SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AND REPORT ON REVIEW

30 JUNE 2019

SWICORP WABEL REIT FUND
(Managed by SWICORP Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
As at 30 June 2019

INDEX **PAGE**

ALLUHAID & ALYAHYA
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Independent auditors' review report
on the condensed interim financial statements to the unitholders of
SWICORP WABEL REIT Fund
(Managed by SWICORP Company)

Introduction:

We have reviewed the accompanying condensed interim statement of financial position of SWICORP WABEL REIT Fund ("the Fund") being managed by SWICORP Company (the "Fund Manager") as at 30 June 2019, and the related condensed interim statements of comprehensive income, cash flows and changes in net assets for the six-month period then ended, and notes comprising a summary of significant accounting policies and other explanatory notes. The Fund Manager is responsible for the preparation and fair presentation of these condensed interim 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 condensed interim 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*" as endorsed in the Kingdom of Saudi Arabia. A review of the condensed interim 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 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

For Alluhaid & Alyahya Chartered Accountants

Turki A. Alluhaid
Certified Public Accountant
Registration No. 438

Riyadh 18 Thul-Hijjah 1440H
(19 August 2019)

اللحيد واليحيى محاسبون قانونيون
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CONDENSED INTERIM STATEMENT OF FINACIAL POSITION

	Note	*30 June 2019 (Unaudited) SR*	*31 December 2018 (Audited) SR*
ASSETS			
NON-CURRENT ASSETS			
Investment properties	6	**1,067,901,246**	1,076,257,739
Right-of-use assets	5.16	**8,358,805**	-
TOTAL NON-CURRENT ASSETS		**1,076,260,051**	1,076,257,739
CURRENT ASSETS			
Financial assets at fair value through profit and loss	8	**-**	30,226,332
Cash and cash equivalents		**10,813,429**	-
Rent receivables	9	**49,541,440**	18,124,541
Due from a related party	10	**20,147,225**	24,188,228
Prepayments		**694,805**	-
TOTAL CURRENT ASSETS		**81,196,899**	72,539,101
TOTAL ASSETS		**1,157,456,950**	1,148,796,840
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of lease liabilities	5.16	**7,473,774**	-
CURRENT LIABILITIES			
Unearned income	11	**27,005,426**	20,913,552
Accrued management fee	10	**4,173,199**	5,541,875
Accrued expenses	12	**941,344**	265,794
Current portion of lease liabilities	5.16	**1,300,000**	-
TOTAL LIABILITIES		**40,893,743**	26,721,221
NET ASSETS		**1,116,563,207**	1,122,075,619
Units in issue (number)	14	**118,000,000**	118,000,000
Per unit value (SR)		**9.46**	9.51
Per unit fair value (SR)	7	**9.50**	9.51

The accompanying notes 1 to 20 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	***For the six-month period from 1 Jan 2019 to 30 June 2019 (Unaudited) SR***	*For the period from 6 August 2018 to 31 December 2018 (Audited) SR*
INCOME			
Rental income from investment properties		**49,315,200**	70,046,156
Other income	10	**6,000,000**	-
TOTAL INCOME		**55,315,200**	70,046,156
EXPENSES			
Management fee	10	**(4,173,199)**	(6,473,836)
General and administrative expenses	15	**(33,190,024)**	(38,489,487)
TOTAL EXPENSES		**(37,363,223)**	(44,963,323)
OPERATING PROFIT		**17,951,977**	25,082,833
Finance charges		**(179,214)**	-
Gain on financial assets held at fair value through profit and loss	8	**199,315**	226,332
PROFIT FOR THE PERIOD		**17,972,078**	25,309,165
Impairment reversal (loss) on investment properties	6	**8,375,510**	(83,233,546)
PROFIT (LOSS) FOR THE PERIOD AFTER IMPAIRMENT		**26,347,588**	(57,924,381)
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**26,347,588**	(57,924,381)

CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Note	***For the six-month period from 1 Jan 2019 to 30 June 2019 (Unaudited)*** **SR**	*For the period from 6 August 2018 to 31 December 2018 (Audited)* SR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the period		**26,347,588**	(57,924,381)
Adjustments to reconcile profit for the period to net cash flows:			
Depreciation on investment properties	6	**18,199,899**	20,508,715
Depreciation on Right of use asset		**235,754**	-
Increase in financial assets at fair value through profit and loss	8	**(199,315)**	(226,332)
(Reversal) impairment loss on investment properties	7	**(8,375,510)**	83,233,546
Finance charges		**179,214**	-
		36,387,630	45,591,548
Working capital adjustments:			
Rent receivables		**(31,416,899)**	(18,124,541)
Due from a related party		**4,041,003**	(24,188,228)
Prepayments		**(694,805)**	-
Unearned income		**6,091,875**	20,913,552
Accrued management fee		**(1,368,676)**	5,541,875
Accrued expenses		**675,550**	265,794
Net cash flows from operating activities		**13,715,678**	30,000,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment properties	6	**(1,467,896)**	(389,400,000)
Purchase of money market securities		**-**	(30,000,000)
Sale of money market securities	8	**30,425,647**	-
Net cash flows from (used in) investing activities		**28,957,751**	(419,400,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units sold	14	**-**	389,400,000
Dividends paid		**(31,860,000)**	-
Net cash flows (used in) from financing activities		**(31,860,000)**	389,400,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		**10,813,429**	-
Cash and cash equivalents at the beginning of the period		**-**	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**10,813,429**	-
NON-CASH TRANSACTIONS			
Purchase of investment properties (compensated against sale of units)	14	**-**	790,600,000
Principal portion of the lease liabilities	5.16	**8,358,805**	-

The accompanying notes 1 to 20 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS
For the six-month period ended 30 June 2019

	Fund units SR	*Cumulative income SR*	*Total unitholders' net assets SR*
Issuance of units			
- for cash (note 14)	389,400,000	-	389,400,000
- for consideration other than cash (note 14)	790,600,000	-	790,600,000
	1,180,000,000	-	1,180,000,000
Loss for the period	-	(57,924,381)	(57,924,381)
Other comprehensive loss for the period	-	-	-
Total comprehensive loss for the period	-	(57,924,381)	(57,924,381)
Net asset value attributed to the unitholders at 31 December 2018 (audited)	1,180,000,000	(57,924,381)	1,122,075,619
Profit for the period	-	26,347,588	26,347,588
Other comprehensive profit for the period	-	-	-
Total comprehensive profit for the period	-	26,347,588	26,347,588
Dividend distribution (note 20)	-	(31,860,000)	(31,860,000)
Net asset value attributed to the unitholders at the 30 June 2019 (unaudited)	**1,180,000,000**	**(63,436,793)**	**1,116,563,207**

The accompanying notes 1 to 20 form an integral part of these condensed interim financial statements.

1 CORPORATE INFORMATION

SWICORP WABEL REIT Fund (the "Fund") is a closed-ended real estate investment traded fund established on on 24 Dhul Qidah 1439H (corresponding to 6 August 2018). The Fund operates in accordance with Real Estate Investment Fund Regulations ("REIFR") and Real Estate Investment Traded Funds ("REITF") Instructions issued by the Capital Market Authority ("CMA"). The Fund is listed on Saudi Stock Exchange ("Tadawul") and the units of the Fund started to be traded on Tadawul in accordance with its rules and regulations. The Capital of the Fund is SR 1,180,000,000 divided into 118,000,000 units of SR 10 each. The Fund has a term of 99 years, which is extendable on the discretion of the Fund Manager following the approval of the CMA.

