

**BLOM MSCI SAUDI ARABIA SELECT MIN VOL FUND
(AN OPEN-ENDED INVESTMENT FUND MANAGED
BY BLOMINVEST SAUDI ARABIA)**

**INTERIM CONDENSED FINANCIAL INFORMATION
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

**BLOM MSCI SAUDI ARABIA SELECT MIN VOL FUND
(AN OPEN-ENDED INVESTMENT FUND
MANAGED BY BLOMINVEST SAUDI ARABIA)
INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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Report on review of interim condensed financial information

To the Unitholders and the Fund Manager of Blom MSCI Saudi Arabia Select Min Vol Fund

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Blom MSCI Saudi Arabia Select Min Vol Fund (the "Fund") as at 30 June 2023 and the related interim condensed statements of comprehensive income, changes in equity attributable to the unitholders and cash flows for the six-month period then ended and other explanatory notes. The Fund Manager 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, as 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 IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

A blue ink signature, likely of Waleed Alhidiri, written in a cursive style.

Waleed Alhidiri
License Number 559

9 August 2023

BLOM MSCI SAUDI ARABIA SELECT MIN VOL FUND
(AN OPEN-ENDED INVESTMENT FUND
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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

		As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
	Note		
Assets			
Cash and cash equivalents		700,751	536,255
Investments carried at fair value through profit or loss (FVTPL)	5	111,684,072	104,767,264
Dividend receivable		54,478	11,600
Total assets		112,439,301	105,315,119
Liabilities			
Management fee payable	6	91,995	88,114
Accrued expenses		14,775	13,964
Total liabilities		106,770	102,078
Equity attributable to the unitholders		112,332,531	105,213,041
Redeemable units in issue		596,913	597,039
Net asset value attributable per unit		188.19	176.22

The accompanying notes 1 to 9 form an integral part of this interim condensed financial information.

BLOM MSCI SAUDI ARABIA SELECT MIN VOL FUND
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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2023	2022
Income			
Realised gain on sale of investments carried at FVTPL		2,403,140	5,623,061
Unrealised gain / (loss) on investments carried at FVTPL		3,505,579	(2,499,629)
Dividend income		1,855,091	1,539,677
Other income		1,035	-
Total income		7,764,845	4,663,109
Expenses			
Management fee	6	(538,088)	(584,674)
Other expenses		(86,348)	(91,898)
Total expenses		(624,436)	(676,572)
Net income for the period		7,140,409	3,986,537
Other comprehensive income for the period		-	-
Total comprehensive income for the period		7,140,409	3,986,537

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BLOM MSCI SAUDI ARABIA SELECT MIN VOL FUND
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS
(Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	For the six-month period ended 30 June	
	2023	2022
Equity attributable to the unitholders at the beginning of the period	105,213,041	103,802,562
Changes from operations		
Total comprehensive income for the period	7,140,409	3,986,537
Changes from unit transactions		
Proceeds from issuance of units	30,000	10,000
Payment against redemption of units	(50,919)	(11,128)
Net changes in value of units	(20,919)	(1,128)
Equity attributable to the unitholders at the end of the period	112,332,531	107,787,971

Redeemable unit transactions

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

	For the six-month period ended 30 June	
	2023	2022
Units at the beginning of the period	597,039	597,052
Units issued	166	51
Units redeemed	(292)	(57)
Net change in units	(126)	(6)
Units at the end of the period	596,913	597,046

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INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	For the six-month period ended 30 June	
	2023	2022
Cash flows from operating activities		
Net income for the period	7,140,409	3,986,537
Adjustments for:		
Unrealised gain / (loss) on financial assets at FVTPL	(3,505,579)	2,499,629
Dividend income	(1,855,091)	(1,539,677)
	1,779,739	4,946,489
Net changes in operating assets and liabilities		
Investment carried at FVTPL	(3,411,229)	(6,508,105)
Management fees payable	3,881	5,118
Accrued expenses	811	(901)
Net cash used in operations	(1,626,798)	(1,557,399)
Dividends income received	1,812,213	1,539,677
Net cash generated from / (used in) operating activities	185,415	(17,722)
Cash flows from financing activities		
Proceeds from issuances of units	30,000	10,000
Payment against redemption of units	(50,919)	(11,128)
Net cash used in financing activities	(20,919)	(1,128)
Net change in cash and cash equivalents	164,496	(18,850)
Cash and cash equivalents at beginning of period	536,255	295,827
Cash and cash equivalents at the end of the period	700,751	276,977

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BLOM MSCI SAUDI ARABIA SELECT MIN VOL FUND
(AN OPEN-ENDED INVESTMENT FUND)
MANAGED BY BLOMINVEST SAUDI ARABIA)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Unaudited)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

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 fee for the custodian, administrator services and all other third-party services (other than brokerage fee) 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 amended by resolution of the Board of the Capital Market Authority on 12 Rajab 1442H (corresponding to 24 February 2021) effective from 19 Ramadan 1442H (corresponding 1 May 2021) by the New Investment Fund Regulations (“Amended Regulations”) published by the Capital Market Authority on 17 Rajab 1442H (corresponding to 1 March 2021) in addition to the new amendment number 2-22-2021 issued on 12 Rajab 1442H (corresponding to 24 February 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

This interim condensed financial information for the six-month period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The interim condensed financial information does 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 2022. In addition, result for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The interim condensed financial information has 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. This interim condensed financial information is 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 this interim condensed financial information is consistent with those followed in the preparation of the financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023.

