

**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  
2023**

**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 2023**

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## *Report on review of interim condensed financial information*

### **To the Unitholders and the 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 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 handwritten signature in blue ink, appearing to read 'Waleed Alhidiri', is written over a faint, light blue circular stamp or watermark.

Waleed Alhidiri  
License Number 559

9 August 2023

**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 2023 (Unaudited)	As at 31 December 2022 (Audited)
	<b>Note</b>		
<b>Assets</b>			
Cash and cash equivalents	5	<b>13,485,080</b>	43,709,695
Investments carried at fair value through profit or loss (FVTPL)	6	<b>31,133,000</b>	49,227,718
Investments held at amortised cost, net	7	<b>117,721,410</b>	73,113,267
Receivable from sale of investment		<b>4,000,000</b>	-
Other receivables		<b>35,874</b>	34,944
<b>Total assets</b>		<b>166,375,364</b>	166,085,624
<b>Liabilities</b>			
Redemptions payable		-	3,017,083
Management fee payable	8	<b>38,889</b>	39,475
Accrued expenses		<b>55,436</b>	60,074
<b>Total liabilities</b>		<b>94,325</b>	3,116,632
<b>Equity attributable to the unitholders</b>		<b>166,281,039</b>	162,968,992
Redeemable units in issue		<b>15,930,278</b>	15,960,571
Net asset value attributable per unit		<b>10.44</b>	10.21

The accompanying notes 1 to 11 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 COMPREHENSIVE INCOME** (Unaudited)  
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2023	2022
<b>Income</b>			
Special commission income		3,393,821	230,532
Realised gain on sale of investments carried at FVTPL		1,030,952	132,724
Unrealised (loss) / gain on investments carried at FVTPL		(417,540)	312,392
<b>Total income</b>		<b>4,007,233</b>	<b>675,648</b>
<b>Expenses</b>			
Management fee	8	(241,516)	(108,851)
Expected credit losses (ECL) on investments held at amortised cost		(20,696)	-
Other expenses		(180,298)	(116,152)
<b>Total expenses</b>		<b>(442,510)</b>	<b>(225,003)</b>
<b>Net income for the period</b>		<b>3,564,723</b>	<b>450,645</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>3,564,723</b>	<b>450,645</b>

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**BLOMINVEST SR MURABAHA FUND**  
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**INTERIM STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS** (Unaudited)  
(All amounts in Saudi Riyals unless otherwise stated)

	<b>For the six-month period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
Equity attributable to the unitholders at the beginning of the period	<b>162,968,992</b>	66,554,462
<b>Changes from operations</b>		
Total comprehensive income for the period	<b>3,564,723</b>	450,645
<b>Changes from unit transactions</b>		
Proceeds from issuance of units	<b>53,984,672</b>	81,710,000
Payment against redemption of units	<b>(54,237,348)</b>	(71,416,413)
Net changes in value of units	<b>(252,676)</b>	10,293,587
<b>Equity attributable to the unitholders at the end of the period</b>	<b>166,281,039</b>	77,298,694

**Redeemable unit transactions**

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

	<b>For the six-month period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
<b>Units at the beginning of the period</b>	<b>15,960,571</b>	6,648,137
Units issued	<b>5,221,459</b>	8,135,164
Units redeemed	<b>(5,251,752)</b>	(7,107,963)
Net change in units	<b>(30,293)</b>	1,027,201
<b>Units at the end of the period</b>	<b>15,930,278</b>	7,675,338

