

**Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**



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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF BLOM SAUDI ARABIA FUND (MANAGED BY BLOMINVEST SAUDI ARABIA)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Blom Saudi Arabia Fund (the "Fund") managed by Blominvest Saudi Arabia (the "Fund Manager") as at 30 June 2020, and the related interim condensed statements of comprehensive income, interim condensed changes in equity attributable to the unitholders and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements 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 these interim condensed financial statements based on our review.

### Scope of Review

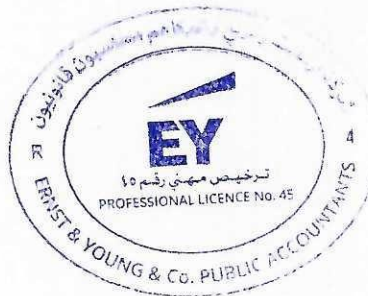
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, 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 that are 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 statements are not prepared, in all material respects, in accordance with IAS 34 endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young

Abdulaziz Al-Sowailim  
Certified Public Accountant  
License No. 277



Riyadh: 28 Dhul-Hijjah 1441H  
(18 August 2020)

Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2020

	<i>Notes</i>	<i>30 June 2020 SR</i>	<i>31 December 2019 SR</i>
<b>ASSETS</b>			
Financial assets at fair value through profit or loss (FVTPL)	4	<b>9,565,723</b>	11,222,436
Dividend receivables		<b>15,555</b>	1,751
Trade settlements		-	29,720
Bank balance		<b>211,801</b>	183,075
<b>TOTAL ASSETS</b>		<b>9,793,079</b>	11,436,982
<b>LIABILITIES</b>			
Accrued management fees	7	<b>17,060</b>	16,162
Accrued expenses		<b>80,508</b>	72,461
<b>TOTAL LIABILITIES</b>		<b>97,568</b>	88,623
<b>EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (TOTAL EQUITY)</b>		<b>9,695,511</b>	11,348,359
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>9,793,079</b>	11,436,982
Redeemable units in issue		<b>6,452</b>	6,859
Net asset value attributable to each unit		<b>1,502.71</b>	1,654.52

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
(UNAUDITED)

For the six-month period ended 30 June 2020

	<i>Notes</i>	2020 SR	2019 SR
<b>INCOME</b>			
Net (loss) gain from financial assets at FVTPL	5	<b>(898,935)</b>	1,943,521
Dividend income		<b>132,034</b>	265,387
<b>TOTAL (LOSS) INCOME</b>		<b>(766,901)</b>	2,208,908
<b>EXPENSES</b>			
Management fees	7	<b>(72,805)</b>	(94,246)
Other expenses	6	<b>(140,432)</b>	(134,147)
<b>TOTAL EXPENSES</b>		<b>(213,237)</b>	(228,393)
<b>NET (LOSS) INCOME FOR THE PERIOD</b>		<b>(980,138)</b>	1,980,515
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		-	-
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>		<b>(980,138)</b>	1,980,515

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE  
TO THE UNITHOLDERS (UNAUDITED)

For the six-month period ended 30 June 2020

	2020 SR	2019 SR
<b>EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD</b>	<b>11,348,359</b>	13,792,843
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(980,138)</b>	1,980,515
<b>ISSUANCE AND REDEMPTION OF UNITS</b>		
Issuance of units during the period	<b>100,000</b>	-
Redemptions of units during the period	<b>(772,710)</b>	(4,010,293)
Net changes in units	<b>(672,710)</b>	(4,010,293)
<b>EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD</b>	<b>9,695,511</b>	11,763,065

**REDEEMABLE UNIT TRANSACTIONS**

Transactions in redeemable units made for the period ended 30 June are summarised as follows:

	2020 Units	2019 Units
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>6,859</b>	9,458
Issuance of units during the period	<b>66</b>	-
Redemptions of units during the period	<b>(473)</b>	(2,537)
Net changes in units	<b>(407)</b>	(2,537)
<b>UNITS AT THE END OF THE PERIOD</b>	<b>6,452</b>	6,921

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2020

	2020 SR	2019 SR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) income for the period	<b>(980,138)</b>	1,980,515
Adjustment to reconcile net income to net cash flows:		
Movement in unrealized loss (gain) on financial assets at FVTPL	<b>432,640</b>	(1,530,353)
	<b>(547,498)</b>	450,162
Working capital adjustments:		
Decrease in financial assets at FVTPL	<b>1,224,073</b>	2,410,525
Increase in dividend receivables	<b>(13,804)</b>	(8,500)
Increase in accrued management fees and other expenses	<b>8,945</b>	3,168
Decrease in trade settlement	<b>29,720</b>	-
Net cash flows from operating activities	<b>701,436</b>	2,855,355
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>100,000</b>	-
Payment on redemption of units	<b>(772,710)</b>	(4,010,293)
Net cash flows used in financing activities	<b>(672,710)</b>	(4,010,293)
<b>NET INCREASE (DECREASE) IN BANK BALANCE</b>	<b>28,726</b>	(1,154,938)
Bank balance at the beginning of the period	<b>183,075</b>	1,274,724
<b>BANK BALANCE AT THE END OF THE PERIOD</b>	<b>211,801</b>	119,786

