Al- Arabi Saudi Equity Fund
(Managed By Arab National Investment Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2018

Building a better working world

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF AL ARABI SAUDI EQUITY FUND (MANAGED BY ARAB NATIONAL INVESTMENT COMPANY)

Introduction:

We have reviewed the accompanying interim condensed statement of financial position of Al Arabi Saudi Equity Fund (the "Fund") managed by Arab National Investment Company (the "Fund Manager") as at 30 June 2018 and the related interim condensed statements of comprehensive income, changes in net assets attributable to the unitholders 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 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 endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young

Rashid S. AlRashoud
Certified Public Accountant
License No. 366

Riyadh: 2 Dhul Hijjah 1439H
(13 August 2018)

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PROFESSIONAL LICENCE No. 45

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2018

	Note	***30 June 2018*** ***SR***	*31 December 2017* *SR*	*1 January 2017* *SR*
ASSETS				
Investments at fair value through profit or loss	7	**117,291,680**	108,819,793	142,213,375
Cash and cash equivalents		**994,490**	1,056,542	3,131,178
Dividend receivables		**-**	89,000	110,875
TOTAL ASSETS		**118,286,170**	109,965,335	145,455,428
LIABILITY				
Accrued expenses		**565,596**	513,224	578,804
TOTAL LIABILITY		**565,596**	513,224	578,804
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS		**117,720,574**	109,452,111	144,876,624
Units in issue		**1,076,358**	1,192,349	1,632,825
Net assets value attributable to each unit		**109.37**	91.80	88.73

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six-month period ended 30 June 2018

	Notes	***2018*** ***SR***	*2017* *SR*
INCOME			
Net gain from investments at fair value through profit or loss	8	**19,315,787**	3,896,768
Dividend income		**2,270,743**	3,095,041
		21,586,530	6,991,809
EXPENSES			
Management fees	9	**(995,202)**	(1,149,307)
Other expenses	9	**(102,942)**	(31,894)
		(1,098,144)	(1,181,201)
NET INCOME FOR THE PERIOD		**20,488,386**	5,810,608
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**20,488,386**	5,810,608

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

INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)

For the six-month period ended 30 June 2018

	2018 ***SR***	*2017* *SR*
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD	**109,452,111**	144,876,624
TOTAL COMPREHENSIVE INCOME	**20,488,386**	5,810,608
ISSUANCE AND REDEMPTIONS OF UNITS		
Issuance of units during the period	**1,888,216**	206,870
Redemptions of units during the period	**(14,108,139)**	(6,857,730)
Net changes in units	**(12,219,923)**	(6,650,860)
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD	**117,720,574**	144,036,372

UNIT TRANSACTIONS

Transactions in units made for the period ended 30 June are summarized as follows:

	2018 ***Units***	*2017* *Units*
UNITS AT THE BEGINNING OF THE PERIOD	**1,192,349**	**1,632,825**
Issuance of units during the period	**17,373**	**2,421**
Redemptions of units during the period	**(133,364)**	**(79,033)**
Net changes in units	**(115,991)**	**(76,612)**
UNITS AT THE END OF THE PERIOD	**1,076,358**	**1,556,213**

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2018

	2018 *SR*	*2017* *SR*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	**20,488,386**	5,810,608
Adjustments to reconcile net income to net cash flows:		
Unrealized gain on investments at fair value through profit or loss	**(17,202,344)**	(1,326,081)
	3,286,042	4,484,527
Working capital adjustments:		
Decrease in investments at fair value through profit or loss	**8,730,457**	353,314
Decrease (increase) in other receivable	**89,000**	(142,455)
Increase (decrease) in accrued expenses	**52,372**	(10,553)
Net cash flows from operating activities	**12,157,871**	4,684,833
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of units during the period	**1,888,216**	206,870
Redemptions of units during the period	**(14,108,139)**	(6,857,730)
Net cash used in financing activities	**(12,219,923)**	(6,650,860)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(62,052)**	(1,966,027)
Cash and cash equivalents at the beginning of period	**1,056,542**	3,131,178
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**994,490**	1,165,151

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

1. GENERAL

Al-Arabi Saudi Equity Fund (the "Fund") is open-ended fund. The investment object of the Fund is to invest in a broadly diversified portfolio of Saudi Arabian equity including money market and murabaha funds. The Fund was established on 13 Shawwal 1401H (corresponding to 8 May 1990) by Arab National Bank ("the Bank").

