

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023
Together with the
Independent Auditor's Review Report to the Unitholders

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Interim Condensed Financial Statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

	PAGES
INDEPENDENT AUDITOR'S REVIEW REPORT	1
INTERIM STATEMENT OF FINANCIAL POSITION	2
INTERIM STATEMENT OF COMPREHENSIVE INCOME	3
INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS	4
INTERIM STATEMENT OF CASH FLOWS	5
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	6 - 13

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE UNITHOLDERS OF GIB MENA ESG SAUDI EQUITY FUND

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of GIB MENA ESG SAUDI EQUITY FUND (the "Fund"), managed by GIB Capital Company (the Fund Manager) as at 30 June 2023 and the related interim statement of comprehensive income, interim changes in net assets (equity) attributable to the unitholders and interim cash flows for the period from 28 December 2022 to 30 June 2023 then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed financial statements"). 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") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

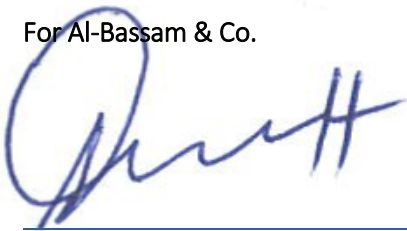
SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 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 condensed 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 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.



Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh: 23 Muharram 1445H
Corresponding to: 10 August 2023



RIYADH

Tel. +966 11 206 5333 | P.O Box 69658
Fax +966 11 206 5444 | Riyadh 11557

JEDDAH

Tel. +966 12 652 5333 | P.O Box 15651
Fax +966 12 652 2894 | Jeddah 21464

AL KHOBAR

Tel. +966 13 893 3378 | P.O Box 4636
Fax +966 13 893 3349 | Al Khobar 31952

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

(Amounts in Saudi Riyal)

	Note	30 June 2023 (Un-audited)
ASSETS		
Cash and cash equivalents	6	1,260,543
Investments carried at fair value through profit or loss (FVTPL)	7	57,028,146
Prepayments & other receivables		7,438
Total assets		58,296,127
LIABILITIES		
Management fees payable	11	69,988
Accrued expenses		27,690
Total liabilities		97,678
Net assets (equity) attributable to the Unitholders		58,198,449
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS:		
Class A		-
Class B		-
Class C		58,198,449
		58,198,449
UNITS IN ISSUE (number):		
	8	
Class A		-
Class B		-
Class C		5,240,248.91
		5,240,248.91
NET ASSETS ATTRIBUTABLE TO EACH UNIT:		
Class A		-
Class B		-
Class C		11.11

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)

**INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT
HOLDERS (UN-AUDITED)**
For the period from 28 December 2022 to 30 June 2023
(Amounts in Saudi Riyal)

	For the period from 28 December 2022 to 30 June 2023 (Un-audited)
Net assets (Equity) attributable to the Unitholders at the beginning of the period	-
Total comprehensive income for the period	5,861,175
Issuance of units	
Class A	-
Class B	-
Class C	<u>52,337,274</u>
	52,337,274
Redemption of units	
Class A	-
Class B	-
Class C	<u>-</u>
	-
Net changes from unit transactions	52,337,274
Net assets (Equity) attributable to the Unitholders at the end of the period	<u>58,198,449</u>

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)

INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the period from 28 December 2022 to 30 June 2023
(Amounts in Saudi Riyal)

	Note	<u>For the period from 28 December 2022 to 30 June 2023 (Un-audited)</u>
Cash flows from operating activities:		
Net income for the period		5,861,175
Adjustments for:		
Unrealized (gain) from investments carried at FVTPL	9	<u>(2,509,554)</u>
		3,351,621
Net changes in operating assets and liabilities:		
Investments carried at FVTPL		(54,518,592)
Prepayments & other receivables		(7,438)
Management fees payable		69,988
Accrued expenses		<u>27,690</u>
Net cash (used in) operating activities		<u>(51,076,731)</u>
Cash flows from financing activities:		
Proceeds from issuance of units		52,337,274
Redemptions of the units		<u>-</u>
Net cash generated from financing activities		<u>52,337,274</u>
Net increase in cash and cash equivalents		1,260,543
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	6	<u>1,260,543</u>

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

(All amounts in Saudi Riyal unless otherwise stated)

1 FUND AND ITS ACTIVITIES

GIB MENA ESG Equity (the “Fund”) a private open-ended investment fund established in the Kingdom of Saudi Arabia under the Investment Funds Regulations and is compliant with Shariah principles. The Fund commenced its operations on (Dec 28, 2022).

The Fund is managed by GIB Capital (the “Fund Manager”), a closed Joint Stock Company organised and existing under the laws of the Kingdom of Saudi Arabia, with commercial registration number (1010244294) dated 6/2/1429H and licensed as a Capital Market Institution by the Saudi Arabian Capital Market Authority under license no (37-07078).

