

**DERAYAH GCC GROWTH AND INCOME 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 GCC GROWTH AND INCOME 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 GCC GROWTH AND INCOME EQUITY FUND**

**INTRODUCTION**

We have reviewed the accompanying interim statement of financial position of GCC Growth and Income 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 GCC GROWTH AND INCOME 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 Arabian Riyals)

	Note	30 June 2024 (Un-audited)	31 December 2023 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	4	7,382,490	865,474
Investments carried at fair value through profit or loss (FVTPL)	5	129,644,305	68,905,360
Investments carried at amortized cost	6	7,463,898	5,239,547
Other receivables		147,696	-
<b>TOTAL ASSETS</b>		<b>144,638,389</b>	<b>75,010,381</b>
<b>LIABILITIES</b>			
Accrued expenses		231,790	129,550
Management fee payable	9	81,148	126,541
<b>TOTAL LIABILITIES</b>		<b>312,938</b>	<b>256,091</b>
		<b>144,325,451</b>	<b>74,754,290</b>
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS</b>			
Units in issue (number)	7	8,326,870	5,107,006
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO EACH UNIT</b>		<b>17.33</b>	<b>14.64</b>

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

**DERAYAH GCC GROWTH AND INCOME 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 Arabian Riyals)

	Note	For the period ended 30 June 2024 (Un- audited)	For the period ended 30 June 2023 (Un- audited)
<b>Investment income</b>			
Special commission income		179,624	-
Realized gain from investments carried at FVPL		8,852,108	3,196,154
Unrealized gain from investments carried at FVPL		8,571,726	7,955,865
Dividend income		1,207,766	741,198
Other income		-	38,660
<b>TOTAL INCOME FROM OPERATIONS</b>		<b>18,811,224</b>	<b>11,931,877</b>
Management fees	9	(1,157,982)	(464,241)
Other expenses		(125,119)	(153,028)
<b>TOTAL EXPENSES</b>		<b>(1,283,101)</b>	<b>(617,269)</b>
<b>NET INCOME FOR THE PERIOD</b>		<b>17,528,123</b>	<b>11,314,608</b>
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>17,528,123</b>	<b>11,314,608</b>

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

**DERAYAH GCC GROWTH AND INCOME 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 Arabian Riyals)

	For the period ended 30 June 2024 (Un- audited)	For the period ended 30 June 2023 (Un- audited)
	Note	
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS AT THE BEGINNING OF THE PERIOD</b>	<b>74,754,290</b>	40,711,813
<b>Changes from unit transactions:</b>		
Issuance of units	<b>62,860,444</b>	5,757,839
Redemption of units	<b>(9,683,580)</b>	(5,067,674)
<b>Net changes from unit transactions</b>	<b>53,176,864</b>	690,165
Dividends	10 <b>(1,133,826)</b>	(1,525,840)
Total comprehensive income for the period	<b>17,528,123</b>	11,314,608
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS AT THE END OF THE PERIOD</b>	<b>144,325,451</b>	51,190,746

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

**DERAYAH GCC GROWTH AND INCOME 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 Arabian Riyals)**

	<b>For the period ended 30 June 2024 (Un- audited)</b>	<b>For the period ended 30 June 2023 (Un- audited)</b>
<b>Cash Flows from Operating Activities:</b>		
<b>Net Income for the period</b>	<b>17,528,123</b>	11,314,608
Adjustments for:		
Realized gains from investments carried at FVPL	<b>(8,852,108)</b>	(3,196,154)
Unrealized gains from investments carried at FVPL	<b>(8,571,726)</b>	(7,955,865)
<b>Net Changes in Operating Assets and Liabilities:</b>		
other receivables	<b>(147,696)</b>	(12,715)
Investments carried at FVTPL	<b>(43,315,111)</b>	557,913
Investments carried at amortized cost	<b>(2,224,351)</b>	111
Prepayment against purchase of investments	-	(1,109,368)
Management fees payable	<b>(45,393)</b>	(73,143)
Accrued expenses	<b>102,240</b>	62,325
<b>Net Cash Used in Operating Activities</b>	<b>(45,526,022)</b>	(412,288)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance of units	<b>62,860,444</b>	5,757,839
Redemptions of the units	<b>(9,683,580)</b>	(5,067,674)
Dividends	<b>(1,133,826)</b>	(1,525,840)
<b>Net Cash Generated from/ (Used in) Financing Activities</b>	<b>52,043,038</b>	(835,675)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>6,517,016</b>	(1,247,963)
Cash and cash equivalents at beginning of the period	<b>865,474</b>	3,361,681
<b>Cash and Cash Equivalents at End of the period</b>	<b>7,382,490</b>	2,113,718

