

BLOMINVEST SR MURABAHA 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 BLOMINVEST SR MURABAHA FUND (MANAGED BY BLOMINVEST SAUDI ARABIA)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Blominvest SR Murabaha 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)



Blominvest SR Murabaha Fund
(Managed by Blominvest Saudi Arabia)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2022

		30 June 2022 Unaudited SR	31 December 2021 Audited SR
	Notes		
ASSETS			
Financial assets at fair value through profit or loss (FVTPL)	7	58,879,289	31,973,055
Murabaha placements at amortized cost	6	40,508,061	21,679,971
Accrued special commission income		152,984	33,419
Bank balance	5	10,828,114	12,926,981
TOTAL ASSETS		110,368,448	66,613,426
LIABILITIES			
Management fee payable		25,551	13,404
Accrued expenses		44,203	45,560
Redemption payable		33,000,000	-
TOTAL LIABILITIES		33,069,754	58,964
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)		77,298,694	66,554,462
TOTAL LIABILITIES AND EQUITY		110,368,448	66,613,426
Redeemable units in issue		7,675,338	6,648,137
Net asset value attributable to each per unit		10.07	10.01

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

Blominvest SR Murabaha Fund
(Managed by Blominvest Saudi Arabia)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six-month period ended 30 June 2022

	Notes	2022 SR
INCOME		
Realised gain on financial asset at FVTPL		132,724
Unrealised gain on financial assets at FVTPL	7	312,392
Special commission income		230,532
		<hr/>
TOTAL INCOME		675,648
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EXPENSES		
Management fees	8	(108,851)
Other fees		(116,152)
		<hr/>
TOTAL EXPENSES		(225,003)
		<hr/>
NET INCOME FOR THE PERIOD		450,645
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-
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TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		450,645
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The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

Blominvest SR Murabaha 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
Equity attributable to the unitholders at beginning of the period	66,554,462
Total comprehensive income for the period	450,645
<i>Issuance and redemption of units</i>	
Issuance of units during the period	81,710,000
Redemptions of units during the period (note a)	(71,416,413)
Net changes in value of units	10,293,587
Equity attributable to the unitholders at the end of the period	77,298,694

- a) Included in the above a redemption of SR 33 million [31 December 2021 (Audited): nil] requested by unitholders as of 30 June 2022 which is disclosed as redemption payable in the interim condensed statement of financial position and this redemption payable is settled subsequent to period-end.

REDEEMABLE UNIT TRANSACTIONS

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

	2022 Units
Units at the beginning of the period	6,648,137
Issuance of units during the period	8,135,164
Redemptions of units during the period	(7,107,963)
Net changes in number of units	1,027,201
Units at the end of the period	7,675,338

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

Blominvest SR Murabaha Fund
(Managed by Blominvest Saudi Arabia)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2022

	Note	2022 SR
OPERATING ACTIVITIES		
Net income for the period		450,645
<i>Adjustments:</i>		
Net movement in unrealised gain on financial assets at FVTPL	7	(312,392)
Special commission income		(230,532)
		(92,279)
<i>Changes in operating assets and liabilities:</i>		
Murabaha placements at amortized cost		(7,480,000)
Financial assets at (FVTPL)		(26,593,842)
Management fee payable and accrued expenses		10,794
Net cash used in operations		(34,155,327)
Special commission received		110,967
Net cash flows used in operating activities		(34,044,360)
FINANCING ACTIVITIES		
Issuance of units during the period		81,710,000
Redemptions of units during the period		(38,416,413)
Net cash flows from financing activities		43,293,587
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,449,223
Cash and cash equivalents at beginning of period		28,406,952
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	43,856,175

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

Blominvest SR Murabaha Fund

(Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2022

1. GENERAL

Blominvest SR Murabaha Fund (the “Fund”) is an open ended investment fund created by an agreement between Blominvest Saudi Arabia Company (the “Fund Manager”) and investors (“unit holders”). The investment objective of the Fund is to provide capital preservation and short-term capital growth, through investing in Shariah-compliant conservative transactions. The Fund was established on 03 October 2021 as per approval from the Capital Market Authority (the “CMA”).

The address of the Fund Manager is as follows:

King Fahd Street, Al-Oula Building 3rd Floor
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.

This is the first set of interim financial statements of the Fund since its creation in October 2021 and accordingly, no comparative figures have presented in the interim condensed statements of comprehensive income, changes in equity attributable to the unitholders and cash flows and related notes.

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.

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, result 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 Arabian 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.

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):

Blominvest SR Murabaha 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

3.2 Significant accounting policies (continued)

New standards, interpretations and amendments (continued)

- 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 a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company 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 a company 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.

