

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED
INTERIM FINANCIAL STATEMENTS**

To the Unitholders

BMK SAUDI EQUITY Fund**Introduction**

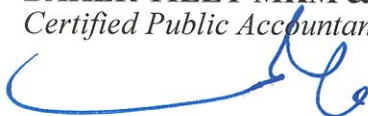
We have reviewed the accompanying condensed interim financial statements of BMK SAUDI EQUITY Fund (the "Fund"), managed by Bait Al Mal Al Khaleeji Company (the "Fund Manager") which comprises of condensed interim statement of financial position as at 30 June 2021, and the related condensed interim statements of profit or loss and other comprehensive income, changes in net assets attributable to unit holders and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. The Fund Manager is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia and to comply with the Fund's terms and conditions. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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 information 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 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

BAKER TILLY MKM & CO.
Certified Public Accountants**Majid Muneer Alnemer**
License No. 381Al-Khobar 8 Muharram 1443H
16 August 2021

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2021**

	<i>Note</i>	<i>30 June</i> <i>2021 (Unaudited)</i>	<i>31 December</i> <i>2020 (Audited)</i>
		<i>SR</i>	<i>SR</i>
ASSETS			
Prepayments and other assets		56,830	1,296
Investments at fair value through profit or loss	7	31,209,014	26,359,338
Cash and cash equivalents		1,607,097	956,815
TOTAL ASSETS		32,872,941	27,317,449
LIABILITIES			
Accrued expenses	9	77,086	67,834
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		32,795,855	27,249,615
Units in issue (number)		1,458,124	1,488,162
Net assets attributable to each unit (SR)		22.49	18.31

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

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021**

	<i>Note</i>	<i>For the six month period ended 30 June 2021 (Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unaudited)</i>
		<i>SR</i>	<i>SR</i>
Income			
Gain (loss) on investments at fair value through profit or loss	7	6,034,261	(6,703,823)
Dividend income		486,643	496,037
		6,520,904	(6,207,786)
Expenses			
Fund management fees	10	(284,068)	(245,204)
Custody fees		(15,103)	(18,000)
Board of Directors' fees	10	(5,967)	(6,000)
Brokerage commission		(12,932)	(1,830)
Others		(63,955)	(36,792)
		(382,025)	(307,826)
Profit (loss) for the period		6,138,879	(6,515,612)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		6,138,879	(6,515,612)

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

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS**FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021**

	<i>For the six month period ended 30 June 2021 (Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Audited)</i>
	<u>SR</u>	<u>SR</u>
Net assets attributable to unit holders at 1 January	27,249,615	31,430,293
Profit (loss) for the period	6,138,879	(6,515,612)
Proceeds from units issued	-	10,034
Payments for units redeemed	(592,639)	(141,000)
Net assets attributable to unit holders at 30 June	32,795,855	24,783,715

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

BMK SAUDI EQUITY FUND
(Managed by Bait Al Mal Al Khaleeji Company)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021

	<i>For the six month period ended 30 June 2021 (Unaudited)</i>	<i>For the six month period ended 30 June 2020 (Unaudited)</i>
	<u>SR</u>	<u>SR</u>
Operating activities		
Profit (loss) for the period	6,138,879	(6,515,612)
Changes in operating assets and liabilities:		
Net change in investments at fair value through profit or loss	(4,849,676)	4,817,573
Prepayments and other assets	(55,534)	(7,113)
Accrued expenses	9,252	(398)
Net cash generated utilized in operating activities	<u>1,242,921</u>	<u>(1,705,550)</u>
Financing activities		
Value of units redeemed	(592,639)	(141,000)
Proceeds from units issued	-	10,034
Net cash utilized in financing activities	<u>(592,639)</u>	<u>(130,966)</u>
Net change in cash and cash equivalents	650,282	(1,836,516)
Cash and cash equivalents at the beginning of the period	<u>956,815</u>	<u>2,376,066</u>
Cash and cash equivalents at the end of the period	<u>1,607,097</u>	<u>539,550</u>

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

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021

1 - THE FUND AND ITS ACTIVITIES

BMK Saudi Equity Fund (the "Fund") is an open-ended investment Fund, established and managed by the Bait Al Mal Al Khaleeji Company (the "Fund Manager"). The terms and conditions of the Fund were approved by the Capital Market Authority ("CMA") on 4 Jumada I 1435H (corresponding to 5 March 2014) and the Fund commenced its activities on 5 Rajab 1435H (corresponding to 4 May 2014) pursuant to such approval and after concluding the subscription procedures.

