

**Osool and Bakheet Fund for Trading in IPO in Compliance
with Shariah Regulations**
Open Investment fund
(Managed by Osool & Bakheet Investment Company)

**Interim financial statements (unaudited) and independent auditor's report on review
For the six months period ended at June 30, 2024**

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Interim financial statements (unaudited) and independent auditor' report on review

For the six months period ended at June 30, 2024

<u>Index</u>	<u>Page</u>
Independent auditor's report on limited review of the interim financial statements	-
Interim statement of financial position (unaudited)	2
Interim statement of profit or loss and other comprehensive income (unaudited)	3
Interim statement of changes in net assets attributable to unitholders (unaudited)	4
Interim statement of cash flows (unaudited)	5
Notes to the interim financial statements (unaudited)	6 – 11

Independent auditor's report review on of the interim financial statements (unaudited)

To the Unitholders

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Introduction

We have reviewed the accompanying interim statement of financial position of Osool and Bakheet fund for trading in IPO in compliance with shariah regulations (the "Fund"), which is managed by Osool & Bakheet Investment Company (the "Fund Manager") as at June 30, 2024, and the interim statements of profit or loss and other comprehensive income, interim statement of changes in net assets attributable to unitholders and interim statement of cash flows for the six - month period then ended and the accompanying notes which are an integral part of these interim financial statements. The Fund Management is responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim 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", as 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, as 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 financial statements are not prepared, in all material respects, in accordance with IAS 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nadeem
License No. 435

Riyadh, Kingdom of Saudi Arabia

Safar 6, 1446 (corresponding to August 10, 2024)



Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Interim statement of financial position (unaudited)**As at June 30, 2024**

(Saudi Riyal)

	<u>Note</u>	<u>June 30, 2024</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2023</u> <u>(audited)</u>
Assets			
Investments at fair value through profit or loss	6	6,377,524	4,155,000
Accrued dividends		1,575	-
Cash at banks		1,015,737	236,983
Total assets		7,394,836	4,391,983
Liabilities			
Due to related parties	7	49,328	36,597
Other accrued expenses		14,144	5,232
Total liabilities		63,472	41,829
Equity attributable to unitholders			
Net assets value attributable to unitholders		7,331,364	4,350,154
Units in issue (numbers)		3,533,985	2,370,038
Per unit value		2,07	1,84

The accompanying notes (1) to (12) form an integral part of these interim financial statements

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations
Open Investment fund
(Managed by Osool & Bakheet Investment Company)

Interim statement of profit or loss and other comprehensive income (unaudited)
For the six – months period ended June 30, 2024
(Saudi Riyal)

	<u>Note</u>	<u>For the six-months period ended 30 June</u>	
		<u>2024</u> <u>(Unaudited)</u>	<u>2023</u> <u>(Unaudited)</u>
<u>Profit or losses</u>			
Income			
Realized gains from sale of investments at fair value through profit or loss	6	651,752	123,962
Unrealized (losses) gains on investments at fair value through profit or loss	6	(95,091)	426,246
Dividend income		61,396	23,966
Other income		5,733	1,350
Total income for the year		623,790	575,524
Expenses			
Management fees	7	(68,361)	(22,292)
Custodian fees	7	(6,847)	(6,900)
Operations management fees		(15,723)	-
Independent Custody Form Fees		(5,705)	-
Other expenses		(121)	(262)
Total expenses for the year		(96,757)	(29,454)
Net income for the year		527,033	546,070
<u>Other comprehensive income</u>			
		-	-
Total comprehensive income for the year		527,033	546,070

The accompanying notes (1) to (12) form an integral part of these interim financial statements

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Interim statement of changes in net assets attributable to unitholders (unaudited)**For the six - month period ended June 30, 2024**

(Saudi Riyal)

	For the six-months period ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Net assets value attributable to unit holders, at the beginning of the period	4,350,154	2,087,097
Net income for the period	527,033	546,070
Subscription and redemption to unit holders		
Proceeds from units subscribed	2,763,191	574,000
Payments for units redeemed	(309,014)	(600,151)
Net change of unit transactions	2,454,177	(26,151)
Net assets value attributable to unit holders, at the end of the period	7,331,364	2,607,016

