

# **SICO KINGDOM EQUITY 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 2024**

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## INDEPENDENT AUDITOR’S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SICO KINGDOM EQUITY FUND (MANAGED BY SICO CAPITAL COMPANY)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of SICO Kingdom Equity Fund (the “Fund”) managed by SICO Capital (the “Fund Manager”) as at 30 June 2024, 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

For Ernst & Young Professional Services

Fahad M. Al. Toaimi  
Certified Public Accountant  
License No. (354)

Riyadh: 7 Safar 1446H  
(11 August 2024)



**SICO KINGDOM EQUITY FUND****INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)****AS AT 30 JUNE 2024**

	<b>Notes</b>	<b>30 June 2024 SAR (Unaudited)</b>
<b>ASSETS</b>		
Cash and cash equivalents	5	415,113
Financial assets held at fair value through profit or loss	6	23,807,821
Prepayments and other assets		11,467
<b>TOTAL ASSETS</b>		<b>24,234,401</b>
<b>LIABILITIES</b>		
Accruals and other liabilities	9	123,996
Payable against purchased securities		248,812
<b>TOTAL LIABILITIES</b>		<b>372,808</b>
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS</b>		
UNIT – A		10,064,125
UNIT – B		13,797,468
<b>TOTAL</b>		<b>23,861,593</b>
<b>Units in issue (in numbers)</b>		
UNIT – A		1,000,000
UNIT – B		1,370,659
<b>NET ASSET VALUE PER UNIT</b>		
UNIT – A		10.064
UNIT – B		10.066

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

SICO KINGDOM EQUITY FUND

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)

For the six-month period ended 30 June 2024

	Notes	<i>For the six-month period ended 30 June 2024 SAR</i>
<b>INCOME</b>		
Dividend income		267,300
Realized gain on disposal of financial assets held at FVTPL	7	19,014
Unrealized loss on financial assets held at FVTPL	7	(274,835)
<b>TOTAL INCOME</b>		<u>11,479</u>
<b>EXPENSES</b>		
Management fees	4	96,609
Other expenses		98,515
<b>TOTAL EXPENSES</b>		<u>195,124</u>
<b>NET LOSS FOR THE PERIOD</b>		(183,645)
Other comprehensive income / (loss)		-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<u>(183,645)</u>

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

SICO KINGDOM EQUITY FUND

INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS (EQUITY)  
ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	<i>For the six-month period ended 30 June 2024 SAR (Unaudited)</i>
<b>NET ASSETS (EQUITY) VALUE ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD</b>	-
Total comprehensive loss for the period	(183,645)
Proceeds from issuance of units	24,045,238
Payment towards units redeemed	-
Dividend paid during the period	-
	<hr/>
<b>NET ASSETS (EQUITY) VALUE ATTRIBUTABLE TO THE UNITHOLDER AT END OF THE PERIOD</b>	<b>23,861,593</b>
	<hr/> <hr/>

	<i>For the six-month period ended 30 June 2024 (Unaudited)</i>
<b><u>CLASS A UNITS</u></b>	
<b>NUMBER OF UNITS AT THE BEGINNING OF THE PERIOD</b>	-
Subscription - Units issued	1,000,000
Redemption	-
	<hr/>
<b>NUMBER OF UNITS AT THE END OF THE PERIOD</b>	<b>1,000,000</b>
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	<i>For the six-month period ended 30 June 2024 (Unaudited)</i>
<b><u>CLASS B UNITS</u></b>	
<b>NUMBER OF UNITS AT THE BEGINNING OF THE PERIOD</b>	-
Subscription - Units issued	1,370,659
Redemption	-
	<hr/>
<b>NUMBER OF UNITS AT THE END OF THE PERIOD</b>	<b>1,370,659</b>
	<hr/> <hr/>