In accordance with the Capital Market Authority's (CMA) decision No. 1-83-2005 dated 21 Jumada Awal 1426H (corresponding to 28 June 2005) issued by the CMA Board in connection with the regulations relating to Authorised Persons, the Bank has transferred its asset management operations to Arab National Investment Company ("the Fund Manager"), a wholly owned subsidiary of the Bank, effective 1 January 2008.

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. BASIS OF PREPARATION

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS), "Interim Financial Reporting" ("IAS 34") as endorsed in KSA. These are also the Fund's first interim condensed financial statements in accordance with International Financial Reporting Standards ("IFRS"), for part of the period covered by the first annual financial statements prepared in accordance with IFRS endorsed in KSA and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants ("SOCPA") (collectively referred to "IFRS as endorsed in KSA"), and accordingly IFRS 1 "First-time Adoption of International Financial Reporting Standards" endorsed in KSA has been applied.

The interim condensed financial statements do not include all the information and disclosures required in annual financial statements to be prepared in accordance with IFRS as endorsed in KSA, which would be prepared for the year ending 31 December 2018.

Refer to note 12 for information on how the Fund's interim condensed financial statements are impacted upon the adoption of IFRSs.

These interim condensed financial statements have been prepared on a historical cost basis, except for investments at fair value through profit or loss which are stated at their fair value) using the accrual basis of accounting and the going concern concept.

These interim condensed financial statements are presented in Saudi Riyals ("SR"), which is the functional currency of the Fund, and all values are rounded to the nearest one Saudi Riyal, except where otherwise indicated.

Results for the interim reporting period are not necessarily indicative of future periods.

4. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Fund in preparing its interim condensed financial statements:

4.1 Financial instruments

Classification of financial assets depends on the Fund's business model for managing its financial assets and the contractual terms of the cash flows. The Fund classifies its financial assets as:

- financial assets measured at amortised cost, or
- financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognised through the interim condensed statement of comprehensive income.

Other receivables and accrued income are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interests, are measured at amortised cost.

The Fund classifies all financial liabilities as subsequently measured at amortised cost using the effective interest rate method.

Initial measurement
Financial assets are initially measured at its fair value, plus transaction costs in the case of a financial asset not at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are recognised in the interim condensed statement of comprehensive income.

Subsequent measurement

Debt instruments
The Fund recognises three classifications to subsequently measure its debt instruments:

- *Amortised cost*
  Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in the interim condensed statement of comprehensive income when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- *Fair Value through Other Comprehensive Income ("FVOCI")*
  Financial assets held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in the interim condensed statement of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI, is reclassified from equity to the interim condensed statement of comprehensive income and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/expense.

- *Fair Value through profit or loss ("FVPL")*
  Financial assets that do not meet the criteria for subsequent recognition at amortised cost or FVOCI, are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through the interim condensed statement of comprehensive income and which is not part of a hedging relationship is recognised and presented net in the interim condensed statement of comprehensive income in the period in which it arises.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Financial instruments (continued)

Equity instruments
The Fund measures all equity investments at fair value through profit or loss and presents changes in fair value of equity investments in the interim condensed statement of comprehensive income.

De-recognition
A financial asset or a part of a financial asset is de-recognised 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.

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 interim condensed 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
The Fund assesses on a forward looking basis the Expected Credit Losses ("ECL") associated with its debt instruments as part of its financial assets, carried at amortised cost and FVOCI, the ECL is based on a 12-month ECL and life time ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance increase in credit risk since origination, the allowance will be based on the lifetime ECL. For accounts receivables, the Fund applies the general approach.

4.2 Cash and cash equivalents
Cash and cash equivalents in the interim condensed 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 interim condensed 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 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 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 shares. If the redeemable shares 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 equity. If the redeemable shares 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 shares are accounted for as equity transactions.

No gain or loss is recognised in the interim condensed 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 the interim condensed statement of comprehensive income on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated as at FVPL is recognised in interim condensed statement of comprehensive income in a separate line item.

4.5 Net gain or loss on financial assets at fair value through profit or loss ("FVPL")

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

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 FVPL 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 or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

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 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 Unitholders and as such, are not provided in the interim condensed 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 the interim condensed statement of comprehensive income.

