

**BLOMINVEST SR MURABAHA 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
2024**

**BLOMINVEST SR MURABAHA FUND
(AN OPEN-ENDED INVESTMENT FUND
MANAGED BY BLOMINVEST SAUDI ARABIA)
INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

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Report on review of interim condensed financial information

To the Unitholders and Fund Manager of Blominvest SR Murabaha Fund

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Blominvest SR Murabaha Fund (the "Fund") as at 30 June 2024 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. 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, appearing to read "Waleed", written over the PricewaterhouseCoopers text.

Waleed A. Alhidiri
License Number 559

8 August 2024

BLOMINVEST SR MURABAHA FUND
(AN OPEN-ENDED INVESTMENT FUND
MANAGED BY BLOMINVEST SAUDI ARABIA)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

		As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
	Note		
Assets			
Cash and cash equivalents	5	10,752,205	14,993,005
Investments carried at fair value through profit or loss (FVTPL)	6	35,233,594	35,531,095
Investments held at amortised cost, net	7	225,140,846	144,233,478
Receivable from sale of investment		-	3,000,000
Other receivables		10,275	5,509,534
Total assets		271,136,920	203,267,112
Liabilities			
Redemptions payable		1,000,000	4,000,000
Management fee payable	8	66,140	47,322
Accrued expenses		72,359	48,111
Total liabilities		1,138,499	4,095,433
Equity attributable to the unitholders		269,998,421	199,171,679
Redeemable units in issue		24,489,336	18,585,881
Net asset value attributable per unit		11.03	10.72

The accompanying notes 1 to 12 form an integral part of this interim condensed financial information.

BLOMINVEST SR MURABAHA FUND
(AN OPEN-ENDED INVESTMENT FUND
MANAGED BY BLOMINVEST SAUDI ARABIA)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2024	2023
Income			
Special commission income		6,812,622	3,393,821
Realised gain on sale of investments carried at FVTPL, net		1,153,419	1,030,952
Unrealised gain / (loss) on investments carried at FVTPL, net		28,292	(417,540)
Total income		7,994,333	4,007,233
Expenses			
Management fee	8	(382,936)	(241,516)
Expected credit losses (ECL) on investments held at amortised cost		(33,047)	(20,696)
Other expenses		(269,342)	(180,298)
Total expenses		(685,325)	(442,510)
Net income for the period		7,309,008	3,564,723
Other comprehensive income for the period		-	-
Total comprehensive income for the period		7,309,008	3,564,723

The accompanying notes 1 to 12 form an integral part of this interim condensed financial information.

BLOMINVEST SR MURABAHA FUND
(AN OPEN-ENDED INVESTMENT 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	
	2024	2023
Equity attributable to the unitholders at the beginning of the period	199,171,679	162,968,992
Changes from operations		
Total comprehensive income for the period	7,309,008	3,564,723
Changes from unit transactions		
Issuance of units	228,147,312	53,984,672
Redemption of units	(164,629,578)	(54,237,348)
Net changes in value of units	63,517,734	(252,676)
Equity attributable to the unitholders at the end of the period	269,998,421	166,281,039

Redeemable unit transactions

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

	For the six-month period ended 30 June	
	2024	2023
Units at the beginning of the period	18,585,881	15,960,571
Units issued	21,037,854	5,221,459
Units redeemed	(15,134,399)	(5,251,752)
Net change in units	5,903,455	(30,293)
Units at the end of the period	24,489,336	15,930,278

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BLOMINVEST SR MURABAHA FUND
(AN OPEN-ENDED INVESTMENT FUND
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2024	2023
Cash flows from operating activities			
Net income for the period		7,309,008	3,564,723
Adjustments for:			
Unrealised (gain) / loss on investments carried at FVTPL, net		(28,292)	417,540
Special commission income		(6,812,622)	(3,393,821)
ECL on investment held at amortised cost		33,047	20,696
		<u>501,141</u>	<u>609,138</u>
Net changes in operating assets and liabilities			
Investment carried at FVTPL		325,793	17,677,178
Investments held at amortised cost		(80,874,321)	(44,587,447)
Receivable from sale of investment		3,000,000	(4,000,000)
Other receivables		5,499,259	(930)
Redemptions payable		(3,000,000)	(3,017,083)
Management fee payable		18,818	(586)
Accrued expenses		24,248	(4,638)
Net cash used in operations		<u>(74,505,062)</u>	<u>(33,324,368)</u>
Special commission income received		6,746,528	3,352,429
Net cash used in operating activities		<u>(67,758,534)</u>	<u>(29,971,939)</u>
Cash flows from financing activities			
Proceeds from issuances of units		228,147,312	53,984,672
Payment against redemption of units		(164,629,578)	(54,237,348)
Net cash generated from / (used in) financing activities		<u>63,517,734</u>	<u>(252,676)</u>
Net change in cash and cash equivalents		<u>(4,240,800)</u>	<u>(30,224,615)</u>
Cash and cash equivalents at the beginning of period		14,993,005	43,709,695
Cash and cash equivalents at the end of the period	5	<u>10,752,205</u>	<u>13,485,080</u>

The accompanying notes 1 to 12 form an integral part of this interim condensed financial information.

BLOMINVEST SR MURABAHA 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 2024
(All amounts in Saudi Riyals unless otherwise stated)

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 4 July 2021 as per approval from the Capital Market Authority (the "CMA").

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.