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

SICO KINGDOM EQUITY FUND

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

AT 30 JUNE 2024

	<i>For the six-month period ended 30 June 2024 SAR</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<i>(Unaudited)</i>
Net loss for the period	(183,645)
<u><i>Adjustments for:</i></u>	
Unrealized loss on financial assets held at FVTPL	274,835
<b>Net changes in operating assets and liabilities:</b>	
Financial assets held at FVTPL	(24,082,656)
Prepayments and other assets	(11,467)
Accruals and Other Liabilities	372,808
<b>NET CASH FLOW (USED IN) OPERATING ACTIVITIES</b>	<u>(23,630,125)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issuance of units	24,045,238
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>24,045,238</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	415,113
Cash and cash equivalents at beginning of the period	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>415,113</u>

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

## 1. INCORPORATION AND ACTIVITIES

SICO Capital Kingdom Equity Fund (the "Fund") is an open-ended mutual fund established and managed through an agreement between SICO Capital Company - a Saudi Closed Joint Stock Company (the "Fund Manager"), and the Fund Investors (the "Unit holders"). 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 19<sup>th</sup> Jumada Al-Akhirah 1445H (corresponding to 1<sup>st</sup> January 2024).

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 listed equities traded in the Saudi stock main markets and the parallel market Nomu subscriptions and priority rights in addition to funds with similar objectives and money market funds.. The Fund aims to provide long-term capital appreciation by investing in a portfolio comprising of listed equities.

Units were offered at in two classes of units:

Class A: Price of SAR 10 per unit, with a minimum initial subscription amount to SAR 10,000,000.

Class B: A Price of SAR 10 per unit, with a minimum initial subscription amount to SAR 100,000.

This is the first-year financial statements of the Fund, accordingly, no comparative financial information has been presented.

## 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 2024 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as endorsed in the kingdom of Saudi Arabia.

### 3.2 Basis of preparation

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. 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.

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)****3.3 New standards, interpretations and amendments****3.3.1 New standards and amendments adopted by the Fund**

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.

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOC
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

**3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)****3.3 New standards, interpretations and amendments****3.3.2 Significant standards issued but not yet effective**

<b>Standard, interpretation and amendments</b>	<b>Description</b>	<b>Effective date</b>
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	Annual periods beginning on or after 1 January 2025
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	IASB amended to the requirements related to: setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features.	Annual periods beginning on or after 1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity’s financial performance as ‘management-defined performance measures’ (‘MPMs’). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences	Annual periods beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries’ disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	Annual periods beginning on or after 1 January 2027

**4. MANAGEMENT FEE, OTHER EXPENSES, AND TRANSACTION FEE**

The Fund Manager charges the Fund, management fee at the rate of 0.75% for Unit A and 1% for Unit B per annum and administration fees at a rate of 0.06% per annum of the Fund's net assets value and is paid on a quarterly basis.

**5. CASH AND CASH EQUIVALENTS**

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 Riyad Bank that do not earn profit.

**6. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<i>30 June 2024 SAR (Unaudited)</i>
Equity investments	<b>23,807,821</b>

The following is the movement in investments during the period

	<i>30 June 2024 SAR (Unaudited)</i>
Cost:	
At the beginning of the period	-
Additions during the period	<b>32,576,559</b>
Sold during the period	<b>(8,768,738)</b>
<b>At the end of the period</b>	<b>23,807,821</b>
Change in fair value:	
Realized during the period	<b>19,014</b>
Unrealized balance at the end of the period	<b>(274,835)</b>
<b>Movement during the period</b>	<b>(255,821)</b>

SICO KINGDOM EQUITY FUND

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL  
STATEMENTS  
AT 30 JUNE 2024

