
OSOOL & BAKHEET
IPO TRADING FUND SHARIA COMPLIANT
Open-Ended Fund
(MANAGED BY OSOOL & BAKHEET INVESTMENT COMPANY)
Financial Statements
For the six-month period ended 30 June 2019
Together with the Review report to the unitholders

OSOOL & BAKHEET IPO TRADING FUND SHARIA COMPLIANT
Open-Ended Fund
(Managed by OSOOL & BAKHEET Investment Company)

Interim Condensed Financial Statements (Un-Audited)
For the Six-Month Period Ended 30 June 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT

THE UNITHOLDERS

OSOOL & BAKHEET IPO TRADING FUND SHARIA COMPLIANT RIYAD, KINGDOM OF SAUDI ARABIA

Introduction:

We have reviewed the accompanying interim financial position of Osool & Bakheet IPO Trading Fund Sharia Compliant ("the Fund") managed by Osool & Bakheet (the "Fund Manager") as at 30 June 2019 and the related interim statements of income, changes in net assets attributable to Unitholders and statement of cash flows for the six month period then ended and the accompanying notes which form an integral part of these interim condensed financial statements. The Fund's management is responsible for the preparation and fair presentation of these interim condensed financial in accordance with International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) that is 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" that is endorsed in the Kingdom of Saudi Arabia. A review of these 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 and consequently, it 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 International Accounting Standard 34 - "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia.

For Al Bassam & Co.
Allied Accountant



Ibrahim A. Al-Bassam
Certified Public Accountant
Registration No. 337



5 August 2019
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OSOOL & BAKHEET IPO TRADING FUND SHARIA COMPLIANT
Open-Ended Fund
(Managed by OSOOL & BAKHEET Investment Company)

INTERIM CONDENSED STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2019

(All amounts in Saudi Riyal)

	Note	As at 30 June 2019 (unaudited)	As at 31 December 2018 (Audited)
ASSETS			
Investments measured at FVPL	7	869,184	976,613
Dividend receivable		776	2,229
Cash and cash equivalent		88,761	53,382
Total assets		958,721	1,032,224
LIABILITIES			
Accrued management and custody fees	8	5,941	11,425
Other accrued expenses		297	571
Total liabilities		6,238	11,996
Net assets attributable to the Unit holders		952,483	1,020,228
Units in issue (number)		1,158,028	1,362,128
Net assets attributable to each unit		0.82	0.75

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

OSOOL & BAKHEET IPO TRADING FUND SHARIA COMPLIANT
Open-Ended Fund
(Managed by OSOOL & BAKHEET Investment Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the Six-Month Period Ended 30 June 2019

(All amounts in Saudi Riyal)

	Note	30 June 2019 (unaudited)	30 June 2018 (unaudited)
<u>Income</u>			
Net gain from investments measured at FVPL	9	84,618	29,325
Dividend income		18,106	73,308
Other income		41	136
Total profit		102,765	102,769
<u>Expenses</u>			
Management fee	8	(9,410)	(26,163)
Custody fee		(2,353)	(6,541)
Other expenses		(670)	(1,732)
Total expenses		(12,433)	(34,436)
Total comprehensive income for the period		90,332	68,333

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

OSOOL & BAKHEET IPO TRADING FUND SHARIA COMPLIANT
Open-Ended Fund
(Managed by OSOOL & BAKHEET Investment Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS

For the Six-Month Period Ended 30 June 2019

(All amounts in Saudi Riyal)

	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Net assets attributable to the Unit holders at beginning of the period	1,020,228	2,969,320
Add: Subscriptions during the period	-	17,000
Less: Redemptions during the period	(158,077)	(784,328)
Total comprehensive income for the period	90,332	68,333
Net assets value at end of the period	952,483	2,270,325
Units number		
Units at beginning of the period	1,362,128	3,403,246
Add: Units subscribed during the period	-	18,355
Less: Units redeemed during the period	(204,100)	(849,966)
Net decrease in units during the period	(204,100)	(831,611)
Units at end of the period	1,158,028	2,571,635

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

OSOOL & BAKHEET IPO TRADING FUND SHARIA COMPLIANT
Open-Ended Fund
(Managed by OSOOL & BAKHEET Investment Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the Six-Month Period Ended 30 June 2019

