

AL MAL MENA EQUITY FUND

(A sub-fund of Al Mal Fund Company B.S.C. (c))

Condensed interim financial information

For the six-month period ended 30 June 2023

Al Mal Mena Equity Fund
(A sub-fund of Al Mal Fund Company B.S.C. (c))

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Al Mal Mena Equity Fund

(A sub-fund of Al Mal Fund Company B.S.C. (c))

Information about the Fund**Investment Manager and Operator**

Al Mal Capital PSC
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Chairman

Mr. Naser Nabulsi

Directors

Mr. Narendra Gajria
Mr. Sanjay Vig

Registered Office

C/o Apex Fund Services Bahrain WLL,
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Kingdom of Bahrain

Banker and Custodian

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Fund Company

Al Mal Fund Company B.S.C. (c)
C/o Apex Fund Services Bahrain WLL,
Wind Tower, Office 82 Building 403
Road 1705, Manama 317,
Kingdom of Bahrain

Administrator and Registrar

Apex Fund Services Bahrain WLL,
Wind Tower, Office 82 Building 403,
Road 1705, Manama 317,
Kingdom of Bahrain

Auditor

PricewaterhouseCoopers M.E Limited
P.O. Box 60771,
47th floor, Bahrain Financial Harbour,
West Tower,
Manama,
Kingdom of Bahrain



Report on review of interim financial information to the unitholders of Al Mal MENA Equity Fund (A sub-fund of Al Mal Fund Company B.S.C. (c))

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al Mal MENA Equity Fund (the "Fund"), a sub-fund of Al Mal Fund Company B.S.C. (c) (the "Company"), as at 30 June 2023 and the related condensed interim statements of comprehensive income, changes in net assets attributable to unitholders of the Fund and cash flows for the six month period then ended and other explanatory notes. Management of the Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information 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'. 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 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 information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

A handwritten signature in blue ink that reads "PricewaterhouseCoopers" in a cursive style.

John Molloy
PricewaterhouseCoopers M.E Limited
Partner's registration number: 255
Manama, Kingdom of Bahrain


20 August 2023

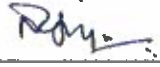
Al Mal Mena Equity Fund
(A sub-fund of Al Mal Fund Company B.S.C. (c))

Condensed interim statement of financial position
(Expressed in United States Dollars unless otherwise stated)

		As at	
		30 June 2023	31 December 2022
Note		(Reviewed)	(Audited)
Assets			
Current assets			
	Cash at bank	4 1,724,818	1,448,365
	Financial assets at fair value through profit or loss	5 23,093,961	20,347,766
	Due from a broker	6 219,339	-
	Dividend receivable	12,258	13,637
	Other receivables	4,068	1,584
	Total assets	25,054,444	21,811,352
Liabilities			
Current liabilities			
	Due to a broker	6 249,820	-
	Due to a related party	10 35,540	32,579
	Accrued expenses and other liabilities	7 28,384	26,482
	Total liabilities	313,744	59,061
	Net assets attributable to the unitholders of the Fund	24,740,700	21,752,291
	Number of units outstanding	2,063,283	2,063,283
	Net asset value ("NAV") per unit	11.99	10.54

This condensed interim financial information was approved and authorised for issue on 20 August 2023 and signed by:


Mr. Naser Nabulsi
Chairman


Mr. Narendra Gajria
Director

The accompanying notes form an integral part of this condensed interim financial information.




