YAQEEN PETROCHEMICAL ETF FUND
(MANAGED BY YAQEEN CAPITAL)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 AND INDEPENDENT AUDITOR'S REPORT

YAQEEN PETROCHEMICAL ETF
(Managed by Yaqeen Capital)
Financial statements
For the year ended 31 December 2022

Table of contents **Page**

Independent auditor's report	1 - 4
Statement of financial position	5
Statement of profit or loss and other comprehensive income	6
Statement of changes in net assets attributable to Unitholders	7
Statement of cash flows	8
Notes to the financial statements	9 - 21

Independent auditor's report to the Unitholders of Yaqeen Petrochemical ETF Fund (Managed by Yaqeen Capital)

Report on the audit of the financial statements

Our Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yaqeen Petrochemical ETF (the "Fund") as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in net assets attributable to the Unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our audit approach

Overview

Key Audit Matter	Valuation of investments at fair value through profit or loss (FVTPL)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Fund's manager made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

PricewaterhouseCoopers, License No. 25,
Kingdom Tower, P.O. Box 8282, Riyadh 11482, Kingdom of Saudi Arabia
T: +966 (11) 211-0400, F: +966 (11) 211-0401, www.pwc.com/middle-east

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Valuation of investments at fair value through profit or loss ("FVTPL") As at 31 December 2022, the Fund held investments in listed equity amounting to Saudi Riyals 5.8 million which have been classified as held at FVTPL. These investments are carried at fair value with the corresponding fair value change recognized in profit or loss. The fair value of these investments is determined through obtaining market observable prices, as these are actively traded. The valuation of the Fund's investments at FVTPL is considered a key audit matter due to the significance of such investments to the Fund's financial statements. Refer to Note 4.2.3 to the accompanying financial statements for the accounting policy of investments and Note 6 for related disclosure of investments held at FVTPL.	We performed the following audit procedures: • Agreed the carrying value of investments held at FVTPL to the underlying list of investments; • Obtained market prices as at 31 December 2022 from external sources for a sample of investments held by the Fund, recalculated the fair value of these investments as at 31 December 2022 and compared these to the values included in the list of investments; and • Assessed the adequacy of the disclosures in the financial statements.

Independent auditor's report to the Unitholders of Yaqeen Petrochemical ETF Fund (Managed by Yaqeen Capital) (continued)

Other information

The Fund's Manager is responsible for the other information. The other information comprises the information included in the Fund's annual report but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Fund's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Fund's Manager and Those Charged with Governance for the financial statements

The Fund's Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority and the Fund's terms and conditions, and for such internal control as the Fund's manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund's manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Fund's manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund's Board is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

Independent auditor's report to the Unitholders of Yaqeen Petrochemical ETF Fund (Managed by Yaqeen Capital) (continued)

Auditor's responsibilities for the audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund's manager.

- Conclude on the appropriateness of Fund's Manager use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471

30 March 2023

YAQEEN PETROCHEMICAL ETF Fund
(Managed by Yaqeen Capital)
Statement of financial position
(All amounts are in Saudi Riyals unless stated otherwise)

	Note	31 December 2022	31 December 2021
Assets			
Cash and cash equivalents	5	**138,710**	69,691
Financial assets at fair value through profit or loss (FVTPL)	6	**5,821,082**	6,373,100
Total assets		**5,959,792**	6,442,791
Liabilities			
Management fee payable	7	**7,723**	9,733
Other liabilities	8	**7,723**	9,732
Total liabilities		**15,446**	19,465
Net assets attributable to the Unitholders		**5,944,346**	6,423,326
Units in issue (Numbers)		**175,000**	150,000
Net asset value per unit (Saudi Riyals)		**33.97**	42.82
Contingencies and commitments	9	**-**	-

The accompanying notes from 1 to 16 form an integral part of these financial statements.

