

SICO CAPITAL MONEY MARKET FUND
(Open-Ended Fund)

(Managed by SICO Capital Company)

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SICO CAPITAL MONEY MARKET FUND (MANAGED BY SICO CAPITAL COMPANY)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SICO Capital Money Market Fund (the "Fund") managed by SICO Capital Company (the "Fund Manager") as at 30 June 2023, and the related interim condensed statement of comprehensive income, statement of changes in equity attributable to the unitholders and 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 statement 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.

Other Matter

The financial statements of the Fund for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on March 30, 2023. The interim condensed financial statements of the fund for the six-month period ended 30 June 2022 were reviewed by another auditor who expressed an unmodified conclusion on those statements on August 24, 2022.

For Ernst & Young Professional Services

Waleed G. Tawfiq
Certified Public Accountant
License No. (437)

Riyadh: 11 Safar 1445H
(27 August 2023)



SICO CAPITAL MONEY MARKET FUND
Interim condensed statement of financial position
As at 30 June 2023

		30 June 2023 SAR (Unaudited)	31 December 2022 SAR (Audited)
ASSETS			
Cash at bank	5	99,475	52,371,869
Investments carried at fair value through profit or loss (FVTPL)	6	19,984,272	67,142,182
Murabaha Placements	7	17,058,324	46,280,380
Sukuk	8	8,047,444	8,055,222
Other Receivables		15,629	-
TOTAL ASSETS		45,205,144	173,849,653
LIABILITIES			
Accruals and other liabilities		745,773	893,960
TOTAL LIABILITIES		745,773	893,960
NET ASSETS (EQUITY) VALUE			
Net assets attributable to unitholders of redeemable units		44,459,371	172,955,693
Redeemable units in issue		3,694,897	14,662,444
Net assets value attributable per unit		12.03	11.80

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

SICO CAPITAL MONEY MARKET FUND

Interim condensed statement of comprehensive income / (loss) (unaudited)

For the six-month period at 30 June 2023

	Note	For the six months period ended 30 June 2023 SAR (Unaudited)	For the six months period ended 30 June 2022 SAR (Unaudited)
INCOME			
Murabaha income	7	1,476,629	1,472,409
Sukuk income		133,000	122,889
Realized and unrealized gain /(loss) on FVTPL investments:			
Realized gain / (loss) on disposal of FVTPL investments	6	5,505,222	1,072,499
Unrealized gain / (loss) on FVTPL investments	6	(4,616,985)	595,230
TOTAL INCOME		2,497,866	3,263,027
EXPENSES			
Management fees	4	172,704	361,312
Other expenses		131,607	169,556
TOTAL EXPENSES		304,311	530,868
NET INCOME FOR THE PERIOD		2,193,555	2,732,159
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,193,555	2,732,159

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

SICO CAPITAL MONEY MARKET FUND

Interim condensed statement of changes in net assets (equity) attributable to the unitholders (unaudited)

For the six-month period ended 30 June 2023

	For the six-months period ended 30 June 2023 SAR (Unaudited)	For the six-months period ended 30 June 2022 SAR (Unaudited)
NET ASSETS (EQUITY) VALUE ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD	172 955 693	230,424,032
Total comprehensive income for the period	2,193,555	2,732,159
Changes from unit transactions:		
Proceeds from issuance of units	19,172,440	177,497,492
Payment towards units redeemed	(149,862,317)	(177,336,876)
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD	44,459,371	233,316,807

Transactions in units for the period are summarized as follows:

	For the six-month period ended 30 June 2023 SAR (Unaudited)	For the six-month period ended 30 June 2022 SAR (Unaudited)
NUMBER OF UNITS AT THE BEGINNING OF THE PERIOD	14,662,444	20,104,516
Units redeemed during the period	(12,572,107)	(15,324,606)
Units issued during the period	1,604,560	15,318,344
NUMBER OF UNITS AT THE END OF THE PERIOD	3,694,897	20,098,254

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

SICO CAPITAL MONEY MARKET FUND

Interim condensed statement of cashflows (unaudited)

At 30 June 2023

	For the six-month period ended 30 June 2023 SAR (Unaudited)	For the six-month period ended 30 June 2022 SAR (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	2,193,555	2,732,159
<i>Adjustments for:</i>		
Unrealized (loss) / gain on FVTPL investments	(4,616,985)	(595,230)
	<u>(2,423,430)</u>	<u>2,136,929</u>
Changes in operating assets:		
Investments carried at FVTPL	51,774,895	6,347,716
Investments carried at amortized cost-Murabaha	21,990,898	28,899,572
Investments carried at amortized cost Sukuk	7,778	(8,052,889)
Other Receivables	(15,629)	-
Changes in operating liabilities:		
Accrued management fee	(110,100)	6,633
Accrued expenses	(38,088)	24,327
Net cash generated from operating activities	<u>71,186,324</u>	<u>29,362,288</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	19,172,440	177,497,492
Redemptions of the units	(149,862,316)	(177,336,876)
Net cash generated (used in) / from financing Activities	<u>(130,689,876)</u>	<u>160,616</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS:	<u>(59,503,551)</u>	<u>29,522,904</u>
Cash and cash equivalents at beginning of the period	<u>59,603,027</u>	<u>34,288,402</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>99,475</u>	<u>63,811,306</u>

