

anb capital USD Trade 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



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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF anb capital USD TRADE FUND (SHARIAH) (MANAGED BY anb capital COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of anb capital USD Trade 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 USD Trade Fund (Shariah)
(Managed by anb capital Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

		30 June 2024 USD (Unaudited)	31 December 2023 USD (Audited)
	<i>Notes</i>		
ASSETS			
Murabaha placements at amortized cost	6	15,880,000	14,670,000
Accrued special commission income		283,436	314,768
Financial assets at fair value through profit or loss (FVTPL)	7	4,047,118	4,739,639
Subscription receivable		55,467	-
Cash and cash equivalent with custodian	5	1,473	34,835
		<hr/>	<hr/>
TOTAL ASSETS		20,267,494	19,759,242
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Management fees payable		11,854	10,074
Other payable		4,184	6,449
		<hr/>	<hr/>
TOTAL LIABILITIES		16,038	16,523
		<hr/> <hr/>	<hr/> <hr/>
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)		20,251,456	19,742,719
		<hr/> <hr/>	<hr/> <hr/>
TOTAL LIABILITIES AND EQUITY		20,267,494	19,759,242
		<hr/> <hr/>	<hr/> <hr/>
Redeemable units in issue		959,744	960,851
		<hr/> <hr/>	<hr/> <hr/>
Net asset value attributable to each unit		21.10	20.55
		<hr/> <hr/>	<hr/> <hr/>

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

ANB Capital USD Trade 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 USD	30 June 2023 USD
INCOME			
Special commission income	6	449,586	373,585
Net movement in unrealized gain on financial assets at FVTPL		(196,508)	104,645
Net realized gain on disposal of financial asset at FVTPL		321,330	270
TOTAL INCOME		574,408	478,500
EXPENSES			
Management fees	8	(20,363)	(18,400)
Other fees	8	(14,092)	(13,891)
TOTAL EXPENSES		(34,455)	(32,291)
NET INCOME FOR THE PERIOD		539,953	446,209
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		539,953	446,209

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

ANB Capital USD Trade 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</i> 2024 <i>USD</i>	<i>30 June</i> 2023 <i>USD</i>
Equity attributable to the unitholders at beginning of the period	19,742,719	18,935,833
Total comprehensive income for the period	539,953	446,209
<i>Issuance and redemptions of units</i>		
Issuance of units during the period	7,165,269	160,000
Redemptions of units during the period	(7,196,485)	(402,964)
Net changes in units	(31,216)	(242,964)
Equity attributable to the unitholders at end of the period	20,251,456	19,139,078

REDEEMABLE UNIT TRANSACTIONS

Transactions in units during the period are summarized, as follows:

	<i>30 June</i> 2024 <i>Units</i>	<i>30 June</i> 2023 <i>Units</i>
Units at beginning of the period	960,851	969,457
Issuance of units during the period	75,150	8,024
Redemptions of units during the period	(76,257)	(20,520)
Net changes in units	(1,107)	(12,496)
Units at end of the period	959,744	956,961

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

ANB Capital USD Trade Fund (Shariah)
(Managed by anb capital Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2024

	<i>Note</i>	<i>30 June</i> 2024 <i>USD</i>	<i>30 June</i> 2023 <i>USD</i>
OPERATING ACTIVITIES			
Net income for the period		539,953	446,209
Adjustment:			
Special commission income		(449,586)	(373,585)
Net movement in unrealized (gain) on financial assets at FVTPL		196,508	(104,645)
		286,875	(32,021)
Changes in operating assets and liabilities:			
Murabaha placements at amortised cost		(1,210,000)	(3,300,000)
Subscription receivable		(55,467)	-
Financial assets at FVTPL		496,013	(4,500,270)
Management fees payable and accrued expenses		(485)	(1,155)
		(483,064)	(7,833,446)
Special commission received		480,918	327,119
Net cash flows from / (used in) operating activities		(2,146)	(7,506,327)
FINANCING ACTIVITIES			
Proceed from issuance of units		7,165,269	160,000
Payment on redemption of units		(7,196,485)	(402,964)
Net cash used in financing activities		(31,216)	(242,964)
NET INCREASE / (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(33,362)	(7,749,291)
Cash and cash equivalents at beginning of the period		34,835	8,943,496
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	1,473	1,194,205

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

ANB Capital USD Trade Fund (Shariah)
(Managed by anb capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
At 30 June 2024

1. GENERAL

ANB Capital USD Trade Fund (Shariah) (the “Fund”) is an open-ended fund. The investment objective of the fund is to provide capital preservation and short-term capital growth, through investment in Shariah-compliant conservative transactions. The Fund was established on 19 Rajab 1414H (corresponding to 1 January 1994) by Arab National Bank the “Bank”). The address of the Fund Manager is anb capital company, P.O. Box 220009, Riyadh 11311, Kingdom of Saudi Arabia.

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 months ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) 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, result 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 using the accrual basis of accounting and going concern concept.

These interim condensed financial statements are presented in US Dollars (“USD”), which is the functional currency of the Fund.

3.2 New standards, interpretations and amendments

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 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.

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.

