

YAQEEEN GOLD FUND
(Managed by Yaqeen Capital)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2023
Together with the
Independent Auditor's Review Report

YAQEEEN GOLD FUND
(Managed by Yaqeen Capital)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2023

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كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

Independent auditor's report on review of condensed interim financial statements

To the unitholders of Yaqeen Gold Fund

Introduction

We have reviewed the accompanying 30 June 2023 condensed interim financial statements of **Yaqeen Gold Fund** ("the Fund"), managed by Yaqeen Capital ("the Fund Manager"), which comprises:

- the condensed interim statement of financial position as at 30 June 2023;
- the condensed interim statement of comprehensive income for the six months period ended 30 June 2023;
- the condensed interim statement of changes in net assets (equity) attributable to the unitholders for the six months period ended 30 June 2023;
- the condensed interim statement of cash flows for the six months period ended 30 June 2023; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the International Accounting Standards 34: *Interim Financial Reporting* ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority and the Fund's Terms and Conditions. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410: *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* that is 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 the 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 30 June 2023 condensed interim financial statements of **Yaqeen Gold Fund** are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.



Independent auditor's report on review of condensed interim financial statements

To the unitholders of Yaqeen Gold Fund (continued)

Other matter - comparative information

The condensed interim financial statements of the Fund for the six months period ended 30 June 2022, were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on 24 August 2022. Furthermore, the financial statements of the Fund as at and for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 March 2023.

KPMG Professional Services



Hani Hamzah A. Bedairi
License no. 460



Riyadh: 23 Muharram 1445H
Corresponding to: 10 August 2023

YAQEEEN GOLD FUND
(Managed By Yaqeen Capital)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

(All amounts are in US Dollars unless stated otherwise)

	Note	30 June 2023	31 December 2022
		(Unaudited)	(Audited)
ASSETS			
Cash and cash equivalent	6	4,814	26,257
Financial assets at fair value through profit or loss (FVTPL)	7	<u>3,517,205</u>	<u>3,507,197</u>
Total assets		<u>3,522,019</u>	<u>3,533,454</u>
LIABILITIES			
Accrued management fees	9	5,313	4,914
Other liabilities		<u>5,441</u>	<u>24,137</u>
Total liabilities		<u>10,754</u>	<u>29,051</u>
Net assets (equity) attributable to the Unitholders		<u>3,511,265</u>	<u>3,504,403</u>
Units in issue (number)		<u>3,265,912</u>	<u>3,408,878</u>
Net asset value per unit	11	<u>1.08</u>	<u>1.03</u>

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

YAQEEEN GOLD FUND
(Managed By Yaqeen Capital)

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

(All amounts are in US Dollars unless stated otherwise)

	Note	For the six-month period ended 30 June	
		2023 (Unaudited)	2022 (Unaudited)
Income			
Fair value gain /(loss) on financial assets at FVTPL, net	7	190,919	(27,746)
Total operating income		190,919	(27,746)
Expenses			
Management fees	9	(10,487)	(9,309)
Other expenses		(10,408)	(8,807)
Total operating expenses		(20,895)	(18,116)
Profit / (loss) for the period		170,024	(45,862)
Other comprehensive income for the period		-	-
Total comprehensive income /(loss) for the period		170,024	(45,862)

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

YAQEEEN GOLD FUND
 (Managed By Yaqeen Capital)
CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts are in US Dollars unless stated otherwise)

	<u>30 June</u> <u>2023</u>	<u>30 June</u> <u>2022</u>
Net assets (equity) attributable to the Unitholders at the beginning of the period (Audited)	3,504,403	3,025,796
Total comprehensive income /(loss) for the period	170,024	(45,862)
Unitholders subscriptions and redemptions:		
Issuance of redeemable units during the period	109,106	653,317
Redemption of redeemable units during the period	<u>(272,268)</u>	<u>(198,081)</u>
Net assets (equity) attributable to the Unitholders at the end of the period (Unaudited)	<u>3,511,265</u>	<u>3,435,170</u>

Movement in number of units

The movement in number of units for the six months period ended 30 June is as follows:

	<u>30 June</u> <u>2023</u>	<u>30 June</u> <u>2022</u>
Number of units at the beginning of the period (Audited)	3,408,878	2,903,897
Issuance of redeemable units during the period	100,987	614,737
Redemption of redeemable units during the period	<u>(243,953)</u>	<u>(183,522)</u>
Number of units at the end of the period (Unaudited)	<u>3,265,912</u>	<u>3,335,112</u>

