

**THE INVESTOR AL HURR SAUDI EQUITY FUND**  
An Open Ended Mutual Fund  
Managed by  
**THE INVESTOR FOR SECURITIES COMPANY**  
**Interim Condensed Financial Statements (Un-Audited)**  
**For the six months period ended 30 June 2015**  
together with  
**Review Report to the Unitholders**



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## REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**The Unitholders**  
**The Investor Al Hurr Saudi Equity Fund**  
**Riyadh, Kingdom of Saudi Arabia**

### *Scope of Review*

We have reviewed the accompanying interim condensed balance sheet of **The Investor Al Hurr Saudi Equity Fund** (the "Fund") managed by The Investor For Securities Company (the "Fund Manager") as at 30 June 2015, and the related interim condensed statements of income, cash flows and changes in net assets attributable to the Unitholders for the six months period ended 30 June 2015 and the attached notes from (1) to (13), which form an integral part of these interim condensed financial statements. These interim condensed financial statements are the responsibility of the Fund Manager and have been prepared by them and submitted to us together with all the information and explanations which we required. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

We conducted our review in accordance with the Standard on Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants (SOCPA). A review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

### *Conclusion*

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed financial statements for them to be in conformity with the generally accepted accounting standards in the Kingdom of Saudi Arabia.

**For KPMG Al Fozan & Al Sadhan**

Abdullah H. Al Fozan  
License No. 348



Date: 27 Shawwal 1436H  
Corresponding to: 12 August 2015

**THE INVESTOR AL HURR SAUDI EQUITY FUND**  
(Open Ended Mutual Fund)  
**Managed by The Investor for Securities Company**  
**INTERIM CONDENSED BALANCE SHEET (Un-Audited)**  
As at 30 June 2015  
*(Saudi Arabian Riyals)*

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>			
Cash at bank		8,757	223,655
Investments - held for trading	7	3,426,606	2,971,307
Dividend receivable		8,100	--
Other assets		--	102,872
<b>Total assets</b>		<b>3,443,463</b>	<b>3,297,834</b>
<b><u>LIABILITIES</u></b>			
Fund management fee payable	10	15,061	18,125
Custodian fee payable	10	1,290	1,553
Other liabilities		41,903	37,903
<b>Total liabilities</b>		<b>58,254</b>	<b>57,581</b>
<b>Net assets attributable to the unitholders</b>		<b>3,385,209</b>	<b>3,240,253</b>
Units in issue (numbers)	9	162,939	163,931
Net asset value - per unit (SR)		20.78	19.77

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

**THE INVESTOR AL HURR SAUDI EQUITY FUND**  
(Open Ended Mutual Fund)  
**Managed by The Investor for Securities Company**  
**INTERIM CONDENSED STATEMENT OF INCOME (Un-Audited)**  
For the six months period ended 30 June 2015  
*(Saudi Arabian Riyals)*

	<u>Note</u>	<u>2015</u>	<u>2014</u>
<b>INCOME</b>			
Realized gain on disposal of investments - held for trading		<b>173,563</b>	393,704
Unrealized gain on revaluation of investments - held for trading		<b>296,407</b>	296,948
Dividend income		<b>78,011</b>	102,595
Other income		<b>17,000</b>	19,077
		<b><u>564,981</u></b>	<u>812,324</u>
<b>EXPENSES</b>			
Fund management fee	6,10	<b>(29,835)</b>	(34,456)
Custodian fee	6,10	<b>(2,557)</b>	(2,953)
Other expenses	8	<b>(42,294)</b>	(41,904)
		<b><u>(74,686)</u></b>	<u>(79,313)</u>
<b>Net income for the period</b>		<b><u><u>490,295</u></u></b>	<u><u>733,011</u></u>

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

**THE INVESTOR AL HURR SAUDI EQUITY FUND**  
(Open Ended Mutual Fund)  
**Managed by The Investor for Securities Company**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS (Un-Audited)**  
For the six months period ended 30 June 2015  
*(Saudi Arabian Riyals)*