YAQEEN PETROCHEMICAL ETF Fund
(Managed by Yaqeen Capital)
Statement of profit or loss and other comprehensive income
(All amounts are in Saudi Riyals unless stated otherwise)

	Note	31 December 2022	31 December 2021
Income			
Dividend income		**275,748**	169,583
Fair value (loss) / gain on financial assets at FVTPL, net	6	**(1,469,290)**	1,513,255
		(1,193,542)	1,682,838
Expenses			
Management fee	10	**(35,549)**	(33,835)
Others	10	**(35,549)**	(33,835)
		(71,098)	(67,670)
(Loss) / profit for the year		**(1,264,640)**	1,615,168
Other comprehensive income for the year		**-**	-
Total comprehensive (loss) / income for the year		**(1,264,640)**	1,615,168

The accompanying notes from 1 to 16 form an integral part of these financial statements.

YAQEEN PETROCHEMICAL ETF Fund
(Managed by Yaqeen Capital)
Statement of changes in net assets attributable to the Unitholders
(All amounts are in Saudi Riyals unless stated otherwise)

	31 December 2022	31 December 2021
Net assets attributable to the Unitholders as at 1 January	**6,423,326**	3,192,584
(Loss) / profit and total comprehensive (loss) / income for the year	**(1,264,640)**	1,615,168
Unitholders' subscriptions and redemptions:		
Issuance of redeemable units during the year	**785,660**	1,615,574
Redemption of redeemable units during the year	**-**	-
Net assets attributable to the Unitholders as at 31 December	**5,944,346**	6,423,326

Movement in number of units

The movement in number of units are as follows:

	For the year ended 31 December	
	31 December 2022	31 December 2021
Number of units as at 1 January	**150,000**	100,000
Issuance of redeemable units during the year	**25,000**	50,000
Redemption of redeemable units during the year	**-**	-
Number of units as at 31 December	**175,000**	150,000

The accompanying notes from 1 to 16 form an integral part of these financial statements.

YAQEEN PETROCHEMICAL ETF Fund
(Managed by Yaqeen Capital)
Statement of cash flows
(All amounts are in Saudi Riyals unless stated otherwise)

	Note	31 December 2022	31 December 2021
Cash flows from operating activities			
(Loss) / profit for the year		**(1,264,640)**	1,615,168
Adjustment for non-cash items:			
Fair value loss / (gain) on financial assets at FVTPL, net	6	**1,469,290**	(1,513,255)
Changes in operating assets and liabilities:			
Additions to financial assets at FVTPL	6	**(917,272)**	(1,680,377)
Management fee payable		**(2,010)**	5,129
Dividend receivable		**-**	5,950
Other liabilities		**(2,009)**	5,128
Net cash used in operating activities		**(716,641)**	(1,562,257)
Cash flows from financing activities			
Issuance of redeemable units during the year		**785,660**	1,615,574
Redemption of redeemable units during the year		**-**	-
Net cash generated from financing activities		**785,660**	1,615,574
Net increase in cash and cash equivalents		**69,019**	53,317
Cash and cash equivalents at the beginning of the year		**69,691**	16,374
Cash and cash equivalents at the end of the year	5	**138,710**	69,691

The accompanying notes from 1 to 16 form an integral part of these financial statements.

1 General information

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 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 statements 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

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The Fund has also complied with Investment Funds Regulations published by CMA and Fund's terms and conditions, information memorandum and key information summary (collectively hereinafter referred to as "Terms and Conditions") with respect to preparation and presentation of these financial statements.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss that are measured at fair value.

Furthermore, these financial statements are prepared, using the accrual basis of accounting and are based on the going concern basis.

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 statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyal (SR), which is also the functional currency of the Fund. All financial statements presented has been rounded to the nearest SR unless stated otherwise.

2.4 Foreign currency transactions and balances

Foreign currency transactions and balances are translated into Saudi Riyals using exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Saudi Riyals using prevailing exchange rates at the statement of financial position date. Foreign exchange losses and gains of these transactions are included in the statement of profit or loss and other comprehensive income.

2 Basis of preparation (continued)

2.5 Financial Year

The financial year of the Fund commences on 1 January and ends on 31 December of each calendar year.

2.6 Use of estimates and judgments

In the ordinary course of business, the preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. There are no areas of significant judgment or critical assumption used in the preparation of these financial statements.