Unit transactions

Transactions in units during the period are summarized as follows:

	For the six-month period ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	Units	Units
Units at the beginning of the period	2,370,038	1,581,130
Subscribed units	1,318,504	342,631
Redeemed units	(154,557)	(418,480)
Units at the end of the period	3,533,985	1,505,281

The accompanying notes (1) to (12) form an integral part of these interim financial statements

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Interim statement of cash flows (unaudited)**For the six - month periods ended June 30, 2024**

(Saudi Riyal)

	For the six-months period ended 30	
	June	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net income for the period	527,033	546,070
Adjustments to reconcile net income for the period to net cash used in operating activities		
Realized gains from sale of investments at fair value through profit or loss	(651,752)	(123,962)
Unrealized (gains) loss on investments at fair value through profit or loss	95,091	(426,246)
Dividend income	(61,396)	(23,966)
	(91,024)	(28,104)
Changes in operating assets and liabilities		
Addition to Investments at fair value through profit or loss	(4,286,005)	(617,912)
Proceeds from sale of Investments at fair value through profit or loss	2,620,142	882,679
Accounts receivable and other assets		114,403
Proceeds from dividends income	59,821	22,819
Due to related parties	12,731	(4,138)
Accrued expenses and other liabilities	8,912	171,823
Net cash generated from (used in) operating activities	(1,675,423)	541,570
Cash flows from financing activities		
Proceeds from units subscribed	2,763,191	574,000
Payments for units redeemed	(309,014)	(600,151)
Net cash (used in) generated from financing activities	2,454,177	(26,151)
Net change in cash at banks	778,754	515,419
Cash at banks, beginning of the period	236,983	48,164
Cash at banks, at the end of the period	1,015,737	563,583

The accompanying notes (1) to (12) form an integral part of these interim financial statements

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Notes to the interim financial statements (unaudited)

For the six - month period ended June 30, 2024

1 - The Fund and its activities

- a) Osool and Bakheet Shariah-compliant IPO Trading Fund (the “Fund”) is an open-ended investment fund that aims to develop capital by achieving positive added value compared to the indicative index while bearing the lowest possible level of risk by investing in companies’ initial public offering. The Saudi Joint Stock Company as well as the shares of recently listed companies within the first five years of their listing or the last 20 companies listed in the market. The Fund manager may also invest no more than 50% of the Fund’s net asset value in the shares of Saudi small and medium companies, and no more than 30 % of its net asset value in real estate units (including units of funds managed by the fund manager) and no more than 30% of its net asset value in shares of companies listed in the parallel market – Nomu ,Where all investments are compatible with the Sharia principles approved by the Sharia Board of the Fund.

The Capital Market Authority in the Kingdom of Saudi Arabia approved the establishment of this Fund and its units were offered publicly on Dhul-Hijjah 22, 1436 (corresponding to October 5, 2015) the start of its operations on Rabi' al-Awwal 5, 1437 (corresponding to December 16, 2015).

- b) The Fund is managed by Osool and Bakheet Investment Company, a Closed joint stock Company under Commercial Registration No. 1010219805, dated Jamada Alawla 2, 1427 (corresponding to May 29, 2006) and licensed as an “authorized person” under the CMA license No. 08126-07 to engage in the activity of dealing as principal and agent. Management and custody in the securities business.

The Fund has appointed Alinma Investment Company (“Custodian”) to act as custodian and registrar for the Fund. Custody and Registrar fees are paid by the Fund.

- c) The Fund’s Terms and Conditions were issued on Dhu Al-Hijjah 22, 1436 H (corresponding to October 5, 2015). The Fund Manager made some amendments to the Fund’s terms and conditions, and they were last updated on Rajab 19, 1445 (corresponding to January 31, 2024).

