

ANB Capital Pure Saudi Equity Fund (Shariah)
(Managed by ANB Capital Company)

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF ANB CAPITAL PURE SAUDI EQUITY FUND (SHARIAH) (MANAGED BY ANB CAPITAL COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of ANB capital Pure Saudi Equity Fund (the "Fund") managed by anb capital Company (the "Fund Manager") as at 30 June 2024, and the related interim condensed statement of comprehensive income, interim condensed statement of changes in equity attributable to the unitholders and interim condensed statement of 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 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" as 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: 7 Safar 1446H
(11 August 2024)

anb capital Pure Saudi Equity Fund (Shariah)
(Managed by anb capital Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	<i>Note</i>	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
ASSETS			
Financial assets at fair value through profit or loss (FVTPL)	5	223,801,605	207,357,855
Dividend receivables		96,528	-
Cash and cash equivalent with custodian		2,335,336	3,586,860
TOTAL ASSETS		226,233,469	210,944,715
LIABILITIES			
Management fees payable	6	1,159,952	1,194,297
Accrued expenses		54,502	227,479
TOTAL LIABILITIES		1,214,454	1,421,776
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)		225,019,015	209,522,939
TOTAL LIABILITIES AND EQUITY		226,233,469	210,944,715
Redeemable units in issue		10,096,300	10,217,200
Net asset value attributable to each unit		22.29	20.51

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

anb capital Pure Saudi Equity Fund (Shariah)
(Managed by anb capital Company)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six-month period ended 30 June 2024

	<i>Note</i>	30 June 2024 SR	30 June 2023 SR
INCOME			
Net realized gain on disposal of financial assets at FVTPL	5	36,576,943	39,372,231
Net unrealized gain (loss) on financial assets at FVTPL	5	(16,308,591)	5,423,846
Dividend income		2,183,764	3,980,397
		<hr/>	<hr/>
TOTAL INCOME		22,452,116	48,776,474
EXPENSES			
Management fees	6	(2,015,663)	(2,549,485)
Other fees	6	(457,506)	(570,794)
		<hr/>	<hr/>
TOTAL EXPENSES		(2,473,169)	(3,120,279)
		<hr/>	<hr/>
NET INCOME FOR THE PERIOD		19,978,947	45,656,195
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		19,978,947	45,656,195
		<hr/> <hr/>	<hr/> <hr/>

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

anb capital Pure Saudi Equity Fund (Shariah)

(Managed by anb capital Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)

For the six-month period ended 30 June 2024

	<i>30 June 2024 SR</i>	<i>30 June 2023 SR</i>
Equity attributable to the unitholders at beginning of the period	209,522,939	245,327,742
Total comprehensive income for the period	19,978,947	45,656,195
<i>Issuance and redemption of units</i>		
Issuance of units during the period	18,530,048	50,549,890
Redemptions of units during the period	(23,012,919)	(22,945,593)
Net changes in units	(4,482,871)	27,604,297
Equity attributable to the unitholders at end of the period	225,019,015	318,588,234

REDEEMABLE UNIT TRANSACTIONS

Transactions in redeemable units during the period are summarised, as follows:

	<i>30 June 2023 Units</i>	<i>30 June 2022 Units</i>
Units at beginning of the period	10,217,200	15,850,394
Issuance of units during the period	815,853	067
Redemptions of units during the period	(936,753)	(1,363,633)
Net changes in units	(120,900)	1,781,434
Units at end of the period	10,096,300	17,631,828

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

anb capital Pure Saudi Equity Fund (Shariah)
(Managed by anb capital Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2024

	<i>30 June</i> <i>2024</i> <i>SR</i>	<i>30 June</i> <i>2023</i> <i>SR</i>
OPERATING ACTIVITIES		
Net income for the period	19,978,947	45,656,195
Adjustments:		
Net movement in unrealized (gain) loss on financial assets at FVTPL	16,308,591	(5,423,846)
Dividend income	(2,183,764)	(3,980,397)
	34,103,774	36,251,952
Working capital adjustments:		
Financial assets at FVTPL	(32,752,341)	(38,697,337)
Management fees payable and accrued expenses	(207,322)	187,560
Dividend receivable	-	25,198
Redemption payable	-	(293,246)
Advances for IPO subscription	-	6,230,000
Net cash (used in) from operations	1,144,111	(8,755,873)
Dividend received	2,087,236	3,980,397
Net cash flows from (used in) operating activities	3,231,347	(4,775,476)
FINANCING ACTIVITIES		
Proceed from issuance of units	18,530,048	50,549,890
Payment on redemption of units	(23,012,919)	(22,945,593)
Net cash flows (used in) from financing activities	(4,482,871)	27,604,297
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,251,524)	22,828,821
Cash and cash equivalents at beginning of the period	3,586,860	4,716,046
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,335,336	27,544,867