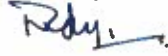
Al Mal Mena Equity Fund
(A sub-fund of Al Mal Fund Company B.S.C. (c))

Condensed interim statement of comprehensive income
(Expressed in United States Dollars unless otherwise stated)

	Note	Six-month period ended	
		30 June 2023 (Reviewed)	30 June 2022 (Reviewed)
Income			
Dividend income	8	506,434	539,674
Investment income	5	2,715,857	556,621
Net foreign exchange gain/(loss)		62,623	(127,387)
Total income		3,284,914	968,908
Expenses:			
Management fee	9,10	(201,978)	(285,664)
Custodian fee	9	(21,119)	(35,373)
Administration fee	9	(15,579)	(12,247)
Other expenses	9	(57,829)	(175,989)
Total expenses		(296,505)	(509,273)
Increase in net assets attributable to the unitholders of the fund			
Other comprehensive income		2,988,409	459,635
Total comprehensive income for the period		2,988,409	459,635

This condensed interim financial information was approved and authorised for issue on ²⁰ August 2023 and signed by:


Mr. Naser Nabulsi
Chairman


Mr. Narendra Gajria
Director

The accompanying notes form an integral part of this condensed interim financial information.



Al Mal Mena Equity Fund

(A sub-fund of Al Mal Fund Company B.S.C. (c))

Condensed interim statement of changes in net assets attributable to the unitholders of the Fund

(Expressed in United States Dollars unless otherwise stated)

	Six-month period ended	
	30 June 2023	30 June 2022
Net assets attributable to the unitholders of the Fund at the beginning of the period	<u>21,752,291</u>	<u>27,893,720</u>
Issue of redeemable units	-	12,525,000
Redemption of redeemable units	-	<u>(19,275,351)</u>
Movement in net assets attributable to unitholders from units issuance/redemptions	21,752,291	21,143,369
Total comprehensive income for the period	<u>2,988,409</u>	<u>459,635</u>
Net assets attributable to the unitholders of the Fund at the end of the period	<u>24,740,700</u>	<u>21,603,004</u>

The accompanying notes form an integral part of this condensed interim financial information.

Al Mal Mena Equity Fund
(A sub-fund of Al Mal Fund Company B.S.C. (c))

Condensed interim statement of cash flows
(Expressed in United States Dollars unless otherwise stated)

		Six-month period ended	
		30 June	30 June
		2023	2022
Note		(Reviewed)	(Reviewed)
Cash flows from operating activities			
	Increase in net assets attributable to unitholders of the Fund	2,988,409	459,635
<u>Adjustments for:</u>			
	Dividend income	8 (506,434)	(539,674)
		2,481,975	(80,039)
<u>Net changes in operating assets and liabilities:</u>			
	Financial assets at fair value through profit or loss	(2,746,195)	8,789,280
	Due from a broker	(219,339)	(25,916)
	Prepayments	(2,484)	(1,930)
	Due to a broker	249,820	(1,836,487)
	Accrued expenses and other liabilities	1,902	735
	Due to a related party	2,961	(10,124)
	Cash (used in)/generated from operations	(231,360)	6,835,519
	Dividend income received	507,813	526,350
	Net cash generated from operating activities	276,453	7,361,869
Cash flows from financing activities			
	Proceeds from the issue of the units	-	12,525,000
	Payments on redemption of redeemable units	-	(19,275,351)
	Net cash used in financing activities	-	(6,750,351)
	Net increase in cash and cash equivalents	276,453	611,518
	Cash and cash equivalents at the beginning of the period	1,448,365	2,255,102
	Cash and cash equivalents at the end of the period	4 1,724,818	2,866,620

The accompanying notes form an integral part of this condensed interim financial information.

Al Mal Mena Equity Fund

(A sub-fund of Al Mal Fund Company B.S.C. (c))

Notes to the condensed interim financial information for the six-month period ended 30 June 2023

(Expressed in United States Dollars unless otherwise stated)

1 Incorporation and background information

Al Mal Mena Equity Fund (“the Fund”) is an open-ended investment fund established by Al Mal Fund Company B.S.C. (c) (“the Company”), a closed joint stock company registered under Commercial Registration No. 68823 in the Kingdom of Bahrain. Registration of the fund in Bahrain was completed on 11 May 2008, the date of approval by the CBB to market the fund. The fund has been licensed by the CBB as an “Exempt Fund” as per guideline in volume 7 of the CBB’s Rulebook.

The objective of the Fund is to achieve capital appreciation primarily through diversified investments in equity and equity-related securities in the Middle East and North African (MENA) equity markets.

