

BLOM MSCI Saudi Arabia Select Min Vol Fund
(Managed by Blominvest Saudi Arabia)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022



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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF BLOM MSCI SAUDI ARABIA SELECT MIN VOL FUND (MANAGED BY BLOMINVEST SAUDI ARABIA)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Blom MSCI Saudi Arabia Select Min Vol Fund (the "Fund") managed by Blominvest Saudi Arabia (the "Fund Manager") as at 30 June 2022, and the related interim condensed statement of comprehensive income, interim condensed statement of changes in equity attributable to the unitholders and interim condensed statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements 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 these interim condensed 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" endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 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 statements are not prepared, in all material respects, in accordance with IAS 34 endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 18 Muharram 1444H
(16 August 2022)



BLOM MSCI Saudi Arabia Select Min Vol Fund
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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2022

		30 June 2022 SR (Unaudited)	31 December 2021 SR (Audited)
	<i>Note</i>		
ASSETS			
Financial assets at fair value through profit or loss (FVTPL)	5	107,616,929	103,608,453
Bank balance		276,977	295,827
TOTAL ASSETS		107,893,906	103,904,280
LIABILITIES			
Management fees payable	6	92,018	86,900
Accrued expenses		13,917	14,818
TOTAL LIABILITIES		105,935	101,718
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)		107,787,971	103,802,562
TOTAL LIABILITIES AND EQUITY		107,893,906	103,904,280
Redeemable units in issue		597,046	597,052
Net asset value attributable to each unit		180.54	173.86

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

BLOM MSCI Saudi Arabia Select Min Vol Fund
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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

For the six-month period ended 30 June 2022

	<i>Notes</i>	2022 SR	2021 SR
INCOME			
Realised gain on financial assets at FVTPL		5,623,061	8,554,834
Unrealised (loss) gain on financial assets at FVTPL	5	(2,499,629)	11,107,479
Dividend income		1,539,677	1,218,649
TOTAL INCOME		4,663,109	20,880,962
EXPENSES			
Management fees	6	(584,674)	(443,101)
Other expenses	6	(91,898)	(72,503)
TOTAL EXPENSES		(676,572)	(515,604)
NET INCOME FOR THE PERIOD		3,986,537	20,365,358
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,986,537	20,365,358

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)

For the six-month period ended 30 June 2022

	2022 SR	2021 SR
Equity attributable to the unitholders at beginning of the period	103,802,562	82,385,029
Total comprehensive income for the period	3,986,537	20,365,358
<i>Issuance and redemption of units</i>		
Issuance of units during the period	10,000	90,000
Redemptions of units during the period	(11,128)	(2,994,230)
Net changes in units	(1,128)	(2,904,230)
Equity attributable to the unitholders at end of the period	107,787,971	99,846,157

REDEEMABLE UNIT TRANSACTIONS

Transactions in redeemable units during the period are summarized, as follows:

	2022 SR	2021 SR
Units at beginning of the period	597,052	619,017
Issuance of units during the period	51	581
Redemptions of units during the period	(57)	(21,783)
Net changes in units	(6)	(21,202)
Units at end of the period	597,046	597,815

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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2022

	2022 SR	2021 SR
OPERATING ACTIVITIES		
Net income for the period	3,986,537	20,365,358
Adjustments:		
Movement in unrealized loss on financial assets at FVTPL	2,499,629	11,107,479
Dividend income	(1,539,677)	(1,218,649)
	4,946,489	30,254,188
Working capital adjustments:		
Financial assets at FVTPL	(6,508,105)	(26,817,265)
Management fees payable and accrued expenses	4,217	12,781
Net cash (used in) generated from operations	(1,557,399)	3,449,704
Dividends received	1,539,677	1,218,649
Net cash flows (used in) from operating activities	(17,722)	4,668,353
FINANCING ACTIVITIES		
Proceeds from issuance of units	10,000	90,000
Payment on redemption of units	(11,128)	(2,994,230)
Net cash flows used in financing activities	(1,128)	(2,904,230)
NET (DECREASE) INCREASE IN BANK BALANCE	(18,850)	1,764,123
Bank balance at beginning of the period	295,827	172,340
BANK BALANCE AT END OF THE PERIOD	276,977	1,936,463

The accompanying notes 1 to 10 form an integral part of these interim condensed financial statements.