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

anb capital Pure Saudi Equity Fund (Shariah)
(Managed by anb capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

1. GENERAL

ANB Capital Pure Saudi Equity Fund (Shariah) (the “Fund”) is open-ended fund. The investment object of the Fund is to achieve long-term growth of capital through investments in a broadly diversified portfolio of pure Shariah compliant Saudi Arabian equity securities including Murabaha transactions. The Fund was established on 21 Sha’aban 1426H (corresponding to 25 October 2005) by Arab National Bank (the “Bank”) which is now managed by ANB capital company (the “Fund Manager”). The address of the registered office of the Fund Manager is ANB capital company Building, King Faisal Road, Murabba district, Riyadh, Kingdom of Saudi Arabia.

In accordance with the Capital Market Authority’s (CMA) decision No. 1-83-2005 dated 21 Jumada Awal 1426H (corresponding to 28 June 2005) issued by the CMA Board in connection with the regulations relating to Authorised Persons, the Bank has transferred its asset management operations to ANB capital company (“the Fund Manager”), a wholly owned subsidiary of the Bank, effective 1 January 2008.

The Fund has appointed AlBilad Investment Company (the “Custodian”) to act as its custodian and registrar. The fees of the custodian and registrar’s 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 by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12 Rajab1442H. 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 interim condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia.

The interim condensed financial statements do not include all the information and disclosures required in annual financial statements and should, therefore, be read in conjunction with the annual financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

These interim condensed financial statements have been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss which are stated at their fair value.

These interim condensed financial statements are presented in Saudi Riyals (“SR”), which is the functional currency of the Fund.

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

3.2 New standards, interpretations and amendments

3.2.1 New standards and amendments adopted by the Fund

The material 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 2023, except for the adoption of new standards effective as of 1 January 2024. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

anb capital Pure Saudi Equity Fund (Shariah)
(Managed by anb capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2024

3.2 New standards, interpretations and amendments (Continued)

3.2.1 New standards and amendments adopted by the Fund

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements.

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, '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
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

3.2.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
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

4. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATE AND ASSUMPTIONS

The significant accounting judgements, estimates and assumptions used in preparation of interim condensed financial statements are consistent with those used in preparation of the Fund's annual financial statements for the year ended 31 December 2023.

anb capital Pure Saudi Equity Fund (Shariah)
(Managed by anb capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

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

The composition of the financial assets at fair value through profit or loss is summarised below:

<i>30 June 2024 (Unaudited)</i>				
<i>Equity shares - Sectors</i>	<i>% of market value</i>	<i>Cost SR</i>	<i>Market Value SR</i>	<i>Unrealized gain/(loss) SR</i>
Banks	23.84%	45,307,864	53,349,282	8,041,418
Health Care Equipment & Services	12.60%	24,141,413	28,204,847	4,063,434
Insurance	9.71%	16,768,042	21,731,927	4,963,885
Information technology	8.89%	16,964,606	19,897,292	2,932,686
Commercial & Professional Services	8.04%	15,961,892	18,003,010	2,041,118
Consumer services	7.53%	16,622,198	16,841,819	219,621
Energy	7.13%	16,699,881	15,950,619	(749,262)
Transportation	5.75%	12,767,252	12,873,133	105,881
Retailing	4.90%	10,021,857	10,962,293	940,436
Materials	4.52%	7,754,375	10,117,799	2,363,424
Real estate management and development	2.80%	6,614,604	6,275,227	(339,377)
REITs	2.43%	6,110,575	5,428,444	(682,131)
Food & Staples Retailing	1.86%	5,146,309	4,165,913	(980,396)
	100.00%	200,880,868	223,801,605	22,920,737

