Saudi Opportunities Fund
(Managed by Audi Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

Building a better working world

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Independent Auditors' Review Report on the Interim Condensed Financial Statements

To the Unit Holders of Saudi Opportunities Fund

Introduction:

We have reviewed the accompanying interim Condensed statement of financial position of Saudi Opportunities Fund ("the Fund") as at 30 June 2018, and the related interim Condensed statements of comprehensive income, changes in equity and cash flows for the six month period then ended, 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 condensed financial statements consists of making inquiries, primarily to 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

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ترخيص مهني رقم ٤٥
PROFESSIONAL LICENCE No. 45
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Riyadh: 2 Thul Hijjah 1439H
(13 August 2018)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2018

(All amounts in Saudi Riyal)

	Notes	30 June 2018	31 December 2017	1 January 2017
ASSETS				
Cash and cash equivalents		**7,064,450**	4,380,021	420,303
Investments at fair value through profit or loss	7	**120,428,447**	54,559,289	29,959,757
Dividend receivable		**372,978**	-	-
TOTAL ASSETS		**127,865,875**	58,939,310	30,380,060
LIABILITIES				
Management fee payable		**194,135**	87,233	45,438
Accrued expenses		**77,419**	9,969	100,831
Custody fee payable		**22,186**	84,159	5,193
TOTAL LIABILITIES		**293,740**	181,361	151,462
EQUITY				
Net assets attributable to the Unit Holders		**127,572,135**	58,757,949	30,228,598
Redeemable units in issue		**12,662,135**	6,680,438	3,401,331
Net assets value attributable to each unit		**10.08**	8.80	8.89

The attached notes from 1 to 15 form a part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six-month period ended 30 June 2018
(All amounts in Saudi Riyal)

	Notes	For the six-month period ended 30 June	
		2018	2017
INVESTMENT INCOME			
Net gain from investments at fair value through profit or loss	8	**10,198,556**	1,003,653
Dividend income		**2,048,427**	464,720
		12,246,983	1,468,373
EXPENSES			
Management fees	11	**(808,752)**	(262,240)
Other expenses	10	**(227,492)**	(108,063)
		(1,036,244)	(370,303)
PROFIT FOR THE PERIOD		**11,210,739**	1,098,070
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME		**11,210,739**	1,098,070

The attached notes from 1 to 15 form a part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF EQUITY (UNAUDITED)

For the six-month period ended 30 June 2018
(All amounts in Saudi Riyal)

	For the six-month period ended 30 June	
	2018	2017
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS AT THE BEGINNING OF THE PERIOD	**58,757,949**	30,228,598
Profit for the period	**11,210,739**	1,098,070
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**69,968,688**	31,326,668
CONTRIBUTIONS AND REDEMPTIONS BY THE UNIT HOLDERS:		
Proceeds from issuance of units	**60,222,915**	-
Redemptions of units during the period	**(2,619,468)**	(1,223,861)
Net redemptions by the Unit Holders	**57,603,447**	(1,223,861)
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS AT THE END OF THE PERIOD	**127,572,135**	30,102,807

UNIT TRANSACTIONS

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

	2018 Units	2017 Units
Units at the beginning of the period	**6,680,438**	3,401,331
Units issued during the period	**6,268,635**	-
Units redeemed during the period	**(286,938)**	(141,594)
Net increase (decrease) in units	**5,981,697**	(141,594)
Units as at end of the period	**12,662,135**	3,259,737

INTERIM CONDENSED STATEMENT OF CASHFLOW (UNAUDITED)
For the six-month period ended 30 June 2018
(All amounts in Saudi Riyal)

	For the six-month period ended 30 June	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**11,210,739**	1,098,070
Adjustment to reconcile profit for the period to net cash flows from operating activities		
Unrealized gains on investments at fair value through profit or loss	**(8,513,652)**	(1,533,087)
	2,697,087	(435,017)
Working capital adjustments:		
Investments at fair value through profit or loss	**(57,355,506)**	4,258,714
Dividend receivable	**(372,978)**	(15,763)
Management fee payable	**106,902**	(2,864)
Custody fee payable	**(61,973)**	(328)
Accrued expenses	**67,450**	(18,280)
Net cash flows (used in) from operating activities	**(54,919,018)**	3,786,462
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	**60,222,915**	-
Value of units redeemed	**(2,619,468)**	(1,223,861)
Net cash flows from (used in) financing activities	**57,603,447**	(1,223,861)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,684,429**	2,562,601
Cash and cash equivalents at the beginning of the period	**4,380,021**	420,303
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**7,064,450**	2,982,904

The attached notes from 1 to 15 form a part of these interim condensed financial statements.