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

YAQEEEN GOLD FUND
(Managed By Yaqeen Capital)

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts are in US Dollars unless stated otherwise)

	Note	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Cash flows from operating activities			
Profit / (loss) for the period		170,024	(45,862)
<i>Adjustments to reconcile profit for the period to net cash flows generated / (used in) operating activities:</i>			
Fair value (gain) / loss on financial assets at FVTPL, net	7	(190,919)	27,746
Net (increase) / decrease in operating assets and liabilities:			
Net change in financial assets at FVTPL		180,911	(429,367)
Accrued management fees		399	504
Other liabilities		(18,696)	(628)
Net cash generated / (used) in operating activities		141,719	(447,607)
Cash flows from financing activities			
Issuance of redeemable units during the period		109,106	653,317
Payment made against redemption of the units		(272,268)	(198,081)
Net cash (used) / generated from financing activities		(163,162)	455,236
Net (decrease) / increase in cash and cash equivalent		(21,443)	7,629
Cash and cash equivalent at the beginning of the period		26,257	66,594
Cash and cash equivalent at the end of the period	6	4,814	74,223

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

YAQEEEN GOLD FUND
(Managed By Yaqeen Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in US Dollars unless stated otherwise)

1. GENERAL

Yaqeen Gold Fund (the “Fund”) is a Fund established under an agreement between Yaqeen Capital (“Fund Manager”) and Fund Investors (“Unitholders”). The Fund is an “open-ended” Shariah compliant “public” Fund that invests passively in Gold. The Fund’s objectives are to achieve long-term capital gains and growth through tracking the index performance of gold commodity currency (XAU/USD - Gold Spot US Dollar).

The address of the Fund manager is as follows:

Yaqeen Capital Company
Olaya Street, P.O. 884
Riyadh 11421
Kingdom of Saudi Arabia

Yaqeen Capital Company is the administrator and custodian of the fund. EFG Bank Switzerland is the sub-custodian of the Fund as per the terms and conditions of the Fund.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Manager prepares separate financial statement for the Fund. In addition, the Unitholders are considered as owners benefiting from the Fund's assets.

The Capital Market Authority (CMA) license to establish the Fund was obtained on 10 Jumada al-thani 1441H (corresponding to 4 February 2020). The Fund commenced its activities on 14 Shaban 1441H (corresponding to 8 April 2020).

The Fund is governed by the Investment Fund Regulations (the “Regulations”).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS-34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the condensed interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

The Fund has also complied with Investment Funds Regulations published by CMA and the Fund’s terms and conditions (collectively hereinafter referred to as “Terms and Conditions”).

The disclosures made in these condensed interim financial statements have been limited in accordance with the requirements of IAS 34. This condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 31 December 2022.

YAQEEEN GOLD FUND
(Managed By Yaqeen Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in US Dollars unless stated otherwise)

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement

The condensed interim financial statements have been prepared on a historical cost convention, except for the financial assets at fair value through profit or loss that are measured at fair value.

Furthermore, these condensed interim financial statements are prepared using going concern basis.

2.3 Functional and presentation currency

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These condensed interim financial statements are presented in US Dollars which is the Fund’s functional currency as the gold contracts are entered into and traded in International markets in US dollars. Further the index performance of gold commodity currency is also US dollars based.

2.4 Use of judgements and estimates

In the ordinary course of business, the preparation of the condensed interim financial statements requires management to make judgements, 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. There are no areas of significant judgment or critical assumption used in the preparation of these condensed interim financial statements.

3. NEW AND AMENDED STANDARDS

Following are the amendments to standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these new standards did not have a significant impact on the condensed interim financial statements of the Company.

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17, ‘Insurance contracts’, as amended in December 2021

Standards issued but not yet effective

Following are the new amendments to standards, which are effective for annual periods beginning on, or after 1 January 2024 and earlier application is permitted however, the Company has not early adopted them in preparing these interim financial statements. The following standards are not expected to have a significant impact on the financial statements of the Company upon adoption:

- Amendments to IAS 1, Presentation of financial statements’, on classification of liabilities
- Amendments to IFRS 10 and IAS 28 related to sale or contribution of assets between an Investor and its Associate or Joint Ventures
- Amendment to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Non-current Liabilities with Covenants

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the last annual audited financial statements of the Fund for the year ended 31 December 2022.