(All amounts in Saudi Riyal)

	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Operating activities		
Total comprehensive income for the period	90,332	68,333
Adjustments for:		
Net gain from investments measured at FVPL	(84,618)	(29,325)
Changes in operating assets and liabilities:		
Purchased investments measured at FVPL	(683,471)	(1,373,468)
Proceeds from sale of investments measured at FVPL	875,518	2,098,478
Dividend receivable	1,453	(10,430)
Management and custody fee	(5,484)	(3,997)
Board of directors' fee	-	(27,556)
Accrued expenses	(274)	(24,789)
Net cash from operating activities	193,456	697,246
Financing activities:		
Proceeds from subscription of units	-	17,000
Payments for Redemption of units	(158,077)	(784,328)
Net cash used in financing activities	(158,077)	(767,328)
Net change in cash and cash equivalent	35,379	(70,082)
Cash and cash equivalent at beginning of the period	53,382	129,193
Cash and cash equivalent at end of the period	88,761	59,111

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

OSOOL & BAKHEET IPO TRADING FUND SHARIA COMPLIANT
Open-Ended Fund
(Managed by OSOOL & BAKHEET Investment Company)

Notes to the Interim Condensed financial statements (Un-audited)
For The Six Month Period Ended 30 June 2019
(All amount in Saudi Riyal)

1. FUND AND ITS ACTIVITIES

Osool & Bakheet IPO Trading Fund Sharia Compliant (the "Fund") is an investment fund established through an agreement between the Osool & Bakheet Investment Company (the "Fund Manager") and the Fund Investors (the "Unitholders") by virtue of approval of the Capital Market Authority (the "CMA") dated 22 Dul Hajj 1436H (corresponding to 05 October 2015). The Fund commenced its operations on 16 December 2015.

The Fund has updated their terms and condition which have been approved by the CMA on 3 Shaban 1440H (corresponding to 8 April 2019G).

The Fund's primary objective is to maximize capital growth by achieving a positive return while minimizing potential risks through investing in the Initial Public Offering shares of Saudi joint stock companies as well as in the shares of newly listed companies on the Saudi stock market during the first five years of their listing or the last 20 companies listed on the Saudi stock market. The Fund Manager may also invest not more than 50% of the net asset value of the Fund in Small and Medium company shares and no more than 30% of its net asset value in REITs (including the funds' units that managed by the fund's manager). In addition, the fund can invest by no more than 30% of its net asset value in listed companies in the Parallel Market (Nomu). The fund manager has the right to invest in Saudi equity funds and money market funds that its units are publicly offered and licensed by CMA, provided that all investments are compliant with Sharia guidelines and approved by the Fund's Sharia Committee.

In dealing with the Unit holders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund.

The address of the Fund Manager is as follows:

Osool & Bakheet Investment Company
P. O. Box 63762
Riyadh 11526
Kingdom of Saudi Arabia

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations ("the Regulations") published by the CMA on 3/12/1427 (corresponding to 24/12/2006) subsequently amended by Resolution of the Board of the Capital Market Authority Number 1 - 61 - 2016 Dated 16/8/1437 (corresponding to 23/5/2016) detailing requirements for all funds within the Kingdom of Saudi Arabia. During the year 2016, CMA issued new Investment Fund Regulations effective from 6 November 2016.

3. SUBSCRIPTION/ REDEMPTION (DEALING AND VALUATION DAY)

The Fund is open for subscriptions / redemptions of units on every business day (each being a "Dealing Day") of the Saudi Stock Exchange Market. The value of the Fund's portfolio is determined on the net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the net value of assets (fair value of fund assets minus fund liabilities) by the total number of outstanding fund units on the relevant valuation day.

OSOOL & BAKHEET IPO TRADING FUND SHARIA COMPLIANT
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Notes to the Interim Condensed financial statements (Un-audited)
For The Six Month Period Ended 30 June 2019
(All amount in Saudi Riyal)

4. Basis of preparation

4-1 statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” that is endorsed in Kingdom of Saudi Arabia.

4-2 Basis of measurement

The interim condensed financial statements have been prepared on a historical cost convention, as modified by the revaluation of financial assets measured at fair value through profit or loss using accrual basis of accounting and the going concern concept.

