

YAQEEEN PETROCHEMICAL ETF FUND
(Managed by Yaqeen Capital)

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

YAQEEEN PETROCHEMICAL ETF FUND

(Managed by Yaqeen Capital)

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

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Report on review of condensed interim financial information

To the Unitholders and the Fund Manager of Yaqeen Petrochemical ETF Fund
(Managed by Yaqeen Capital)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Yaqeen Petrochemical ETF Fund (the "Fund"), managed by Yaqeen Capital (the "Fund Manager") as of 30 June 2022 and the related condensed interim statements of comprehensive income, changes in net assets attributable to the Unitholders and cash flows for the six months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information 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 this condensed interim 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" that is 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, 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 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471



24 August 2022

YAQEEN PETROCHEMICAL ETF FUND
(Managed By Yaqeen Capital)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

(All amounts are in Saudi Riyals unless stated otherwise)

	Notes	30 June 2022	31 December 2021
		(Unaudited)	(Audited)
Assets			
Cash and cash equivalents	6	31,489	69,691
Financial assets at fair value through profit or loss (FVTPL)	7	5,835,895	6,373,100
Dividend receivable		9,990	-
Total assets		5,877,374	6,442,791
Liabilities			
Accrued management fees	9	9,640	9,733
Other liabilities		9,640	9,732
Total liabilities		19,280	19,465
Net assets attributable to the Unitholders		5,858,094	6,423,326
Units in issue (Numbers)		150,000	150,000
Net asset value per unit (Saudi Riyals)		39.05	42.82

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial information.

YAQEEN PETROCHEMICAL ETF FUND
(Managed By Yaqeen Capital)

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

(All amounts are in Saudi Riyals unless stated otherwise)

	Note	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Income			
Dividend income		109,619	73,373
Fair value (loss) / gain on financial assets at FVTPL, net	7	(635,993)	1,240,637
		(526,374)	1,314,010
Expenses			
Management fees	9	(19,429)	(14,978)
Other expenses		(19,429)	(14,978)
		(38,858)	(29,956)
(Loss) / profit for the period		(565,232)	1,284,054
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(565,232)	1,284,054

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial information.

YAQEEN PETROCHEMICAL ETF FUND
(Managed By Yaqeen Capital)

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

(All amounts are in Saudi Riyals unless stated otherwise)

	<u>30 June 2022</u>	<u>30 June 2021</u>
Net assets attributable to the Unitholders as of 1 January (Audited)	6,423,326	3,192,584
(Loss) / profit and total comprehensive (loss) / income for the period	(565,232)	1,284,054
Unitholders subscriptions and redemptions:		
Issuance of redeemable units during the period	<u>-</u>	<u>1,615,574</u>
Net assets attributable to the Unitholders as at 30 June (Unaudited)	<u>5,858,094</u>	<u>6,092,212</u>

Movement in number of units

The movement in number of units for the six months period ended 30 June is as follows:

	<u>30 June 2022</u>	<u>30 June 2021</u>
Number of units at the beginning of the period (Audited)	150,000	100,000
Issuance of redeemable units during the period	<u>-</u>	<u>50,000</u>
Number of units at the end of the period (Unaudited)	<u>150,000</u>	<u>150,000</u>

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YAQEEN PETROCHEMICAL ETF FUND
(Managed By Yaqeen Capital)

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022
(All amounts are in Saudi Riyals unless stated otherwise)

	Note	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Cash flows from operating activities			
(Loss) / profit for the period		(565,232)	1,284,054
Adjustments for non-cash items			
Fair value loss / (gain) on financial assets at FVTPL, net	7	635,993	(1,240,637)
Changes in operating assets and liabilities:			
Purchase of financial assets at FVTPL		(98,788)	(1,603,019)
Dividend receivable		(9,990)	5,950
Accrued management fees		(93)	3,923
Other liabilities		(92)	3,923
Net cash used in operating activities		(38,202)	(1,545,806)
Cash flows from financing activities			
Issuance of redeemable units during the period		-	1,615,574
Net cash from financing activities		-	1,615,574
Net (decrease) increase in cash and cash equivalents		(38,202)	69,768
Cash and cash equivalents at the beginning of the period		69,691	16,374
Cash and cash equivalents at the end of the period	6	31,489	86,142

The accompanying notes from 1 to 13 form an integral part of this condensed interim financial information.

