			
Management fees	9	(1,777,285)	(1,599,764)
Other expenses		(57,536)	(55,013)
Total expenses		(1,834,821)	(1,654,777)
Profit for the period		10,419,018	28,815,321
Other comprehensive income for the period		-	-
Total comprehensive income for the period		10,419,018	28,815,321

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

YAQEEEN SAUDI EQUITY FUND
(Managed By Yaqeen Capital)
CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

	30 June 2024	30 June 2023
Net assets (equity) attributable to the Unitholders at the beginning of the period (Audited)	179,696,603	149,006,240
Total comprehensive income for the period	10,419,018	28,815,321
Unitholders subscriptions and redemptions:		
Issuance of redeemable units during the period	4,457,371	828,561
Redemption of redeemable units during the period	(34,934,201)	(3,731,807)
Net assets (equity) attributable to the Unitholders at the end of the period (Unaudited)	<u>159,638,791</u>	<u>174,918,315</u>

Movement in number of units

The movement in number of units for the six-month period ended 30 June is as follows:

	30 June 2024	30 June 2023
Number of units at the beginning of the period (Audited)	36,542,451	40,299,992
Issuance of redeemable units during the period	856,358	199,884
Redemption of redeemable units during the period	(6,728,582)	(898,126)
Number of units at the end of the period (Unaudited)	<u>30,670,227</u>	<u>39,601,750</u>

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

YAQEEEN SAUDI EQUITY FUND
(Managed By Yaqeen Capital)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

	30 June 2024	30 June 2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit for the period	10,419,018	28,815,321
<i>Adjustments to reconcile profit for the period to net cash flows generated operating activities:</i>		
Fair value gain on financial assets at FVTPL, net	(9,415,437)	(27,881,523)
Net (increase) / decrease in operating assets and liabilities:		
Purchase of financial assets at FVTPL	(111,320,253)	(99,161,173)
Proceeds from sale of financial assets at FVTPL	127,658,509	103,255,513
Dividend receivable	(301,246)	(14,600)
Management fee payable	3,125	56,298
Other liabilities	1,405	246
Net cash flows generated from operating activities	17,045,121	5,070,082
Cash flows from financing activities		
Issuance of redeemable units during the period	4,457,371	828,561
Redemption of redeemable units during the period	(34,934,201)	(3,731,807)
Net cash flow used in financing activities	(30,476,830)	(2,903,246)
Net (decrease) / increase in cash and cash equivalent	(13,431,709)	2,166,836
Cash and cash equivalent at the beginning of the period	17,282,378	10,367,947
Cash and cash equivalent at the end of the period	3,850,669	12,534,783

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

YAQEEEN SAUDI EQUITY FUND
(Managed By Yaqeen Capital)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

1. GENERAL

Yaqeen Saudi Equity Fund (the “Fund”) is a Fund established under an agreement between Yaqeen Capital ("Fund Manager") and Fund’s Investors ("Unitholders"). The Fund's objectives are to achieve long-term capital growth through investing in securities listed on the Saudi exchange that meet Islamic Sharia. The Fund is "open-ended" and does not normally distribute any dividends to the Unitholders. Instead, all profits collected in the Fund are reinvested and are reflected in the price of the Fund’s unit.

The address of the Fund manager is as follows:

Yaqeen Capital Company
Olaya Street, P.O. 884
Riyadh 11421
Kingdom of Saudi Arabia

Yaqeen Capital Company is the administrator of the Fund. Further, Al-Bilad Capital Company is the custodian of the Fund as per the terms and conditions of the Fund.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. In addition, the Unitholders are considered as owners benefiting from the Fund's assets.

The Capital Market Authority (CMA) license to establish the Fund was obtained on 10 Jumada Al Akhir 1441H (corresponding to 4 February 2020). The Fund commenced its activities on 14 Shaban 1441H (corresponding to 8 April 2020).

The Fund is governed by the Investment Fund Regulations (the “Regulations”).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS-34 “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the condensed interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

The Fund has also complied with Investment Funds Regulations published by CMA and the Fund’s terms and conditions (collectively hereinafter referred to as “Terms and Conditions”).