The Fund is being managed by SWICORP Company (the "Fund Manager"), a closed joint stock company licensed by Capital Market Authority of the Kingdom of Saudi Arabia with commercial registration number 1010233360, and an Authorized Person license number 12161-37. The primary investment objective of the Fund is to provide its investors with regular income by investing in income generating real estate assets in the Kingdom of Saudi Arabia, excluding the Holy cities of Makkah and Medina.

While the Fund will primarily invest in developed real estate assets which are ready for use, it may also opportunistically invest in real estate development projects in a value not exceeding 25% of the Fund's total asset value with the aim of achieving an increase in value per unit; provided that:

(i) at least 75% of the Fund's total assets are invested in developed real estate assets which generate periodic income and;
(ii) the Fund shall not invest in white land.

The Fund's Manager registered office is P.O. Box 2076, Riyadh 11451, Kingdom of Saudi Arabia.

The last valuation day of the period was 30 June 2019.

These condensed interim financial statements were authorized for issue by the Board of Directors on 18 Thul-Hijjah 1440H (corresponding to 19 August 2019).

2 REGULATING AUTHORITY

The Fund is governed by the REIFR published by the CMA in the Kingdom of Saudi Arabia dated 10 Rabi Al-Thani 1439H (corresponding to 28 December 2018) and REITF instructions published by CMA dated 19 Jumada Al-Akhirah 1439H (corresponding to 7 March 2018), detailing requirements for all real estate funds operating within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") as endorsed in the Kingdom of Saudi Arabia.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants ("SOCPA"), collectively hereafter referred to as ("IFRS").

The preparation of these condensed interim financial statements requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements, are disclosed in Note 4.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, using accrual basis of accounting and the going concern concept.

3 BASIS OF PREPARATION (continued)

3.3 Use of estimates

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. Revision to accounting estimates are recognized in the period in which the estimates are reviewed and affected in future periods.

3.4 Functional and presentation currency

These financial statements are presented in Saudi Riyals ("SR"), which is the functional currency of the Fund. All financial information has been rounded off to the nearest SR.

3.5 Critical accounting estimates and judgements

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

3.6 Comparative information

The Fund has presented the comparative information for the period from 6 August 2018 to 31 December 2018 as these were the first financial period of the Fund and the Fund did not have any comparative balances for the six-month period ended 30 June 2018.

3.7 Fair value measurement

The Fund measures its investments in 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 to 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. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted prices available on respective stock exchange, without any deduction for transaction costs. The Fund is using last traded prices which is recognised as standard pricing convention within the industry.

For all other financial instruments not traded in an active market, if any, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

The Fund measures financial instruments at fair value at each statement of financial position date. Fair values of those financial instruments are disclosed in Note 7.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the ordinary course of business, the preparation of 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 expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are reviewed and in any future period affected. The significant accounting judgments and estimates applied in the preparation of these financial statements are as follows:

4.1 Useful lives of investment properties

The management determines the estimated useful lives of investment properties for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods. The estimated useful lives of the investment properties are disclosed in note 6.

4.2 Impairment of investment properties

The Fund assesses whether there are any indicators of impairment for all investment properties at each reporting date. The investment properties are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

4.3 Impairment of financial assets held at amortised cost

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

As at the period end, the Fund has rent receivables and amounts due from a related party as financial assets carried at amortised cost. For rent receivables and contract assets, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Fund is in the process to establish a provision matrix which will include its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. As the Fund operations are less than twelve months (commenced its operations on 6 August 2018), no historical credit loss experience is available, and the management based on their estimate expect the ECLs exposure to be immaterial on its financial assets for this period.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are as follows:

5.1 Investment properties

Investment properties comprise completed properties that are held to earn rentals or for capital appreciation or both. Investment property is stated at cost including transaction costs net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

The cost less estimated residual value, if any, of investment property is depreciated on a straight-line basis over the estimated useful lives of the assets. Land, on the other hand, is reported at cost. The fair value of investment properties is disclosed in note 7.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

5.2 Cash and cash equivalents

For the purposes of cash flows statement, cash and cash equivalents consists of bank balances.