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

## **DERAYAH GCC GROWTH AND INCOME 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 Arabian Riyals)

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

Derayah GCC Growth and Income Equity Fund (the “Fund”) is an open-ended, Shariah-compliant investment fund managed under an agreement between Derayah Financial (the “Fund Manager”) and the fund’s investors (“Unit Holders”). The fund aims to provide long-term capital growth and distribute cash dividends periodically by investing primarily in the securities of companies listed in the Saudi stock market and in shares of companies listed in the Gulf financial markets, and this includes primary and secondary offerings, priority rights and units of real estate traded funds and units of stock index funds, traded sukuk and shares of companies listed in the parallel market. The fund also aims to invest in fixed income instruments such as sukuk and money market instruments locally, in the Gulf and internationally. The fund aims to distribute cash dividends to its unit holders on a semi-annual basis.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund’s Management prepares a separate financial statement for the Fund.

The Capital Market Authority (“CMA”) approval for the establishment of the Fund was granted in its letter number (S/3/5/1574/21) dated Rajab 2, 1442 H (corresponding to February 14, 2021).

#### **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 December 3, 2022), approved the rules for collecting zakat from investors in investment funds permitted by the Capital Market Authority. This decision applies to the fiscal years starting from January 1, 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 the Authority 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 the Authority. 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 the Capital Market Authority, 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 Accounting Standard (IAS) 34 - Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Certified Public Accountants (SOCPA) and should be read in conjunction with the Fund’s last annual financial statement for the year ended 31 December 2023. These financial statements usually do not 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 financial year ending 31 December 2024.



## **DERAYAH GCC GROWTH AND INCOME 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 Arabian 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 Significant accounting policies**

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2023. There are new standards, amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Fund.

There are several other amendments 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 Fund's Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

#### **3.4 New standards, interpretations and amendments**

A number of the following new and revised standards, are effective this reporting period.

- Amendment to IFRS 16 "Lease Contracts" - Leases on sale and leaseback
- Amendments to IAS 1 "Presentation of Financial Statements" - Noncurrent liabilities with covenants.
- Amendment to IAS 7 "Statements of Cash Flows" and IFRS No. 7 "Financial Instruments: Disclosures" – Supplier Financing.
- Amendments to IAS 21 "Foreign Currencies" – Non-exchangeability of currencies.

The Fund was not required to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### **3.5 New standards, amendments and revised IFRS issued but not yet effective**

Certain new accounting standards and amendments to accounting standards and interpretations have been issued that are not mandatory for the June 30, 2024 reporting periods, and the Fund has not implemented them early. The new standard on presentation and disclosure in financial statements, namely IFRS 18 "Presentation and Disclosure in Financial Statements," will apply to reporting periods beginning on or after 1 January 2024. Management is in the process of evaluating the impact of these new standards and interpretations on its financial statements.

**DERAYAH GCC GROWTH AND INCOME 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 Arabian Riyals)

**4. CASH AND CASH EQUIVALENTS**

	Note	30 June 2024 (Un-audited)	31 December 2023 (Audited)
Balances at banks	4-1	7,382,490	865,474
		<b>7,382,490</b>	<b>865,474</b>