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 interim condensed statement of comprehensive income as net foreign exchange losses, except for those arising on financial instruments at FVPL, which are recognised as a component of net gain from financial instruments at FVPL.

5. USE OF JUDGMENTS AND ESTIMATES

The preparation of interim condensed financial statements in conformity with IFRS as endorsed in the 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, other commission bearing investments and derivatives, 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 10.

5. USE OF JUDGMENTS AND ESTIMATES (continued)

Going concern

The Fund Manager made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the interim condensed financial statements continue to be prepared on the going concern basis.

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 clearly not impact the Fund. The Fund intends to adopt these standards, if applicable, when they become effective.

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments comprise the following sector exposures as at interim condensed statement of financial position date:

	30 June 2018			
Description	***% of market Value***	***Cost SR***	***Market value SR***	***Unrealised gain/(loss) SR***
Sectors				
Banks & Financial Services	**44%**	**39,261,189**	**51,622,577**	**12,361,388**
Materials	**32%**	**26,712,249**	**37,813,300**	**11,101,051**
Retailing	**8%**	**7,570,005**	**9,150,120**	**1,580,115**
Insurance	**6%**	**6,012,121**	**6,815,600**	**803,479**
Food & Beverages	**4%**	**4,199,049**	**4,279,395**	**80,346**
Telecommunication Services	**4%**	**2,935,276**	**4,498,488**	**1,563,212**
Capital Goods	**1%**	**1,674,565**	**1,757,700**	**83,135**
Real Estate Management and Development	**1%**	**1,557,046**	**1,354,500**	**(202,546)**
	100%	**89,921,500**	**117,291,680**	**27,370,180**

	31 December 2017			
Description	*% of market value*	*Cost SR*	*Market value SR*	*Unrealised gain/(loss) SR*
Sectors				
Banks & Financial Services	33.06%	33,477,950	35,979,472	2,501,522
Materials	30.06%	27,497,657	32,712,246	5,214,589
Insurance	8.99%	8,552,127	9,784,600	1,232,473
Real Estate Management and Development	6.95%	7,979,365	7,563,460	(415,905)
Health Care Equipment & Services	4.83%	4,549,694	5,252,000	702,306
Food & Beverages	4.62%	5,178,401	5,030,310	(148,091)
Retailing	4.02%	3,818,208	4,377,360	559,152
Telecommunication Services	3.18%	2,935,276	3,455,725	520,449
Consumer Services	2.45%	2,706,114	2,663,920	(42,194)
Utilities	1.84%	1,957,166	2,000,700	43,534
	100%	98,651,958	108,819,793	10,167,835

7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Description	*% of market value*	*Cost SR*	*Market value SR*	*Unrealised gain/(loss) SR*
		1 January 2017		
Sectors				
Banks and financial services	31.64%	46,773,839	44,995,860	(1,777,979)
Petrochemical industries	19.20%	22,484,558	27,308,376	4,823,818
Retail	8.69%	11,597,140	12,351,578	754,438
Real estate development	7.47%	8,179,409	10,627,154	2,447,745
Transport	7.00%	8,225,639	9,956,654	1,731,015
Agriculture and food industries	5.93%	7,704,684	8,432,760	728,076
Insurance	4.88%	5,547,901	6,942,345	1,394,444
Industrial investment	4.15%	5,233,379	5,903,520	670,141
Hotel and tourism	3.64%	5,184,995	5,178,030	(6,965)
Telecommunication and IT	3.54%	4,042,377	5,029,688	987,311
Energy and utilities	2.62%	3,232,940	3,730,020	497,080
Cement	1.24%	2,154,268	1,757,390	(396,878)
	100%	130,361,129	142,213,375	11,852,246

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

	For the six-month period ended 30 June	
	2018	*2017*
	SR	*SR*
Realised gain	**2,113,443**	2,570,687
Unrealised gain (loss)	**17,202,344**	1,326,081
	19,315,787	3,896,768

9. TRANSACTIONS WITH RELATED PARTIES

Management fee and other transactions

A subscription fee of up to 2% may be charged to the subscribers by the Fund Manager upon subscription.

The Fund pays a management fee at the rate of 1.75% per annum calculated on the net assets at each valuation date. In addition Fund Manager also charges other fees at a maximum rate if 1.00 % per anum calculated on the total net assets at each valuation date to meet other expenses of the Fund.