5.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In accordance with IFRS 9, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

5.3.1 Initial recognition and measurement

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets.
- The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other receivables. The Fund initially recognises financial assets and financial liabilities when it becomes party to the contractual provisions of the financial instrument.

Financial asset at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding;

Or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell;

Or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category:

Money market securities: These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

The Fund's financial assets include Financial assets at fair value through profit and loss, rent receivable and due from related parties.

5.3.2 Subsequent measurement

Financial assets are subsequently measured at amortised cost or FVTPL. There are two criteria used to determine how financial assets should be classified and measured:

a) The Fund's business model for managing the financial assets; and
b) The contractual cash flow characteristics of the financial asset

A financial asset is measured at amortised cost if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Otherwise, a financial asset is measured at FVTPL.

The subsequent measurement of financial assets depends on their classification as described below:

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

5.3 Financial instruments (continued)

5.3.2 Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category other short-term receivables.

The Fund derecognises a financial asset when the rights to the cash flows from the financial asset have expired or where the Fund has transferred substantially all risks and rewards associated with the financial asset and does not retain control of the financial asset.

5.4 Impairment of non-financial assets

The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the assets or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in the statement of comprehensive income.

5.5 Financial liabilities – subsequent classification and measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate ("EIR") method. The EIR is the rate that discounts the estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Fund derecognises a financial liability (or part of a financial liability) from its statement of financial position when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

The Fund's financial liabilities include due to unearned revenues, accrued management fee and accrued expenses.

5.6 Offsetting of financial instruments

Financial assets and liabilities are offset with the net amount reported in the statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and liabilities simultaneously.

5.7 Provision

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.8 Right-of-use assets

The Fund recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Fund is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

5.9 Lease liabilities

At the commencement date of the lease, the Fund recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Fund and payments of penalties for terminating a lease, if the lease term reflects the Fund exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

5.10 Revenue recognition

The Fund recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15, *Revenue from Contracts with Customers*:

Step 1. Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Fund expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Fund will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Fund expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Fund satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Fund’s performance as the Fund performs; or
- The Fund’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Fund’s performance does not create an asset with an alternative use to the Fund and the Fund has an enforceable right to payment for performance completed to date.

For performance obligations, where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. When the Fund satisfies a performance obligation by delivering the promised services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount billed to the customer exceeds the amount of revenue recognized, this gives rise to a contract liability. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

The specific recognition criteria described below must also be met before revenue is recognised.

Rental income

Rental income from operating lease of property is recognised on a straight-line basis over the term of the operating lease.

5.11 Management fees

Management fees are charged by the Fund Manager at the rate of 0.75% per annum of the Fund’s net asset market value. Management fee is calculated semi-annually in arrears and payable quarterly.

5.12 Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of sales as required under IFRS.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

5.13 Net assets value

The net assets value per unit disclosed in the financial statements is calculated by dividing the net assets of the Fund by the number of units in issue at the period-end.

5.14 Zakat

Zakat is the obligation of the Unitholders and is not provided for in the financial statements.

5.15 Dividend distribution

The Fund has a policy of distributing and paying at least 90% of its income, not including profit resulting from the sale of the underlying real estate assets and other investments.

5.16 Standards and amendments to existing standards effective 1 January 2019

IFRS 16 "Leases"

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Fund is the lessor.