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

1. INCORPORATION AND ACTIVITIES

The SICO Capital Money Market Fund (the "Fund") is an open-ended mutual fund established and managed through an agreement between SICO Capital Company (the "Fund Manager") - a Saudi Closed Joint Stock Company (the "Fund Manager") and investors (the "Unitholder") in the Fund. The address of the Fund Manager is as follows:

SICO Capital Company
7702 King Fahad Road (5th Floor)
Al Malqa District
Riyadh 13542
P.O. Box 64666

The Fund commenced its operations on 25 Sha'ban 1437H (corresponding to June 01, 2016)

In dealing with the unit holders, the Fund Manager considers the Fund as an independent unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. Furthermore, unit holders are considered to be owners of the assets of the Fund.

The principal investment objective of the Fund is to invest in Sharia-compliant money market funds, placements and other money market instruments in order to maximize medium-term capital growth while preserving the invested capital by investing in Saudi Riyal and US dollar currencies.

Units were offered at a price of SAR 10 per unit, with a minimum initial subscription amount to SAR 10,000.

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 1442H, corresponding to 1 May 2021).

3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

3.1 Basis of preparation

These unaudited interim condensed financial statements for the six-month period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as endorsed in the kingdom of Saudi Arabia.

The unaudited 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 2022. In addition, result 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.

The unaudited interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for financial assets held at FVTPL that are measured at fair value. These unaudited 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. 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 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 2022, except for the adoption of new standards effective as of 1 January 2023. 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 2023, have been adopted in these financial statements.

Standard, interpretation and amendments	Description	Effective date
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which previously permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	Annual periods beginning on or after 1 January 2023
Amendment to IAS 12-deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023

3.2.2 Significant standards issued but not yet effective

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, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	Annual periods beginning on or after 1 January 2024
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

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Notes to the unaudited interim condensed financial statements

At 30 June 2023

4. MANAGEMENT FEE, OTHER EXPENSES, AND TRANSACTION FEE

On a daily basis, the Fund Manager charges the Fund, management fee at the rate of 1% per annum of the Fund's net assets value and is paid on a quarterly basis. The Custodian charges the Fund an annual fee of 0.05% of the Fund's net assets value.

5. CASH AND CASH EQUIVALENTS

	30 June 2023 SAR (Unaudited)	31 December 2022 SAR (Audited)
Balances with financial institutions	99,475	52,371,869
Murabaha placements with original maturity of three months or less	13,040,118	7,231,158
Total	13,139,593	59,603,027

Cash and cash equivalents balance comprise of balances with the custodian which have investment grade credit ratings, as rated by the international rating agencies. As of date, cash balances include current accounts held with Riyadh Bank and Bank Saudi Fransi that do not earn profit.

6. INVESTMENTS CARRIED AT FVTPL

	30 June 2023 SAR (Unaudited)	31 December 2022 SAR (Audited)
Mutual Funds	19,984,272	67,142,182

The following is the movement in investments during the period

	30 June 2023 SAR (Unaudited)	31 December 2022 SAR (Audited)
Cost:		
At the beginning of the period	67,142,182	77,136,876
Additions during the period	2,652,731	40,724,088
Sold during the period	(49,810,641)	(50,718,782)
At the end of the period	19,984,272	67,142,182
Change in fair value:		
Unrealized balance at the beginning of the period	(1,983,837)	(4,369,675)
Realized during the period	(5,505,222)	(2,154,258)
Unrealized balance at the end of the period	2,872,074	7,489,075
Movement during the period	(4,616,985)	965,142

SICO CAPITAL MONEY MARKET FUND

Notes to the unaudited interim condensed financial statements

At 30 June 2023

7. MURABAHA PLACEMENTS

The following table provides the details of the Islamic deposit portfolio at the end of reporting dates in the banks of the following countries:

	30 June 2023 SAR (Unaudited)	31 December 2022 SAR (Audited)
United Arab Emirates (UAE)	-	10,553,434
Sultanate of Oman	-	18,198,047
Kingdom of Bahrain	17,058,324	17,528,899
Total	17,058,324	46,280,380

The following table represents the movement of investments in Murabaha contracts measured at amortized cost during the period:

	30 June 2023 SAR (Unaudited)	31 December 2022 SAR (Audited)
Carrying amount as at the beginning of period	46,280,380	146,605,972
Additions during the period	17,058,324	46,280,944
Matured during the period	(46,280,945)	(146,607,824)
Murabaha income recognized in the statement of comprehensive income	1,476,629	4,010,930
Murabaha income received during the period	(1,476,064)	(4,009,642)
Carrying amount as at the end of period	17,058,324	46,280,380

Murabaha placements include placements with original maturities of 3 months or less amounting SR 13.04 million (31 December 2022: SR 7.23 million).