The financial information represents the assets, liabilities and operations of the Fund only. The investment activities of the Fund are managed by Al Mal Capital PSC (the “Investment Manager” and “Operator”) and administered by Apex Fund Services Bahrain WLL (the “Administrator”).

2 Summary of significant accounting policies

2.1 Basis of preparation

This condensed interim financial information for the half-year reporting period ended 30 June 2023 has been prepared in accordance with International Accounting Standards IAS 34, “Interim financial reporting”.

The condensed interim financial information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (“IASB”) are in conformity with the Central Bank of Bahrain and Financial Institutions.

The accounting policies applied in the preparation of the condensed interim financial information are consistent with those applied in the annual audited financial statements for the year ended 31 December 2022 unless otherwise stated.

Due to the nature of the Fund’s business, the results reported in this condensed interim financial information for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

(a) *New and revised IFRS applied on the condensed consolidated interim financial information*

New and amended standards adopted by the Fund

A number of amended standards became applicable for the current reporting period. The Fund did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

There are no other applicable new standards and amendments to published standards or International Financial reporting Interpretations Committee (IFRIC) interpretation that have been issued but are not effective for the first time for the Fund’s financial year beginning on 1 January 2023 that are expected to have a significant effect on this condensed interim financial information of the Fund.

3 Critical accounting estimates and judgments

The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, there were no significant estimates and judgments made by management in applying the Fund’s accounting policies and the key sources of estimation uncertainty. This is consistent with the financial statements for the year ended 31 December 2022.

Al Mal Mena Equity Fund
(A sub-fund of Al Mal Fund Company B.S.C. (c))

Notes to the condensed interim financial information for the six-month period ended 30 June 2023

(Expressed in United States Dollars unless otherwise stated)

4 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances original maturity of less than 90 days.

	Credit rating	30 June 2023	31 December 2022
Balances with a bank	A+	1,724,818	1,448,365

5 Financial assets at fair value through profit or loss

Investments in listed shares are classified as financial assets at fair value through profit or loss. The fair value of these securities is based on quoted market prices.

The geographical analysis of investments is as follows:

	30 June 2023		31 December 2022	
	(Reviewed)	%	(Audited)	%
<u>Investments in listed equity securities:</u>				
- Saudi Arabia	12,009,122	52%	9,519,005	47%
- United Arab Emirates	6,536,561	28%	6,185,050	30%
- Qatar	2,180,042	10%	2,639,852	13%
- Kuwait	1,671,578	7%	1,143,414	6%
- Morocco	446,976	2%	428,547	2%
- Bahrain	249,682	1%	431,898	2%
Total financial assets designated at fair value through profit or loss	23,093,961	100%	20,347,766	100%

The Fund holds investments in 38 securities (31 December 2022: 38 securities). The fair value of the top ten securities based on their quoted prices as at the reporting date is as follows:

Description	30 June 2023	
	Fair Value	Fair Value as % of total NAV (Reviewed)
Saudi Telecom Co	1,319,623	5.33%
The Saudi National Bank	1,187,271	4.80%
Al Rajhi Bank	1,146,465	4.63%
Adnoc Drilling Co PJSC	1,130,218	4.57%
ELM Co	1,023,089	4.14%
Arabian Internet & Communication	794,309	3.21%
Aldrees Petroleum and Transport Services Co.	789,382	3.19%
Qatar Gas Transport (Nakilat)	775,945	3.14%
Qatar National Bank	758,096	3.06%
Abu Dhabi Ports Co PJSC	750,362	3.03%

Al Mal Mena Equity Fund
(A sub-fund of Al Mal Fund Company B.S.C. (c))

Notes to the condensed interim financial information for the six-month period ended 30 June 2023

(Expressed in United States Dollars unless otherwise stated)