The Fund adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Fund has assessed the impact of above standard. Based on the assessment, the above standard has the following impact on the Fund's condensed interim financial statements at the reporting date:

	SR
Assets:	
Right-of-use asset recognized on 1 January 2019	**8,594,560**
Less: depreciation charge for the period	**(235,754)**
Right-of-use asset as on 30 June 2019	**8,358,805**
Non-current assets	**8,358,805**
Current assets	**-**
	8,358,805
Liabilities:	
Lease liabilities recorded on 1 January 2019	**8,594,560**
Add: finance charge for the period	**179,214**
Less: payments made during the period	**-**
	8,773,774
Non-current liabilities	**7,473,774**
Current liabilities	**1,300,000**
	8,773,774

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

5.16 Standards and amendments to existing standards effective 1 January 2019 (continued)

a) Nature of the effect of adoption of IFRS 16

The Fund held land relating to its investment property under an operating lease. As per the previous standard's requirements for operating leases, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively. Upon adoption of IFRS 16, the Fund recognised right-of-use assets and lease liabilities for the leasehold land previously classified as an operating lease. The right-of-use asset was recognised based on the amount equal to the lease liabilities, adjusted for related prepaid and accrued lease payments previously recognised, if any. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	SR
Operating lease commitments as at 31 December 2018	**12,011,270**
Weighted average incremental borrowing rate as at 1 January 2019	**4.28%**
Discounted operating lease commitments at 1 January 2019	**8,594,560**
Lease liabilities as on 1 Jan 2019	**8,594,560**

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

5.17 New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted

The following standards, amendments to standards and interpretations are not yet effective and neither expected to have a significant impact on the Fund's financial statements:

Standards / amendments to standards / interpretations	***Effective date***
Definition of a Business (Amendments to IFRS 3)	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
IFRS 17 Insurance Contracts	1 January 2021

In the opinion of the Board, these standards, amendments to standards and interpretations will clearly not impact the Fund as the Fund has no application to the above-mentioned standards.

5.17.1 Annual Improvements to IFRSs 2015-2017 Cycle

- IFRS 3, *Business Combinations* and IFRS 11, *Joint Arrangements* clarify how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.
- If a party maintains (or obtains) joint control, then the previously held interest is not remeasured.

5.17.2 Annual Improvements to IFRSs 2015-2017 Cycle (continued)

- If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value.
- IAS 12, *Income Taxes*, clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity.
- IAS 23, *Borrowing Costs*, clarifies that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any nonqualifying assets – are included in that general pool. As the costs of retrospective application might outweigh the benefits, the changes are applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.

5.17.3 Other amendments

The following new or amendments to standards are not yet effective and neither expected to have a significant impact on the Fund's financial statements:

- IFRS 9, Financial Instruments, Prepayment Features with Negative Compensation.
- IAS 19, Employee Benefits, Plan Amendments, Curtailment or Settlement.
- IAS 28, Investments in Associates and Joint Ventures, Long-term Interests in Associates and Joint Ventures
- IFRIC 23, Uncertainty over Income Tax Treatments.

6 INVESTMENT PROPERTIES

The composition of the investment properties as of the reporting date is summarized below:

30 June 2019

Description	*Cost*	*Accumulated depreciation*	*Impairment (note 6.3.5)*	***Net book value (unaudited)***
	SR	*SR*	*SR*	***SR***
Dawadmi Mall	166,815,938	(8,388,574)	(14,833,368)	**143,593,996**
AlKhair Mall	325,028,770	(6,681,788)	(46,844,271)	**271,502,711**
Hafar Al-Batin Mall	470,205,991	(15,698,623)	(10,889,715)	**443,617,653**
Tabouk Mall	219,417,197	(7,939,629)	(2,290,682)	**209,186,886**
	1,181,467,896	(38,708,614)	(74,858,036)	**1,067,901,246**

31 December 2018

Description	*Cost*	*Accumulated depreciation*	*Impairment (note 6.3.5)*	*Net book value (audited)*
	SR	*SR*	*SR*	*SR*
Dawadmi Mall	166,815,938	(4,049,656)	(23,705,662)	139,060,620
AlKhair Mall	323,560,874	(3,597,886)	(33,456,232)	286,506,756
Hafar Al-Batin Mall	470,205,991	(8,415,756)	(23,780,970)	438,009,264
Tabouk Mall	219,417,197	(4,445,417)	(2,290,682)	212,681,099
	1,180,000,000	(20,508,715)	(83,233,546)	1,076,257,739

6.1 *a–* the useful life of freehold properties is assessed at 25 years from date of acquisition.