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**BLOMINVEST SR MURABAHA 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	
		2023	2022
<b>Cash flows from operating activities</b>			
Net income for the period		3,564,723	450,645
Adjustments for:			
Unrealised (loss) / gain on financial assets at FVTPL		417,540	(312,392)
Special commission income		(3,393,821)	(230,532)
ECL on investment held at amortised cost		20,696	-
		<b>609,138</b>	<b>(92,279)</b>
<b>Net changes in operating assets and liabilities</b>			
Investment carried at FVTPL		17,677,178	(26,593,842)
Investments held at amortised cost		(44,587,447)	(7,480,000)
Receivable from sale of investment		(4,000,000)	-
Other receivables		(930)	-
Redemptions payable		(3,017,083)	33,000,000
Management fee payable		(586)	12,147
Accrued expenses		(4,638)	(1,357)
Net cash used in operations		<b>(33,324,368)</b>	<b>(1,155,331)</b>
Special commission income received		3,352,429	110,967
Net cash used in operating activities		<b>(29,971,939)</b>	<b>(1,044,364)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuances of units		53,984,672	81,710,000
Payment against redemption of units		(54,237,348)	(71,416,413)
Net cash (used in) / generated from financing activities		<b>(252,676)</b>	<b>10,293,587</b>
<b>Net change in cash and cash equivalents</b>			
		<b>(30,224,615)</b>	<b>9,249,223</b>
Cash and cash equivalents at beginning of period		43,709,695	34,606,952
<b>Cash and cash equivalents at the end of the period</b>	5	<b>13,485,080</b>	<b>43,856,175</b>

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**BLOMINVEST SR MURABAHA FUND  
(AN OPEN-ENDED INVESTMENT FUND  
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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**

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 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.

**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 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 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 this interim condensed financial information are 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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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Unaudited)  
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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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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**  
(All amounts in Saudi Riyals unless otherwise stated)

**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**

<b>Standard, interpretation, amendments</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
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 JUDGEMENT, ESTIMATE 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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**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**  
(All amounts in Saudi Riyals unless otherwise stated)

**5. CASH AND CASH EQUIVALENTS**

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Bank balance	296,885	3,474,795
Murabaha placements with an original maturity of less than three months	13,188,195	40,234,900
	<b>13,485,080</b>	<b>43,709,695</b>

**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 2023 (Unaudited)			
Mutual funds	% of market value	Cost	Market value	Unrealised gain
Yaqeen SAR Murabaha Fund	58%	18,009,234	18,191,762	182,528
ANB Capital SAR Trade Fund (Shariah)	23%	7,000,000	7,025,277	25,277
SICO Capital Money Market Fund	12%	3,596,953	3,734,218	137,265
Al khair Capital Murabaha Fund	7%	2,117,219	2,181,743	64,524
	<b>100%</b>	<b>30,723,406</b>	<b>31,133,000</b>	<b>409,594</b>
	31 December 2022 (Audited)			
Mutual funds	% of market Value	Cost SR	Market value SR	Unrealised gain SR
Itqan Fund for Murabaha	31%	14,630,475	15,021,098	390,623
SICO Capital Money Market Fund	29%	14,064,039	14,311,106	247,067
Alawwal Saudi Riyal Murabaha	15%	7,208,161	7,307,958	99,798
Yaqeen SAR Murabaha Fund	13%	6,509,234	6,538,238	29,004
Al khair Capital Murabaha Fund	12%	6,000,000	6,049,318	49,318
	<b>100%</b>	<b>48,411,909</b>	<b>49,227,718</b>	<b>815,810</b>

**7. INVESTMENTS HELD AT AMORTISED COST, NET**

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Murabaha placements with original maturities of more than three months	107,531,335	62,808,354
Investments in sukuks at amortized cost	10,190,075	10,304,913
	<b>117,721,410</b>	<b>73,113,267</b>

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 amounts to SR 20,696 (31 December 2022: nil). 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.

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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 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.

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.

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.

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	(241,516)	(108,851)	(38,889)	(39,475)
Board of Directors	Annual remuneration	(4,959)	(4,959)	(9,959)	(4,959)

The unitholders' account included 8,015,785 (31 December 2022 (Audited): 8,930,469) units held by the 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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**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**  
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**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 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)
<b>As at 30 June 2023 (Unaudited)</b>				
<b>Financial assets measured at fair value</b>				
Investments carried at FVTPL	<b>31,133,000</b>	<b>31,133,000</b>	-	-
<b>As at 31 December 2022</b>				
<b>Financial assets measured at fair value</b>				
Investments carried at FVTPL	<b>49,227,718</b>	<b>49,227,718</b>	-	-

**10. LAST VALUATION DAY**

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

**11. 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.