3 APPLICATION OF NEW AND REVISED STANDARDS

3.1 New standards

The Fund applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022, but they had no material impact on these financial statements. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Reference to the Conceptual Framework – Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

Cost of Fulfilling a Contract Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021)

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Fund has not received Covid-19-related rent concessions.

(All amounts are in Saudi Riyals unless stated otherwise)

3 APPLICATION OF NEW AND REVISED STANDARDS (continued)

3.1 New standards (continued)

Annual Improvements to IFRS Standards 2018–2020

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis. Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

These amendments had no impact on the financial statements of the Fund. The Fund intends to use the practical expedients in future periods if they become applicable.

3.2 Standards issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Fund has decided not to adopt early, and they do not have a significant impact on these financial statements.

The most significant of these are as follows:

Standards	Title	Effective date
IFRS 4	Insurance Contracts-Amendments regarding the expiry date of the deferral approach	1 January 2023
IAS1	Presentation of Financial Statements - Amendments regarding the classification of liabilities	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024
IAS1	Narrow scope amendments to IAS1 , Practice statement 2 and IAS 8	1 January 2023
IFRS 9	Amendments regarding the interaction of IFRS 4 and IFRS 9	1 January 2023
IFRS 17	Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17	1 January 2023
IAS 8	Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
IFRS 10 & IAS 28	Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	Deferred

4 Significant accounting policies

4.1 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows comprise current account with the bank.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e., the date that the Fund executes purchase or sale of the assets). Regular way purchase or sale of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace. All other financial assets and liabilities (including assets and liabilities designated at fair value through income statement) are initially recognized on trade date at which the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. For all other financial assets and financial liabilities transaction costs are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

4.2.2 De-recognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and substantially all the risks and rewards are transferred.

4.2.3 Classification and subsequent measurement of financial assets

Financial assets are classified into the following specified categories:

- Financial assets at fair value through profit or loss.
- Financial assets at fair value through other comprehensive income; or
- Financial assets at amortised cost.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

Classification and subsequent measurement of debt instruments depend on:

(i) The Fund's business model for managing the asset; and

(ii) The cash flow characteristics of the asset.

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized in profit or loss. Profit income from these financial assets is included in 'Special finance income' using the effective interest rate method.

- Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at financial assets at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, special finance income and foreign exchange gains and losses on the instrument's amortised cost are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Profit income from these financial assets is included in 'Special finance income' using the effective interest rate method.

- Fair value through profit or loss: Financial assets that do not meet the criteria for amortised cost or FVOCI are classified as financial assets at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value is presented in profit or loss in the year in which it arises.

4 Significant accounting policies (continued)

4.2 Financial instruments (continued)

4.2.3 Classification and subsequent measurement of financial assets (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Fund subsequently measures all equity investments at FVTPL, except where the Fund's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of income as 'Dividend income' when the Fund's right to receive payments is established.

4.2.4 Impairment of financial assets

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1').

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and

- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Fund's financial assets fall into this category.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses are recognized for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The value of financial assets held at amortised cost has been taken into account in the calculation of expected credit loss. Financial assets held at amortised cost include bank balances. Bank balances are held at banks with high credit rating.

4.2.5 Classification and measurement of financial liabilities

Liabilities are recognized on an accrual basis for amounts to be paid in the future in return for services received, whether or not billed by the provider.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund has designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

4.2.6 Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at the market price, because this price provides a reasonable approximation of the exit price.

4 Significant accounting policies (continued)

4.2 Financial instruments (continued)

4.2.7 Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.3 Equity attributable to Unitholders

The net assets attributable to the Unitholders comprise units issued, and accumulated profit generated by the Fund. The redeemable units are classified as equity as explained below.

(i) Redeemable units

Units subscribed and redeemed are recorded at the net assets value per unit on the Valuation Day for which the subscription request and redemption applications are received.

The Fund classifies its units as an equity instrument if the redeemable units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata shares of the Fund's net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

In addition, in order to classify instruments as equity the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognized equity or the change in the fair value of the recognized and unrecognized equity of the Fund; and
- The effect of substantially restricting or fixing the residual return to the instrument holders.