4.1 Bank balances are held in investment accounts with the Custodian

**5. INVESTMENTS CARRIED AT FVPL**

	30 June 2024 (Un-audited)		31 December 2023 (Audited)	
	Cost	Fair Value	Cost	Fair Value
Shares in the UAE market	-	-	8,552,104	8,922,049
Shares in the Kuwaiti market	-	-	894,408	1,210,302
Shares in the Qatari market	-	-	5,780,350	5,234,795
Applications and technology services	9,087,164	11,736,092	1,747,612	2,026,128
Telecommunication services	4,344,029	4,137,241	-	-
Consumer services	16,347,402	15,604,133	14,317,537	17,668,443
Commercial and professional services	15,015,361	16,401,027	5,767,449	7,028,563
Health care equipment and services	9,887,976	11,661,211	3,866,162	5,015,327
Energy	10,161,524	9,999,404	2,702,731	4,629,095
Real estate development	4,237,063	4,637,030	-	-
Materials	17,542,051	17,634,276	13,771,119	13,584,220
Transportation	-	-	1,868,064	2,133,805
Industries	9,749,935	8,767,089	1,136,609	1,452,633
Finance	22,941,082	29,066,802	-	-
	<b>119,313,587</b>	<b>129,644,305</b>	<b>60,404,145</b>	<b>68,905,360</b>

**6. INVESTMENTS LISTED AT AMORTIZED COST - SUKUK**

	30 June 2024 (Un-audited)	31 December 2023 (Audited)
<b>SUKUK</b>		
Alinma Bank Sukuks	1,021,471	1,010,000
Public Investment Fund Sukuks	2,017,355	2,129,356
Saudi Electricity Company Sukuks	2,004,833	2,100,191
Sukuk of Middle East Healthcare Company (Saudi German Health)	2,420,239	-
	<b>7,463,898</b>	<b>5,239,547</b>

## DERAYAH GCC GROWTH AND INCOME 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 Arabian Riyals)

#### 7. UNIT TRANSACTIONS

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

	<b>30 June 2024</b> <b>(Un-audited)</b>	31 December 2023 <b>(Audited)</b>
<b>Units at the beginning of the period/year</b>	<b>5,107,006</b>	3,780,684
Units issued	<b>3,825,305</b>	2,800,352
Units redeemed	<b>(605,441)</b>	(1,474,030)
<b>Net change in units</b>	<b>3,219,864</b>	1,326,322
<b>Units at the end of the period/year</b>	<b>8,326,870</b>	5,107,006

#### 8. MANAGEMENT FEE, DEALING FEES AND OTHER EXPENSES

The fund manager charges a management fee of 1.8% 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. These fees are not expected to exceed 0.25% per annum of the fund's net asset value.

#### 9. 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 transaction during period/year		Closing balance (Payable)	
		30 June 2024 <b>(Un-audited)</b>	31 December 2023 <b>(Audited)</b>	30 June 2024 <b>(Un-audited)</b>	31 December 2023 <b>(Audited)</b>
Derayah Financial Company	Management Fees	<b>1,157,982</b>	1,139,632	<b>(81,148)</b>	(71,209)
Albilad Capital	Custody Fees	<b>20,642</b>	22,345	<b>(8,309)</b>	(2,439)
Fund Board	Remunerations	<b>19,891</b>	40,000	<b>(19,891)</b>	(40,000)

#### 10. DIVIDENDS

On 9 May 2023, the fund manager approved the distribution of dividends to shareholders for the period from November 1, 2021 to April 30, 2022 in the amount of 0.40 Saudi riyals per unit, with a total amount of 1,525,840 Saudi riyals for its unit holders.

On 6 May 2024, the fund manager approved the distribution of dividends to shareholders for the period from November 1, 2023 to April 30, 2024 in the amount of 0.14 Saudi riyals per unit, with a total amount of 1,133,826 Saudi riyals for its unit holders.

## **DERAYAH GCC GROWTH AND INCOME 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 Arabian Riyals)

#### **11. EVENTS AFTER THE PERIOD OF THE REPORTING DATE**

There has been no significant events after 30 June 2024 until the date of approval of the interim condensed financial statements, which in the opinion of the management may have a significant impact on the interim condensed financial statements as at 30 June 2024

#### **12. COMPARATIVE FIGURES**

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

#### **13. LAST VALUATION DAY**

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

#### **14. 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 (4 August 2024).