- d) The Fund manager's address is as follows:

Bakheet Assets Investment Company
P.B. 63762 Riyadh 11526
Kingdom of Saudi Arabia

2 - Regulating authority

The Fund is governed by Investment Funds Regulations (the “Regulations”), issued by Capital Market Authority (CMA) on Dhul Hijjah 3, 1427 (corresponding to December 24, 2006), and as of Safar 6, 1438 (corresponding to November 6, 2016) to the new Investment Funds Regulations (“the amended Regulations”) issued by CMA on Rajab 17, 1442 (corresponding to March 1, 2021), detailing requirements for all types of funds in the Kingdom of Saudi Arabia. The amended Regulations Effective starting from Ramadan 19, 1442 (corresponding to May 1, 2021).

3 - Basis of preparation

Statement of compliance

The accompanying interim financial statements have been prepared in accordance with International Accounting Standard No. 34 “Initial Financial Report” approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and the Fund Terms and Conditions.

Basis of measurement

The condensed interim financial statements have been prepared on a historical cost convention except when IFRS requires the use of another measurement basis, and in accordance with the accrual principle and going concern.

Presentation and functional currency

These financial statements are presented in Saudi Riyals which is the functional currency and are rounded to the nearest Saudi Riyal.

Accounting records

The Fund maintains regular accounting records by the computer and not in Arabic.

Use of judgments, estimates, and assumptions

In preparing these condensed interim financial statements, management has made 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. The significant judgments made by management in applying the Fund’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Notes to the interim financial statements (unaudited) (continued)

For the six - month period ended June 30, 2024

(Saudi Riyal)

4 - New standards and amendments to standards, interpretations and issued standards that have not yet been applied

Amendment to standards and issued standards and issued standards that have not yet applied which start on 1 January, 2024

The following table shows the latest changes to the standards that must be applied for annual periods beginning after January 1, 2024 and available for early application for annual periods beginning on January 1, 2023. The application of the following amendments to the current standards does not have any material impact on the interim condensed financial statements in the current period or previous periods and is not expected to have a significant impact in future periods.

The following are the standards, interpretations and amendments that have been issued but not applied up to the date of issuance of the condensed interim financial statements. The Fund intends to apply these standards, as applicable, when they become effective.

<u>Standards / Interpretations</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 21 – Lack of exchangeability	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	January 1, 2025
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Effective date deferred indefinitely
IFRS 18 Presentation and Disclosure in Financial Statements	New requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes	January 1, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	May 2024, the International Financial Reporting Standards (IFRS) Council issued IFRS 19 - "Subsidiaries Without Public Accountability: Disclosures" (IFRS 19), which allows eligible entities to choose reduced disclosure requirements while still applying the recognition, measurement, and presentation requirements of IFRS accounting standards. Unless otherwise stated, eligible entities that elect to apply IFRS 19 will not need to adhere to disclosure requirements in other IFRS accounting standards.	January 1, 2027

5- Significant accounting policies

The accounting policies applied in preparing the preliminary condensed financial statements are consistent with those used in preparing the annual financial statements of the Fund for the year ending on December 31, 2023. The results for the period ending on June 30, 2024 do not necessarily constitute an indication of the financial statements on December 31, 2024.

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Notes to the interim financial statements (unaudited) (continued)

For the six - month period ended June 30, 2024

(Saudi Riyal)

6 -Investments at fair value through profit or loss

A. Below is a summary of investment portfolio components at fair value through profit or loss at the date of the interim statement of financial position:

	Market value as at June 30, 2024 (unaudited)		Market value as at December 31, 2023 (audited)	
	% of total market value	Fair value	% of total market value	Fair value
Equity investments (by sector)				
Energy	%14.87	948,656	11.49%	477,576
Applications and technology services	%14.36	915,873	12.32%	511,846
Banks	%11.05	704,515	6.07%	252,307
Healthcare equipment and services	%9.61	612,745	7.45%	309,540
Materials	%8.88	566,454	6.12%	254,294
Food & staples retailing	%8.72	556,410	3.12%	129,681
Commercial and professional services	%7.21	460,102	7.63%	316,952
Real Estate Management and Development	%7.09	451,888	6.17%	256,176
Long term goods	%5.66	361,259	5.29%	219,741
Transportation	%4.26	271,950	8.76%	363,885
Utilities	%3.27	208,560	9.92%	412,010
Consumer services	%3.2	204,054	7.16%	297,553
Insurance	%1.80	115,020	2.99%	124,062
Capital goods	-	38	0.3%	10,862
Retailing	-	-	5.26%	218,515
Total book value	100%	6,377,524	100%	4,155,000