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

# Blom Saudi Arabia Fund

## (Managed by Blominvest Saudi Arabia)

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### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 June 2020

#### 1. GENERAL

Blom Saudi Arabia 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 generate long term capital growth for investors through investing in equity securities listed in Tadawul, either directly or through other funds or collective investment schemes established under the laws and regulations of Saudi Arabia.

The Fund was established on 21 Jumad Awal 1432H (corresponding to 25 April 2011) as per approval from the Capital Market Authority (the “CMA”) and commenced its operations on 6 July 2011.

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, effective from 6 Safar 1438H (corresponding 6 November 2016) by the New Investment Fund Regulations (“Amended Regulations”) published by the Capital Market Authority on 16 Sha’aban 1437H (corresponding to 23 May 2016), detailing requirements for all funds within the Kingdom of Saudi Arabia.

#### 3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

##### 3.1 Basis of Preparation

These interim condensed financial statements for the six-month period ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia.

The interim condensed financial statements do 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 2019.

The interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for investments held at fair value through profit or loss that are measured at fair value. These interim condensed financial statements are presented in Saudi Arabian Riyals (“SR”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest SR.

##### 3.2 New standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund’s annual financial statements for the year ended 31 December 2019. There are new standards, amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed financial statements of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund’s interim condensed financial statements. In the opinion of the Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2020

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

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

Description	30 June 2020			
	% of market value	Cost SR	Market value SR	Unrealised gain SR
<b><u>Sectors</u></b>				
Materials	22.81%	1,943,109	2,181,846	238,737
Energy	16.79%	1,552,922	1,606,269	53,347
Banks	15.36%	1,521,899	1,469,010	(52,889)
Food, Beverage	12.27%	1,054,235	1,173,449	119,214
Telecommunication Services	11.24%	983,642	1,075,095	91,453
Utilities	7.51%	764,880	718,071	(46,809)
Food & Staples Retailing	6.61%	507,233	632,229	124,996
Retailing	2.61%	238,581	249,647	11,066
Insurance	2.35%	183,409	224,785	41,376
Health Care Equipment & Services	0.88%	79,530	84,340	4,810
Commercial & Professional Services	0.63%	63,436	60,449	(2,987)
Real Estate Management and Development	0.63%	63,304	60,314	(2,990)
Pharmaceuticals, Biotechnology & Life Sciences	0.31%	28,223	30,219	1,996
	<b>100.00%</b>	<b>8,984,403</b>	<b>9,565,723</b>	<b>581,320</b>
<b>=====</b>				
31 December 2019				
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
Description	% of market value	Cost SR	Market value SR	Unrealised gain SR
<b><u>Sectors</u></b>				
Materials	21.93%	2,214,893	2,461,205	246,312
Real Estate Management and Development	19.31%	1,897,684	2,166,952	269,268
Energy	15.00%	1,530,073	1,683,227	153,154
Banks	10.73%	1,136,989	1,204,234	67,245
Telecommunication Services	7.49%	773,966	840,296	66,330
Retailing	7.36%	812,233	825,654	13,421
Transportation	6.22%	618,990	698,553	79,563
Food and Beverages	5.06%	500,175	567,717	67,542
Utilities	3.03%	330,295	340,206	9,911
Commercial and Professional Services	2.42%	230,119	272,112	41,993
Consumer Services	1.45%	163,059	162,280	(779)
	<b>100%</b>	<b>10,208,476</b>	<b>11,222,436</b>	<b>1,013,960</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Equity investments are traded on the Saudi Arabian stock exchange ("Tadawul").



Blom Saudi Arabia Fund  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2020

5. NET (LOSS) GAIN FROM FINANCIAL ASSETS AT FVTPL

	<i>For the six-month period ended 30 June</i>	
	2020	2019
	SR	SR
Realised (loss) gain	<b>(466,295)</b>	413,168
Unrealised (loss) gain	<b>(432,640)</b>	1,530,353
	<b><u>(898,935)</u></b>	<b><u>1,943,521</u></b>

6. OTHER EXPENSES

	<i>For six month period ended 30 June</i>	
	2020	2019
	SR	SR
Administration fee (see below)	<b>44,754</b>	44,630
Audit fees	<b>22,377</b>	22,315
Board meeting expense	<b>18,648</b>	18,596
Transaction charges	<b>24,150</b>	17,719
Custodian fees (see below)	<b>14,918</b>	14,877
Value added tax	<b>9,075</b>	9,812
Regulatory fee	<b>4,024</b>	3,719
Tadawul charges	<b>2,486</b>	2,479
	<b><u>140,432</u></b>	<b><u>134,147</u></b>

HSBC Saudi Arabia Limited act as the custodian and administrator of the Fund. The Fund pays an administration fee calculated at an annual rate, as per the below table as set out in the Fund's terms and conditions, of the net asset value at each valuation date.

