

Al Yusr Saudi Equity Fund
(Managed by Alawwal Invest Company)

INTERIM CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020



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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE UNITHOLDERS OF AL YUSR SAUDI EQUITY FUND
(Managed by Alawwal Invest Company)**

Introduction:

We have reviewed the accompanying interim condensed statement of financial position of Al Yusr Saudi Equity Fund (the "Fund") managed by Alawwal Invest Company (the "Fund Manager") as at 30 June 2020 and the related interim condensed statements of comprehensive income, statement of cash flows and statement of changes in equity for the six-month period ended 30 June 2020, and a summary of significant accounting policies and other explanatory notes. Management 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") 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.

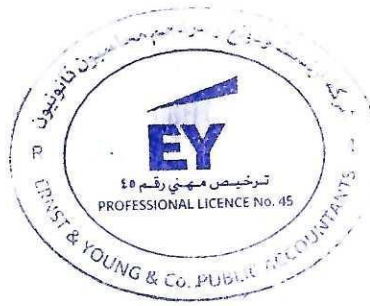
Conclusion:

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 endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young

Yousef A. AlMubarak
Certified Public Accountant
License No. 427

Riyadh: 23 Thul-Hijjah 1441H
(13 August 2020)



Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2020

	<i>Note</i>	<i>30 June 2020</i> <i>SR</i>	<i>31 December 2019</i> <i>SR</i>
ASSETS			
Cash and cash equivalents		5,896,034	447,340
Investments at fair value through profit or loss	4	41,578,564	50,468,094
Receivables and advances		36,050	28,000
TOTAL ASSETS		47,510,648	50,943,434
LIABILITY			
Accrued expenses		46,285	73,571
EQUITY			
Net assets attributable to the redeemable unitholders		47,464,363	50,869,863
TOTAL LIABILITY AND EQUITY		47,510,648	50,943,434
Units in issue		654,444	654,165
Net assets value attributable to each unit		72.5262	77.7630

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME(UNAUDITED)

For the six-month period ended 30 June 2020

	<i>Notes</i>	2020 SR	2019 SR
INCOME			
Net (loss) gain from investments at fair value through profit or loss	5	(3,738,116)	5,617,888
Dividend income		847,535	1,185,412
		(2,890,581)	6,803,300
EXPENSES			
Management fees	8	(450,156)	(547,037)
Other expenses	7,8	(86,475)	(95,339)
		(536,631)	(642,376)
(LOSS) PROFIT FOR THE PERIOD		(3,427,212)	6,160,924
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		(3,427,212)	6,160,924

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2020

	2020 SR	2019 SR
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)Profit for the period	(3,427,212)	6,160,924
Adjustments to reconcile profit for the period to net cash flows:		
Unrealized (loss) gain on investments at fair value through profit or loss	2,285,195	(8,408,859)
	<u>(1,142,017)</u>	<u>(2,247,935)</u>
Working capital adjustments:		
Decrease in investments at fair value through profit or loss	6,604,335	1,076,042
Increase in receivables and advances	(8,050)	(13,775)
Decrease in accrued expenses	(27,286)	(126,521)
	<u>5,426,982</u>	<u>(1,312,189)</u>
Net cash flows from (used in) operating activities	<u>5,426,982</u>	<u>(1,312,189)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuances of units	100,000	87,475
Payment on redemption of units	(78,288)	(7,140,757)
	<u>21,712</u>	<u>(7,053,282)</u>
Net cash flows from (used in) financing activities	<u>21,712</u>	<u>(7,053,282)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>5,448,694</u>	<u>(8,365,471)</u>
Cash and cash equivalents at the beginning of the period	447,340	9,830,262
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>5,896,034</u></u>	<u><u>1,464,791</u></u>

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six-month period ended 30 June 2020

	2020 SR	2019 SR
EQUITY AT THE BEGINNING OF THE PERIOD	50,869,863	55,448,517
(Loss) profit for the period	(3,427,212)	6,160,924
Other comprehensive income for the period	-	-
	(3,427,212)	6,160,924
Issuance of units during the period	100,000	87,475
Redemptions of units during the period	(78,288)	(7,140,757)
EQUITY AT THE END OF THE PERIOD	47,464,363	54,556,159