4-3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These interim condensed financial statements are presented in Saudi Arabian Riyal (“SAR”) which is the Fund’s functional and presentation currency.

5. Significant accounting estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are evaluated continually on the basis of past experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. As a result, judgments are made about the carrying amount of assets and liabilities from other sources. Actual results may differ from these estimates.

Basic estimates and assumptions are examined based on an ongoing basis. An examination is included in the accounting estimates in the period in which the estimate is tested if the examination affects only that period or the period of the examination and future periods if the examination affects current and future periods.

6. Significant accounting and Risk policies

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements for the year ended 31 December 2018. Risk policies are consistent with those disclosed in the annual financial statements for the year ended 31 December 2018.

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For The Six Month Period Ended 30 June 2019
(All amounts in Saudi Riyal)

7. INVESTMENTS MEASURED AT FVPL

The following is a summary of the components of investments in FVTPL by sector:

<u>Sector</u>	<u>Cost</u>	<u>Market Value</u>	<u>% of market Value</u>
30 June 2019 (unaudited)			
Materials	196,732	211,006	24.28
Health Care Equipment & Svc	234,063	175,338	20.17
Transportation	119,020	99,131	11.41
Energy	96,735	87,883	10.11
Banks	75,039	72,993	8.40
Consumer Services	44,419	47,475	5.46
Real Estate Mgmt & Dev't	44,778	44,034	5.07
Commercial & Professional Svc	42,733	41,601	4.79
REITs	38,741	40,675	4.68
Insurance	26,052	21,539	2.48
Retailing	17,134	18,020	2.06
Capital Goods	9,583	9,489	1.09
	945,029	869,184	100

<u>Sector</u>	<u>Cost</u>	<u>Market Value</u>	<u>% of market Value</u>
31 December 2018 (audited)			
Materials	272,183	247,561	25.35
Health Care Equipment & Svc	244,734	172,873	17.7
Retailing	71,519	72,217	7.39
Transportation	87,342	70,579	7.23
Capital Goods	76,338	61,997	6.35
Consumer Services	61,285	59,856	6.13
Food & Beverages	52,671	51,346	5.26
Insurance	46,594	45,457	4.66
Real Estate Mgmt & Dev't	57,631	44,325	4.54
Banks	35,712	40,138	4.11
Energy	27,075	29,125	2.98
REITs	19,676	20,215	2.07
Commercial & Professional Svc	21,178	18,063	1.85
Communication Services	14,399	13,927	1.43
Food & Staples Retailing	10,053	9,968	1.02
Pharma, Biotech & Life Science	9,267	9,614	0.98
Utilities	9,449	9,352	0.96
	1,117,106	976,613	100

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For The Six Month Period Ended 30 June 2019
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8. TRANSACTIONS WITH RELATED PARTY

In the ordinary course of its activities, the Fund transacts with its related parties. The Fund Manager and custodian are related parties of the Fund.

The Fund Manager charges the Fund with a management fee of 2% per annum and custody fee of 0.5% of the Fund's net assets, calculated on a daily basis. The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund such as audit fee, board compensation and other similar charges. The board compensation is calculated as 5% of the Fund's annual management fee subject to a maximum of SR 30,000 per member.

The Fund Manager charges each investor an early redemption fee at the rate of 1.75% of the value of the redeemed Fund units.

The related party transactions during the periods ended 30 June 2019 and 30 June 2018, respectively:

Related Party	Nature of transactions	Amount of transaction during the period	
		30 June 2019	30 June 2018
Osool & Bakheet Investment Company	Management fee	9,410	26,136

- Related party balances consist of:

Related Party	Nature of transactions	Ending balance	
		30 June 2019 (unaudited)	31 December 2018 (audited)
Osool & Bakheet Investment Company	Management fee	4,753	9,140

9. NET GAIN FROM INVESTMENTS MEASURED AT FVPL

	30 June 2019 (unaudited)	30 June 2018 (unaudited)
Realized gain from sale of Investments measured at FVPL	84,837	111,407
Unrealized gain from revaluation of Investments measured at FVPL	(219)	(82,082)
	84,618	29,325

10. LAST VALUATION DAY

The last valuation day of the period was 30 June 2019.

11. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Fund's Board of Directors on 26 dual al Qidah 1440H (Corresponding to 27 July 2019G).