The main investment objective of the Fund is to develop capital in the long term by owning equity or shares in private unlisted companies with adhering to Shariah regulations for investments.

The Fund's units are divided into three categories A, B, and C as follows:

- Category (A), which is for institutional and individual investors, who are those whose subscription amount exceeds or equals Saudi Riyals 10,000,000.
- Category (B), which is for institutional and individual investors, who are those whose subscription amount is equal to or less than Saudi Riyals 10,000.
- Category (C), which is for the employees of the Fund Manager and Gulf International Bank.

The Fund Manager and Administrator of the Fund is GIB Capital. The Custodian of the Fund is Albilad Investment Company.

The terms and conditions of the Fund were approved by CMA on 24/05/1444. (Corresponding to Dec 18, 2022).

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the Capital Market Authority (“CMA”).

3 BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements of the Fund 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 pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

3.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments carried at fair value through profit or loss which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

3.3 Functional and Presentation Currency

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

Transactions and balances

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates prevailing at date of the interim statement of financial position. Foreign exchange gains and losses, if any, arising from translation are included in the interim statement of comprehensive income / (loss).

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

(All amounts in Saudi Riyal unless otherwise stated)

3 BASIS OF PREPARATION (CONTINUED)

3.4 Critical accounting judgments, estimates and assumption

The preparation of the interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. The Fund based its assumptions and estimates on parameters available when the interim condensed financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

3.5 Going concern

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern.

4 SIGNIFICANT ACCOUNTING POLICIES

There are new standards, amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed financial statements of the Fund.

There are 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 Fund's 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.

5 MANAGEMENT FEE, AND OTHER CHARGES

The Fund Manager charges the management fees for categories A, B and C at 0.8%, 1.75% and 0.50% per annum respectively of the net asset value of the Fund, calculated on a daily basis and payable on a quarterly basis. The Fund Manager is also reimbursed for any other expenses which are paid on behalf of the Fund, such as custodian fees of 0.65% as maximum per annum of the net asset value of the Fund and transaction fees of SAR 70 as maximum per transaction.

6 CASH AND CASH EQUIVALENTS

	Note	<u>30 June 2023</u> <u>(Un-audited)</u>
Cash in investment account	6.1	1,260,543

6.1 Cash in investment account is held in an investment account with Albilad Investment Company, The Fund does not earn profit on these investment accounts.

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

(All amounts in Saudi Riyal unless otherwise stated)

7 INVESTMENTS CARRIED AT FVTPL

The Fund invests primarily in equity of listed Saudi companies. The sector-wise portfolio of investments carried at FVTPL is summarized as follows:

	30 June 2023 (Un-audited)
Saudi Market	
Banks	8,421,146
Materials	7,491,661
Retailing	5,543,378
Telecommunication Services	4,988,152
Utilities	2,893,431
Consumer Services	2,779,258
Food & Staples Retailing	1,763,249
Transportation	1,171,244
Health Care Equipment & Services	1,139,820
Capital Goods	846,089
Food, Beverage & Tobacco	599,883
Commercial and professional Services	995,216
	<u>38,632,527</u>
Emirates Market	
Energy	2,022,288
Banks	2,384,227
Real Estate	1,266,669
Industry group	2,330,484
	<u>8,003,668</u>
Kuwait Market	
Consumer Services	1,483,786
	<u>1,483,786</u>
Qatar Market	
Materials	2,459,397
Banks	4,164,200
	<u>6,623,597</u>
Bahrain Market	
Materials	1,829,851
	<u>1,829,851</u>
Egypt Market	
Materials	454,717
	<u>454,717</u>
Total market value	<u>57,028,146</u>
Total cost	<u>54,525,409</u>

7.1 The movement during the period is summarized as follows:

	30 June 2023 (Un-audited)
Carrying amount as at 1 January	-
Additions during the period	105,021,682
Sold during the period	(54,095,737)
Unrealized gain during the period	2,509,554
Realize gain during the period	2,280,573
Dividend income	1,312,073
Carrying amount as at the period end	<u>57,028,146</u>

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

(All amounts in Saudi Riyal unless otherwise stated)

8 UNIT TRANSACTIONS

Transactions in units for the period / year are summarized as follows:

	30 June 2023 (Un-audited)
Units at the beginning of the period	-
Units issued during the period	
CLASS A	-
CLASS B	-
CLASS C	<u>5,240,248.91</u>
	5,240,248.91
Units redeemed during the period	
CLASS A	-
CLASS B	-
CLASS C	<u>-</u>
	-
Net change in units	<u>5,240,248.91</u>
Units at the end of the period	<u>5,240,248.91</u>

9 NET GAIN FROM INVESTMENTS CARRIED AT FVTPL

	30 June 2023 (Un-audited)
Realized gain from sale of investments carried at FVTPL	<u>2,280,573</u>
Unrealized gain from revaluation of investments carried at FVTPL	<u>2,509,554</u>
	<u>4,790,127</u>

10 OTHER EXPENSES

	30 June 2023 (Un-audited)
Transaction fees	<u>2,760</u>
Tadawul fees	<u>7,521</u>
VAT expense	<u>24,880</u>
Other expenses	<u>54,354</u>
	<u>89,515</u>

11 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include “GIB Capital” being the Fund Manager, “GIB Bank” being the shareholder of GIB Capital, Albilad Investment Company being the Custodian and the Fund’s Board of Directors.