**6. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

6.1 The composition of the investment's portfolio on the last valuation day of the period end is summarised below:

	<b>30 June 2024 (Unaudited)</b>		
	<b>Cost SAR</b>	<b>Market value SAR</b>	<b>% of Market value</b>
<b>Investments in equities (by sector)</b>			
Banks & Financial Services	7,559,549	7,460,598	31%
Retail	2,091,191	2,060,532	9%
Foods	2,036,422	1,929,203	8%
Insurance	1,290,068	1,346,403	6%
Cement	1,363,863	1,296,685	5%
Telecom & IT	1,446,301	1,279,059	5%
Transport	1,225,754	1,180,062	5%
Petro-Chemicals	1,225,754	1,180,062	5%
Health Care	1,093,066	1,157,500	5%
Agriculture & Food Industry	1,151,191	1,071,822	5%
Electricity	892,254	887,322	4%
Energy & Utilities	406,305	679,628	3%
Real Estate	624,350	622,303	3%
Consumer services	608,155	609,904	3%
Industrial Investment	548,597	592,116	2%
Services	408,917	392,840	2%
<b>Total</b>	<b>24,082,657</b>	<b>23,807,821</b>	<b>100%</b>

**7. NET REALIZED/ UNREALIZED GAIN / (LOSS) FROM FINANCIAL ASSETS HELD AT FVTPL**

	<b>30 June 2024 SAR (Unaudited)</b>
Realized gain on disposal	<b>19,014</b>
Unrealized (loss) due to fair value changes	<b>(274,835)</b>
<b>Total</b>	<b>(255,821)</b>

**8. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties of the Fund include SICO Capital (the Fund Manager), SICO Bank Bahrain (the shareholder of SICO Capital), Funds managed by the Fund Manager and key management personnel.

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

<b>Related party</b>	<b>Nature of relationship</b>	<b>Nature of transaction</b>	<b>30 June 2024 SAR (Unaudited)</b>
SICO Capital Company	Fund manager	Accrued management fee Admin fee	<b>96,609 5,785</b>
Fund board of directors	Key management	Directors' fees	<b>9,781</b>

The balances resulting from related party transactions are as follows:

<b>Related party</b>	<b>Nature of relationship</b>	<b>Nature of transaction</b>	<b>30 June 2024 SAR (Unaudited)</b>
SICO Capital Company	Fund manager	Management Fee Admin fee	<b>47,231 3,323</b>
Fund board of directors	Key management	Directors' fees	<b>9,617</b>

**9. ACCRUALS AND OTHER LIABILITIES**

	<i>30 June 2024 SAR (Unaudited)</i>
Accrued management fees	41,070
Administration fee	3,210
Custody fee	1,328
Audit Charges	12,503
Publication Tadawul fee	2,404
Board of director fee	9,617
Benchmark Fee Payable	18,033
CMA Fee	3,607
Zakat Filing Fee-Payable	5,770
Zakat Registration Fee-Payable	3,367
VAT payables	8,117
IPO Transaction & Buy/Sell Fee Payables	14,970
	<u>123,996</u>

**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:

<b>As at 30 June 2024 (Unaudited)</b>	<b>Within 12 months SAR</b>	<b>After 12 months SAR</b>	<b>Total SAR</b>
<b>ASSETS</b>			
Cash at bank	415,113	-	415,113
Financial assets held at fair value through profit or loss (FVTPL)	23,807,821	-	23,807,821
Prepayments and other assets	11,467	-	11,467
<b>TOTAL ASSETS</b>	<u>24,234,401</u>	<u>-</u>	<u>24,234,401</u>
<b>LIABILITIES</b>			
Accrued management fees	41,070	-	41,070
Accrued expenses	82,926	-	82,926
Payable against purchased securities	248,812	-	248,812
<b>TOTAL LIABILITIES</b>	<u>372,808</u>	<u>-</u>	<u>372,808</u>

**11. DIVIDEND DISTRIBUTION**

There is no dividend paid during the period.

**12. EVENTS AFTER THE END OF THE REPORTING PERIOD**

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

**13. CHANGES IN FUND'S TERMS AND CONDITIONS**

There is no change in the terms and Conditions of the Fund during the period.

**14. LAST VALUATION DAY**

In accordance with the Terms and Conditions of the Fund, the last valuation day of the period was 27 June 2024.

**15. APPROVAL OF FINANCIAL STATEMENTS**

These Financial statements were approved by the Fund's board on 10 August 2024 (Corresponding to 6 Safar 1446H).