YAQEEN PETROCHEMICAL ETF FUND

(Managed By Yaqeen Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

(All amounts are in Saudi Riyals unless stated otherwise)

1. GENERAL

Yaqeen Petrochemical ETF Fund (the "Fund") is a fund established under contractual agreement between Yaqeen Capital (the "Fund Manager") and investors in the Fund (the "Unitholders"). The Fund aims to achieve capital growth and gains on the long term through inactive management of a basket of shares of companies in the petrochemical industry listed on the Saudi stock exchange for the purpose of achieving performance level similar to index performance before fees and expenses. The Fund is "open-ended" and does not normally distribute any dividends to the Unitholders. Instead, all profits collected in the Fund are reinvested and reflected in the price of the Fund's unit. The Fund may, at the discretion and approval of its Board of Directors, distribute excess liquidity in the form of distributions to the Unitholders.

The address of the Fund manager is as follows:

Yaqeen Capital
Olaya Street, P.O. 884
Riyadh 11421
Kingdom of Saudi Arabia

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial information for the Fund. In addition, the Unitholders are considered as owners benefiting from the Fund's assets.

The Capital Market Authority (CMA) license was granted to the Fund on 11 Rajab 1431H (corresponding to 23 June 2010). The Fund commenced its activities on 23 Rajab 1431H (corresponding to 5 July 2010).

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by CMA on 3 Dhul Hija 1427H (corresponding to 24 December 2006) as amended by the resolution of CMA board on 16 Sha'aban 1437H (corresponding to 23 May 2016). It is further amended by the resolution of CMA board on 12 Rajab 1442H (corresponding to 24 February 2021).

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with International Accounting Standard IAS-34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the condensed interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

The Fund has also complied with Investment Funds Regulations published by CMA and the Fund's terms and conditions (collectively hereinafter referred to as "Terms and Conditions").

The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of IAS 34. This condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 31 December 2021 ("last annual financial statements").

YAQEEN PETROCHEMICAL ETF FUND

(Managed By Yaqeen Capital)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

(All amounts are in Saudi Riyals unless stated otherwise)

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement

The condensed interim financial information has been prepared on a historical cost convention, except for the financial assets at fair value through profit or loss that are measured at fair value.

Furthermore, this condensed interim financial information is prepared using going concern basis.

2.3 Functional and presentation currency

Items included in the condensed interim financial information are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). This condensed interim financial information is presented in Saudi Riyals which is the Fund’s functional and presentation currency.

2.4 Critical accounting estimates and judgements

In preparing this condensed interim financial information, management has made the judgement, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

The Fund has reviewed the key sources of estimation uncertainties disclosed in the last annual audited financial statements against the backdrop of Covid-19. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the last annual financial statements. The Fund will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

3. NEW AND AMENDED STANDARDS ADOPTED BY THE FUND

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after January 1, 2022.

- Amendments to IAS 37 - ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making;
- Amendments to IAS 16 - ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in statement of income;
- Amendments to IFRS 3 - ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations; and
- Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

YAQEEEN PETROCHEMICAL ETF FUND

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

(All amounts are in Saudi Riyals unless stated otherwise)

3. NEW AND AMENDED STANDARDS ADOPTED BY THE FUND (continued)

The listing of standards and interpretations issued, which the Fund reasonably expects to be applicable at a future date are as follows.

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the last annual audited financial statements of the Fund for the year ended 31 December 2021.

5. MANAGEMENT FEE, CUSTODY FEE AND OTHER EXPENSES

The Fund's expenses include management fee, custody fee and other expenses. These expenses are recognised on an accrual basis. Management and custody fee are based on predetermined rates specified in the Terms and Conditions of the Fund. Detailed policies are as follows:

Management fee

The Fund pays 0.5% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

Custody fee

The Fund accrues custody fee at an annual rate of 0.03% of the Fund's net assets value at each valuation day of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

6. CASH AND CASH EQUIVALENTS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Cash at banks	31,489	69,691

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

(All amounts are in Saudi Riyals unless stated otherwise)

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

All of the Fund's financial assets are investments in the shares of petrochemical sector companies listed on the Saudi Stock Exchange Tadawul. The Fund invests in the shares of Saudi petrochemical sector companies (FSBI), considering the relative weights of assets distribution, while sufficient cash is kept in the Fund continuously, to meet the expenses and any other obligations on the Fund.