5. CASH AND CASH EQUIVALENTS

	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Bank balance	10,828,114	12,926,981
Murabaha placements with an original maturity of less than three months (note 6)	33,028,061	21,679,971
	43,856,175	34,606,952

Blominvest SR Murabaha Fund
(Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2022

6. MURABAHA PLACEMENTS AT AMORTIZED COST

	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Murabaha placements with original maturities of more than three months	7,480,000	-
Murabaha placements with original maturities of less than three months (note 5)	33,028,061	21,679,971
	40,508,061	21,679,971

Murabaha placements are an Islamic mode of money market placements with financial institutions in the Kingdom of Saudi Arabia and the rest of the Middle East. Murabaha placements earn commission at the rate 1.63% per annum [31 December 2021 (Audited): 0.84%] and have average original maturity period of 121 days as of 30 June 2022 [31 December 2021 (Audited): 90 days].

Murabaha placements carried at amortised cost are subject to allowance for expected credit losses (ECL) as per IFRS 9. The management has assessed that allowance for ECL is not significant as of 30 June 2022 and as of 31 December 2021 as these Murabaha placements are stage 1, placed with high credit rating financial institutions in the Kingdom of Saudi Arabia) and there has been no history of default with any of the Fund's investments in Murabaha placements.

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

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

	30 June 2022 (Unaudited)			
	% of market value	Cost SR	Market value SR	Unrealised gain SR
<i>Mutual funds</i>				
SICO Capital Money Market Fund	30.91%	18,139,499	18,196,762	57,263
Itqan Fund for Murabaha and Sukuk	30.68%	17,800,000	18,061,886	261,886
Yaqeen SAR Murabaha Fund	21.27%	12,500,000	12,524,512	24,512
Alawwal Saudi Riyal Murabaha	17.15%	10,004,343	10,096,129	91,786
	100%	58,443,842	58,879,289	435,447
	31 December 2021 (Audited)			
	% of market value	Cost SR	Market value SR	Unrealised gain SR
<i>Mutual funds</i>				
Itqan Fund for Murabaha	40%	12,800,000	12,849,129	49,129
Alawwal Saudi Riyal Murabaha	21%	6,750,000	6,769,249	19,249
Al khair Capital Murabaha Fund	17%	5,300,000	5,322,855	22,855
Muscat capital Money Market Fund	11%	3,500,000	3,519,840	19,840
Falcom SAR Murabaha Fund	11%	3,500,000	3,511,982	11,982
	100%	31,973,055	31,973,055	123,055

Blominvest SR Murabaha Fund
(Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2022

8. TRANSACTIONS WITH RELATED PARTIES

As per the agreement, the Fund is required to pay a management fee at the maximum rate of 0.3% per annum calculated based on the total net asset value at each valuation date and fund operation fees at the rate of 0.05% calculated based on the total net asset value with minimum fees of SR 66,000.

The Fund is also required to pay a custodian fee of 0.05% of total Fund's assets with minimum fees of SR 24,000 per month.

In addition, The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund including audit fee, board compensation and other similar charges.

The management fees amounting to SR 108,851 reflected 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 is disclosed on interim condensed statement of financial position.

The unitholders' account included 5,011,024 [31 December 2021 (Audited): SR 4,000,000] units held by the Fund Manager during the period.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund measures its investments in financial instruments, such as financial assets as FVTPL, at fair value at each reporting date.

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. 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 current period.

The following table provides the fair value measurement hierarchy of the Fund's financial assets as at 30 June 2022 and 31 December 2021. There are no financial liabilities measured at fair value.

		<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>
As at 30 June 2022 (unaudited)				
Financial assets measured at fair value				
Investments at FVTPL	58,879,289	-	58,879,289	-
As at 31 December 2021				
Financial assets measured at fair value				
Investments at FVTPL	31,973,055	-	31,973,055	-

Blominvest SR Murabaha Fund
(Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2022

10. 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 31 December 2022 (unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Financial assets at fair value through profit or loss (FVTPL)	58,879,289		58,879,289
Murabaha placements at amortized cost	40,508,061	-	40,508,061
Accrued special commission income	152,984	-	152,984
Cash and cash equivalents	10,828,114	-	10,828,114
TOTAL ASSETS	110,368,448	-	110,368,448
LIABILITIES			
Management fee payable	25,551	-	25,551
Other expenses	44,203	-	44,203
Redemption payable	33,000,000	-	33,000,000
TOTAL LIABILITIES	33,069,754	-	33,069,754
<i>As at 31 December 2021 (Audited)</i>	<i>Within 12 months</i>	<i>After 12 months</i>	<i>Total</i>
ASSETS			
Financial assets at FVTPL	31,973,055	-	31,973,055
Murabaha placements at amortized cost	21,679,971	-	21,679,971
Accrued special commission income	33,419	-	33,419
Cash and cash equivalents	12,926,981	-	12,926,981
TOTAL ASSETS	66,613,426	-	66,613,426
LIABILITIES			
Management fees payable	13,404	-	13,404
Accrued expenses	45,560	-	45,560
TOTAL LIABILITIES	58,964	-	58,964

11. LAST VALUATION DAY

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

12. APPROVAL OF FINANCIAL STATEMENTS

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