B. The movement on investments at fair value through profit or loss are as follows:

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Book value, at the beginning of the period/ year	4,155,000	2,082,695
Purchases during the period/ year	4,286,005	3,557,763
Sales during the period/ year*	(1,968,390)	(1,801,305)
Unrealized losses from investments at fair value through profit or loss	(95,091)	315,847
Market value, at the end of the period/ year	6,377,524	4,155,000

* The amount represents the book value of investments at fair value through profit or loss, sold for an amount of SAR 2,620,142 (December 31, 2023 SAR 2,297,323), which resulted in realized profits of SAR 651,752 (December 31, 2023: SAR 496,018).

7 -Due to related parties

- Management fee

The Fund is managed by the Fund manager, and the Fund pays for these services management fees calculated on each valuation day at an annual rate of 2% of the daily net assets of the Fund.

- Custody fees

The fees for custodian and operating the fund are based on 0.50% annually of the net assets of the fund, and a redemption fee of 1.75% on recoveries within a month of subscriptions, which are reinvested in the fund.

On Dhul-Qi'dah 19, 1444 AH (corresponding to June 8, 2023 AD), the terms and conditions were amended so that the custody fees amounted to 0.03% annually of the fund's net assets, with a minimum of 1,000 Saudi riyals per month. If the fund's net assets exceeded 20 million Saudi riyals, the minimum would be 2,500 riyals. Saudi riyals per month, and the independent custody model fees amount to 0.01% of the fund's net assets, with a minimum of 10,000 Saudi riyals annually and a maximum of 250,000 Saudi riyals annually, and the fees due are paid every 3 months.

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Notes to the interim financial statements (unaudited) (continued)

For the six - month period ended June 30, 2024

(Saudi Riyal)

7 -Due to related parties (continued)

- Operations management fees

The fund's operating fees are calculated on the basis of 0.46% annually of the fund's net assets, and a redemption fee of 1.75% on recoveries within a month of contributions and reinvestment in the fund.

- Board of Directors

The independent members of the Board of Directors are entitled to a remuneration determined in accordance with the terms and conditions of the Fund in exchange for their services related to attending the meetings of the Board of Directors or the meetings of the Fund. A fee of 30,000 Saudi riyals or 5% of the annual management fees of the Fund, whichever is less, is paid to each independent member of the Board of Directors by the fund annually, which has four members, and the members of the fund's board of directors will not receive from the employees of the company any bonuses or allowances for their membership in the board of directors.

A. Balances due to related parties are as follows:

	<u>June 30, 2024</u> <u>(unaudited)</u>	<u>December 31, 2023</u> <u>(audited)</u>
Osool and Bakheet Investment Company	49,328	28,104
Alinma Investment	3,450	8,493
	<u>52,778</u>	<u>36,597</u>

B. The material transactions with related parties are as follows:

	Nature relation	Type of transactions	Transaction amount	
			<u>June 30, 2024</u> <u>(unaudited)</u>	<u>December 31, 2023</u> <u>(audited)</u>
Osool and Bakheet Investment Company	Fund manager	Management fees	68,361	64,972
		Operations management fees	15,723	8,162
Alinma Investment	Custodian	Custody fees	6,847	13,800
		Independent Custody Form Fees	5,705	5,125

8 -Measuring the fair value of financial instruments

The Fund's financial assets consist of cash and cash equivalents, accrued dividends, investments at fair value through profit and loss and other financial assets. While financial liabilities consist of due to related parties, accrued expenses and other liabilities. All financial assets and financial liabilities are classified at amortized cost except for investments at FVTPL which are designated and measured at fair value.

Fair value

Fair values are classified into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: The quoted market prices in active markets for identical assets and liabilities.

Level 2: Valuation techniques that depend on inputs that affect the fair value and can be directly or indirectly observable in the market.

Level 3: Valuation techniques that depend on inputs that affect the fair value that cannot be directly or indirectly observed in the market.