1. GENERAL

Saudi Opportunities Fund (the "Fund") is an open-ended fund created by an agreement between Audi Capital Company (the "Fund Manager") and investors (the "Unit Holders") in the Fund. The objective of the Fund is to invest according to the Shari'ah guideline, and to achieve long term capital appreciation through investing primarily in the equities of the Saudi listed companies. The Fund will not distribute any dividend to Unit Holders and will reinvest the profits and dividend distributions in the Fund.

The Fund was established on 16 Rajab 1436H (corresponding to 05 May 2015) as per approval from the Capital Market Authority ("CMA") and commenced its operations on 1 June 2015.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and effective from 6 Safar 1438H (corresponding 6 November 2016) by the New Investment Fund Regulations ("Amended Regulations") published by the Capital Market Authority on 16 Sha'aban 1437H (corresponding to 23 May 2016) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

3.1. STATEMENT OF COMPLIANCE

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. These are the Fund's first financial statements for part of the period covered by the first annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("IFRS as endorsed in KSA").

For all periods up to and including the year ended 31 December 2017, the Fund prepared its financial statements in accordance with the generally accepted accounting standards in the Kingdom of Saudi Arabia as issued by Saudi Organization for Certified Public Accountants ("SOCPA Accounting Standards"). The interim condensed financial statements for the six-months period ended 30 June 2018 are the first financial statements of the Fund prepared in accordance with IFRS as endorsed in KSA and IFRS 1 "First-time Adoption" of International Financial Reporting Standards has been applied.

Refer to note 14 for information on how the Fund's financial statements are impacted upon the adoption of IFRS as endorsed in KSA.

3.2. BASIS OF PREPARATION

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

These interim condensed financial statements are presented in Saudi Riyals ("SR"), which is the Fund's functional currency.

Functional currency is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Fund's investments and transactions are denominated in SR. Investor subscriptions and redemptions are determined based on net asset value, and received and paid in SR. The expenses (including management fees, custodian fees and administration fees) are denominated and paid in SR. Accordingly, management has determined that the functional currency of the Fund is SR.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim condensed financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1. Financial instruments

Initial recognition
The Fund records financial asset or a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

Classification
The Fund classifies its financial assets under the following categories:
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Fund for managing the financial assets, and contractual cash flow characteristics.

The Fund measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in either profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Fund classifies all financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at fair value through profit or loss.

The Fund designates a financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

Derecognition of financial instruments
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Fund's statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1. Financial instruments (continued)

Derecognition of financial instruments (continued)
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets
The Fund holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Fund. If a previous write-off is later recovered, the recovery is credited to profit or loss.

Commission revenue on impaired financial assets is recognised using the rate of commission used to discount the future cash flows for the purpose of measuring the impairment loss.

4.2. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents'.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3. Redeemable Units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the Unit Holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the Unit Holder's rights to a pro rata share of the Fund's net assets
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument

In addition to the redeemable shares having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund
- The effect of substantially restricting or fixing the residual return to the redeemable shareholders

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in net assets attributable to the Unit Holders. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

No gain or loss is recognised in the statement of comprehensive income on the purchase, issuance or cancellation of the Fund's own equity instruments.

4.4. Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive the payment for dividend is established. For quoted equity securities, this is usually the ex-dividend date. Dividend income from equity securities designated as at FVTPL is recognised in statement of comprehensive income in a separate line item.

4.5. Net gain or loss on financial assets and liabilities at Fair Value through Profit or Loss ("FVTPL")

Net gains or losses on financial assets and liabilities at FVTPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVTPL and exclude commission and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments, which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the weighted average cost method. They represent the difference between an instrument's initial carrying amount and disposal amount or cash payments.