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance	6,373,100	3,179,468
Purchase during the period / year	98,788	1,680,377
	6,471,888	4,859,845
Net changes in investment at FVTPL		
Unrealized fair value (loss) / gain, net for the period / year	(635,993)	1,513,255
Fair value (loss) / gain on financial assets at FVTPL, net	(635,993)	1,513,255
Closing balance	5,835,895	6,373,100

8. FAIR VALUE ESTIMATION

The fair value of financial instruments traded in active markets are based on quoted market prices at the end of trading as at the reporting date. Instruments that have not been sold are valued on the valuation day based on the most recent bid price.

An active market is a market in which assets or liabilities are traded with sufficient movement and volume to provide price information on an ongoing basis. The carrying value less impairment provision of other receivables and carrying value of payables are assumed to approximate their fair values.

The fair value hierarchy consists of the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for assets and liabilities.

Investments are based on prices quoted in active markets classified as level 1 and include quoted equity instruments. The Fund does not adjust the quoted price for these instruments.

The following table includes the hierarchy analysis for the fair value of Fund's assets and liabilities (by class) measured at fair value as of 30 June 2022 and 31 December 2021:

	Level 1	Level 2	Level 3	Total
30 June 2022 (Unaudited)				
Financial assets at FVTPL	5,835,895	-	-	5,835,895
31 December 2021 (Audited)				
Financial assets at FVTPL	6,373,100	-	-	6,373,100

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

(All amounts are in Saudi Riyals unless stated otherwise)

8. FAIR VALUE ESTIMATION (continued)**Classification of financial instruments**

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<i>Financial asset at amortized cost</i>		
Cash and cash equivalents	31,489	69,691
Dividend receivable	9,990	-
	41,479	69,691

9. RELATED PARTY TRANSACTIONS AND BALANCES

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.

Within the normal course of business, the Fund deals with related parties that are in turn subject to the Fund's terms and conditions issued by the CMA. All transactions with related parties are approved by the Fund's Board.

The Yaqeen Capital (Fund Manager) and companies related to the Fund Manager are considered as related parties to the Fund.

Related party	Nature of transaction	Amount of transactions		Closing balance	
		30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Yaqeen Capital	Management and other fees	(19,429)	(14,978)	9,640	9,733
Yaqeen Capital	(Disposal of) / Investment in Fund units	(818,065)	(1,037,489)	2,836,520	4,274,329

The Fund pays management fees, fees and other expenses calculated on each valuation day in the percentages shown below of the Fund's net assets value.

	<u>Percentage</u>
Management fees	0.5%
Other fees and expenses, including:	
Administrative fees	0.22%
Custody fees	0.03%
Index fees	0.10%
Listing and recording fees	0.08%

In accordance with the terms and conditions of the Fund, the annual rate of the Fund's expenses shall not exceed 1% of the net assets value. In addition, the Fund Manager refunds any other expenses paid on behalf of the Fund.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

(All amounts are in Saudi Riyals unless stated otherwise)

10. CONTINGENCIES AND COMMITMENTS

There are no commitments and contingencies as of 30 June 2022 and 31 December 2021.

11. UNIT VALUE RECONCILIATION

In accordance with CMA circular no. 1/6/7218/17 dated 13 Rabi al-Thani 1439H (corresponding to 31 December 2017), the CMA Board decided on 10 Rabi al-Thani 1439H (corresponding to 28 December 2017) to restrict the recording of expected credit losses (ECL) calculated in accordance with IFRS 9 only for the purpose of financial reporting.

All financial assets held at amortized cost were considered for ECL as on 30 June 2022. However, the impact of ECL on these assets was immaterial as cash and cash equivalents are held with bank having sound credit rating and there is no history of default or recovery of these balances. Accordingly, this condensed interim financial information do not contain any significant ECL adjustments and therefore reconciliation of the unit price calculated according to the applicable financial reporting framework to the unit price calculated for the purpose of unit transactions is not required.

12. LAST VALUATION DAY

The Fund units are valued, and the net assets value is calculated at the end of each working day (valuation day). The last day of valuation was 30 June 2022.

13. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

The condensed interim financial information were approved by the Fund's Board on 24 August 2022.