<u>June 30, 2024 (unaudited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value through profit and loss	<u>6,377,524</u>	<u>-</u>	<u>-</u>	<u>6,377,524</u>
<u>December 31, 2023 (audited)</u>				
Investments at fair value through profit and loss	<u>4,155,000</u>	<u>-</u>	<u>-</u>	<u>4,155,000</u>

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Notes to the interim financial statements (unaudited) (continued)

For the six - month period ended June 30, 2024

(Saudi Riyal)

9 - Financial instruments and risk management

Financial risk factors

The objective of the Funds is to maintain the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to unitholders and to ensure reasonable safety for unitholders. The Fund's activities are exposed to a variety of financial risks: market risk, credit risk, liquidity risk, operational risk, and fair value assessment.

The fund manager is responsible for identifying and controlling risks. The fund's board of directors supervises the fund manager and is ultimately responsible for the general management of the fund.

Monitoring and control risks are primarily identified to be implemented based on the limits set by the fund's board of directors. The fund has its own terms and conditions document which defines its general business strategies, risk appetite and general risk management philosophy and is bound to take actions to re-rotate the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the different types of risks to which it is exposed. These methods are explained below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes three types of risks: foreign exchange risk, currency rate risk and other price risks.

Foreign exchange rate risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. These risks arise from financial instruments denominated in foreign currencies.

Commission rate risk

The risk arising from the fluctuation of the value of financial instruments as a result of fluctuations in commission rates prevailing in the market. The fund has no significant assets or liabilities related to commission rates as of June 30, 2024.

Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices due to factors other than the movement of foreign exchange rates and currencies.

Price risk arises mainly from uncertainty about the prices of future financial instruments owned by the Fund. The fund manager carefully monitors the movement of the prices of its financial instruments listed in the Saudi financial markets, and the fund manager manages risks by distributing its investment portfolio by investing in various sectors.

Credit risk

It is the inability of one party to fulfill its obligations, which leads to the other party incurring a financial loss. The Fund does not currently have any significant credit risk. Whereas, the fund's financial assets, which consist of cash and cash equivalents, and those financial assets at fair value through profit or loss, are all held with banks and financial institutions with good credit ratings.

The fund seeks to reduce credit risk by monitoring exposure to credit risk, limiting transactions with low creditworthy parties and continuously assessing the credit capacity of contracted counterparties.

	June 30, 2024 (unaudited)	December 31, 2023 (audited)
Investments at fair value through profit or loss	6,377,524	4,155,000
Dividends receivable	1,575	-
Cash and cash equivalent	1,015,737	236,983
	<u>7,394,836</u>	<u>4,391,983</u>

Liquidity risk

It is the risk of the Fund's inability to secure the necessary liquidity to meet the obligations related to financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed through regular monitoring to ensure that sufficient liquidity is available to meet any future commitments.

As at June 30, 2024 (unaudited)

Accrued expenses and other liabilities

As at December 31, 2023 (audited)

Accrued expenses and other liabilities

<u>Book value</u>	<u>Less than a year</u>
<u>14,144</u>	<u>14,144</u>
<u>5,232</u>	<u>5,232</u>

Osool and Bakheet Fund for Trading in IPO in Compliance with Shariah Regulations

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

Notes to the interim financial statements (unaudited) (continued)

For the six - month period ended June 30, 2024

(Saudi Riyal)

9 - Financial instruments and risk management (continued)

Operational risk

Operational risk is the risk of direct and indirect loss resulting from a variety of causes related to the processes, technology and infrastructure that support the Fund's activities, whether internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from legal and regulatory requirements.

The Fund's objective is to manage operational risk in order to balance limiting financial losses and damage to its reputation with achieving its investment objective of generating returns for unitholders.

10 -Last valuation day

The last valuation day of the period was June 30, 2024.

11 -Subsequent events

The management believes there were no significant subsequent events before or after the date of the financial statements that may require modification or disclosure.

12 -Approval of the financial statements

The financial statements have been approved for issue by the Fund's board of directors on Safar 7, 1446 (corresponding to August 11, 2024).