6.1 *b–* the useful life of leasehold properties is assessed at remaining land lease period from the date of acquisition.

6.2 *Freehold*

Land comprises of the lands acquired on which the buildings are built. The Fund acquired freehold properties in Riyadh, Hafar Al-Batin and Tabouk with an aggregate area of 185,721 square meter of land. Additionally, the Fund acquired a leasehold land investment property in Dawadmi with land area of 72,678 square meter. The consideration for the properties was partly paid in cash and partly settled through issuance of 79,060,000 units of the Fund (note 14).

6.3 *Listed below are the details of the investment properties:*

6.3.1 Dawadmi Mall

This property is a fully constructed commercial facility on a leasehold land (note 5.14), located in Dawadmi, Kingdom of Saudi Arabia (“KSA").

6.3.2 AlKhair Mall

This property is a fully constructed commercial facility on a freehold land, located in Al Malga District, Riyadh, KSA.

6.3.3 Hafar Al-Batin Mall

This property is a fully constructed commercial facility on a freehold land, located in Al Rayan District, Hafar Al-Batin, KSA.

6.3.4 Tabouk Mall

This property is a fully constructed commercial facility on a freehold land, located in Al Rajhi District, Tabouk, KSA.

6 INVESTMENT PROPERTIES (continued)

6.3.5 Impairment of investment properties

The investment properties were tested for impairment and the management noted their carrying amount not to be recoverable. During the period, the management recognised a reversal of impairment of SR 8,375,510 (2018: recognised an impairment loss of SR 83,233,546) to adjust the value of its investment properties to the average fair value as the reporting period, determined by the independent evaluators (refer note 7). The key assumptions taken for valuation as at 30 June for these investment properties are as follows:

30 June 2019

	Discount	*Exit yield*	*Occupancy*	*Escalation*
	%	*%*	*%*	*%*
Dawadmi Mall	11	13.09	95	2
AlKhair Mall	9.50	7.5	95	2
Hafar Al-Batin Mall	10	8	95	2
Tabouk Mall	10	8	95	2

31 December 2018

	Discount	*Exit yield*	*Occupancy*	*Escalation*
	%	*%*	*%*	*%*
Dawadmi Mall	11	13.09	95	2
AlKhair Mall	9.50	7.5	95	2
Hafar Al-Batin Mall	10	8	95	2
Tabouk Mall	10	8	95	2

7 EFFECT ON NET ASSET VALUE IF INVESTMENTS IN REAL ESTATE PROPERTIES ARE FAIR VALUED

In accordance with Article 21 of the REIFR issued by CMA in the Kingdom of Saudi Arabia, the Fund Manager evaluates the Fund's real estate assets based on two evaluations prepared by independent evaluators. However, in accordance with the requirement in the Kingdom of Saudi Arabia, investment in real estate properties are carried at cost less depreciation and impairment, if any, in these financial statements. Accordingly, the fair value below is disclosed for information purposes.

The fair value of the investment properties is determined by two selected appraisers, i.e. BARCODE and BUSSMA. As at period end, the valuation of investment properties are as follows:

	Appraiser 1	*Appraiser 2*	*Average*
30 June 2019 (unaudited)	*SR*	*SR*	*SR*
Dawadmi Mall	133,601,886	153,586,107	143,593,997
AlKhair Mall	256,456,338	286,549,083	271,502,711
Hafral Batin Mall	442,831,010	444,404,297	443,617,653
Tabouk Mall	218,592,253	208,145,246	213,368,749
	1,051,481,487	**1,092,684,733**	**1,072,083,110**