UNIT TRANSACTIONS

Transactions in units for the period ended 30 June are summarised as follows:

	2020 Units	2019 Units
UNITS AT THE BEGINNING OF THE PERIOD	654,165	772,271
Units issued during the period	1,302	1,067
Units redeemed during the period	(1,023)	(91,419)
NET INCREASE (DECREASE) IN UNITS	279	(90,352)
UNITS AT THE END OF THE PERIOD	654,444	681,919

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2020

1. GENERAL

Al Yusr Saudi Equity Fund (the “Fund”) is an open-ended fund domiciled in Kingdom of Saudi Arabia, created by an agreement between Alawwal Invest Company (the “Fund Manager”), a subsidiary of The Saudi British Bank (formerly a subsidiary of Alawwal Bank) (the “Bank”) and investors in the Fund (the “Unitholders”).

The Fund’s Manager registered office is at P.O. Box 1467, Riyadh 11431, Kingdom of Saudi Arabia.

Al Yusr Saudi Equity Fund	
Commencement Date	22 July 1995
Latest Governing Terms and Condition Date	7 November 2019
Latest Governing Information Memorandum Date	7 November 2019
Category	Sharia'ah compliant
Objective	Long-term capital appreciation
Allowed Investment Channels	Saudi equity markets
	Morabaha funds

The Fund has appointed Riyadh Capital 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 on 16 Sha’aban 1437H (corresponding to 23 May 2016) (the “Amended Regulations”). The Fund Manager believes that the Amended Regulations was effective since 6 Safar 1438H (corresponding to 6 November 2016).

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 2020 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”).

The 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 2019.

The interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for investments held at fair value through profit or loss that are measured at fair value. These 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.

3.2 New standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund’s annual financial statements for the year ended 31 December 2019.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund’s interim condensed financial statements. In the opinion of the Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable

Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)(continued)

For the six-month period ended 30 June 2020

4. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments comprise the following sector exposures as at interim condensed statement of financial position date:

	30 June 2020				31 December 2019			
	% of market value	Cost SR	Market value SR	Unrealized gain (loss) SR	% of market value	Cost SR	Market value SR	Unrealized gain (loss) SR
Equities								
Banks	31.30	12,303,854	13,012,840	708,986	32.80	13,038,074	16,551,467	3,513,393
Materials	22.13	11,187,932	9,203,328	(1,984,604)	26.22	14,984,988	13,234,915	(1,750,073)
Telecommunication Services	13.65	4,728,921	5,675,500	946,579	11.34	4,728,921	5,725,460	996,539
Health Care Equipment & Svc	7.13	2,363,953	2,963,571	599,618	1.13	780,603	569,730	(210,873)
Energy	6.84	3,190,760	2,841,715	(349,045)	9.06	4,806,728	4,571,641	(235,087)
Food & Beverages	6.14	2,150,211	2,553,240	403,029	4.01	1,927,451	2,021,250	93,799
Retailing	4.61	1,916,391	1,918,205	1,814	5.36	2,408,657	2,706,167	297,510
Food & Staples Retailing	3.37	882,116	1,402,196	520,080	2.44	1,064,981	1,234,073	169,092
Consumer Services	2.93	853,514	1,220,001	366,487	4.96	1,764,950	2,500,831	735,881
Insurance	1.46	471,507	604,968	133,461	1.79	748,964	901,120	152,156
Capital goods	-	-	-	-	0.89	590,577	451,440	(139,137)
Transportation	0.44	191,400	183,000	(8,400)	-	-	-	-
	100	40,240,559	41,578,564	1,338,005	100	46,844,894	50,468,094	3,623,200

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.

Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

(continued)

For the six-month period ended 30 June 2020

5. NET (LOSS) GAIN FROM INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>For the six-month period ended 30 June</i>	
	2020	2019
	SR	SR
Realised loss	(1,452,921)	(2,790,971)
Unrealised (loss) gain	(2,285,195)	8,408,859
	<u>(3,738,116)</u>	<u>5,617,888</u>

6. FAIR VALUES 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. 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 period.

