

Blom Fund of REITS Fund
(Managed by Blominvest Saudi Arabia)

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Blom Fund of REITS 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 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 Fund of REITS 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)
	Notes		
ASSETS			
Financial assets at fair value through profit or loss (FVTPL)	5	19,414,178	14,038,244
Dividend receivables		17,247	7,493
Receivables from disposal of financial assets at FVTPL		1,886,656	1,076,874
Cash and cash equivalents		540,972	25,507,778
TOTAL ASSETS		21,859,053	40,630,389
LIABILITIES			
Management fees payable	6	42,225	26,326
Accrued expenses		97,576	259,349
Redemption payable		1,871,158	26,168,145
TOTAL LIABILITIES		2,010,959	26,453,820
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)		19,848,094	14,176,569
TOTAL LIABILITIES AND EQUITY		21,859,053	40,630,389
Redeemable units in issue		168,473	109,290
Net asset value attributable to each unit		117.81	129.72

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

Blom Fund of REITS 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			
Net realized gain on disposal of financial assets at FVPTL		212,340	409,911
Net unrealized (loss) gain on financial assets at FVPTL	5	(1,799,668)	5,724,286
Dividend income		415,557	1,056,424
Other income		12,599	-
TOTAL (LOSS) INCOME		(1,159,172)	7,190,621
EXPENSES			
Management fees	6	(60,971)	(152,733)
Other expenses		(167,845)	(181,605)
TOTAL EXPENSES		(228,816)	(334,338)
NET (LOSS) INCOME FOR THE PERIOD		(1,387,988)	6,856,283
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		(1,387,988)	6,856,283

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

Blom Fund of REITS Fund
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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	14,176,569	36,312,459
Total comprehensive (loss) income for the period	(1,387,988)	6,856,283
<i>Issuance of units</i>		
Issuance of units during the period	7,462,686	100,000
Net changes in units	7,462,686	100,000
Payment of dividend to unitholders	(403,173)	(734,830)
Equity attributable to the unitholders at the end of the period	19,848,094	42,533,912

REDEEMABLE UNIT TRANSACTIONS

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

	2022 Units	2021 Units
Units at beginning of the period	109,290	305,582
Issuance of units during the period	59,183	765
Units at end of the period	168,473	306,347

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Blom Fund of REITS Fund
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2022

	<i>Note</i>	2022 SR	2021 SR
OPERATING ACTIVITIES			
Net (loss) income for the period		(1,387,988)	6,856,283
Adjustments:			
Movement in unrealized (gain) loss on financial assets at FVTPL	5	1,799,668	(5,724,286)
Dividend income		(415,557)	(1,056,424)
		(3,877)	75,573
Working capital adjustments:			
Financial assets at fair value through profit or loss (FVTPL)		(7,985,384)	(730,459)
Management fees payable and accrued expenses		(145,874)	52,413
Net cash used in operations		(8,135,135)	(602,473)
Dividends received		405,803	992,833
Net cash flows (used in) from operating activities		(7,729,332)	390,360
FINANCING ACTIVITIES			
Proceeds from issuance of units		7,462,686	100,000
Payment on redemption of units		(24,296,987)	-
Payment of dividends to unitholders		(403,173)	(734,830)
Net cash flows used in financing activities		(17,237,474)	(634,830)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(24,966,806)	(244,470)
Bank balance at beginning of the period		25,507,778	269,460
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		540,972	24,990

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

Blom Fund of REITS Fund (Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

1. GENERAL

Blom Funds of REITS Fund (the “Fund”) is an open ended investment fund created by an agreement between Blominvest Saudi Arabia Company (the “Fund Manager”) and investors (“unitholders”). The primary objective of the Fund is to achieve medium to long-term capital appreciation as well as periodic dividend distributions through investing in REITs listed on the Saudi Market. The Fund was established on 16 April 2019 as per approval from the Capital Market Authority (the “CMA”).

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 Saudi Fransi Capital to act as its custodian and administrator. The fees for the custodian and administrator services are paid directly by the Fund.