The disclosures made in these condensed interim financial statements have been limited in accordance with the requirements of IAS 34. These 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 annual audited financial statements of the Fund for the year ended 31 December 2023.

YAQEEEN SAUDI EQUITY FUND
(Managed By Yaqeen Capital)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of measurement

These condensed interim financial statements have been prepared on a historical cost convention, except for the financial assets at fair value through profit or loss that are measured at fair value.

Further, these condensed interim financial statements are prepared using going concern basis.

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

In the ordinary course of business, the preparation of the condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. There are no areas of significant judgment or critical assumption used in the preparation of these condensed interim financial statements.

3. NEW AND AMENDED STANDARDS

Standard amendments issued and effective

Following are the amendments to standards which are effective for annual periods beginning on or after 1 January 2024. The adoption of these new standards did not have a significant impact on the condensed interim financial statements of the Fund.

- a. Amendments to IAS 8 Accounting policies, Changes in accounting estimates and errors
- b. Amendment to IAS 1 and IFRS Practice Statement 2 relating to disclosure of Accounting Policies
- c. Deferred Tax related to Assets and liabilities arising from a Single Transaction – Amendment to IAS 12

Standards issued but not yet effective

Following are the new amendments to standards, which are effective for annual periods beginning on, or after 1 January 2024 and earlier application is permitted however, the Fund has not early adopted them in preparing these interim financial statements. The following standards are not expected to have a significant impact on the condensed interim financial statements of the Fund upon adoption:

- a. Lack of exchangeability (Amendments to IAS 21). [Effective date: 1 January 2025]
- b. Presentation and disclosure in financial statements (Amendments to IFRS 18). [Effective date: 1 January 2027]
- c. Reducing disclosures for subsidiaries (Amendment to IFRS 19). [Effective date: 1 January 2027]
- d. Sale or contribution of assets between investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28). [Available for optional adoption / effective date deferred indefinitely]

4. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the last annual audited financial statements of the Fund for the year ended 31 December 2023.

YAQEEEN SAUDI EQUITY FUND
(Managed By Yaqeen Capital)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

5. MANAGEMENT FEE, CUSTODY FEE AND OTHER EXPENSES

The Fund's expenses include management fee, custody fee and other expenses. These expenses are recognised on an accrual basis. Management and custody fee are based on predetermined rates specified in the Terms and Conditions of the Fund. Detailed policies are as follows:

Management fee

The Fund pays 1.75% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

Custody fee

The Fund accrues custody fee at an annual rate of 0.02% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

Regulatory fee

The Fund records regulatory fees to be paid to Capital Market Authority of SR 7,500 annually as specified in the terms and conditions.

Dealing expenses

Dealing expenses are recorded at cost associated with trading the shares. These are recorded by the fund as and when they are incurred.

6. CASH AND CASH EQUIVALENT

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash at bank	<u>3,850,669</u>	<u>17,282,378</u>

Cash and cash equivalent comprise balance held with Al Bilad Bank which has a A3 long term credit rating as per Moody's.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The Fund's financial assets at FVTPL comprise of investments in the securities listed on the Saudi Stock Exchange, Tadawul, that are Shariah compliant. The Fund invests in the shares of enterprises within the targeted indicator portfolio, considering the relative weights of assets distribution, while sufficient cash is held continuously to meet expenses and any other obligations on the Fund.

Movement in investments carried at fair value through profit or loss is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Opening balance	163,281,737	139,438,528
Purchased during the period / year	111,320,253	195,872,956
Sold during the period / year	(127,658,509)	(218,202,999)
	146,943,481	117,108,485
Net changes in investment at FVTPL		
Realized fair value gain, net for the period / year	11,383,353	27,413,495
Unrealized fair value (loss) / gain, net for the period / year	(1,967,916)	18,759,757
Fair value gain on financial assets at FVTPL, net	9,415,437	46,173,252
Closing balance	156,358,918	163,281,737

YAQEEEN SAUDI EQUITY FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)
(CONTINUED)**

Investments in listed equity securities are valued at published market prices on Tadawul. The geographical dispersion of above investments is within the Kingdom of Saudi Arabia.