The Fund's objective is to achieve long-term capital growth through investment in Saudi equities listed on the Saudi Stock Market ("Tadawul").

The Fund Manager is licensed and regulated by the CMA, through license no. 08123-37, to engage in dealing as a principle, managing mutual funds and providing consultation and safe keeping services for securities business.

The Fund is governed by Investment Fund Regulations ("the Regulations") published by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006), thereafter amended on 16 Sha'ban 1437H (corresponding to 23 May 2016), detailing requirements of all funds within the Kingdom of Saudi Arabia.

In dealing with the unit holders, the Fund manager considers the Fund as an independent entity. Accordingly, the Fund prepares its own financial statements. Furthermore, unit holders are considered as owners of the assets of the Fund and distributions are made in relation to their respective ownership in the total number of outstanding units.

2 - BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The condensed interim financial statements of the Fund for the six - month period ended 30 June 2021 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the Fund's annual financial information. The interim results may not be an indicator of the annual results of the Fund.

2.2 Basis of measurement

The condensed interim financial statements have been prepared on a historical cost basis, except for investments at fair value through profit or loss that have been measured at fair value.

2.3 Functional and presentation currency

The Fund condensed interim financial statements are presented in Saudi Riyals, which is the Fund's functional currency.

3 - SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgments and estimates and assumptions that have a significant impact on the condensed interim financial statements of the Fund are discussed below:

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED) FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021

3 - SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortised cost. In judging whether investments in securities are classified as at fair value or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 "Financial Instruments".

4 - ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those applicable in the annual financial statements for the year ended 31 December 2020.

5 - NEW STANDARDS AND AMENDMENTS TO STANDARDS

There are no new standards issued, however, there are number of amendments to the standards which are effective from 1 January 2021 and has been explained in Fund's annual financial statements for the year ended 31 December 2020, but they do not have a significant effect on these condensed interim financial statements for the six month period ended 30 June 2021.

5.1 STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new pronouncements are effective for annual periods beginning on or after 1 January 2021, and earlier application is permitted; however, the Fund has not early adopted the new or amended standards in preparing these condensed interim financial statements.

<u>Standard/ Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date:</u>
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.		Effective date deferred indefinitely
Amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities.		1 January 2023
IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.		1 January 2023
Amendments IFRS 3 <i>Business Combination</i> updating a reference to the Conceptual Framework.		1 January 2022
Amendments to IAS 16 <i>Property, Plant and Equipment</i> prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.		1 January 2022
Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> regarding the costs to include when assessing whether a contract is onerous.		1 January 2022
Annual Improvements to IFRS 2018 – 2020 Cycle amending IFRS 1, IFRS 9, IFRS 16 and IAS 41.		1 January 2022

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021****6 - MANAGEMENT FEE AND OTHER EXPENSES**

The Fund is managed and administered by the Fund Manager. For these services, the Fund accrues a management fee, as set out in the Fund's terms and conditions, at an annual rate of 1.9% of the Funds net assets calculated every valuation day.

The Fund is responsible for all expenses, fees, other costs and liabilities incurred in managing and operating the Fund. Such expenses include, but are not limited to, audit, remuneration of the Fund's Board, administration, dealing costs, custody, government and other professional fees.

7 - INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This represents investment in equity securities listed on the Tadawul.

The investment portfolio is allocated among the various economic sectors, the fair values of these investments are as follows :

Sector	30 June 2021 (Unaudited)		31 December 2020 (Audited)	
	Fair value	%	Fair value	%
	SR		SR	
Financials	19,583,340	62.75	20,023,436	75.96
Energy	9,115,421	29.21	2,835,000	10.76
Materials	1,680,662	5.39	1,775,304	6.74
Consumer Discretionary	829,591	2.66	1,725,598	6.55
Total	31,209,014	100	26,359,338	100

The movement of investments at fair value through profit or loss is as follows:

	<i>For the period</i>	
	<i>ended 30 June</i>	<i>Year ended 31</i>
	<i>2021</i>	<i>December 2020</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>SR</i>	<i>SR</i>
1 January	26,359,338	29,112,843
Addition	11,828,121	3,444,770
Disposal	(13,012,706)	(4,001,885)
Change in fair value	6,034,261	(2,196,390)
Closing balance	31,209,014	26,359,338