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

3.3 Impact of changes in accounting policies due to adoption of new standards

The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed financial information of the Fund.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 - The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction - These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Amendment to IAS 12 - International tax reform - pillar two model rules - These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

IFRS 17, 'Insurance contracts', as amended in December 2021 - This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

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

3.3 Impact of changes in accounting policies due to adoption of new standards (continued)

New standards not yet effective

Standard, interpretation, amendments	Description	Effective from periods beginning on or after
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	<p>These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period.</p> <p>Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.</p> <p>Note that the IASB has issued a new exposure draft proposing change to this amendment.</p>	1 January 2024
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	1 January 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The significant accounting judgements, estimates and assumptions used in preparation of interim condensed financial information are consistent with those used in preparation of the Fund's annual financial statements for the year ended 31 December 2022.

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5. INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

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

30 June 2023 (Unaudited)				
Equity shares - Sectors	% of market value	Cost	Market value	Unrealized gain
Banks	30.41%	24,867,230	33,957,896	9,090,666
Materials	20.62%	24,613,715	23,024,439	(1,589,276)
Energy	9.80%	9,966,363	10,944,199	977,836
Food and beverage	8.49%	8,639,678	9,481,909	842,231
Utilities	8.45%	9,224,735	9,435,921	211,186
Insurance	7.22%	4,494,256	8,068,042	3,573,786
Health care equipment and services	6.54%	5,857,894	7,299,171	1,441,277
Retailing	4.17%	4,617,230	4,651,743	34,513
Food and staples retailing	1.68%	1,298,539	1,881,203	582,664
Media and entertainment	0.74%	819,598	821,658	2,060
REITs	0.73%	821,978	811,091	(10,887)
Telecommunication services	0.63%	655,298	705,536	50,238
Capital goods	0.52%	566,300	601,264	34,964
	100%	96,442,814	111,684,072	15,241,258

31 December 2022 (Audited)				
Equity shares – Sectors	% of market value	Cost	Market value	Unrealised gain
Banks	31.7%	22,073,318	33,171,252	11,097,934
Materials	27.0%	30,247,115	28,305,877	(1,941,238)
Energy	8.9%	9,403,096	9,367,422	(35,674)
Utilities	8.3%	8,414,807	8,696,311	281,504
Food and beverage	7.6%	8,267,090	7,987,134	(279,956)
Insurance	7.1%	5,758,677	7,475,244	1,716,567
Retailing	4.1%	4,400,387	4,256,164	(144,223)
Health Care equipment and services	2.4%	1,363,498	2,491,280	1,127,782
Food and staples retailing	1.3%	1,171,387	1,328,080	156,693
REITs	0.7%	791,638	748,200	(43,438)
Telecommunication services	0.5%	638,995	483,987	(155,008)
Capital goods	0.4%	501,579	456,313	(45,266)
	100%	93,031,587	104,767,264	11,735,677

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6. TRANSACTIONS WITH RELATED PARTIES

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. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include BLOMINVEST Saudi Arabia ("the Fund Manager"), the Fund Board Directors, affiliates of the Fund Manager, the Funds managed by the Fund Manager and the unitholders of the Fund.

In the ordinary course of its activities, the Fund transacts business 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 fee for the custodian, administrator services and all other third-party services (other than brokerage fee) are paid directly by the Fund Manager.

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 2023 (Unaudited)	For the period ended 30 June 2022 (Unaudited)	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
BLOMINVEST Saudi Arabia	Management fee	(538,088)	(584,674)	(91,995)	(88,114)

The unitholders' account included 75,569 units held by the Fund Manager as of 30 June 2023 (31 December 2022 (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 accessible market for the asset or liability

Determination of fair value and fair value hierarchy

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

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

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; and

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

The estimated fair value of the Fund's financial assets and liabilities is not considered to be significantly different from their carrying values. The fair value of investments carried at FVTPL are based on quoted prices in active markets and are therefore classified within Level 1.

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7. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table provides the fair value measurement hierarchy of the Fund's financial assets as at 30 June 2023 and 31 December 2022. There are no financial liabilities measured at fair value.

		Fair value measurement using		
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 30 June 2023 (Unaudited)				
Financial assets measured at fair value				
Investments carried at FVTPL (listed on Tadawul)	111,684,072	111,684,072	-	-
As at 31 December 2022 (Audited)				
Financial assets measured at fair value				
Investments carried at FVTPL (listed on Tadawul)	104,767,264	104,767,264	-	-

8. LAST VALUATION DAY

The last valuation day of the period was 30 June 2023 (31 December 2022 (Audited): 29 December 2022).

9. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

This interim condensed financial information was approved and authorised for issue by the Fund Manager (as authorised by the Fund Board) on 9 August 2023.