BLOM MSCI Saudi Arabia Select Min Vol Fund (Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CODENSED FINANCIAL STATEMENTS

At 30 June 2022

1. GENERAL

BLOM MSCI Saudi Arabia Select Min Vol Fund (the “Fund”) is an open ended fund created by agreement between Blominvest Saudi Arabia, a Saudi joint stock Company (the “Fund Manager”) and investors (“unitholders”) in the Fund.

The objective of the Fund is to track the performance of “MSCI Saudi Arabia Domestic IMI Islamic Custom Minimum Volatility Index” which is composed of Saudi sharia compliant equities. The Fund was established on 22 Jumad Thani 1438H (corresponding to 21 March 2017) as per approval from the Capital Market Authority (the “CMA”) and commenced its operations from 21 March 2017.

The address of the registered office of the Fund Manager is as follows:

Al-Oula Building 3rd Floor , King Fahd Road

P.O. Box 8151, Riyadh 11482

Kingdom of Saudi Arabia

The Fund has appointed HSBC Saudi Arabia Limited to act as its custodian and administrator. The fees for the custodian and administrator services are paid directly by the Fund Manager.

2. REGULATING 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 6 November 2016) by the New Investment Fund Regulations (“Amended Regulations”) published by the Capital Market Authority on 16 Sha’aban 1437H (corresponding to 23 May 2016), detailing requirements for all funds within the Kingdom of Saudi Arabia. The regulations were further amended by Resolution of the Board of CMA number 2-22-2021 dated 1 Rajab 1442H (corresponding to 24 February 2021). The amended regulations were effective from 19 Ramadan 1442H (corresponding to 1 May 2021).

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These interim condensed financial statements for the six-month period ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia.

The interim condensed financial statements do not include all the information and disclosures required in annual financial statements and should, therefore, be read in conjunction with the annual financial statements for the year ended 31 December 2021. In addition, results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for financial assets held at fair value through profit or loss that are measured at fair value. These interim condensed financial statements are presented in Saudi Riyals (“SR”), which is the Fund’s functional currency.

3.2 Significant accounting policies

The significant accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2021, except for the new standards and amendments effective from 1 January 2022.

BLOM MSCI Saudi Arabia Select Min Vol Fund
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NOTES TO THE INTERIM CODENSED FINANCIAL STATEMENTS (continued)
At 30 June 2022

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

New standards, interpretations and amendments

- Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions extension of the practical expedient (effective for annual periods beginning on or after 1 April 2021).
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (effective for annual periods beginning on or after 1 January 2022):
- Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial
- Reporting without changing the accounting requirements for business combinations.
- Amendments to IAS 16, 'Property, plant and equipment' prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in statement of income.
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs an entity includes when assessing whether a contract will be loss-making.
- Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial Instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities (deferred until accounting periods starting not earlier than 1 January 2024).
- Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8 (annual periods beginning on or after 1 January 2023).
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction (annual periods beginning on or after 1 January 2023).
- IFRS 17, 'Insurance Contracts', as amended in June 2020 (annual periods beginning on or after 1 January 2023).
- A narrow-scope amendment to the transition requirements in IFRS 17 Insurance Contracts (annual periods beginning on or after 1 January 2023).

4. SIGNIFICANT ACCOUNTING JUDGEMENT, ESTIMATE AND ASSUMPTIONS

The significant accounting judgements, estimates and assumptions used in preparation of interim condensed financial statements are consistent with those used in preparation of the Fund's annual financial statements for the year ended 31 December 2021.

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NOTES TO THE INTERIM CODENSED FINANCIAL STATEMENTS (continued)
At 30 June 2022

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

The composition of the investments at fair value through profit or loss is summarised below:

<i>30 June 2022 (Unaudited)</i>				
<i>Equity shares - Sectors</i>	<i>% of market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealized gain SR</i>
Banks	34.11%	22,508,549	36,708,135	14,199,586
Materials	24.75%	26,279,316	26,633,510	354,194
Energy	10.44%	9,328,798	11,236,402	1,907,604
Utilities	7.94%	7,898,283	8,541,584	643,301
Food and beverage	7.40%	8,383,910	7,962,157	(421,753)
Insurance	6.62%	6,752,951	7,124,286	371,335
Retailing	3.80%	3,811,284	4,091,666	280,382
Health care equipment and services	2.32%	1,328,560	2,499,555	1,170,995
Food and staples retailing	1.54%	1,454,332	1,652,232	197,900
REITs	0.62%	783,236	670,515	(112,721)
Telecommunication Services	0.46%	595,264	496,887	(98,377)
	100.00%	89,124,483	107,616,929	18,492,446
<i>31 December 2021 (Audited)</i>				
<i>Equity shares - Sectors</i>	<i>% of market Value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain SR</i>
Banks	29.06%	18,420,070	30,107,821	11,687,751
Materials	26.38%	20,779,796	27,335,570	6,555,774
Telecommunication services	8.91%	10,180,779	9,227,266	(953,513)
Energy	8.13%	8,155,858	8,427,678	271,820
Utilities	6.44%	5,426,058	6,674,348	1,248,290
Insurance	6.12%	5,947,951	6,343,283	395,332
Food and beverages	5.07%	6,064,180	5,251,635	(812,545)
Health care equipment and services	2.95%	2,103,243	3,056,753	953,510
Retailing	2.72%	1,989,959	2,817,389	827,430
Food and staples retailing	1.69%	1,433,657	1,746,564	312,907
Real estate management and development	1.26%	997,463	1,302,909	305,446
REITs	0.76%	704,285	782,510	78,225
Pharma, biotech and life science	0.51%	413,079	534,727	121,648
	100.00%	82,616,378	103,608,453	20,992,075

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NOTES TO THE INTERIM CODENSED FINANCIAL STATEMENTS (continued)

At 30 June 2022

6. TRANSACTIONS WITH RELATED PARTIES

The Fund pays a management fee at the rate of 1% per annum calculated based on the net assets at each valuation date. The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund including audit fees, Board compensation and other similar charges.

The management fees amounting to SR 584,674 (30 June 2021: SR 443,101) recognised in the statement of comprehensive income represent the fees charged by the Fund Manager during the period. The management fees payable to the Fund Manager during the period is SR 91,898 (30 June 2021: SR 72,503).

The unitholders' account included 75,569 units held by the Fund Manager as of 30 June 2022 [31 December 2021 (Audited): 75,569 units].

7. 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 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. The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 1 of the fair value hierarchy. All other financial assets and liabilities are classified as amortised cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. There were no transfers between various levels of fair value hierarchy during the period or prior year.

		<i>Fair value measurement using</i>		
		<i>Quoted prices in</i>	<i>Significant</i>	<i>Significant</i>
		<i>active markets</i>	<i>observable</i>	<i>unobservable</i>
		<i>(Level 1)</i>	<i>inputs</i>	<i>inputs</i>
	<i>Total</i>		<i>(Level 2)</i>	<i>(Level 3)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
<i>As at 30 June 2022 (Unaudited)</i>				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL (listed on Tadawul)	107,616,929	107,616,929	-	-
<i>As at 31 December 2021 (Audited)</i>				
<i>Financial assets measured at fair value</i>				
Investments at FVTPL (listed on Tadawul)	103,608,453	103,608,453	-	-

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NOTES TO THE INTERIM CODENSED FINANCIAL STATEMENTS (continued)
At 30 June 2022

8. 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>As at 30 June 2022 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Financial assets at FVTPL	107,616,929	-	107,616,929
Bank balance	276,977	-	276,977
TOTAL ASSETS	107,893,906	-	107,893,906
LIABILITIES			
Management fees payable	92,018	-	92,018
Accrued expenses	13,917	-	13,917
TOTAL LIABILITIES	105,935	-	105,935
<i>As at 31 December 2021 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Financial assets at FVTPL	103,608,453	-	103,608,453
Bank balance	295,827	-	295,827
TOTAL ASSETS	103,904,280	-	103,904,280
LIABILITIES			
Management fees payable	86,900	-	86,900
Accrued expenses	14,818	-	14,818
TOTAL LIABILITIES	101,718	-	101,718

9. LAST VALUATION DAY

The last valuation day of the period was 30 June 2022 [31 December 2021 (Audited): 30 December 2021]

10. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Fund's management on 18 Muharram 1444H (corresponding to 16 August 2022).