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	<b>490,295</b>	733,011
<i>Adjustment to reconcile net income to cash generated from operating activities:</i>		
Unrealized gain on investments - held for trading	<b>(296,407)</b>	(296,948)
	<b>193,888</b>	436,063
<i>Changes in operating assets and liabilities</i>		
Investments - held for trading	<b>96,541</b>	843,165
Dividend receivable	<b>(8,100)</b>	--
Other assets	--	(102,872)
Fund management fee payable	<b>(394)</b>	11,457
Other liabilities	<b>(38,631)</b>	(45,627)
<b>Net cash generated from operating activities</b>	<b>243,304</b>	1,142,186
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment for redemption of units	<b>(234,936)</b>	(1,000,000)
<b>Net cash used in financing activities</b>	<b>(234,936)</b>	(1,000,000)
Net increase in cash at bank	<b>8,368</b>	142,186
Cash at bank at beginning of the period	<b>389</b>	81,469
<b>Cash at bank at end of the period</b>	<b>8,757</b>	223,655

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

**THE INVESTOR AL HURR SAUDI EQUITY FUND**  
 (Open Ended Mutual Fund)  
**Managed by The Investor for Securities Company**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO**  
**THE UNITHOLDERS (Un-Audited)**  
 For the six months period ended 30 June 2015  
 (Saudi Arabian Riyals)

	<u>2015</u>	<u>2014</u>
Net assets attributable to the Unitholders at beginning of the period	<b>3,129,850</b>	3,507,242
Net income for the period	<b>490,295</b>	733,011
<i>Changes from unit transactions</i>		
Redemption of units	<b>(234,936)</b>	(1,000,000)
Net assets attributable to the Unitholders at end of the period	<u><b>3,385,209</b></u>	<u>3,240,253</u>

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

**THE INVESTOR AL HURR SAUDI EQUITY FUND**  
(Open Ended Mutual Fund)  
**Managed by The Investor for Securities Company**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Un-Audited)**  
For the six months period ended 30 June 2015

**1 THE FUND AND ITS ACTIVITIES**

The Investor Al Hurr Saudi Equity Fund (the “Fund”) is an open-ended mutual investment fund created through an agreement between The Investor for Securities Company (the “Fund Manager”) and investors (“Unitholders”). The objective of the Fund is to seek capital growth approved by Shari’ah Board of the Fund over the medium to long term by investing in a diversified portfolio of companies listed on the Saudi stock exchange.

The Fund is managed by the Fund Manager, which is also the Custodian of the Fund. All income is reinvested in the Fund and is reflected in the unit price. In dealing with the unitholders, the Fund Manager considers the Fund as an independent unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund.

Capital Market Authority (“CMA”) granted its approval for the establishment of the Fund through its decision number 1910/5 dated 15 Rabi II 1430H (corresponding to 11 April 2009). The Fund commenced its operation on 6 June 2009.

**2. REGULATING AUTHORITY**

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by Capital Market Authority (CMA) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) detailing requirements for investments funds within the Kingdom of Saudi Arabia.

**3. SUBSCRIPTION / REDEMPTION**

The Fund is open for subscriptions / redemptions with a cutoff time of 5:00 pm on each dealing day. The net asset value of the Fund’s portfolio is determined on daily basis. The net asset value of the Fund for the purpose of subscription / redemption of units is determined based on the net asset value per unit as of the following dealing day of receiving the subscription / redemption request.

**4. BASIS OF PREPARATION**

**4.1 Statement of Compliance**

These interim condensed financial statements have been presented in accordance with the requirements of accounting standard on interim financial reporting issued by the Saudi Organization of Certified Public Accountants (the “SOCPA”).

These interim financial statements have been presented in condensed form and do not include all the information presented in annual financial statements; therefore, these interim condensed financial statements should be read in conjunction with the financial statements for the year ended 31 December 2014.

These interim condensed financial statements does not necessarily constitute an indication of the year-end financial results.

**4.2 Basis of Measurement**

These interim condensed financial statements have been prepared under the historical cost convention, except for the measurement of investments held for trading at fair value, using accrual basis of accounting and the going concern concept.

**4.3 Functional and presentation currency**

These interim condensed financial statements are presented in Saudi Arabian Riyals (SR) which is the functional currency of the Fund. All financial information presented has been rounded to the nearest SR.

