

OSOOL & BAKHEET SAUDI TRADING EQUITY FUND
Open-Ended Fund
(Managed by OSOOL & BAKHEET INVESTMENT COMPANY)
Interim Condensed Financial Statements (Un-Audited)
For the six-month period ended 30 June 2019
Together with the Review report to the unitholders

OSOOL & BAKHEET SAUDI TRADING EQUITY FUND
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 SAUDI TRADING EQUITY FUND RIYAD, KINGDOM OF SAUDI ARABIA

Introduction:

We have reviewed the accompanying interim financial position of Osool & Bakheet Saudi Trading Equity Fund ("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 SAUDI TRADING EQUITY FUND
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	13,696,887	13,530,223
Dividend receivable		4,917	13,884
Cash and cash equivalent		1,652,605	383,767
Total assets		15,354,409	13,927,874
LIABILITIES			
Accrued management and custody fees	8	107,167	104,549
Accrued board of directors' fee	8	27,880	44,180
Accrued Shari'a committee members' fee		7,069	7,180
Other accrued expenses		28,946	33,853
Total liabilities		171,062	189,762
Net assets attributable to the Unit holders		15,183,347	13,738,112
Units in issue (number)		6,760,510	6,813,926
Net assets attributable to each unit		2.25	2.02

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

OSOOL & BAKHEET SAUDI TRADING EQUITY FUND**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	1,630,891	2,236,076
Dividend income		281,698	332,896
Early Redemption Fees		-	103
Other income		50	92
Total profit		1,912,639	2,569,167
<u>Expenses</u>			
Management fee	8	(113,504)	(112,320)
Custody fee	8	(99,231)	(99,231)
Board of Directors' fee	8	(27,880)	(22,460)
Other expenses		(49,311)	(49,368)
Total expenses		(289,926)	(283,379)
Total comprehensive income for the period		1,622,713	2,285,788

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

OSOOL & BAKHEET SAUDI TRADING EQUITY FUND**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	13,738,112	14,385,189
Add: Subscriptions during the period	1,270,787	55,000
Less: Redemptions during the period	(1,448,265)	(931,077)
Total comprehensive income for the period	1,622,713	2,285,788
Net assets value at end of the period	15,183,347	15,794,900
<i>Units number</i>		
Units at beginning of the period	6,813,926	7,480,693
Add: Units subscribed during the period	576,452	27,119
Less: Units redeemed during the period	(629,868)	(456,252)
Net decrease in units during the period	(53,416)	(429,133)
Units at end of the period	6,760,510	7,051,560

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

OSOOL & BAKHEET SAUDI TRADING EQUITY FUND
Open-Ended Fund
(Managed by Osool & Bakheet)

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	1,622,713	2,285,788
Adjustments for:		
Net gain from investments measured at FVPL	(1,630,891)	(2,236,076)
Changes in operating assets and liabilities:		
Purchased investments measured at FVPL	(9,805,645)	(6,619,255)
Proceeds from sale of investments measured at FVPL	11,269,872	7,484,139
Dividend receivable	8,967	(13,523)
Management and custody fee	2,618	3,992
Shari'a committee members' fee	(111)	(128)
Board of directors' fee	(16,300)	(21,860)
Accrued expenses	(4,907)	(4,396)
Net cash from operating activities	1,446,316	878,681
Financing activities:		
Proceeds from subscription of units	1,270,787	55,000
Payments for Redemption of units	(1,448,265)	(931,077)
Net cash used in financing activities	(177,478)	(876,077)
Net change in cash and cash equivalent	1,268,838	2,604
Cash and cash equivalent at beginning of the period	383,767	154,612
Cash and cash equivalent at end of the period	1,652,605	157,216

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

OSOOL & BAKHEET SAUDI TRADING EQUITY FUND

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 Saudi Trading Equity Fund (the "Fund") is an investment fund established through an agreement between Osool & Bakheet Investment Company (the "Fund Manager") and the Fund Investors (the "Unitholders"). The Fund commenced its operations on 7 May 2007.

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 Saudi Joint stock companies that are compliant with Shariah criteria. Also, the fund manager may invest by no more than 30% of the fund's net asset value in REITs (including the funds' units that managed by the fund's manager) and by no more than of its net asset value in listed companies in the Parallel Market (Nomu). In addition to invest the Fund's available liquidity in low risk and highly liquid Saudi Riyal assets (such as Murabaha and Murabaha funds in Saudi Riyal) which are sharia compliant.

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 SAUDI TRADING EQUITY FUND

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)

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.

OSOOL & BAKHEET SAUDI TRADING EQUITY FUND**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 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)			
Banks	3,995,646	5,043,035	36.82
Materials	2,893,465	3,170,971	23.15
Energy	1,554,222	1,407,491	10.28
Health Care Equipment & Svc	1,237,710	1,036,596	7.57
Transportation	803,449	766,321	5.60
Capital Goods	770,005	727,555	5.31
Insurance	559,092	611,310	4.46
Telecommunication services	301,933	327,542	2.39
Real Estate Development and Management	338,535	323,853	2.36
Food and beverages	308,947	282,213	2.06
	12,763,004	13,696,887	100

<u>Sector</u>	<u>Cost</u>	<u>Market Value</u>	<u>% of market Value</u>
31 December 2018 (audited)			
Banks	3,258,330	4,343,766	32.10
Materials	3,799,137	3,949,606	29.19
Telecommunication services	953,130	1,083,405	8.01
Food and beverages	1,168,152	813,920	6.02
Capital Goods	960,451	790,104	5.84
Health Care Equipment & Svc	712,919	525,874	3.89
Retailing	427,026	430,948	3.19
Insurance	344,304	382,420	2.83
Energy	338,455	346,959	2.56
Real Estate Development and Management	393,969	235,259	1.74
Commercial & Professional Svc	146,600	146,934	1.09
Transportation	145,723	138,788	1.02
Consumer Services	200,366	129,580	0.96
REITs	72,922	74,943	0.55
Pharma, Biotech & Life Science	69,034	69,649	0.51
Utilities	68,771	68,068	0.50
	13,059,289	13,530,223	100

OSOOL & BAKHEET SAUDI TRADING EQUITY FUND**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 amounts in Saudi Riyal)****8. TRANSACTIONS WITH RELATED PARTY**

In the ordinary course of its activities, the Fund transacts with its related parties, The Fund Manager, its employees and the Fund's Board of Directors are considered to be related parties of the Fund.

The Fund Manager is responsible for the overall management of the Fund's activities, The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund, The Fund Manager charges the Fund with a management fee of 1.5% per annum of the Fund's net assets, calculated on a daily basis and custody fee of SAR 200,000 per annum, 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 0.5% of the redemption proceeds.

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	113,504	112,320
	Custody fee	99,231	99,231
Board of Directors	Annual remuneration	27,880	22,460

- 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	57,936	53,010
	Custody fee	49,231	50,000
Board of Directors	Annual remuneration	27,880	44,180

Custody fees include administrative expenses of the Fund's operations and amount due to the Custodian (Alinma Investment).

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	1,250,730	675,663
Unrealized gain from revaluation of Investments measured at FVPL	380,161	1,650,413
	1,630,891	2,236,076

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 Qidah 1440H (Corresponding to 29 July 2019G).