In the ordinary course of its activities, the Fund transacts business with related parties. The related parties’ transactions are governed by limits set by the regulations issued by the CMA. All related party transactions are approved by the Fund’s Board of Directors.

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

(All amounts in Saudi Riyal unless otherwise stated)

11 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The significant related party transactions entered into by the Fund during the period and the balances resulting from such transactions are as follows:

Related party	Nature of transactions	Amount of transaction during the period	Closing balance (payable)
		For the period from 28 December to 30 June 2023 (Un-audited)	30 June 2023 (Un-audited)
GIB Capital	Management fees payable	(135,593)	(69,988)
	Board of Directors Fees	(4,959)	(5,042)
	Accrued VAT*	(20,339)	(10,498)

* Accrued VAT to related party is included in the interim statement of financial position under accrued expenses.

12 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2023 (Un-audited)	Amortized cost	FVTPL
Assets as per interim statement of financial position		
Cash and cash equivalents	1,260,543	-
Investments carried at FVTPL	-	57,028,146
Prepayments & other receivables	7,438	-
Total	1,267,981	57,028,146

All financial liabilities as at 30 June 2023 were classified as financial liabilities carried at amortized cost.

13 FINANCIAL RISK MANAGEMENT

13.1 Financial risk factors

The objective of the Fund is to safeguard its ability to continue as a going concern so that it can continue to provide optimum returns to its Unitholders and to ensure reasonable safety to the Unitholders.

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

(All amounts in Saudi Riyal unless otherwise stated)

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (continued)

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

(i) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund Manager diversifies the investment portfolio and closely monitors the price movement of its investments in financial instruments. As of the interim statement of financial position date, the Fund has equity investments.

The effect on the net assets value (as a result of the change in the fair value of investments as at 30 June 2023 (Un-audited) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

	30 June 2023	
	(Un-audited)	
	Potential reasonable change %	Effect on NAV
Saudi Market		
Banks	+/-1%	84,211
Materials	+/-1%	74,917
Retailing	+/-1%	55,434
Telecommunication Services	+/-1%	49,882
Utilities	+/-1%	28,934
Consumer Services	+/-1%	27,793
Food & Staples Retailing	+/-1%	17,632
Transportation	+/-1%	11,712
Health Care Equipment & Services	+/-1%	11,398
Capital Goods	+/-1%	8,461
Food, Beverage & Tobacco	+/-1%	5,999
Commercial and professional Services	+/-1%	9,952
Emirates Market		
Energy	+/-1%	20,223
Banks	+/-1%	23,842
Real Estate	+/-1%	12,667
Industry Group	+/-1%	23,305
Kuwait Market		
Consumer Services	+/-1%	14,838
Qatar Market		
Materials	+/-1%	24,594
Banks	+/-1%	41,642
Bahrain Market		
Materials	+/-1%	18,299
Egypt Market		
Materials	+/-1%	4,547

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

(All amounts in Saudi Riyal unless otherwise stated)

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to credit risk for its cash and cash equivalent and receivables. Bank balances are deposited in investment account in Albilad Capital which is Bank with good financial rating.

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position.

	30 June 2023
	(Un-audited)
Cash and cash equivalents	<u><u>1,260,543</u></u>

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's Terms and Conditions provide for subscription and redemption of units on Sunday and Tuesday; therefore, it is exposed to the liquidity risk of meeting Unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the interim statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short term loans from the Fund Manager.

The expected maturity of the assets and liabilities of the Fund is less than 12 months.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

13.2 Fair value estimation

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying values of the Fund's financial instruments carried at amortized cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

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

GIB MENA ESG SAUDI EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Notes to the interim condensed financial statements (Un-audited)
For the period from 28 December 2022 to 30 June 2023

(All amounts in Saudi Riyal unless otherwise stated)

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

13.2 Fair value estimation (continued)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equity and debt instruments. The Fund does not adjust the quoted price for these instruments.

The Fund classifies all of its financial assets except for those carried at amortized cost, at fair value as level 1.

14 SUBSEQUENT EVENTS

As of the date of approval of these interim condensed interim financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these interim condensed financial statements.

15 LAST VALUATION DAY

The last valuation day for the period was 29 June 2023.

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 22 Muharram 1445H corresponding to 9 August 2023G.