

**DERAYAH FREESTYLE SAUDI EQUITY FUND**  
**Open-Ended Investment Fund**  
**(Managed by Derayah Financial Company)**  
**Interim Condensed Financial Statements (Unaudited)**  
**For the period ended 30 June 2024**  
**Together with the**  
**Independent Auditor's Review Report to the Unitholders**

**DERAYAH FREESTYLE SAUDI EQUITY FUND**

Open-Ended Investment Fund

Managed by Derayah Financial Company

**Interim Condensed Financial Statements**

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**For the period ended 30 June 2024**

Together with the Independent Auditor's Review Report to the Unitholders

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

**TO THE UNITEHOLDERS OF DERAYAH FREESTYLE SAUDI EQUITY FUND**

**INTRODUCTION**

We have reviewed the accompanying interim statement of financial position of Freestyle Saudi Equity Fund (the "Fund") managed by Derayah Financial Company (the "Fund Manager") as at 30 June 2024 and the related interim statements of comprehensive income and changes in net assets (equity) attributable to unitholders and cash flows for the six-month period ended at 30 June 2024, and a summary of material 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") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**For PKF Albassam  
Chartered Accountants.**



Ahmed Abdulmajeed Mohandis  
Certified Public Accountant  
License No.: 477  
Date: 7 Safar 1446  
Corresponding to: 11 August 2024

**DERAYAH FREESTYLE SAUDI EQUITY FUND**

Open-Ended Investment Fund

Managed by Derayah Financial Company

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION****As at 30 June 2024**

(All Amounts in Saudi Riyals)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	4	41,121,584	2,499,115
Dividend receivable		1,965,179	-
Investments carried at fair value through profit or loss (FVTPL)	5	1,434,768,156	814,358,224
<b>TOTAL ASSETS</b>		<b>1,477,854,919</b>	<b>816,857,339</b>
<b>LIABILITIES</b>			
Management fee payable	8	1,987,534	1,111,184
Accrued expenses		136,687	135,128
<b>TOTAL LIABILITIES</b>		<b>2,124,221</b>	<b>1,246,312</b>
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS</b>		<b>1,475,730,698</b>	<b>815,611,027</b>
Units in issue (number)	6	32,114,374	21,169,241
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO EACH UNIT</b>		<b>45.95</b>	<b>38.53</b>

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

**DERAYAH FREESTYLE SAUDI EQUITY FUND**

Open-Ended Investment Fund

Managed by Derayah Financial Company

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME****For the period ended 30 June 2024**

(All Amounts in Saudi Riyals)

	Note	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
<b><u>Investment income</u></b>			
Dividend income		<b>7,073,491</b>	3,527,139
Realized gain from investments carried at FVTPL		<b>108,014,851</b>	12,506,407
Unrealized gain from investments carried at FVTPL		<b>78,623,365</b>	58,026,598
Other income		<b>77,191</b>	-
<b>Total income from operations</b>		<b>193,788,898</b>	74,060,144
Management fees	8	<b>(9,889,423)</b>	(2,140,667)
Other expenses		<b>(297,812)</b>	(625,886)
<b>Total expenses</b>		<b>(10,187,235)</b>	(2,766,553)
<b>Net income for the period</b>		<b>183,601,663</b>	71,293,591
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>183,601,663</b>	71,293,591

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

**DERAYAH FREESTYLE SAUDI EQUITY FUND**

Open-Ended Investment Fund

Managed by Derayah Financial Company

**INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS (EQUITY)****ATTRIBUTABLE TO THE UNIT HOLDERS****For the period ended 30 June 2024**

(All Amounts in Saudi Riyals)