5 Financial assets at fair value through profit or loss (continued)

Description	31 December 2022	
	Fair Value	Fair Value as % of total NAV
		(Audited)
The Saudi National Bank	1,529,473	7.03%
Saudi Aramco base oil	1,262,677	5.80%
Tanmiah Food Company	1,007,810	4.63%
Adnoc Drilling Co PJSC	906,210	4.17%
Qatar National Bank	884,512	4.07%
Qatar Gas Transport (Nakilat)	879,340	4.04%
Saudi Telecom Co	750,475	3.45%
Americana Restaurants Intern	740,924	3.41%
Abu Dhabi Ports Co PJSC	687,761	3.16%
Dubai Islamic Bank	665,652	3.06%

The movement in the financial assets at fair value through profit or loss is summarised as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
At beginning of the period/year	20,347,766	27,447,863
Purchases during the period / year	54,452,521	54,107,898
Disposals during the period / year	(54,422,183)	(61,470,499)
Net fair value movement during the period / year	2,715,857	262,504
	23,093,961	20,347,766

6 Balance with a broker

The Fund had due from and to a broker balance of USD 219,339 and USD 249,820 respectively as at 30 June 2023 (2022: Nil). The amount represents securities sold and purchased that have been contracted for but not yet settled at the reporting date. These are short-term by nature and settled within 5 working days.

7 Accrued expenses and other liabilities

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Redemptions payable	-	101
Administrator's fee payable	3,329	1,000
Custodian fees payable	6,377	3,041
Accrued professional fees	10,247	6,949
License fees payable	7,000	7,000
Listing fees payable	-	8,076
Other payables	1,431	315
	28,384	26,482

Notes to the condensed interim financial information for the six-month period ended 30 June 2023

(Expressed in United States Dollars unless otherwise stated)

8 Dividend income

Dividend income for the periods ended 30 June 2023 and 30 June 2022 is as follows:

	30 June 2023 (Reviewed)	30 June 2022 (Reviewed)
Dividend income	506,434	539,674

9 Management, administration, custodian and other fees

(a) *Management fee*

Under the investment management agreement, the Investment Manager is entitled to an annual management fee of 1.75% (2022: 1.75%) of the Net Asset Value ("NAV") of the Fund for its services as Investment Manager. The management fee is accrued on each valuation day and is payable quarterly in arrears.

(b) *Custodian fee*

Under the custody agreement, the custodian is entitled to a custody fee which is an agreed percentage of the value of investments in their custody. The custody fee is accrued on a weekly basis and is payable monthly in arrears. The applicable rate depends on agreed thresholds and varies from 0.10% to 0.20% (2022: from 0.10% to 0.20%). The Fund also pays the custodian a transaction fee which is based on the market.

(c) *Administration fee*

Under the administration agreement, the Administrator is entitled to an administration fee which is a fixed monthly fee of USD 3,500 (2022: USD 2,250) for assets under management up to USD 35 million. The administration fee is accrued on a weekly basis and is payable monthly in arrears with out-of-pocket expenses recovered by way of a charge of 5% (2022: 5%) of the monthly administration fee.

In addition to the above, additional fee may be charged by the Administrator for its time spent on intermittent issues such as legal and regulatory matters and in case special NAV valuation for Audit purpose charged at USD 1,000 per NAV where the valuation date differs from usual weekly valuation date.

(d) *Other expenses*

	30 June 2023 (Reviewed)	30 June 2022 (Reviewed)
Professional fees	10,521	5,870
Registrar fees	2,678	2,142
Commission fees*	31,249	138,536
License fees	-	2,631
Others	13,381	26,810
	<u>57,829</u>	<u>175,989</u>

* Commission fees are related to agent fees charged on a transaction basis.

Al Mal Mena Equity Fund
(A sub-fund of Al Mal Fund Company B.S.C. (c))

Notes to the condensed interim financial information for the six-month period ended 30 June 2023

(Expressed in United States Dollars unless otherwise stated)

10 Related parties

Related party transactions represent transactions with related parties as defined in International Accounting Standard 24: "Related Party Disclosures" (these include Unitholders, Directors and Investment Manager of the Fund). Related party transactions are carried out at arm's length and at rates approved by the Fund Manager. Amounts due from/to related parties are unsecured, bear no interest and have no fixed repayment terms. These are classified as current assets and current liabilities as appropriate.