The Fund's redeemable participating units meet the definition of puttable instruments classified as equity instruments under IAS 32. 16(A-B) and accordingly, are classified as equity instruments.

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have any of the features or meet all the conditions set out in paragraphs 16A and 16B of International Accounting Standard (IAS 32), the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in net assets attributable to Unitholders. The subscription and redemption of redeemable units are accounted for as equity transactions as long as the units are classified as equity.

(ii) Trading in the units

Units of the Fund are made available for purchase only in the Kingdom of Saudi Arabia at Yaqeen Capital branches by natural and corporate persons. The net asset value of the Fund is determined on the Valuation Day by dividing the net value of assets (fair value of total assets minus liabilities) by the total number of outstanding units on the relevant Valuation Day.

4.4 Net assets value per unit

Net assets value per unit disclosed in the statement of financial position is calculated by dividing the net assets of the Fund by the number of units in issue at the reporting date.

(All amounts are in Saudi Riyals unless stated otherwise)

4 Significant accounting policies (continued)

4.5 Zakat and income tax

Zakat and income tax are the obligations of the Unitholders and are not provided for in these financial statements.

4.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the amount can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and taxes.

Realized gains and losses on investments at FVTPL sold are determined on a weighted average cost basis. Dividend income is recognized in profit or loss when declared (i.e., when the Fund's right to receive the dividend is established).

4.7 Management fee, custody fee and other expenses

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

4.7.1 Management fee

The Fund Manager charges the Fund, on every Valuation Day, a management fee at an annual rate of 0.5% (31 December 2021: 0.5%) of the Fund's net assets value. These charges are calculated and accrued on each dealing day.

4.7.2 Custody fee

The Fund accrues custody fee expense at an annual rate of 0.03% (31 December 2021: 0.03%) of the net assets value. These charges are calculated and accrued on each dealing day.

4.7.3 Other expenses

The Fund Manager recovers any other expenses paid on behalf of the Fund as per Terms and Conditions of the Fund.

5 Cash and cash equivalents

	2022	2021
Cash at bank	**138,710**	69,691

6 Financial assets at fair value through profit or loss (FVTPL)

All Fund's financial assets are investments in the shares of Petrochemical sector companies listed on the Saudi Exchange. 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.

Detail of equity investments of the Fund is as follows:

	2022	2021
Industry group (Material)		
Saudi Basic Industries Corp.	**2,324,847**	2,242,512
Saudi Arabia Fertilizers Co.	**1,003,955**	945,163
Saudi Int'l Petrochemical Co.	**695,126**	860,076
Saudi Industrial Investment Group	**390,343**	350,998
Saudi Kayan Petrochemical Co.	**384,871**	478,534
Yanbu Nat'l Petrochemical Co.	**331,386**	422,505
Advanced Polypropylene Co.	**307,020**	392,832
National Industrialization Co.	**238,362**	348,741
Alujain Holding Corporation	**73,531**	106,596
Methanol Chemicals Co.	**49,234**	69,984
Nama Chemicals Co.	**22,407**	21,479
National Petrochemical Co.	**-**	133,680
	5,821,082	6,373,100

(All amounts are in Saudi Riyals unless stated otherwise)

6 Financial assets at fair value through profit or loss (FVTPL) (continued)

	2022	2021
Opening balance	**6,373,100**	3,179,468
Purchased during the year	**917,272**	1,680,377
	7,290,372	4,859,845
Net changes in financial assets at FVTPL		
Unrealized fair value (loss) / gain, net for the year	**(1,469,290)**	1,513,255
Net fair value (loss) gain on financial assets at FVTPL	**(1,469,290)**	1,513,255
Closing balance	**5,821,082**	6,373,100

7 Management fee payable

	Note	2022	2021
Management fee payable	7.1	**7,723**	9,733

7.1 The Fund Manager charges the Fund, on every Valuation Day, a management fee at an annual rate of 0.5% (31 December 2021: 0.5%) of the Fund's net assets value.