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
<b>Net assets (equity) attributable to the unit holders at the beginning of the period</b>	<b>815,611,027</b>	103,137,508
<b>Changes from unit transactions:</b>		
Issuance of units	<b>616,595,692</b>	182,870,807
Redemption of units	<b>(140,077,684)</b>	(13,964,426)
<b>Net changes from unit transactions</b>	<b>476,518,008</b>	168,906,381
Total comprehensive income for the period	<b>183,601,663</b>	71,293,591
<b>Net assets (equity) attributable to the unit holders at the end of the period</b>	<b>1,475,730,698</b>	343,337,480

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

**DERAYAH FREESTYLE SAUDI EQUITY FUND**

Open-Ended Investment Fund

Managed by Derayah Financial Company

**INTERIM CONDENSED STATEMENT OF CASH FLOWS****For the period ended 30 June 2024**

(All Amounts in Saudi Riyals)

	<b>30 June 2024</b> <b>(Unaudited)</b>	30 June 2023 (Unaudited)
<b>Cash flows from operating activities:</b>		
<b>Net income for the period</b>	<b>183,601,663</b>	71,293,591
Adjustments for:		
Realized gains from investments carried at FVTPL	<b>(78,623,365)</b>	(58,026,598)
Dividend income	<b>(7,073,491)</b>	(3,527,139)
	<b>97,904,807</b>	9,739,854
<b>Net changes in operating assets and liabilities:</b>		
Investments carried at FVTPL	<b>(534,713,076)</b>	(156,466,410)
Advances for acquisition of financial assets carried at FVTPL	-	(11,059,141)
Dividend receivables	<b>(1,965,179)</b>	3,350,893
Management fees payable	<b>876,350</b>	323,990
Accrued expenses	<b>1,559</b>	264,142
<b>Net cash used in operating activities</b>	<b>(437,895,539)</b>	(153,846,672)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of units	<b>616,595,692</b>	182,870,807
Redemptions of the units	<b>(140,077,684)</b>	(13,964,426)
<b>Net cash generated from financing activities</b>	<b>476,518,008</b>	168,906,381
<b>Net increase in cash and cash equivalents</b>	<b>38,622,469</b>	15,059,709
Cash and cash equivalents at beginning of the period	<b>2,499,115</b>	8,194,151
<b>Cash and cash equivalents at end of the period</b>	<b>41,121,584</b>	23,253,860

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

## **DERAYAH FREESTYLE SAUDI EQUITY FUND**

Open-Ended Investment Fund

Managed by Derayah Financial Company

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### **Notes to the interim condensed financial statements**

**For the period ended 30 June 2024**

(All Amounts in Saudi Riyals)

#### **1. FUND AND ITS ACTIVITIES**

Derayah Freestyle Saudi Equity Fund (the "Fund") is an open-ended fund. The Fund aims to develop capital over the long-term by investing mainly in companies listed on the Saudi Stock Exchange ("Tadawul"), in the parallel market ("Nomu"), and tradeable rights and initial offerings in Saudi Arabia. The Fund can also invest in the financial markets of other countries (globally). All investments of the Fund are in accordance with Sharia standards approved by the Sharia Committee of the Fund. The Fund Manager will also invest in real estate traded funds and Exchange-Traded Funds ("ETFs"). The Fund will not distribute dividends to its unitholders, however all profits will be reinvested by the Fund.

The Fund is managed by Derayah Financial Company (the "Fund Manager"), a closed joint stock company licensed by the Capital Market Authority of the Kingdom of Saudi Arabia ("CMA") under license number 90810- 27. Albilad Investment Company (the "Custodian") is appointed as the custodian of the Fund.

The registered office address of the Fund Manager is P.O. Box 286546, Riyadh 11323, KSA

The Fund commenced its operations on 29 March 2016.

On 3 April 2024, the Fund Manager announced an update to the Fund's terms and conditions, which included amending the custodian fees from 0.03% per annum of the Fund's net asset value to an annual rate of 0.02% to 0.03%. In addition to amending the custodian transaction fees from SAR 30 to SAR 20 per transaction for the Saudi market, and from transaction fees ranging between 13 and 105 US dollars to fees ranging between 27 and 49 US dollars per transaction for the Gulf market.