ANB Capital USD Trade Fund (Shariah)

(Managed by anb capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2024

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

3.2 New standards and amendments to standards (continued)

3.2.1 New standards and amendments adopted by the Fund (continued)

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 JUDGEMENTS, ESTIMATES, 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 USD Trade Fund (Shariah)
(Managed by anb capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2024

5. CASH AND CASH EQUIVALENTS

	<i>30 June 2024 USD (Unaudited)</i>	<i>31 December 2023 USD (Audited)</i>
Bank balance	1,473	34,835
Total cash and cash equivalents	1,473	34,835

6. MURABAHA PLACEMENTS AT AMORTIZED COST

	<i>30 June 2024 USD (Unaudited)</i>	<i>31 December 2023 USD (Audited)</i>
Murabaha placements with original maturities more than three months	15,880,000	14,670,000
	15,880,000	14,670,000

Murabaha placements are Islamic mode of money market placements with financial institutions in the Kingdom Saudi Arabia and the rest of the Middle East. Murabaha placements earn commission at an average rate of 5.83% [30 June 2023 (Audited): 4.53%] per annum and have average original maturity period of 201 days [31 December 2022 (Audited): 68 days as of 30 June 2023].

Murabaha placements carried at amortised cost are subject to allowance for expected credit losses (ECL) as per IFRS 9. The management has assessed that allowance for ECL is not significant as of 30 June 2024 and 31 December 2023.

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

The fund has investment in mutual fund during the period ended 30 June 2024 as well as during the period ended June 30, 2023 which is carried at fair value through profit or loss (FVTPL) category as follows:

	<i>30 June 2024 (Unaudited)</i>		
	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealized gain/(loss) SR</i>
Mutual Fund			
Alpha Murabaha Fund	4,004,257	4,047,118	42,861
	4,004,257	4,047,118	42,861
	<i>31 December 2023 (Audited)</i>		
	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealized gain/(loss) SR</i>
Mutual Fund			
ANB Capital SAR Trade Fund (Shariah)	4,500,270	4,739,639	239,369
	4,500,270	4,739,639	239,369

ANB Capital USD Trade Fund (Shariah)
 (Managed by anb capital Company)
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
 At 30 June 2024

8. TRANSACTIONS WITH RELATED PARTIES

The Fund pays a management fee at the maximum rate of 0.20% per annum calculated based on the total net asset value at each valuation date. In addition, the Fund Manager is also entitled to charge other fees at a maximum rate of 0.50% per annum calculated based on the total net asset value at each valuation date to meet expenses of the Fund.

The management fees amounting to USD 20,363 (30 June 2023: USD 18,400) and other fees amounting to USD 14,092 (30 June 2023: USD 13,891) reflected in the interim condensed statement of comprehensive income, represent the fees charged by the Fund Manager during the period as described above.

The Management and other fees payable to the Fund Manager at the period-end are disclosed in the interim condensed statement of financial position. The Bank (parent of the Fund Manager) acts as the Fund's banker. During the period, the Fund has earned special commission amounting to USD 449,586 (30 June 2023: USD 373,585) on the Murabaha placements made with the Bank.

The unitholders' account included units held for the period ended 30 June 2024 and as at 31 December 2023:

	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Funds under the Fund Managers	<u>21,162</u>	<u>20,111</u>
	<u>21,162</u>	<u>20,111</u>

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fund's financial assets consist of bank balances, financial assets measured at amortised cost. The Fund's financial liabilities consist of management fee. Management believes that the fair value of all financial assets and liabilities at the reporting date approximate their carrying values owing to 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 year or prior year.

The Fund's management assessed that the fair value of bank balances, short-term Murabaha placements and accrued special commission income approximate their carrying amounts largely due to the short-term maturities of these instruments.

Murabaha placements are evaluated by the Fund based on parameters such as commission rates, specific country risk factors, and individual creditworthiness of the counterparties. Based on this evaluation, allowances are taken into account for the expected losses of the Murabaha placements. The expected credit losses of the Murabaha placements as at 30 June 2024 and 31 December 2023 was assessed by Fund's management to be insignificant.

ANB Capital USD Trade Fund (Shariah)
(Managed by anb capital Company)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 June 2024

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:

<i>As at 30 June 2024 (Unaudited)</i>	<i>No fixed maturity USD</i>	<i>Within 12 months USD</i>	<i>After 12 months USD</i>	<i>Total USD</i>
ASSETS				
Murabaha placements at amortized cost	-	15,880,000	-	15,880,000
Financial assets at fair value through profit or loss (FVTPL)	4,047,118	-	-	4,047,118
Accrued special commission income	-	283,436	-	283,436
Subscription receivable	-	55,467	-	55,467
Cash and cash equivalent with custodian	-	1,473	-	1,473
TOTAL ASSETS	4,047,118	16,220,376	-	20,267,494
LIABILITIES				
Management fees payable	-	11,854	-	11,854
Accrued expenses	-	4,184	-	4,184
TOTAL LIABILITIES	-	16,038	-	16,038
<i>As at 31 December 2023 (Audited)</i>	<i>No fixed maturity USD</i>	<i>Within 12 months USD</i>	<i>After 12 months USD</i>	<i>Total USD</i>
ASSETS				
Murabaha placements at amortized cost	-	14,670,000	-	14,670,000
Financial assets at fair value through profit & loss	4,739,639	-	-	4,739,639
Accrued special commission income	-	314,768	-	314,768
Cash and cash equivalents	-	34,835	-	34,835
TOTAL ASSETS	4,739,629	15,019,603	-	19,759,242
LIABILITIES				
Management fees payable	-	10,074	-	10,074
Accrued expenses	-	6,449	-	6,449
TOTAL LIABILITIES	-	16,523	-	16,523

11. LAST VALUATION DAY

The last valuation published day of the period was 30 June 2024 (2022: 31 December 2023).

12. 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).