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 Fund of REITS Fund
(Managed by Blominvest Saudi Arabia)

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

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

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

<i>Funds</i>	<i>30 June 2022 (Unaudited)</i>			
	<i>% of market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain (loss) SR</i>
Jadwa REIT Saudi Fund	16.02%	3,240,504	3,109,755	(130,749)
Riyad REIT Fund	15.30%	2,880,850	2,970,736	89,886
Derayah REIT Fund	13.41%	2,354,315	2,603,731	249,416
Musharaka REIT Fund	9.55%	1,838,700	1,853,678	14,978
Alkhabeer REIT Fund	7.34%	1,581,566	1,424,253	(157,313)
Mulkia Gulf Real Estate REIT Fund	7.24%	1,392,784	1,406,331	13,547
Bonyan REIT Fund	6.90%	1,424,273	1,339,038	(85,235)
Sed Capital REIT Fund	5.95%	1,205,995	1,155,080	(50,915)
Al Rajhi REIT Fund	5.88%	1,179,211	1,142,471	(36,740)
Alahli REIT Fund I	4.71%	1,056,399	913,879	(142,520)
Al Maather REIT Fund	3.53%	712,410	685,952	(26,458)
Taleem REIT Fund	2.52%	510,374	489,561	(20,813)
Jadwa REIT Alharamain Fund	1.65%	371,323	319,713	(51,610)
	100%	19,748,704	19,414,178	(334,526)

<i>Funds</i>	<i>31 December 2021 (Audited)</i>			
	<i>% of market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain/(loss) SR</i>
Derayah REIT Fund	16.52%	1,628,672	2,319,071	690,399
Riyad REIT Fund	14.38%	1,835,310	2,019,181	183,871
Musharaka REIT Fund	10.34%	1,383,074	1,451,613	68,539
Jadwa REIT Saudi Fund	10.26%	1,187,996	1,440,627	252,631
Mulkia Gulf Real Estate REIT	10.06%	1,205,976	1,411,643	205,667
Al Rajhi REIT Fund	8.91%	1,033,635	1,251,377	217,742
Bonyan REIT Fund	7.63%	1,080,099	1,071,297	(8,802)
Alkhabeer REIT Fund	7.29%	1,105,479	1,023,979	(81,500)
Alahli REIT Fund I	5.39%	820,745	757,142	(63,603)
Sed Capital REIT Fund	3.86%	469,113	541,236	72,123
Taleem REIT Fund	3.05%	460,300	428,262	(32,038)
Jadwa REIT Alharamain Fund	2.4%	362,703	322,816	(39,887)
	100%	12,573,102	14,038,244	1,465,142

6. TRANSACTIONS WITH RELATED PARTIES

The Fund pays a management fee at the rate of 0.8% per annum calculated based on the net asset 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 60,971 (30 June 2021: SR 152,733) reflected in the interim condensed statement of comprehensive income represents the fees charged by the Fund Manager during the period. The management fees payable to the Fund Manager amounting to SR 42,225 at the period-end [31 December 2021 (Audited): SR 26,326]

The unitholders' account included 100,000 units held by the Fund Manager as of 30 June 2022 [31 December 2021 (Audited): 100,000 units by the Fund Manager].

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

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 measures financial instruments at fair value at each interim condensed statement of financial position date. 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. 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. These are all classified within level 3 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

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>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
<i>As at 30 June 2022 (Unaudited)</i>			
ASSETS			
Financial assets at fair value through profit or loss (FVTPL)	19,414,178	-	19,414,178
Dividend receivables	17,247	-	17,247
Receivables from disposal of financial assets at FVTPL	1,886,656	-	1,886,656
Cash and cash equivalents	540,972	-	540,972
TOTAL ASSETS	21,859,053	-	21,859,053
LIABILITIES			
Management fees payable	42,225	-	42,225
Accrued expenses	97,576	-	97,576
Redemptions payable	1,871,158	-	1,871,158
TOTAL LIABILITIES	2,010,959	-	2,010,959
<i>As at 31 December 2021 (Audited)</i>			
ASSETS			
Financial assets at fair value through profit or loss (FVTPL)	14,038,244	-	14,038,244
Dividend receivables	7,493	-	7,493
Receivables from disposal of financial assets at FVTPL	1,076,874	-	1,076,874
Cash and cash equivalents	25,507,778	-	25,507,778
TOTAL ASSETS	40,630,389	-	40,630,389
LIABILITIES			
Management fees payable	26,326	-	26,326
Accrued expenses	259,349	-	259,349
Redemptions payable	26,168,145	-	26,168,145
TOTAL LIABILITIES	26,453,820	-	26,453,820

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

9. LAST VALUATION DAY

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

10. APPROVAL OF FINANCIAL STATEMENTS

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