BMK SAUDI EQUITY FUND

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021
8 - FAIR VALUES

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<i>30 June 2021 (Unaudited)</i>						
	Carrying amount			Fair value			
	Fair value	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	SR	SR	SR	SR	SR	SR	SR
Financial assets							
Investments at FVTPL	31,209,014	-	31,209,014	31,209,014	-	-	31,209,014
Cash and cash equivalents	-	1,607,097	1,607,097	-	-	-	-
	<u>31,209,014</u>	<u>1,607,097</u>	<u>32,816,111</u>	<u>31,209,014</u>	<u>-</u>	<u>-</u>	<u>31,209,014</u>
Financial liabilities							
Accrued expenses	-	77,086	77,086	-	-	-	-
	<u>-</u>	<u>77,086</u>	<u>77,086</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<i>31 December 2020 (Audited)</i>						
	Carrying amount			Fair value			
	Fair value	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	SR	SR	SR	SR	SR	SR	SR
Financial assets							
Investments at FVTPL	26,359,338	-	26,359,338	26,359,338	-	-	26,359,338
Cash and cash equivalents	-	956,815	956,815	-	-	-	-
	<u>26,359,338</u>	<u>956,815</u>	<u>27,316,153</u>	<u>26,359,338</u>	<u>-</u>	<u>-</u>	<u>26,359,338</u>
Financial liabilities							
Accrued expenses	-	67,834	67,834	-	-	-	-
	<u>-</u>	<u>67,834</u>	<u>67,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021****9 - ACCRUED EXPENSES**

	<u>30 June 2021</u> <i>(Unaudited)</i>	31 December 2020 (Audited)
	<i>SR</i>	<i>SR</i>
Accrued management fees (note 6)	58,688	50,460
Others	18,398	17,374
	<u>77,086</u>	<u>67,834</u>

10 - TRANSACTIONS WITH RELATED PARTIES

The following table provides the total amount of transactions that have been entered into with related parties during the period and their related accruals as at :

<u>Related party</u>	<u>Nature of transaction</u>	<u>Transactions for the period</u>		<u>Balances</u>	
		<u>ended 30 June</u>		<u>30 June 2021</u>	<u>31 December</u>
		<u>2021</u>	<u>2020</u>	<u>(Unaudited)</u>	<u>2020 (Audited)</u>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Fund Manager	Management fee	284,068	245,204	58,688	50,460
Fund Board	Board of Directors remuneration	5,967	6,000	-	-
				<u>58,688</u>	<u>50,460</u>

As at 30 June 2021 the Elite House GCC Equity Fund (managed by same Fund Manager) holds 1,413,795 units in BMK Saudi Equity Fund (31 December 2020: 1,422,766 units).

Basis and term of payment for fee payable to related parties as per terms and conditions of the Fund approved by CMA are as follows:

<u>Type of fee</u>	<u>Basis and rate</u>	<u>Basis for calculation</u>
Management fees	1.9 % of net asset value	Annually, calculated on a daily basis
Board of Directors remunerations	SR 3,000 per meeting only payable to the independent members, maximum up to SR 12,000 per annum	Per member per meeting

11 - VALUATION DAY

The Fund's units are valued at every Monday and Wednesday and unit price is announced on the following business day. The last valuation day for the purpose of preparation of these condensed interim financial information was 30 June 2021.

12 - RISK MANAGEMENT**Commission rate risk**

Commission rate risk is the risk that the value of financial instruments will fluctuate due to the changes in the market commission rates. The Fund is not subject to commission rate risk.

BMK SAUDI EQUITY FUND

(Managed by Bait Al Mal Al Khaleeji Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (CONTINUED)
FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2021****12 - RISK MANAGEMENT (continued)****Credit risk**

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Fund seeks to manage its credit risk with respect to the banks by only dealing with reputable banks.

	<i>30 June 2021</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2020 (Audited)</i>
	SR	SR
Cash and cash equivalents	1,607,097	956,815

The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Fund manages its liquidity risk by monitoring investing activities and cash flows on regular basis.

	30 June 2021			
	Carrying amount	Less than 1 year	1 year to 5 years	More than 5 years
	SR	SR	SR	SR
Financial Liabilities				
Accrued expenses	77,086	77,086	-	-
	77,086	77,086	-	-
	31 December 2020			
	Carrying amount	Less than 1 year	1 year to 5 years	More than 5 years
	SR	SR	SR	SR
Financial Liabilities				
Accrued expenses	67,834	67,834	-	-
	67,834	67,834	-	-

Equity price

The Fund listed equity securities are susceptible to market price risk arising from uncertainties about its future values of the investment securities. The Fund manages the equity price risk through diversification and by placing limits on individual and total equity instruments sectors.

13 - APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 16 August 2021.