

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

Introduction:

We have reviewed the accompanying interim financial position of Osool & Bakheet Parallel Market 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.

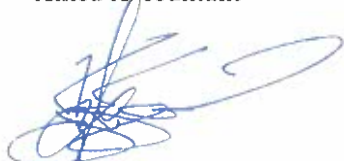
Scope of Review:

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
4 Dhual Hijja 1440

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OSOOL & BAKHEET PARALLEL MARKET 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	411,267	50,316
Adjustments for:		
Net gain from investments measured at FVPL	(387,969)	(18,537)
Changes in operating assets and liabilities:		
Purchased investments measured at FVPL	(623,362)	(401,661)
Proceeds from sale of investments measured at FVPL	498,308	558,688
Dividend receivable	3,318	(5,875)
Management and custody fee	-	(2,430)
Board of directors' fee	-	(388)
Accrued expenses	-	(5,218)
Net cash (used in) / from operating activities	(98,438)	174,895
Financing activities		
Proceeds from subscription of units	220,000	40,000
Payments for Redemption of units	(77,867)	(60,249)
Net cash from / (used in) financing activities	142,133	(20,249)
Net change in cash and cash equivalent	43,695	154,646
Cash and cash equivalent at beginning of the period	77,809	33,341
Cash and cash equivalent at end of the period	121,504	187,987

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

OSOOL & BAKHEET PARALLEL MARKET TRADING EQUITY FUND

Open-Ended Fund

(Managed by Osool & Bakheet)

Notes to the Interim Condensed financial statements (Un-audited)

For The Six Month Period Ended 30 June 2019

(All amounts in Saudi Riyal)

1. FUND AND ITS ACTIVITIES

Osool & Bakheet Parallel Market 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") by virtue of approval of the Capital Market Authority (the "CMA") dated 11 Jumada al-Ula 1438H (corresponding to 8 February 2017). The Fund commenced its operations on 6 April 2017.

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

The Fund's primary objective is to maximize capital growth by achieving a positive return while minimizing potential risks through investing mainly in companies whose stocks are listed in Saudi Stock Exchange – Parallel Market (Nomu). Also, the Fund Manager may invests not more than 50% of the fund's net asset value in Small and Medium cap companies that are listed in the Main Market. In addition, the Fund is allowed to invest the available liquidity in time deposits with licensed banks in the Kingdom of Saudi Arabia that are compliant with the shari'a criteria setup by the Fund's shari'a committee. Moreover, the Fund is allowed to invest in Saudi Equity Funds and Money Market Funds whose units are offered publicly and licensed by CMA (including the funds that managed by the Fund Manager).

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. Where the subscription is done on weekly basis, while the redemption is done on monthly basis. The value of the Fund's portfolio is determined on each dealing day (each being a "Valuation Day") on the end of the last business day of the week. 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 PARALLEL MARKET TRADING EQUITY FUND

Open-Ended Fund

(Managed by Osool & Bakheet)

Notes to the Interim Condensed financial statements (Un-audited)

For The Six Month Period Ended 30 June 2019

(All amounts 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 PARALLEL MARKET 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)			
Consumer Services	306,822	270,795	18.81
Consumer Durables & Apparel	265,604	241,066	16.75
Retailing	174,305	179,387	12.47
Materials	72,795	148,881	10.35
Energy	151,019	133,364	9.27
Capital Goods	50,258	128,445	8.93
Banks	131,511	119,922	8.34
Commercial & Professional Svc	112,772	77,915	5.42
Health Care Equipment & Svc	74,689	56,597	3.93
Software & Services	60,049	46,855	3.26
Real Estate Mgmt & Dev't	36,975	35,476	2.47
	1,436,799	1,438,703	100

<u>Sector</u>	<u>Cost</u>	<u>Market Value</u>	<u>% of market Value</u>
31 December 2018 (audited)			
Consumer Services	276,838	202,637	21.89
Retailing	188,253	182,848	19.75
Consumer Durables & Apparel	224,820	153,954	16.63
Capital Goods	83,254	108,920	11.77
Materials	24,515	83,084	8.98
Commercial & Professional Svc	112,771	75,306	8.14
Software & Services	60,049	55,522	6.00
Health Care Equipment & Svc	58,020	36,080	3.90
Real Estate Mgmt & Dev't	47,990	27,329	2.95
	1,076,510	925,680	100

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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 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 3% of the value of the redeemed Fund units.

The during the period ended 30 June 2019, there are no transaction with related parties.

9. NET GAIN FROM INVESTMENTS MEASURED AT FVPL

	30 June 2019	30 June 2018
	(unaudited)	(unaudited)
Realized gain from sale of Investments measured at FVPL	205,424	23,077
Unrealized gain from revaluation of Investments measured at FVPL	182,545	(4,540)
	387,969	18,537

10. LAST VALUATION DAY

The last valuation day of the period was 27 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 27 July 2019G).