7. OTHER EXPENSES

	<i>For the six-month period ended 30 June</i>	
	2020	2019
	SR	SR
Value Added Tax	24,990	29,589
Audit fees	19,945	17,356
Custody fees	15,000	15,000
Brokerage	8,088	17,284
Standard & Poor's benchmark fees	7,947	7,439
Board member fees (note 8)	4,271	2,471
CMA monitoring fees	3,740	3,720
Tadawul fees	2,494	2,480
	<u>86,475</u>	<u>95,339</u>

8. TRANSACTIONS WITH RELATED PARTIES

Management fee and other transactions

The Fund is managed and administered by the Fund Manager. For this service the Fund pays a management fee calculated on every valuation day, at an annual rate of 1.95 % of the Fund's daily net assets. In addition, the Fund Manager charges a subscription fee of 1.5 % on gross subscriptions to cover administration costs and a redemption fee of 0.5% on redemptions within a month of subscribing, which is reinvested in the Fund. Total management fees for the period amounted to SR 450,156 (30 June 2019: SR 547,037), the management fees payable at the period-end were SR 3,688 (31 December 2019: Nil).

Other expenses paid by the Fund Manager on behalf of the Fund are charged to the Fund.

Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

For the six-month period ended 30 June 2020

8. TRANSACTIONS WITH RELATED PARTIES (Continued)

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 3,000 per meeting up to a maximum of 2 meetings per annum per director which is paid equally by all funds supervised by the board, in addition, SR 2,000 are paid to each independent director by the Fund per annum. The directors total remuneration during the period amounted to SR 4,271 (2019: SR 2,471), the fees payable to directors at the period-end were SR 4,273 (31 December 2019: SR 8,571).

Units held by related parties

The balances as at period end resulting from such transactions included in the interim condensed financial statements are as follows:

<i>Related party and nature of relationship</i>	<i>Nature of transaction</i>	30 June 2020	31 December 2019
		<i>Units</i>	<i>Units</i>
Employees of the Bank	Units held	<u>36</u>	<u>286</u>

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 2020</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	5,896,034	-	5,896,034
Investments at fair value through profit or loss	41,578,564	-	41,578,564
Receivables and advances	36,050	-	36,050
TOTAL ASSETS	<u>47,510,648</u>	<u>-</u>	<u>47,510,648</u>
LIABILITY			
Accrued expenses	46,285	-	46,285
TOTAL LIABILITY	<u>46,285</u>	<u>-</u>	<u>46,285</u>

Al Yusr Saudi Equity Fund (Managed by Alawwal Invest Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

For the six-month period ended 30 June 2020

9. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Continued)

<i>As at 31 December 2019</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	447,340	-	447,340
Investments at fair value through profit or loss	50,468,094	-	50,468,094
Receivables and advances	28,000	-	28,000
TOTAL ASSETS	50,943,434	-	50,943,434
LIABILITY			
Accrued expenses	73,571	-	73,571
TOTAL LIABILITY	73,571	-	73,571

10. VALUATION PERIOD

The last valuation day of the period was 30 June 2020 (2019: 31 December 2019).

11. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The outbreak of the newly emerging Corona Virus (COVID-19) is still evolving and increasing. Therefore, it is now difficult to predict the magnitude and full extent of the resulting impact on business and the Fund.

It is still not certain what size and extent of these impacts will be determined, depending on future developments that cannot be accurately predicted at the present time, such as the rate of virus transmission and the size and effectiveness of measures taken to contain it. In light of the current uncertainty of the economic impact, it is not possible to make a reliable estimate of the resulting impact at the date of these financial statements being approved.

These developments may affect the future financial results, cash flows and the financial position of the Fund.

12. SUBSEQUENT EVENTS

In the opinion of management, no events have occurred subsequent to the reporting date and before the issuance of these interim condensed financial statements which requires adjustment to, or disclosure, in these interim condensed financial statements.

13. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements are approved by the Fund Board on 23 Thul-Hijjah 1441H (13 August 2020).