#### **2. REGULATING AUTHORITY**

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by CMA detailing requirements for all funds within the Kingdom of Saudi Arabia. The amended Regulations shall come into effect from 19 Ramadan 1442 H (corresponding to 1 May 2021).

The Minister of Finance, pursuant to Ministerial Resolution No. (29791) dated 9 Jumada al-Awwal 1444 (corresponding to 3 December 2022), approved the rules for collecting zakat from investors in investment funds permitted by the CMA. This decision applies to the fiscal years starting from 1 January 2023, and requires investment funds to register with the Zakat, Tax and Customs Authority (ZATCA). The rules for collecting zakat from investors in the fund also require that they submit an information declaration to ZATCA within a period not exceeding 120 days from the end of its fiscal year, provided that it includes the audited financial statements and records of transactions with persons associated with the fund ("related parties") and any additional data requested by ZATCA. Under the rules, investment funds are not subject to the collection of zakat in accordance with the rules for collecting zakat from investors in investment funds, including funds that take the form of a special purpose entity licensed by CMA, provided that they do not carry out economic business or investment activities that are not stipulated in the bylaws or conditions. And special provisions for investment funds. Zakat will be collected from the fund's unit holders. During the current period, the Fund Manager has completed the registration of the Fund with Zakat and will submit the Zakat information declaration in due course.

#### **3. BASIS OF PREPARATION**

##### **3.1 Statement of compliance**

These interim condensed financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). and should be read in conjunction with the Fund's annual financial statements for the year ended 31 December 2023. These financial statements do not typically include all the information required to prepare the financial statements. The results for the period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.



## DERAYAH FREESTYLE SAUDI EQUITY FUND

Open-Ended Investment Fund

Managed by Derayah Financial Company

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### Notes to the interim condensed financial statements

For the period ended 30 June 2024

(All Amounts in Saudi Riyals)

### 3. BASIS OF PREPARATION (CONTINUED)

#### 3.2 Basis of measurement Functional and presentation currency

These interim condensed financial statements have been prepared under the historical cost convention, except for the measurement of investments carried at fair value through profit or loss. These interim condensed financial statements are presented in Saudi riyals, which is the functional currency and presentation currency of the fund.

#### 3.3 Critical accounting judgments, estimates and assumption

The accounting policies used in the preparation of this interim condensed financial information are consistent with those used and disclosed in the Fund's annual financial statements for the year ended 31 December 2023. Certain new standards, amendments and interpretations apply for the first time in 2024, but have no impact on the Fund's interim condensed financial information.

There are several other amendments and interpretations that have been issued, but are not yet effective, as of the date of issuance of the Fund's interim financial information, and the Fund's Board of Directors believes that they will not have a material impact on the Fund's interim condensed financial information. The Fund intends to adopt these amendments and interpretations, if any.

#### 3.4 New Standards, Amendments to Standards and Interpretations

A number of the following new and amended standards became effective for the current reporting period.

- Amendments to IFRS 16 "Leases" on a sale and leaseback.
- Amendments to IAS 1 "Presentation of Financial Statements" Non-current Liabilities with Covenants.
- Amendments to IAS 7 "Statements of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" – Suppliers Financing.
- Amendments to IAS 21 "Foreign Exchange" – Non-Convertibility of Currencies.

The Fund did not have to change its accounting policies or make retrospective adjustments as a result of applying these standards.

### 4. CASH AND CASH EQUIVALENTS

	<b>30 June 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)
Cash at banks	<u>41,121,584</u>	<u>2,499,115</u>
	<u>41,121,584</u>	<u>2,499,115</u>

Bank balances are held in investment accounts with the custodian.