Commodity Murabaha placements include commodities such as aluminum, platinum, palladium, and crude palm oil whereby all the Murabaha placements will mature within a period of less than 12 months.

The rate of profit on Murabaha placements ranges from 3.20% to 6.05% per annum.

The Fund Manager has performed an ECL assessment for the financial assets carried at amortized cost. An allowance for impairment over these financial assets was not recognized in the financial statement as the amount was insignificant.

8. SUKUK

The following table represents the movement of investments in Sukuk measured at amortized cost during the period:

	30 June 2023 SAR (Unaudited)	31 December 2022 SAR (Audited)
Carrying amount at the beginning of the period	8,055,222	-
Additions during the period	-	32,322,778
Matured during the period	-	(24,248,889)
Sukuk profit recognized in the statement of comprehensive income	133,000	267,556
Sukuk profit received during the period	(140,778)	(286,223)
Carrying amount at the end of the period	8,047,444	8,055,222

The investment in Sukuk represents the Sukuk issued by Al Rajhi Bank rated A-. The Sukuk bears commission, payable on a quarterly basis priced at 3.5%.

9. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Fund include SICO Capital being the Fund Manager, SICO Bank Bahrain (the shareholder of SICO Capital), with the underlying properties of the Fund being custodized with Riyadh Capital (being the custodian of the Funds).

The fund pays fixed custodian fees of 0.06% and management fees of 0.3% of assets under management per annum, as set out in the fund's terms and conditions and is paid quarterly

The significant related party transactions entered into by the Fund during the year are as follows:

Related party	Nature of relationship	Nature of transaction	30 June 2023 SAR (Unaudited)	30 June 2022 SAR (Unaudited)
SICO Capital Company	Fund manager	Transaction fee	198,609	361,312
		Admin fee	33,102	60,219
Riyadh Capital	Affiliate	Custodian fees	39,822	72,263

SICO CAPITAL MONEY MARKET FUND

Notes to the unaudited interim condensed financial statements

At 30 June 2023

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The balances resulting from related party transactions are as follows:

Related party	Nature of relationship	Nature of transaction	30 June 2023	31 December
			SAR (Unaudited)	2022 SAR (Audited)
SICO Capital Company	Fund manager	Fee payable*	238,041	34,100,263
		Admin fee *	45,580	348,141
Riyad Capital	Affiliate	Custodian fees **	261,100	217,977

* These balances have been recorded under other accrued expenses.

** These balances have been recorded under prepayment and other assets.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Management believes that the fair value of all other financial assets and liabilities are classified as amortised cost and 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 year or prior year.

11. 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:

As at 30 June 2023 (Unaudited)	Within 12 months SAR	After 12 months SAR	Total SAR
ASSETS			
Cash at bank	99,475	-	99,475
Murabaha placements	13,040,118	-	13,040,118
Other Receivables	15,629	-	15,629
TOTAL ASSETS	13,155,222	-	13,155,222
LIABILITIES			
Accrued management fees	238,041	-	238,041
Accrued expenses	507,732	-	507,732
TOTAL LIABILITIES	745,773	-	745,773

SICO CAPITAL MONEY MARKET FUND

Notes to the unaudited interim condensed financial statements

At 30 June 2023

11. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

As at 31 December 2022 (Audited)	Within 12 months SAR	After 12 months SAR	Total SAR
ASSETS			
Cash at bank	52,371,869	-	52,371,869
Murabaha placements	7,231,158	-	7,231,158
TOTAL ASSETS	59,603,027	-	59,603,027
LIABILITIES			
Accrued management fees	348,141	-	348,141
Accrued expenses	545,819	-	545,819
TOTAL LIABILITIES	893,960	-	893,960

12. LAST VALUATION DAY

The last valuation day of the period was 30 June 2023 (year ended 31 December 2022: 29 December 2022).

13. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the Fund Manager has made certain revisions to the Terms and Conditions of the Fund which were approved by the Capital Market Authority.

14. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 11 Safar 1445H (corresponding to 27 August 2023).

Signed on behalf of Fund's Board of Directors



Authorized Signatory