(a) Transactions with a related party

During the period, the Fund had the following transactions with related parties:

Related party	Nature of transaction	30 June 2023 (Reviewed)	30 June 2022 (Reviewed)
Al Mal Capital PSC	Management fees	201,978	285,664

At the reporting date, Al Mal Capital PSC held 1,180,370 (31 December 2022: 1,180,370) units in fiduciary capacity, which represent approximately 57.21% (31 December 2022: 57.21%) of the total units subscribed and outstanding as at the reporting date.

(b) Balances due to a related party

Related party	Nature of balance	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Al Mal Capital PSC	Management fees	35,540	32,579

(c) Subscriptions & Redemptions of Fund units

Related Party	30 June 2023		30 June 2022	
	USD	Units	USD	Units
Al Mal Capital PSC				
Subscriptions	-	-	12,525,000	1,040,622
Redemptions	-	-	(19,275,351)	(1,612,154)

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors of the Fund.

The Fund does not have key management personnel as all the decisions are taken by the Investment Manager. The authority and responsibility for planning, directing, and controlling the activities of the Fund lies with the Investment Manager.

Al Mal Mena Equity Fund
(A sub-fund of Al Mal Fund Company B.S.C. (c))

Notes to the condensed interim financial information for the six-month period ended 30 June 2023

(Expressed in United States Dollars unless otherwise stated)

11 Redeemable units

The capital of the Fund consists of redeemable units with a par value of USD 10 per unit, which do not carry voting rights. They are entitled to dividends and to a proportionate share of the Fund's net assets attributable to holders of redeemable units.

The Fund's capital is represented by these redeemable units. Quantitative information about the Fund's capital is provided in the statement of changes in net assets attributable to the unitholders of the Fund.

Each unit issued confers upon the unitholder an equal interest in the Fund and is of equal value. A unit does not confer any interests in any particular asset or investment of the Fund.

Changes in the number of redeemable units outstanding can be reconciled as follows:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Opening balance	2,063,283	2,516,304
Issue of redeemable units	-	1,271,905
Redemptions of redeemable units	-	(1,724,926)
Ending balance	<u>2,063,283</u>	<u>2,063,283</u>

11.1 Net asset value per unit

	Net Asset Value	Number of Units in issue	Net Asset Value Per Unit
As at 30 June 2023 (Reviewed)	24,740,700	2,063,283	11.99
As at 31 December 2022 (Audited)	21,752,291	2,063,283	10.54

Notes to the condensed interim financial information for the six-month period ended 30 June 2023

(Expressed in United States Dollars unless otherwise stated)

12 Fair value of financial instruments

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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

12.1 Fair value measurements recognised in the condensed interim statement of financial position

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the input used in making the measurement. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

At 30 June 2023 and 31 December 2022, all the financial assets at fair value through profit or loss of the Fund were listed equity investments whose values are based on quoted market prices in active markets, and therefore, classified within Level 1. There were no transfers between levels during the period.

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Fund is the closing price.

These instruments are included in Level 1. All other current assets and current liabilities are carried at values that reflect a reasonable approximation of their fair value.

13 Financial risk management

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual audited financial statements and should be read in conjunction with the Fund's annual audited financial statements as at 31 December 2022.

There have been no changes in the risk management department since year end or in any risk management policies.

13.1 Geographical segmentation

For the geographical segmentation of the Fund's financial assets at fair value through profit or loss refer to Note 5.

13.2 Liquidity risk

The Investment Manager manages liquidity risk by including liquidity screens in the security and portfolio construction process. In addition, liquidity is also monitored at the portfolio level on an ongoing basis to ensure that orderly exits are available if needed without impacting market values significantly.

Compared to the year ended 31 December 2022, there was no material change in the contractual undiscounted cash outflows for financial liabilities.