

**AL QASR GCC REAL ESTATE AND  
CONSTRUCTION EQUITY TRADING FUND**  
(Managed by Saudi Fransi Capital)

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020  
TOGETHER WITH  
THE INDEPENDENT AUDITOR'S REVIEW REPORT**



**Crowe**

Al Azem, Al Sudairy, Al Shaikh & Partners

CPA's & Consultants - Member Crowe Global

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<b>Index</b>	<b>Page</b>
Independent Auditors Report on Review of Condensed Interim Financial Information	1
Condensed Interim Statement of Financial Position (Un-Audited)	2
Condensed Interim Statement of Comprehensive Income (Un-Audited)	3
Condensed Interim Statement of Change in Net Assets (Un-Audited)	4
Condensed Interim Statement of Cash Flows (Un-Audited)	5
Notes to the Condensed Interim Financial Statements (Un-Audited)	6-11

**INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION**

**TO: THE UNITHOLDERS OF  
AL-QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND  
(Managed by Saudi Fransi Capital)**

**Introduction:**

We have reviewed the accompanying interim condensed financial statements of **AL-QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND ("the fund")** managed by Saudi Fransi Capital (the "Fund Manager"), which comprises the interim condensed statement of financial position as at 30 June 2020 and the related interim condensed statements of comprehensive income, changes in net assets and cash flows for the period then ended and other explanatory notes (the "interim condensed financial information"). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed 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", as endorsed in the Kingdom of Saudi Arabia. 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 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 information is not prepared, in all material respects, in accordance with International Accounting Standard 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.



**Al Azem, Al Sudairy, Al Shaikh & Partners  
Certified Public Accountants**

  
**Abdullah M. Al Azem  
License No. 335**

29 Dhu'l Hijjah 1441 H (August 19, 2020)  
Riyadh, Kingdom of Saudi Arabia

AL QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND  
 (Managed by Saudi Fransi Capital)  
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
 As at 30 June 2020

	Notes	30 June 2020 (Un-Audited) SR	31 December 2019 (Audited) SR
<b>ASSETS</b>			
Cash and cash equivalents	7	1,452,985	1,144,788
Investments measured at fair value through profit or loss (FVTPL)	8	7,479,824	8,704,964
Dividend receivables		13,698	--
Other receivable		2,640	--
<b>TOTAL ASSETS</b>		<b>8,949,147</b>	<b>9,849,752</b>
<b>LIABILITIES</b>			
Management fee payable	10	12,998	14,872
Accrual and other liabilities		44,834	57,386
<b>TOTAL LIABILITIES</b>		<b>57,832</b>	<b>72,258</b>
<b>Net assets attributable to the Unit Holders</b>		<b>8,891,315</b>	<b>9,777,494</b>
Units in issue		<b>818,175</b>	<b>800,046</b>
Net assets value attributable to each unit		<b>10.8673</b>	<b>12.2212</b>

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

AL QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND  
(Managed by Saudi Fransi Capital)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
For the six-months period ended 30 June 2020

	Notes	<i>For the six- months period ended 30 June 2020 SR</i>	<i>For the six- months period ended 30 June 2019 SR</i>
<b>INVESTMENT INCOME / (LOSS)</b>			
Net (loss) / gain on investments measured at fair value through profit or loss (FVTPL)	9	(1,213,696)	2,445,881
Dividend income		242,174	507,770
		(971,522)	2,953,651
<b>EXPENSES</b>			
Management fees	10	(81,522)	(136,459)
Other expenses		(41,490)	(49,954)
		(123,012)	(186,413)
<b>NET (LOSS) / INCOME FOR THE PERIOD</b>		(1,094,534)	2,767,238
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>		(1,094,534)	2,767,238

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

AL QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND  
(Managed by Saudi Fransi Capital)

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (UN-AUDITED)  
For the six-months period ended 30 June 2020