The classification of investments at fair value through profit or loss into industry groups specified by Tadawul is summarised below:

Industry group	30 June 2024		31 December 2023	
	%	(Unaudited)	%	(Audited)
Banks	19.17%	29,971,500	16.31%	26,632,900
Material	18.32%	28,642,889	18.40%	30,041,300
Software and services	15.86%	24,799,489	8.83%	14,413,480
Insurance	9.40%	14,694,980	8.88%	14,499,800
Telecommunication services	8.55%	13,369,000	8.29%	13,532,000
Food and beverages	5.48%	8,566,250	5.82%	9,495,500
Health care equipment and services	4.87%	7,611,360	7.08%	11,555,440
Consumer Staples distribution and Retail	3.79%	5,931,000	3.78%	6,165,000
Commercial and professional services	3.12%	4,876,235	0.00%	-
Capital Goods	2.57%	4,024,000	3.02%	4,926,237
Energy	2.54%	3,977,675	5.05%	8,250,000
Transportation	2.41%	3,775,240	0.00%	-
Pharma, Biotech & Life Science	2.05%	3,198,800	0.00%	-
Financial Services	1.87%	2,920,500	0.00%	-
Media and entertainment	-	-	6.56%	10,712,000
Utilities	-	-	3.32%	5,420,800
Real Estate Mgmt & Development	-	-	2.35%	3,834,000
Consumer Discretionary distribution and Retail	-	-	2.33%	3,803,280
	100%	156,358,918	100%	163,281,737

8. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a market price, because this price is assessed to be a reasonable approximation of the exit price.

The fair value hierarchy consists of the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for assets and liabilities.

YAQEEEN SAUDI EQUITY FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

8. FAIR VALUE MEASUREMENT (CONTINUED)

The Fund has classified investments measured at fair value through profit or loss (FVTPL) as level 1 as per the fair value hierarchy as their fair values are based on prices quoted in the active market. The Fund does not adjust the quoted prices for these instruments. During the period, there has been no transfer in fair value hierarchy. For other financial assets and liabilities, i.e. cash and cash equivalent, dividend receivable, management fee payable and other liabilities, the carrying values were determined to be a reasonable approximation of fair value due to their short-term nature.

9. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The related parties of the Fund include Fund Manager, the Fund's Board, other Funds managed by the Fund Manager, and the key management personnel of the Fund Manager.

In the ordinary course of business, the Fund transacts with its related parties that are in turn subject to the Fund's terms and conditions approved by the CMA. The Fund entered into the following transactions with its related parties during the period and the balances arising from these transactions are also mentioned below.

Related party	Relationship	Nature of transaction	Transactions for the period		Balance as at	
			30 June 2024	30 June 2023	30 June 2024	31 December 2023
			(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Management fee	(1,777,285)	(1,599,764)	854,746	851,621
Yaqeen Capital	Fund Manager	Investment held by the Fund in shares of the Fund Manager – 90,000 units (31 December 2023: Nil)	3,282,544	-	2,920,500	-

The Fund pays management fees calculated on each valuation day at the percentage shown below of the Fund's net assets value.

	<u>Percentage</u>
Management fees	1.75%

10. UNIT VALUE RECONCILIATION

The Fund's financial assets held at amortised cost were considered for ECL as on 30 June 2024. However, the impact of ECL on these assets was immaterial as cash and cash equivalent is held with a bank and dividend receivable is recoverable from a company having sound credit rating and there is no history of default or recovery of these balances. Accordingly, these condensed interim financial statements do not contain any ECL adjustments.

YAQEEEN SAUDI EQUITY FUND
(Managed By Yaqeen Capital)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts are in Saudi Riyals unless stated otherwise)

11. CONTINGENCIES AND COMMITMENTS

There are no commitments and contingencies as of 30 June 2024.

12. LAST VALUATION DAY

The Fund's units are valued, and the net assets value is calculated at the end of each working day (valuation day). The last day of valuation was 30 June 2024.

13. SUBSEQUENT EVENTS

There are no events subsequent to the reporting period which require adjustment or disclosure to these condensed interim financial statements.

14. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund's Board on 8 August 2024.