8 Other liabilities

	Note	2022	2021
Other fees	8.1 & 8.2	**7,723**	9,732

Other fees include custody fee and other expense which are based on predetermined rates as specified in the Terms and Conditions of the Fund. These expenses are recognised on accrual basis. Detailed policies are as follows:

8.1 Custody fee

The Fund accrues custody fee expense at an annual rate of 0.03% (31 December 2021: 0.03%) of the net assets value. These charges are calculated and accrued on each dealing day.

8.2 Other expenses

The Fund Manager recovers any other expenses paid on behalf of the Fund as per Terms and Conditions of the Fund.

9 Contingencies and commitments

There are no contingencies and commitments as at 31 December 2022 and 31 December 2021.

10 Transactions and balances with related parties

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 Fund Manager and companies related to the Fund Manager are considered as related parties to the Fund.

		Transactions		Closing balance	
Related party	**Nature of transaction**	**2022**	**2021**	**2022**	**2021**
Yaqeen Capital	Management and other fees (note 7)	**(35,549)**	(33,835)	**7,723**	9,733
Yaqeen Capital	Custody fee and other expenses (note 8)	**(35,549)**	(33,835)	**7,723**	9,732
Yaqeen Capital	(Disposal of) / Investment in Fund units, net	**(1,419,039)**	2,204,000	**2,796,848**	4,274,329

10 Transactions and balances with related parties (continued)

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

	Percentage
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.

11 Segment reporting

The Fund carries a portfolio of equity instruments of entities listed on Saudi Exchange. The Fund Manager periodically assesses the performance and allocates resources to the business as one unit and, as such, no separate operating segments were identified for financial reporting purposes. Consequently, segment reporting as required by IFRS 8 'Operating Segments' has not been disclosed.

12 Fair value of financial instruments

The financial instruments comprise financial assets and financial liabilities. The Fund's financial assets and liabilities consists of bank balances, financial assets at fair value through profit or loss and management fee payable and other liabilities.

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 treated 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 shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value due to the short-term duration of financial instrument. The fair value of investments measured at FVTPL are based on quoted prices in active markets and are therefore classified within level 1.

(All amounts are in Saudi Riyals unless stated otherwise)

12 Fair value of financial instruments (continued)

Financial assets at FVTPL

	Carrying value	Level 1	Total
2022	**5,821,082**	**5,821,082**	**5,821,082**
2021	6,373,100	6,373,100	6,373,100

The Fund recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. During the years ended 31 December 2022 and 2021, there were no transfers into or out of Level 1, level 2 and level 3 fair value measurements.

13 Financial instruments - risk management

The principal investment objectives of the Fund are to provide investors with income and capital growth over the medium and long term by trading in equity and other instruments.

The Fund's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager, which is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Fund's policy is to conclude financial instrument contracts with reputable counterparties. The Fund seeks to reduce credit risk by monitoring credit exposures, setting limits for transactions with specific counterparties, and constantly assessing the solvency of such parties.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	2022	2021
Cash and cash equivalents (note 5)	**138,710**	69,691

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL.

All financial assets were considered for ECL as on 31 December 2022 and 31 December 2021. However, the impact of ECL on these assets was immaterial as the Fund is not exposed to significant credit risk and there is no history of default on recovery of these balances.

The Fund Manager reviews the credit concentration of the investment portfolio, depending on the counterparties. The Fund is not currently exposed to credit risk within its investment portfolio. The cash and cash equivalents balance are deposited with Banque Saudi Fransi, which has an external credit rating from Moody's with a credit quality of A2.

(All amounts are in Saudi Riyals unless stated otherwise)

13 Financial instruments - risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet its commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The Fund's Terms and Conditions provide for the subscription and redemptions of units on dealing days during the week and it is, therefore, exposed to the liquidity risk of meeting Unitholders redemptions. The Fund's investments are readily realizable, and the units can easily be redeemed at any time. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio, or obtaining funding from related parties.