	Appraiser 1	*Appraiser 2*	*Average*
31 December 2018 (audited)	*SR*	*SR*	*SR*
Dawadmi Mall	136,955,833	141,165,407	139,060,620
AlKhair Mall	283,623,702	289,389,810	286,506,756
Hafral Batin Mall	427,820,416	448,198,112	438,009,264
Tabouk Mall	216,891,061	208,471,136	212,681,099
	1,065,291,012	1,087,224,465	1,076,257,739

7 EFFECT ON NET ASSET VALUE IF INVESTMENTS IN REAL ESTATE PROPERTIES ARE FAIR VALUED (continued)

Management has used the average of the two valuations for the purposes of disclosing the fair value of the investment properties. The investment properties were valued taking into consideration a number of factors, including the area and type of property. Below is an analysis of the investment properties' fair value against cost:

7.1 The unrealised loss on investment properties based on fair value evaluation is set out below:

	30 June 2019 (unaudited) SR	*31 December 2018 (audited) SR*
Fair value of investments in real estate properties	**1,072,083,110**	1,076,257,739
Less: Carrying value of investments in real estate properties (note 6)	**(1,067,901,246)**	(1,076,257,739)
Net impact based on fair value evaluation	**4,181,864**	-
Units in issue	**118,000,000**	118,000,000
Impact per unit share based on fair value evaluation	**0.04**	-

7.2 The net asset value using the fair values of the real estate properties is set out below:

	30 June 2019 (unaudited) SR	*31 December 2018 (audited) SR*
Net asset value at cost, as presented in these financial statements	**1,116,563,207**	1,122,075,619
Net impact based on real estate evaluations (note 7.1)	**4,181,864**	-
Net asset based on fair value	**1,120,745,071**	1,122,075,619

7.3 The net asset value per unit, using the fair values of the real estate properties is set out below:

	30 June 2019 (unaudited) SR	*31 December 2018 (audited) SR*
Net asset value per unit, at cost as presented in these financial statements	**9.46**	9.51
Impact on net asset value per unit on account of unrealised loss based on fair value evaluations (note 7.1)	**0.04**	-
Net asset value per unit at fair value	**9.50**	9.51

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

During the period, the Fund has disposed of its investment in its debt-based securities. The following are the details of the investment as at the reporting date:

31 December 2018	*Number of units*	*Unit value at 31 December 2018 SR*	***Net book value SR***
Money market securities	195,569	154.56	**30,226,332**

Net gain of financial assets through profit or loss during the period is as follows:

	For the six-month period ended 30 June 2019 SR	*For the period from 6 August 2018 to 31 December 2018 SR*
Financial asset		
Net gain from changes in fair value of investment in money market securities	**-**	226,332
Net gain from sale of investment in money market securities	**199,315**	-

9 RENT RECEIVABLES

This account represents the rent receivable from the investment properties in accordance with the terms of the corresponding tenancy agreements. Following is the ageing analysis of the rent receivables as at the reporting date:

	30 June 2019 SR	*31 December 2018 SR*
Less than 30 days	**4,233,313**	4,521,653
Between 31 to 60 days	**11,508,392**	9,272,003
Between 61 to 90 days	**12,596,207**	703,795
Between 91 to 120 days	**437,037**	2,579,745
More than 120 days	**20,766,491**	1,047,345
	49,541,440	18,124,541

Rent receivables are current in nature, settled within a short period of time and the management expects these to be fully recoverable. No impairment losses in respect to ECLs have been accounted, as the management, based on their estimate, believes the exposure to be immaterial on its financial statements for this period.