**THE INVESTOR AL HURR SAUDI EQUITY FUND**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Un-Audited)**  
 For the six months period ended 30 June 2015  
 (Saudi Arabian Riyals)

**4. BASIS OF PREPARATION (Continued)**

**4.4 Use of estimates and judgments**

In the ordinary course of business, the preparation of interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

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

**5. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES**

The significant accounting and risk management policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2014.

**6. MANAGEMENT FEE AND OTHER EXPENSES**

The Fund Manager charges from the Fund on every Dealing Day management fee at an annual rate of 1.75% of the Fund's net assets value. As per the offer document, the Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund such as audit fee, regulatory and shariah audits, legal, brokerage, consultation services, data processing and other similar charges. Subscription fee up to 2% of the invested amount is paid to the Fund Manager by deduction from the gross subscription.

**7. INVESTMENTS – HELD FOR TRADING**

The fund invests primarily in equity securities of listed Saudi companies. The market value of trading investment portfolio is summarized as follows:

	<u>2015</u>	<u>2014</u>
Banks & Financial Services	<b>590,910</b>	397,783
Agriculture and Food	<b>522,780</b>	504,178
Cement	<b>483,760</b>	222,079
Hotel and Tourism	<b>422,428</b>	150,622
Transportation	<b>336,973</b>	55,242
Petro Industrial	<b>296,658</b>	392,260
Retail	<b>183,372</b>	565,840
Building & Constructions	<b>166,635</b>	159,919
Industrial Investment	<b>295,740</b>	234,911
Multi Investment	<b>127,350</b>	--
Telecommunication & Information Technology	--	288,473
<b>Total</b>	<b><u>3,426,606</u></b>	<b><u>2,971,307</u></b>

**7.1** As at 30 June 2015, cost of the investments - held for trading amounted to SR 3,130,199 (30 June 2014: SR 2,674,359).



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For the six months period ended 30 June 2015  
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**8. OTHER EXPENSES**

	<u>2015</u>	<u>2014</u>
Professional charges	<b>26,426</b>	26,036
Fund board fee	<b>12,397</b>	12,397
Sharia committee fee	<b>3,471</b>	3,471
<b>Total</b>	<b><u>42,294</u></b>	<u>41,904</u>

**9. UNIT TRANSACTIONS**

Transactions in units during the period are summarized as follows:

	<u>2015</u>	<u>2014</u>
	<i>(In numbers)</i>	
<b>Units at beginning of the period</b>	<b>174,618</b>	215,349
Units redeemed during the period	<b>(11,679)</b>	(51,418)
<b>Units at end of the period</b>	<b><u>162,939</u></b>	<u>163,931</u>

**10. RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties of the Fund include the Unitholders, "The Investor for Securities Company" being the Fund Manager and other funds managed by the Fund Manager. In the ordinary course of its activities, the Fund transacts business with related parties. All the related party transactions are carried out based on mutually agreed prices under formal agreement and approved by the Fund Board.

Related party transactions for period and balances arising there from are described as under:

<u>Related party</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>		<u>Closing balance Receivable / (Payable)</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Investor for Securities Company (Fund Manager)	- fund management fee	<b><u>29,835</u></b>	<u>34,456</u>	<b><u>(15,061)</u></b>	<u>(18,125)</u>
	- custodian fee	<b><u>2,557</u></b>	<u>2,953</u>	<b><u>(1,290)</u></b>	<u>(1,554)</u>

The Fund Manager holds 158,154.63 units in the Fund as at 30 June 2015 (30 June 2014: 158,154.64 units).

**11. 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.

The financial assets of the Fund comprise of equity securities, which are carried at fair value as of the balance sheet date and dividend and financial liabilities comprises of fund management fee payable, custodian fee and other liabilities. Fluctuations in stock market can cause fluctuation in the investment portfolio as well.

The fair values of equity shares that are traded in the local market, which the Fund can access at the measurement date are obtained directly from Tadawul on which the shares are traded.

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For the six months period ended 30 June 2015

**12. LAST VALUATION DAY**

The last valuation day of the Fund was 30 June 2015 (30 June 2014: 30 June 2014).

**13. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved by the Fund Manager on 27 Shawwal 1436 H corresponding to 12 August 2015.