4.6. Fee and other expenses

Fee and other expenses are recognized on an accrual basis.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7. Zakat and income tax

Under the current system of taxation in the Kingdom of Saudi Arabia, the Fund is not liable to pay any zakat or income tax as they are considered to be the obligation of the Unit Holders and as such, are not provided in these financial statements.

4.8. Foreign currency translation

Transactions in foreign currencies are translated into SR at the exchange rate at the dates of the transactions. Foreign exchange gains and losses arising from translation are included in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are retranslated into SR at the exchange rate at the reporting date.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income as net foreign exchange gains / losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gain / loss from financial instruments at FVTPL.

5. USE OF JUDGMENTS AND ESTIMATES

The preparation of interim condensed financial statements in conformity with IFRS as endorsed in KSA requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgment in the process of applying the Funds' accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Significant areas where management has used estimates, assumptions or exercised judgement are as follows:

Fair value measurement

The Fund measures its investments in financial instruments, such as equity instruments, debentures and other commission bearing investments, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

The Fund measures financial instruments at fair value at each reporting date. Fair values of those financial instruments are disclosed in note 9.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are several standards 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 standards will have no significant impact on the financial statements of the Fund. The Fund intends to adopt these standards on their respective mandatory effective dates, if applicable

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments comprise the following sector exposures as at reporting date:

	30 June 2018		31 December 2017		1 January 2017	
	% of market value	Market value SR	% of market value	Market value SR	% of market value	Market value SR
Equities						
Petrochemical Industries	**33.34%**	**40,150,311**	27.80%	15,169,219	31.45%	9,421,375
Banking & financial services	**30.36%**	**36,556,786**	24.86%	13,564,418	18.23%	5,462,674
Retail	**7.16%**	**8,622,006**	11.09%	6,050,854	8.17%	2,448,959
Telecommunication & Information	**5.66%**	**6,820,519**	5.11%	2,789,070	5.50%	1,648,774
Agriculture & Food Industries	**5.57%**	**6,703,104**	10.23%	5,580,653	6.99%	2,093,378
Industrial Investment	**4.56%**	**5,494,289**	4.91%	2,679,545	5.27%	1,579,220
Insurance	**3.73%**	**4,493,762**	6.30%	3,435,985	4.06%	1,215,321
Hotel & Tourism	**3.05%**	**3,668,301**	1.01%	551,965	2.05%	614,312
Real Estate Development	**2.91%**	**3,508,239**	6.70%	3,651,958	12.21%	3,658,107
Transport	**2.17%**	**2,609,330**	-	-	2.08%	622,359
Health Care	**1.49%**	**1,801,800**	-	-	-	-
Cement	-	-	1.99%	1,085,622	3.99%	1,195,278
Total	**100.00%**	**120,428,447**	100.00%	54,559,289	100.00%	29,959,757

Equity investments are unrated equity investments listed on Saudi stock exchange ("Tadawul").

8. NET GAIN FROM INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the six-month period ended 30 June	
	2018 SR	2017 SR
Realised gain	**1,684,903**	(529,434)
Unrealised gain	**8,513,653**	1,533,087
Total	**10,198,556**	1,003,653

9. FAIR VALUES OF FINANCIAL INSTRUMENTS

All assets and liabilities for which fair value is measured or disclosed in the interim condensed financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 **-** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 **-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

The table below presents the fair value of financial instruments as of reporting date and their respective classifications within the level of fair value hierarchy:

	30 June 2018			
	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Financial assets				
Cash and cash equivalents	**-**	**7,064,450**	**-**	**7,064,450**
Investments at fair value through profit or loss	**120,428,447**	**-**	**-**	**120,428,447**
Dividend receivable	**-**	**372,978**	**-**	**372,978**
Total	**120,428,447**	**7,437,428**		**127,865,875**
Financial liabilities				
Management fee payable	-	**194,135**	-	**194,135**
Accrued expenses	-	**77,419**	-	**77,419**
Custody fee payable	-	**22,186**	-	**22,186**
Total	-	**293,740**	-	**293,740**

9. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	31 December 2017			
	Level 1 SAR	Level 2 SAR	Level 3 SAR	Total SAR
Financial assets				
Cash and cash equivalents	-	4,380,021	-	4,380,021
Investments at fair value through profit or loss	54,559,289	-	-	54,559,289
Total	54,559,289	4,380,021	-	58,939,310
Financial liabilities				
Management fee payable	-	87,233	-	87,233
Accrued expenses	-	9,969	-	9,969
Custody fee payable	-	84,159	-	84,159
Total	-	181,361	-	181,361

	1 January 2017			
	Level 1 SAR	Level 2 SAR	Level 3 SAR	Total SAR
Financial assets				
Cash and cash equivalents	-	420,303	-	420,303
Investments at fair value through profit or loss	29,959,757	-	-	29,959,757
Total	29,959,757	420,303	-	30,380,060
Financial liabilities				
Management fee payable	-	45,438	-	45,438
Accrued expenses	-	100,831	-	100,831
Custody fee payable	-	5,193	-	5,193
Total	-	151,462	-	151,462

9. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

For assets and liabilities that are measured at fair value on a recurring basis, the Fund identifies transfers between levels in the fair value hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the end of the reporting period during which the change has occurred. During the period, there was no transfers between various levels of fair value hierarchy.

For all other financial assets and liabilities not measured at fair value, the carrying value is an approximation of fair value owing to their liquidity and short term tenure.

10. OTHER EXPENSES

	For the six-month period ended 30 June	
	2018 SR	2017 SR
Custody fees	**92,424**	29,969
Value added tax	**46,316**	-
Advisory board compensation	**45,250**	37,625
Audit fees	**22,625**	20,290
Regulatory fees	**3,719**	3,739
Others	**17,158**	16,440
	227,492	108,063

11. TRANSACTIONS WITH RELATED PARTIES

Management fee and other transactions
The Fund pays a management fee calculated at an annual rate of 1.75% of the net asset value on the last valuation day of the relevant month.

Additionally, the Fund Manager also charged custody fee at an annual rate of 0.2% of the net asset value on the last valuation day of the relevant month, subject to a minimum of SAR 60,000 per annum. However, since 1 April 2018, custody services were moved to a third party.

Expenses paid by the Fund Manager on behalf of the Fund are reimbursed from the Fund.

Management fee expenses is disclosed on the interim condensed statement of comprehensive income while custody fee and advisory board compensation expense are disclosed in note 10 to the interim condensed financial statements. Management fee payable and custody fee payable are disclosed on the interim condensed statement of financial position.

Trade transactions on the Saudi stock exchange are executed through the Fund Manager.

Units held by related parties

The Unit Holders' account as at 30 June 2018 included 5,395,675 units (30 June 2017: Nil and 1 January 2017: Nil), held by affiliate of the Fund Manager.

12. 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 2018	***Within 12 months SR***	***After 12 months SR***	***Total SR***
ASSETS			
Cash and cash equivalents	**7,064,450**	**-**	**7,064,450**
Investments at fair value through profit or loss	**120,428,447**	**-**	**120,428,447**
Dividend receivable	**372,978**	**-**	**372,978**
TOTAL ASSETS	**127,865,875**	**-**	**127,865,875**
LIABILITIES			
Management fee	**194,135**	**-**	**194,135**
Custody fee payable	**22,186**	**-**	**22,186**
Accrued expenses	**77,419**	**-**	**77,419**
TOTAL LIABILITIES	**293,740**	**-**	**293,740**

As at 31 December 2017	*Within 12 months SAR*	*After 12 months SAR*	*Total SAR*
ASSETS			
Cash and cash equivalents	4,380,021	-	4,380,021
Investment at fair value through profit or loss	54,559,289	-	54,559,289
TOTAL ASSETS	58,939,310	-	58,939,310
LIABILITIES			
Management fee	87,233	-	87,233
Custody fee payable	84,159	-	84,159
Accrued expenses	9,969	-	9,969
TOTAL LIABILITIES	181,361	-	181,361

12. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

As at 1 January 2017	*Within 12 months SAR*	*After 12 months SAR*	*Total SAR*
ASSETS			
Cash and cash equivalents	420,303	-	420,303
Investment at fair value through profit or loss	29,959,757	-	29,959,757
TOTAL ASSETS	30,380,060	-	30,380,060
LIABILITIES			
Management fee	45,438	-	45,438
Custody fee payable	5,193	-	5,193
Accrued expenses	100,831	-	100,831
TOTAL LIABILITIES	151,462	-	151,462

13. FINANCIAL RISK MANAGEMENT

The Fund has exposure to the following risks from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk;

This note presents information about the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

Financial risk management framework

The Fund's objective in managing risk is the creation and protection of Unit Holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to credit risk, liquidity risk and market risk (which includes commission rate risk, currency risk and price risk).