<i>As at 31 December 2023 (Audited)</i>				
<i>Description</i>	<i>% of market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain/(loss) SR</i>
<u>Sectors</u>				
Banks	36.90%	57,946,940	76,519,572	18,572,632
Materials	12.13%	23,148,725	25,157,637	2,008,912
Health Care Equipment and Services	11.97%	20,502,152	24,816,121	4,313,969
Software and Services	9.49%	15,424,769	19,678,449	4,253,680
Insurance	8.34%	13,385,533	17,297,347	3,911,814
Energy	3.89%	4,737,827	8,065,982	3,328,155
REITs	3.44%	7,408,694	7,144,875	(263,819)
Retailing	3.31%	5,386,604	6,862,319	1,475,715
Consumer Services	2.98%	6,235,603	6,176,142	(59,461)
Food and Staples Retailing	2.33%	5,146,309	4,823,689	(322,620)
Capital Goods	2.02%	3,610,895	4,182,108	571,213
Food & Beverages	1.70%	2,810,760	3,518,135	707,375
Commercial and Professional	1.50%	2,383,716	3,115,479	731,763
	100%	168,128,527	207,357,855	39,229,328

anb capital Pure Saudi Equity Fund (Shariah)
(Managed by anb capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

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

The movement of financial assets at fair value through profit and loss during the period, are as follows:

	<i>30 June</i> 2024 SR	<i>30 June</i> 2023 SR
Fair value as at beginning of the period	207,357,855	242,387,306
Net purchase (sales) of financial assets at FVTPL	(3,824,602)	(674,894)
Net realized gain on disposal of financial assets at FVTPL	36,576,943	39,372,231
Net unrealized gain on financial assets at FVTPL	(16,308,591)	5,423,846
Fair value as at end of period	<u>223,801,605</u>	<u>286,508,489</u>

6. TRANSACTIONS WITH RELATED PARTIES

The Fund pays a management fee at the rate of 1.75% per annum calculated based on the total net asset value at each valuation date. In addition, the Fund Manager also charges a fee at a maximum rate of 1% per annum calculated based on the total net asset value at each valuation date to meet other expenses of the Fund. A subscription fee of 2% may be charged to the subscribers by the Fund Manager upon subscription.

The management fees amounting to SR 2,015,663 (30 June 2023: SR 2,549,485) and other fees amounting to SR 457,506 (30 June 2023: SR 570,794) which have been reflected in the interim condensed statement of comprehensive income and represent the fees charged by the Fund Manager as described above.

The management fees payable and other fees payable to the Fund Manager at the period-end are disclosed in the interim condensed statement of financial position.

The unitholders' account included units held by:

	<i>30 June</i> 2024 <i>(Unaudited)</i>	<i>31 December</i> 2023 <i>(Audited)</i>
Funds under the Fund Managers	-	77,827
	<u>-</u>	<u>77,827</u>

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund measures its investments in financial instruments at fair value at each reporting date.

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. The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their closing price on the reporting date.

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 amortised cost. There were no transfers between various levels of fair value hierarchy during the current year or prior year.

anb capital Pure Saudi Equity Fund (Shariah)
(Managed by anb capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2024

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Fund's financial assets as at 30 June 2024 and 31 December 2023. There are no financial liabilities measured at fair value.

	<i>Total</i> <i>SR</i>	<i>Fair value measurement using</i>		
		<i>Quoted prices in active markets (Level 1)</i> <i>SR</i>	<i>Significant observable inputs (Level 2)</i> <i>SR</i>	<i>Significant unobservable inputs (Level 3)</i> <i>SR</i>
<i>As at 30 June 2024 (Unaudited)</i>				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL (listed on Tadawul)	223,801,605	223,801,605	-	-
<i>As at 31 December 2023 (Audited)</i>				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL (listed on Tadawul)	207,357,855	207,357,855	-	-

8. 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 2024 (Unaudited)</i>	<i>No fixed maturity SR</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS				
Financial assets at FVTPL	223,801,605	-	-	223,801,605
Advances for IPO subscription	-	96,528	-	96,528
Cash and cash equivalent with custodian	-	2,335,336	-	2,335,336
TOTAL ASSETS	223,801,605	2,431,864	-	226,233,469
LIABILITIES				
Management fees payable	-	1,159,952	-	1,159,952
Accrued expenses	-	54,502	-	54,502
TOTAL LIABILITIES	-	1,214,454	-	1,214,454
<i>As at 31 December 2023 (Audited)</i>				
ASSETS				
Financial assets at FVTPL	207,357,855	-	-	242,387,306
Cash and cash equivalent with custodian	-	3,586,860	-	4,716,046
TOTAL ASSETS	207,357,855	3,586,860	-	210,944,715
LIABILITIES				
Management fees payable	-	1,194,297	-	1,194,297
Accrued expenses	-	227,479	-	227,479
TOTAL LIABILITIES	-	1,421,776	-	1,421,776

9. LAST VALUATION DAY

The last valuation published day of the period was 30 June 2024 (2023: 31 December 2023).

10. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund's management on 7 Safar 1446H (corresponding to 11 August 2024).