2022	**Up to one year**	**More than one year and up to five years**	**More than five years**	**Total**
Financial liabilities				
Management fee payable	**7,723**	**-**	**-**	**7,723**
Other liabilities	**7,723**	**-**	**-**	**7,723**
	15,446	**-**	**-**	**15,446**

2021	**Up to one year**	**More than one year and up to five years**	**More than five years**	**Total**
Financial liabilities				
Management fee payable	9,733	-	-	9,733
Other liabilities	9,732	-	-	9,732
	19,465	-	-	19,465

Maturity profile

The table below shows an analysis of financial assets and financial liabilities according to when they are expected to be recovered or settled respectively. The amount disclosed are the contractual undiscounted cash flows which equal their carrying balances as the impact of discounting is not significant.

2022	**Up to one year**	**More than one year**	**Total**
Financial assets			
Cash and cash equivalents	**138,710**	**-**	**138,710**
Financial assets at fair value through profit or loss	**5,821,082**	**-**	**5,821,082**
	5,959,792	**-**	**5,959,792**
Financial liabilities			
Management fee payable	**7,723**	**-**	**7,723**
Other liabilities	**7,723**	**-**	**7,723**
	15,446	**-**	**15,446**

2021	**Up to one year**	**More than one year**	**Total**
Financial assets			
Cash and cash equivalents	69,691	-	69,691
Financial assets at fair value through profit or loss	6,373,100	-	6,373,100
	6,442,791	-	6,442,791
Financial liabilities			
Management fee payable	9,733	-	9,733
Other liabilities	9,732	-	9,732
	19,465	-	19,465

(All amounts are in Saudi Riyals unless stated otherwise)

13 Financial instruments - risk management (continued)

c) Market risk

i) Commission rate risk

Commission rate risk arises from the possibility that changes in market special commission rates will affect future profitability or the fair value of the financial instruments.

As of the date of the statement of financial position, the Fund is not exposed to significant commission rate risk as it does not have any financial instruments that carry significant special commission.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

The functional currency of the Fund is Saudi Riyals. As the Fund's financial assets and financial liabilities are denominated in its functional currency, the Fund is not subject to currency risk.

iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements. The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds.

The Fund Manager closely monitors the price movement of the Fund financial instruments listed at Saudi Exchange "Tadawul". The Fund manages the risks by diversifying its investment portfolio by investing in various stocks in the petrochemical sector.

Detail of the equity investments of the Fund is as follows:

	2022		**2021**	
Industry group				
Saudi Basic Industries Corp.	**39.94%**	**2,324,847**	35.19%	2,242,512
Saudi Arabia Fertilizers Co.	**17.25%**	**1,003,955**	14.83%	945,163
Saudi Int'l Petrochemical Co.	**11.94%**	**695,126**	13.50%	860,076
Saudi Industrial Investment Group	**6.71%**	**390,343**	5.51%	350,998
Saudi Kayan Petrochemical Co.	**6.61%**	**384,871**	7.51%	478,534
Yanbu Nat'l Petrochemical Co.	**5.69%**	**331,386**	6.63%	422,505
Advanced Polypropylene Co.	**5.27%**	**307,020**	6.16%	392,832
National Industrialization Co.	**4.09%**	**238,362**	5.47%	348,741
Alujain Holding Corporation	**1.26%**	**73,531**	1.67%	106,596
Methanol Chemicals Co.	**0.85%**	**49,234**	1.10%	69,984
Nama Chemicals Co.	**0.38%**	**22,407**	0.34%	21,479
National Petrochemical Co	**0.00%**	**-**	2.10%	133,680
		5,821,082	100%	6,373,100

The effect of a 5% increase in the value of the equity investments held at the reporting date would, all other variables held constant, have resulted in an increase in the net gain on financial assets at fair value through profit or loss and net assets of SR 291,054 (2021: SR 318,655). A 5% decrease in their value would, on the same basis, have decreased the net gain on financial assets at fair value through profit or loss and net assets by the same amount.

14 Capital management

The capital of the Fund is represented by net assets attributable to holders of redeemable units. The net assets attributable to the Unitholders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of Unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund Board and the Fund Manager monitor capital on the basis of the value of net assets attributable to Unitholders.

15 Last Valuation Day

The last Valuation Day for the purpose of the preparation of these financial statements is 31 December 2022 (31 December 2021).

16 Approval of the financial statements

These financial statements were approved by the Fund's Board on 30 March 2023