	<i>For the six- months period ended 30 June 2020 SR</i>	<i>For the six- months period ended 30 June 2019 SR</i>
<b>NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD</b>	<b>9,777,494</b>	<b>13,799,728</b>
<b>CHANGES FROM OPERATIONS</b>		
Net (loss) / income for the period	(1,094,534)	2,767,238
Other comprehensive income	-	-
Total comprehensive (loss) / income	(1,094,534)	2,767,238
<b>CHANGES FROM UNIT TRANSACTIONS</b>		
Proceeds from units sold	571,172	7,843
Value of units redeemed	(362,817)	(588,557)
Net change from unit transactions	208,355	(580,714)
<b>NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD</b>	<b>8,891,315</b>	<b>15,986,252</b>

**UNIT TRANSACTIONS**

Transactions in units during the periods are summarised as follows:

	<i>For the six- months period ended 30 June 2020 Units</i>	<i>For the six- months period ended 30 June 2019 Units</i>
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>800,046</b>	<b>1,552,754</b>
Units sold	46,965	796
Units redeemed	(28,836)	(60,264)
Net change in units	18,129	(59,468)
<b>UNITS AT THE END OF THE PERIOD</b>	<b>818,175</b>	<b>1,493,286</b>

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

AL QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND  
(Managed by Saudi Fransi Capital)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six-months period ended 30 June 2020

	Notes	For the six-months period ended 30 June 2020 SR	For the six-months period ended 30 June 2019 SR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (loss) / income for the period		(1,094,534)	2,767,238
<i>Adjustments to reconcile net (loss) / income to net cash generated from operating activities:</i>			
Unrealised losses / (gains) on investments measured at fair value through profit or loss (FVTPL)	9	1,494,784	(2,438,214)
		400,250	329,024
<b>Changes in operating assets and liabilities:</b>			
Investments measured at fair value through profit or loss (FVTPL)		(269,644)	596,896
Management fee payable		(1,874)	2,005
Accruals and other liabilities		(12,552)	8,620
Dividend receivables		(13,698)	(30,000)
Other Receivables		(2,640)	-
<b>Net cash generated from operating activities</b>		<b>99,842</b>	<b>906,545</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from units sold		571,172	7,843
Value of units redeemed		(362,817)	(588,557)
<b>Net cash generated from / (used) in financing activities</b>		<b>208,355</b>	<b>(580,714)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>308,197</b>	<b>325,831</b>
Cash and cash equivalents at the beginning of the period		1,144,788	445,655
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>1,452,985</b>	<b>7,71,486</b>

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



AL QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND  
(Managed by Saudi Fransi Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2020

**1. GENERAL**

Al Qasr GCC Real Estate and Construction Equity Trading Fund (the "Fund") is an open ended investment fund based on an agreement between Saudi Fransi Capital (the "Fund Manager") and the investors (the "Unitholders"). The Fund commenced its operations on 16 April 2007 (corresponding to 29 Rabi Alawal 1428H).

The Fund is an income accumulation fund whereby net income is re-invested in the Fund and reflected in the net asset value. Units of the Fund are made available for purchase only in the Kingdom of Saudi Arabia.

The objective of the Fund is to provide medium to long-term capital growth primarily by investing in publicly listed Shar'iah compliant companies that drive a majority of their revenues, directly or indirectly from the real estate and construction sectors in the GCC member countries that includes the Kingdom of Saudi Arabia, UAE, Kuwait, Qatar, Oman and the Kingdom of Bahrain. The Fund may also invest up to 20% of its total investment in real estate and construction sectors in other Arab countries in the Middle East and North Africa in Shari'ah compliant assets in accordance with the Shari'ah guidelines issued by the Shari'ah Board of the Fund.

The Fund has updated its terms and condition which have been approved by the Capital Market Authority "CMA" on 18 Rabi-Al-Awal 1440H (corresponding to 26 November 2018).

The fund has further updated its terms and conditions on 18 June 2019 (corresponding to 15 Shawaal 1440H).