The Fund's Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of Directors. These limits reflect the business strategy, including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risks type and activities.

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the Fund has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio.

13. FINANCIAL RISK MANAGEMENT (continued)

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 does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risks are generally managed on the basis of external credit ratings of the counterparties. The Fund Manager seeks to limit its credit risk by monitoring credit exposure and by dealing with reputed counterparties.

The table below shows the maximum exposure to credit risk for the component of the interim condensed statement of financial position at each reporting date.

	30 June 2018 SR	31 December 2017 SR	1 January 2017 SR
Cash equivalents	**7,064,450**	4,380,021	420,303
Dividend receivables	**372,978**	-	-
Total exposure to credit risk	**7,437,428**	4,380,021	420,303

Credit risk on cash equivalents is limited as these are held with banks with sound credit ratings.

Management believes that dividend receivables does not pose any significant credit risk for the Fund. As at reporting date, dividend receivable was neither past due nor impaired.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities that are settled by delivering cash or another financial assets.

The Fund’s terms and conditions provide for the terms of subscriptions and redemptions of units and it is, therefore, exposed to the liquidity risk of meeting Unit Holder redemptions. The Fund’s securities are considered to be readily realizable as they are all listed on stock markets. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise. The undiscounted value of the financial liabilities of the Fund approximate their carrying values at the reporting date and are all repayable within 12 months of the reporting date.

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, commission rates and equity prices will affect the Fund’s income or the fair value of its holdings in financial instruments.

The Fund’s strategy for the management of market risk is driven by the Fund’s investment objective as per Fund’s terms and conditions. The Fund’s market risk is managed on a timely basis by the Investment Manager in accordance with the policies and procedures in place. The Fund’s market positions are monitored on a timely basis by the Fund Manager.

Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices.

The Fund’s investments are susceptible to market price risk arising from uncertainties about future prices. The Fund Manager manages this risk through diversification of its investment portfolio in terms of geographical distribution and industry concentration.

13. FINANCIAL RISK MANAGEMENT (continued)

Equity price risk (continued)

Sensitivity analysis

The table below sets out the effect on net assets attributable to unit holders of a reasonably possible weakening / strengthening in the individual equity market prices of 5% at reporting date. The estimates are made on an individual investment basis. The analysis assumes that all other variables, in particular commission and foreign currency rates, remain constant.

	30 June 2018	31 December 2017
	SR	SR
Strengthening of 5%	**6,021,422**	2,727,964
Weakening of 5%	**(6,021,422)**	(2,727,964)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Fund's financial assets and liabilities and most of the Fund' transactions are denominated in Saudi Riyals, which is Fund's functional currency, and therefore the management believes that the Fund is not exposed to any significant currency risk.

14. FIRST-TIME ADOPTION OF IFRS AS ENDORSED IN KSA

As stated in note 3, these interim condensed financial statements are the first financial statements prepared by the Fund in accordance with IFRS as endorsed in KSA.

The accounting policies set out in note 4 have been applied in preparing the financial statements for the year ended 31 December 2017 and in the preparation of an opening statement of financial position at 1 January 2017 (the Fund's date of transition to IFRS as endorsed in KSA).

The transition from SOCPA Accounting Standards to IFRS as endorsed in KSA has no significant impact on the Fund's statements of financial position and comprehensive income.

Due to no significant impact, no separate reconciliation statement has been prepared to reconcile the statements of financial position and comprehensive income as per SOCPA Accounting Standards and as per IFRS as endorsed in KSA.

15. VALUATION PERIOD

The last valuation day of the period was 30 June 2018 (six month period ended 30 June 2017: 30 June 2017).