**DERAYAH FREESTYLE SAUDI EQUITY FUND**

Open-Ended Investment Fund

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**Notes to the interim condensed financial statements****For the period ended 30 June 2024**

(All Amounts in Saudi Riyals)

**5. INVESTMENTS CARRIED AT FVTPL**

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Cost	Fair Value	Cost	Fair Value
Materials	234,805,072	283,778,478	135,154,064	143,000,824
Consumer services	43,537,242	43,241,980	41,116,512	46,057,281
Commercial services	89,242,530	81,222,899	-	-
Software and services	-	-	13,386,507	15,453,569
Finance	281,126,221	315,727,405	217,393,963	242,399,244
Retailing	175,380,000	170,061,277	98,060,123	123,431,590
Energy	105,519,000	116,495,208	25,723,526	43,870,752
Telecommunication services	46,159,834	48,643,910	19,926,080	22,487,512
Industrials	17,957,756	19,479,999	32,773,445	37,813,732
Transport	-	-	18,984,071	19,745,920
Information Technology	79,861,694	100,322,440	43,058,895	49,740,029
Utilities	91,499,983	100,302,225	-	-
Health care equipment and services	83,791,617	86,793,335	38,119,636	47,261,365
Real estate management and development	69,842,946	68,699,000	23,797,284	23,096,406
	<b>1,318,723,895</b>	<b>1,434,768,156</b>	<b>707,494,106</b>	<b>814,358,224</b>

**6. UNIT TRANSACTIONS**

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Units at the beginning of the period / year	21,169,241	4,059,421
Units issued	14,209,045	19,860,691
Units redeemed	(3,263,912)	(2,750,871)
Net change in units	10,945,133	17,109,820
Units at the end of the period / year	32,114,374	21,169,241

**7. MANAGEMENT FEES, OTHER EXPENSES AND DEALING FEES**

The fund manager charges a management fee of 1.5% of the fund's net asset value. The management fee is calculated daily and deducted at the end of each calendar month.

The fund manager recovers from the fund any expenses incurred on behalf of the fund such as audit fees, legal fees and other similar expenses.

Custody fees at a rate ranging from 0.02% - 0.03% annually of the Fund's net asset value for Saudi shares. In addition to the Custodian's dealing fees of 20 Saudi riyals per transaction for the Saudi market, and dealing fees ranging from 27 to 49 US dollars per transaction for the Gulf market.

## DERAYAH FREESTYLE SAUDI EQUITY FUND

Open-Ended Investment Fund

Managed by Derayah Financial Company

### Notes to the interim condensed financial statements

For the period ended 30 June 2024

(All Amounts in Saudi Riyals)

#### 8. TRANSACTIONS AND BALANCE WITH RELATED PARTIES

Related parties of the Fund include Derayah Financial Company (the fund manager), and Albilad Capital (the custodian). In the ordinary course of its activities, the Fund transacts business with related parties. The related parties' transactions are governed by limits set by the regulations issued by the CMA. All related party transactions are approved by the Fund's Board of directors.

The following are the significant transactions with related parties that the fund entered into during the period / year and the balances resulting therefrom:

Related Party	Nature of transactions	Amount of transactions during the period / year ended		Closing balance (Payable)	
		30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Derayah Financial Company	Management Fees	9,889,423	7,492,485	(1,987,534)	(1,111,184)
Albilad Capital	Custody Fees	21,673	108,361	(46,662)	(18,972)
Board of directors	Remunerations	19,891	40,000	(19,891)	(40,000)

#### 9. SUBSEQUENT EVENTS

In the opinion of management, there were no significant subsequent events after 30 June 2024 and up to the date of approval of the interim condensed financial statements, which may have a material impact on the interim condensed financial statements as at 30 June 2024.

#### 10. COMPARATIVE FIGURES

Certain comparative period figures have been reclassified to conform to the current classification of the financial statements.

#### 11. LAST VALUATION DAY

The last valuation day of the period / year was 30 June 2024 (31 December 2023)

#### 12. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue by the Fund Board of Directors on 29 Muharram 1446 H corresponding to 4 August 2024.