The Fund Manager and Administrator of the Fund is Saudi Fransi Capital. The Custodian of the fund is HSBC Saudi Arabia.

**2. REGULATORY 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 7 November 2016) by the New Investment Fund Regulations ("Amended Regulations") published by the Capital Market Authority on 16 Sha'aban 1437H (corresponding to 24 May 2016) detailing requirements for all funds within the Kingdom of Saudi Arabia.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants ("SOCPA").

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, therefore, these should be read in conjunction with the Fund's annual audited financial statements as at and for the year ended 31 December 2019.

Assets and liabilities in the condensed interim statement of financial position are presented in the order of liquidity.

An analysis in respect of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 12.

**3.2 BASIS OF MEASUREMENT**

The condensed interim financial statements are prepared under the historical cost convention, using the accrual basis of accounting except for investment at fair value through profit or loss.

**3.3 FUNCTIONAL CURRENCY**

These condensed interim financial statements are presented in Saudi Riyal ("SR"), which is the Fund's functional currency.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES

The significant accounting and risk management policies used in the preparation of these condensed interim financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2019.

#### 5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

##### *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 condensed interim financial statements continue to be prepared on the going concern basis.

#### 6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

*New IFRS, amendments and interpretations issued not yet effective and not early adopted*

##### *Significant standards issued but not yet effective*

There are several standards and interpretations that are issued, but not yet effective, up to the date of the Fund's condensed interim financial statements. In the opinion of the Board, these standards will have no significant impact on the condensed interim financial statements of the Fund. The Fund intends to adopt these standards, if applicable.

#### 7. CASH AND CASH EQUIVALENTS

	30 June 2020 (Un-Audited) SR	31 December 2019 (Audited) SR
Cash at bank (See note below)	31,981	190,345
Cash with the custodian	1,421,004	954,443
	<u>1,452,985</u>	<u>1,144,788</u>

The bank balances represent the cash in a current account maintained with Banque Saudi Fransi (Note 10).

The management has conducted a review as required under IFRS 9 and based on such an assessment, the management believes that there is no need for any significant impairment loss against the carrying value of bank balances.

# AL QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND

(Managed by Saudi Fransi Capital)

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2020

### 8. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The geographical composition of the investments measured at fair value through profit or loss in equity investments on the last valuation day of the years are summarized below:

<i>Description by geographical segment</i>	<i>30 June 2020 (Un-Audited)</i>		
	<i>Cost SR</i>	<i>Market Value SR</i>	<i>% of Market Value</i>
Kingdom of Saudi Arabia	5,287,032	5,351,255	71.54
United Arab Emirates	2,687,558	1,426,429	19.07
Kuwait	759,419	702,140	9.39
	<u>8,734,009</u>	<u>7,479,824</u>	<u>100.00</u>

<i>Description by geographical segment</i>	<i>31 December 2019 (Audited)</i>		
	<i>Cost SR</i>	<i>Market Value SR</i>	<i>% of Market Value</i>
Kingdom of Saudi Arabia	5,017,388	5,938,586	68.22
United Arab Emirates	2,687,558	1,881,677	21.62
Kuwait	759,419	884,701	10.16
	<u>8,464,365</u>	<u>8,704,964</u>	<u>100.00</u>

### 9. NET (LOSS) / GAIN ON INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	<i>For the six- months period ended 30 June 2020 SR</i>	<i>For the six- months period ended 30 June 2019 SR</i>
Realised gain / (loss), net	281,088	7,667
Unrealised (loss) / gain, net	(1,494,784)	2,438,214
	<u>(1,213,696)</u>	<u>2,445,881</u>

Realised gain / (loss) on disposal of investments measured at fair value through profit or loss (FVTPL) is computed net of brokerage and other fee amounting to SR 694 (30 June 2019: SR 344).

AL QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND  
(Managed by Saudi Fransi Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2020

10. TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of its activities, the Fund transacts business with related parties.