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 to 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 MATERIAL ACCOUNTING POLICIES

3.1 Basis of preparation

This interim condensed financial information for the six-month period ended 30 June 2024 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 2023. In addition, result for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 are presented in Saudi Riyals ("SR"), which is the Fund's functional currency.

3.2 Material accounting policies

The material accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024.

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3. BASIS OF PREPARATION AND MATERIAL 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 a significant impact on the interim condensed financial information of the Fund.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
Other Standards		
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

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(All amounts in Saudi Riyals unless otherwise stated)

3. BASIS OF PREPARATION AND MATERIAL 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 date
Amendments to IAS 21 - Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
IFRS 18 - Presentation and Disclosure in Financial Statements	<p>The IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. <p>IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.</p>	1 January 2027
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 Subsidiaries without Public Accountability: Disclosures permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements.	1 January 2027

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The critical accounting estimates and judgements 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 2023.

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(All amounts in Saudi Riyals unless otherwise stated)

5. CASH AND CASH EQUIVALENTS

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Bank balance	129,118	471,849
Murabaha placements with an original maturity of less than three months	10,623,087	14,521,156
	10,752,205	14,993,005

6. INVESTMENT CARRIED 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 2024 (Unaudited)				
Mutual funds	% of market value	Cost	Market value	Unrealised gain
Alpha Murabaha Fund	61%	21,400,000	21,532,617	132,617
ANB Capital SAR Trade Fund (Shariah)	24%	8,156,092	8,448,485	292,393
Horizon Capital Shariah Fund	13%	4,500,248	4,689,872	189,624
Yaqeen SAR Murabaha Fund	2%	529,776	562,620	32,844
	100%	34,586,116	35,233,594	647,478
31 December 2023 (Audited)				
Mutual funds	% of market Value	Cost SR	Market value SR	Unrealised gain SR
ANB Capital SAR Trade Fund (Shariah)	85%	29,668,466	30,098,735	430,269
Yaqeen SAR Murabaha Fund	9%	3,126,224	3,198,819	72,595
Al khair Capital Murabaha Fund Saudi Riyal	6%	2,117,219	2,233,541	116,322
	100%	34,911,909	35,531,095	619,186

7. INVESTMENTS HELD AT AMORTISED COST, NET

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Murabaha placements with original maturities of more than three months	216,017,937	131,452,594
Investments in sukuks at amortized cost	9,122,909	12,780,884
	225,140,846	144,233,478

Investments held at amortised cost are subject to allowance for expected credit losses (ECL) as per IFRS 9. The ECL on investments held at amortised cost as at 30 June 2024 amounts to SR 69,030 (31 December 2023: 20,696). These investments are classified under stage 1 and are placed with high credit rating financial institutions in the Kingdom of Saudi Arabia. There has been no history of default with any of the Fund's investments held at amortised cost.

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 an average rate of 6.14% (31 December 2023: 6.09%) per annum.

The management has assessed allowance for expected credit losses (ECL) as required under IFRS 9 and based on that assessment, the management believes that no allowance for ECL is required to be recognised as at 30 June 2024 and 31 December 2023 as the credit risk is low.

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8. 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 Fund Manager, the Fund Board of Directors, affiliates of 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.

As per the agreement, the Fund is required to pay a management fee at the rate of 0.3% per annum calculated based on the total net asset value at each valuation date and fund operation fee at the rate of 0.5% 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 0.5% of total Fund's assets with minimum fees of SR 24,000 per month.

In addition, 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.

Related party transactions for the periods ended and balances are as follows:

Name of related party	Nature of transactions	Amount of transactions		Balance payable	
		For the period ended 30 June 2024 (Unaudited)	For the period ended 30 June 2023 (Unaudited)	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
BLOMINVEST Saudi Arabia	Management fee	(382,936)	(241,516)	66,140	47,322
Board of Directors	Annual remuneration	(4,973)	(4,959)	9,973	7,500

The unitholders' account included 8,658,308 (31 December 2023 (Audited): 8,748,173) units held by Fund Manager during the period.

9. 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.

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(All amounts in Saudi Riyals unless otherwise stated)

9. 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 2024 and 31 December 2023. There are no financial liabilities measured at fair value.

		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Total				
As at 30 June 2024 (Unaudited)				
Financial assets measured at fair value				
Investments carried at FVTPL	35,233,594	30,543,722	4,689,872	-
As at 31 December 2023 (Audited)				
Financial assets measured at fair value				
Investments carried at FVTPL	35,531,095	35,531,095	-	-

10. INFORMATIVE ZAKAT RETURN SUBMISSION

Article 3 of Zakat Collection Rules for Investing in Investment Funds, stipulates that all investment funds or real estate investment funds approved to be established by the CMA after the effective date of the resolution (1 January 2023), must register with ZATCA for Zakat purposes before the end of the first fiscal year from the date of the approval on their establishment and submit an informative zakat return within 120 days of fiscal year end. The Fund received its registration certificate no. 3116757508 from ZATCA on 5 June 2023.

The responsibility of paying zakat on investment in the Fund's units remains with the unitholders and the Fund does not have the zakat obligation to the extent that the unitholders are considered Zakat payers as per the provisions of the Zakat by-laws.

11. LAST VALUATION DAY

The last valuation day of the period was 30 June 2024 (31 December 2023 (Audited): 31 December 2023).

12. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

This interim condensed financial information was approved and authorised for issue by Fund Manager (as authorised by the Fund Board) on 5 August 2024.