<i>Net asset value</i>	<i>Annual rate</i>
From SR Nil to SR 187.5 million	<b>0.10%</b>
SR 187.5 million and above	<b>0.08%</b>
Minimum monthly administration fee	<b>SR 2,500</b>

The custody fee is calculated and accrued at a rate of 0.10% per annum of the net asset value at each valuation date as set out in the Fund's terms and conditions and subject to the monthly minimum fee of SR 7,500. The custodian had waived one month of fees during 2019, based on a signed waiver agreement.

Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2020

**7. TRANSACTIONS WITH RELATED PARTIES**

The Fund pays a management fee at the rate of 1.50% per annum calculated based on the net assets at each valuation date. 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.

The management fees amounting to SR 72,805 (2019: SR 94,246) reflected in the interim condensed statement of comprehensive income represent the fees charged by the Fund Manager during the period as prescribed above. The accrued management fees payable to the Fund Manager at the period-end are as follows:

	<i>30 June 2020</i>	<i>31 December 2019</i>
Accrued management fees	<b>17,060</b>	16,162

The Unitholders' account during the period included units held as follows:

	<i>30 June 2020 Units</i>	<i>31 December 2019 Units</i>
Held by the fund manager	<b>1,239</b>	1,239

**8. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Fund measures its investments in financial instruments, such as equity instruments, at fair value at each reporting date.

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 market for the asset or liability. The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

The Fund measures financial instruments at fair value at each interim condensed statement of financial position date.

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 1 of the fair value hierarchy. Management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2020

**9. MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

<i>As at 30 June 2020</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
<b>ASSETS</b>			
Financial assets at FVTPL	9,565,723	-	9,565,723
Dividend receivables	15,555	-	15,555
Bank balance	211,801	-	211,801
<b>TOTAL ASSETS</b>	<b>9,793,079</b>	<b>-</b>	<b>9,793,079</b>
<b>LIABILITIES</b>			
Accrued management fees	17,060	-	17,060
Accrued expenses	80,508	-	80,508
<b>TOTAL LIABILITIES</b>	<b>97,568</b>	<b>-</b>	<b>97,568</b>
<i>As at 31 December 2019</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
<b>ASSETS</b>			
Financial assets at FVTPL	11,222,436	-	11,222,436
Trade settlements	29,720	-	29,720
Dividend receivables	1,751	-	1,751
Bank balance	183,075	-	183,075
<b>TOTAL ASSETS</b>	<b>11,436,982</b>	<b>-</b>	<b>11,436,982</b>
<b>LIABILITIES</b>			
Accrued management fees	16,162	-	16,162
Accrued expenses	72,461	-	72,461
<b>TOTAL LIABILITIES</b>	<b>88,623</b>	<b>-</b>	<b>88,623</b>

**10. LAST VALUATION DAY**

The last valuation day of the period / year was 30 June 2020 (2019: 31 December 2019).

Blom Saudi Arabia Fund  
(Managed by Blominvest Saudi Arabia)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 June 2020

**11. IMPACT OF COVID-19 ON THE INTERIM CONDENSED FINANCIAL STATEMENTS**

During March 2020, the World Health Organisation (“WHO”) declared the Coronavirus (“COVID-19”) outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the Kingdom of Saudi Arabia. Governments all over the world took steps to contain the spread of the virus. Saudi Arabia in particular has implemented closure of borders, released social distancing guidelines and enforced country wide lockdowns and curfews.

In response to the rapid spread of the virus and the resulting disruption of some social and economic activities and business continuity, the Fund Manager has taken a series of preventive and precautionary measures, including activating of remote work to ensure the safety of its employees and their families.

As of the date of interim condensed financial statements for the six months period ended 30 June 2020, the Fund’s operations and financial results have witnessed impact due to the COVID-19 outbreak mainly as result of decline in the Fund’s investments’ fair values in line with share prices declining trend. The impact of the pandemic on the Fund’s operations and financial results till the date of the interim condensed financial statements has been reflected in the net assets value and investments value. These developments could further impact our future financial results, cash flows and financial condition and the Fund Manager will continue to assess the nature and extent of the impact on its business and financial results.

**12. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved by the Fund’s management on 28 Dhul-Hijjah 1441H (corresponding to 18 August 2020).