The management fees amounting to SR 995,202 (30 June 2017: SR 1,149,307) and other fees amounting to SR 102,942 (30 June 2017: SR 31,894) reflected in the interim condensed statement of comprehensive income, represents the fees charged by Fund Manager during the year as described above.

Trade transactions on Tadawul are executed through the Fund Manager. The Fund Manager also acts as the custodian of the Fund's Investments.

The Bank (parent of the Fund Manager) acts as the Fund's banker.

9. TRANSACTIONS WITH RELATED PARTIES (continued)

The Unitholders' account at 30 June included units held as follows:

	30 June 2018 Units	*30 June 2017 Units*
Held by Bank	**-**	313,192
Held by other funds under same management	-	14,608
	-	327,800

As of June 30, 2018 and 2017, due from and due to related parties balances mainly relate to the abovementioned transactions.

		30 June 2018 SR	*31 December 2017 SR*
Related Party	**Nature of transactions**		
The fund manager	Payable to fund manager	**565,596**	513,224

10. 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 following table shows financial instruments recognised at fair value as at 30 June 2018, 31 December 2017, and 1 January 2017. For all other financial assets and liabilities, the carrying value is an approximation of fair value, including cash and cash equivalents and other payables.

	30 June 2018			
	Level 1 SR	***Level 2 SR***	***Level 3 SR***	***Total SR***
Investments at FVPL	**117,291,680**	-	-	**117,291,680**
Total	**117,291,680**	-	-	**117,291,680**

	31 December 2017			
	Level 1 SR	*Level 2 SR*	*Level 3 SR*	*Total SR*
Investments at FVPL	108,819,793	-	-	108,819,793
Total	108,819,793	-	-	108,819,793

10. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	1 January 2017			
	Level 1	*Level 2*	*Level 3*	*Total*
	SR	*SR*	*SR*	*SR*
Investments at FVPL	142,213,375	-	-	142,213,375
Total	142,213,375	-	-	142,213,375

11. 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			
Investments at fair value through profit or loss	**117,291,680**	-	**117,291,680**
Cash and cash equivalents	**994,490**	-	**994,490**
TOTAL ASSETS	**118,286,170**	-	**118,286,170**
LIABILITY			
Accrued expenses	**565,596**	-	**565,596**
TOTAL LIABILITY	**565,596**	-	**565,596**

As at 31 December 2017	*Within 12 months SR*	*After 12 months SR*	*Total SR*
ASSETS			
Investments at fair value through profit or loss	108,819,793	-	108,819,793
Cash and cash equivalents	1,056,542	-	1,056,542
Dividend receivable	89,000	-	89,000
TOTAL ASSETS	109,965,335	-	109,965,335
LIABILITY			
Accrued expenses	513,224	-	513,224
TOTAL LIABILITY	513,224	-	513,224

11. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

As at 1 January 2017	*Within 12 months* SR	*After 12 months* SR	*Total* SR
ASSETS			
Investments at fair value through profit or loss	3,131,178	-	3,131,178
Cash and cash equivalents	142,213,375	-	142,213,375
Dividend receivable	110,875		110,875
TOTAL ASSETS	145,455,428	-	145,455,428
LIABILITY			
Accrued expenses	578,804	-	578,804
TOTAL LIABILITY	578,804	-	578,804

12. FIRST-TIME ADOPTION OF IFRS

For all periods up to and including the year ended 31 December 2017, the Fund prepared and published its audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP) issued by SOCPA in KSA ("SOCPA GAAP"). As noted in note 3, these interim condensed financial statements are the Fund's first such financial statements in accordance with the IFRS as endorsed in KSA.

Accordingly, the Fund has applied the IFRS as endorsed in KSA for preparation of its interim condensed financial statements for the period beginning 1 January 2018, as well as for presenting the relevant comparative period data. In compliance with requirements of IFRS 1 endorsed in KSA, the Fund's opening interim condensed statement of financial position was prepared as at 1 January 2017 to reflect the transition to IFRS as endorsed in KSA from the previous SOCPA GAAP. The Fund has analysed the impact on the interim condensed statement of financial positions as at 1 January 2017, 31 December 2017 and also the interim condensed statements of comprehensive income for the six month period ended 30 June 2017, and no significant adjustments has been identified in transitioning from SOCPA GAAP to IFRS as endorsed in KSA.

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

13. LAST VALUATION DAY

The last valuation day of the period was 27 June 2018 (2017: 31 December 2017)