The Fund pays the Fund Manager a management fee calculated at an annual rate of 1.75% per annum calculated on the total net assets value at each valuation date. The fee is intended to compensate the Fund Manager for administration of the Fund. In addition, the Fund Manager has the right to collectively charge the Fund at any time with any charges relating to the Fund.

The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund such as audit fee, board compensation and other similar charges. Subscription fee up to 3% of the invested amount is adjusted by deduction from the gross subscription, hence, it does not impact or reflect in the condensed interim financial statements of the fund.

Related party transactions for the periods ended and balances are as follows:

Name of related party	Nature of transactions	Amount of transactions		Balance Receivable / (Payable)	
		For the period ended 30 June 2020 SR	For the period ended 30 June 2019 SR	30 June 2020 (Un-Audited) SR	31 December 2019 (Audited) SR
Saudi Fransi Capital	Fund management fee	(81,522)	(136,459)	(12,998)	(14,872)
	Brokerage Fee	(152)	(38)	-	-
Board of Directors	Annual remuneration	(100)	(195)	(100)	--

The units in issue at 30 June 2020 include 5,609 units held by the employees of Banque Saudi Fransi and Saudi Fransi Capital (31 December 2019: 5,609 units).

At the end of the period, cash balance with the Banque Saudi Fransi is SR 31,981 (31 December 2019: SR 190,345).

## 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

### Determination of fair value and fair value hierarchy

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability the principal or the most advantageous market must be accessible to the Fund.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted market price: financial instruments with quoted unadjusted prices for identical instruments in active markets.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Fund's financial assets consist of bank balance and investments measured at fair value through profit or loss (FVTPL). The Fund's financial liabilities consist of management fee payable and accruals and other liabilities.

The following table shows the carrying amount and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	<i>Carrying value</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	SR	SR	SR	SR	SR
<b>30 June 2020 (Un-Audited)</b>					
Investments measured at FVTPL	<u>7,479,824</u>	<u>7,479,824</u>	<u>-</u>	<u>-</u>	<u>7,479,824</u>
<b>31 December 2019 (Audited)</b>					
Investments measured at FVTPL	<u>8,704,964</u>	<u>8,704,964</u>	<u>-</u>	<u>-</u>	<u>8,704,964</u>

During the six months period ended 30 June 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

AL QASR GCC REAL ESTATE AND CONSTRUCTION EQUITY TRADING FUND  
(Managed by Saudi Fransi Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2020

**12. 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:

<i>30 June 2020 (Un-Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
<b>ASSETS</b>			
Cash and cash equivalents	1,452,985	-	1,452,985
Investments measured at FVTPL	7,479,824	-	7,479,824
Dividend receivables	13,698	-	13,698
Other receivable	2,640	-	2,640
<b>TOTAL ASSETS</b>	<b>8,949,147</b>	<b>-</b>	<b>8,949,147</b>
<b>LIABILITIES</b>			
Management fee payable	12,998	-	12,998
Accruals and other liabilities	44,834	-	44,834
<b>TOTAL LIABILITIES</b>	<b>57,832</b>	<b>-</b>	<b>57,832</b>
<i>31 December 2019 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
<b>ASSETS</b>			
Cash and cash equivalents	1,144,788	-	1,144,788
Investments measured at FVTPL	8,704,964	-	8,704,964
<b>TOTAL ASSETS</b>	<b>9,849,752</b>	<b>-</b>	<b>9,849,752</b>
<b>LIABILITIES</b>			
Management fee payable	14,872	-	14,872
Accruals and other liabilities	57,386	-	57,386
<b>TOTAL LIABILITIES</b>	<b>72,258</b>	<b>-</b>	<b>72,258</b>

**13. LAST VALUATION DAY**

The last valuation day of the period was 30 June 2020 (31 December 2019: 31 December 2019).

**14. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved by the Fund Board on 29 Dhu'l Hijjah 1441 H (corresponding to 19 August 2020).