YAQEEEN GOLD FUND
(Managed By Yaqeen Capital)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**
(All amounts are in US Dollars unless stated otherwise)

5. MANAGEMENT FEE, CUSTODY FEE AND OTHER EXPENSES

The Fund's expenses include management fee, custody fee and other expenses. These expenses are recognised on an accrual basis. Management and custody fee are based on predetermined rates specified in the Terms and Conditions of the Fund. Detailed policies are as follows:

Management fee

The Fund pays 0.5% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

Custody fee

The custodian does not charge the fund any fees while the Swiss bank Intesa Sanpaolo Private Bank EFG SA (the "Sub-Custodian") charges fees at 0.10% of the total value of the assets under custody. The total custodian's fee becomes 0.10% of the total value of the fund's assets under custody and is paid quarterly to the sub-custodian.

6. CASH AND CASH EQUIVALENT

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Cash at banks	4,814	26,257

Cash and cash equivalent comprise balances held with Banque Saudi Fransi which has a A2 long term credit rating.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investment in gold contracts represent spot gold contracts. The spot gold contracts enable the Fund to mimic the spot prices of gold. The Fund has an option to invest in physical gold which will be purchased by the Fund and will be deposited in safe custody of the Sub-Custodian at a secured vault in Geneva, Switzerland, under the delegated authority from the Fund Manager. The gold purchased will be kept in the Fund allocated account, which will be uniquely identifiable and segregated from other precious metals held by the Sub-Custodian.

Movement in investments in Gold contracts is as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Opening balance	3,507,197	2,968,736
Additions to investment in gold contracts	-	603,200
Disposal of investments in gold contracts	(180,911)	(56,598)
Realized fair value gain, net for the period / year	25,217	931
Unrealized fair value gain, net for the period / year	165,702	(9,072)
Closing balance	3,517,205	3,507,197

YAQEEEN GOLD FUND
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**
(All amounts are in US Dollars unless stated otherwise)

8. FAIR VALUE ESTIMATION

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.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a market price, because this price is assessed to be a reasonable approximation of the exit price.

The fair value hierarchy consists of the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for assets and liabilities.

The fund has classified and investments measured at fair value through profit or loss (FVTPL) as level 1 as per the fair value hierarchy. During the period, there has been no transfer in fair value hierarchy. For other financial assets and liabilities, such as cash and cash equivalent, accrued management fees and other liabilities, the carrying values were determined to be a reasonable approximation of fair value due to their nature.

9. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Within the normal course of business, the Fund deals with related parties that are in turn subject to the Fund's terms and conditions issued by the CMA. All transactions with related parties are approved by the Fund's Board.

The Yaqeen Capital (Fund Manager) and companies related to the Fund Manager are considered as related parties to the Fund.

		Amount of transactions		Closing balance	
		30 June 2023 (Unaudited)	30 June 2022 (Unaudited)	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Related party	Nature of transaction				
Yaqeen Capital	Management and other fees	(10,487)	(9,309)	5,313	4,914
Yaqeen Capital	Investment in Fund Units – 930,723 units (31 December 2022: 930,723 units)	-	958,645	1,000,645	968,511

YAQEEEN GOLD FUND
(Managed By Yaqeen Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts are in US Dollars unless stated otherwise)

10. CONTINGENCIES AND COMMITMENTS

There are no commitments and contingencies as of 30 June 2023.

11. UNIT VALUE RECONCILIATION

In accordance with CMA circular no. 1/6/7218/17 dated 13 Rabi al-Thani 1439H (corresponding to 31 December 2017), the CMA Board decided on 10 Rabi al-Thani 1439H (corresponding to 28 December 2017) to restrict the recording of expected credit losses (ECL) calculated in accordance with IFRS 9 only for the purpose of financial reporting.

All financial assets held at amortized cost were considered for ECL as on 30 June 2023. However, the impact of ECL on these assets was immaterial as cash and cash equivalents are held with bank having sound credit rating and there is no history of default or recovery of these balances. Accordingly, this condensed interim financial statements do not contain any significant ECL adjustments and therefore reconciliation of the unit price calculated according to the applicable financial reporting framework to the unit price calculated for the purpose of unit transactions is not required.

12. LAST VALUATION DAY

The Fund units are valued, and the net assets value is calculated at the end of each working day (valuation day). The last day of valuation was 30 June 2023.

13. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were approved by the Fund's Board on 10 August 2023.