10 RELATED PARTY TRANSACTIONS AND BALANCES

The following are the details of the significant transactions with related parties during the current period:

Related party	*Nature of relationship*	*Nature of transaction*	***Period from 1 Jan 2019 to 30 June 2019 SR***	*Period from 6 August 2018 to 31 December 2018 SR*
Wabel Al Arabia for Investment Company	Unitholder	Cash held as advance by Fund (note 10.2)	**-**	35,474,691
		Guaranteed net operating income (note 10.2)	**-**	56,873,909
		Rental income from investment properties	**26,570,776**	2,789,011
		Media Income	**6,000,000**	-
		Payments made on behalf of Fund	**(15,282,519)**	-
		Receipts of Fund	**(21,329,260)**	-
SWICORP Company	Fund manager	Management fee (note 10.1)	**4,173,199**	6,473,836

10.1 Management fee

In consideration for managing the assets of the Fund, the Fund Manager in accordance with the Terms and Conditions of the Fund charges the Fund a management fee equal to 0.75% of the net asset market value of the Fund calculated semi-annually in arrears and payable quarterly.

Please refer to note 20 for the dividends distributed to the unit holders subsequent to the period end.

The following are the details of the related party balances at period end:

Amount due from a related partu	***30 June 2019 SR***	*31 December 2018 SR*
Wabel Al Arabia for Investment Company	**20,147,225**	24,188,228

Accrued management fee	***30 June 2019 SR***	*31 December 2018 SR*
SWICORP Company	**4,173,199**	5,541,875

10.2 Cash and cash equivalents

As at 30 June 2019, the bank balance with an amount of SR 10,813,429 (2018: Nil) is maintained with Riyadh Bank which is under the name of the Fund Manager and not under the name of the Fund.

11 UNEARNED INCOME

Represents rent income billed in advance in respect to the investment properties. The movement in unearned income for the period is as follows:

	30 June 2019 SR	*31 December 2018 SR*
Opening during the period	**20,913,552**	-
Received during the period	**52,543,569**	90,959,708
Recognised during the period	**(46,451,695)**	(70,046,156)
	27,005,426	20,913,552

12 ACCRUED EXPENSES

	30 June 2019 SR	*31 December 2018 SR*
Legal fee	**336,951**	-
Administration fee	**204,694**	-
Regulatory fee	**200,000**	-
Custody fee	**149,699**	215,794
Professional fees	**50,000**	35,000
Board oversight fee (note 13)	**-**	15,000
	941,344	265,794

13 REMUNERATION TO INDEPENDENT DIRECTORS

The following fee in relation to the independent directors is included as part of the general and administrative expenses in these financial statements.

	For the six-month period ended 30 June 2019 SR	*For the period from 6 August 2018 to 31 December 2018 SR*
Board oversight fee (note 15)	-	15,000

14 UNIT TRANSACTION

Transaction in units of the Fund for the period is summarised as follows:

	30 June 2019 (numbers)	*31 December 2018 (numbers)*
Units issued during the period for consideration in cash	**118,000,000**	38,940,000
Units issued during the period for consideration other than cash	**-**	79,060,000
Units at the end of the period	**118,000,000**	118,000,000

During the period, the Fund did not issue and new units (2018: 38,940,000 units for SR 389,400,000 of which SR 354,000,000 were subscribed by the general public, and SR 35,400,000 by the Fund manager and 79,060,000 units were issued as a consideration for the purchase of investment properties).

15 GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2019 SR	*For the period from 6 August 2018 to 31 December 2018 SR*
Depreciation (note 6)	**18,199,900**	20,508,715
Property Operating expenses	**13,566,083**	12,872,568
Legal expenses	**336,950**	61,609
Depreciation of right-of-use asset	**235,754**	-
Property insurance	**215,587**	161,128
Administration fee	**204,694**	-
Regulator fee	**200,000**	257,462
Custody fee	**109,959**	215,794
Professional fee	**105,000**	50,750
Board oversight fee (note 13)	**-**	15,000
Establishment fee	**-**	4,269,371
Others	**16,097**	77,090
	33,190,024	38,489,487

16 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. 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.

Assets and liabilities for which fair value is recognised or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets consist of financial assets held at fair value through profit and loss, rent receivables and due from a related party. Financial liabilities consist of unearned income, accrued management fee and accrued expenses. The fair values of financial assets and financial liabilities are not materially different from their carrying values.

The following table shows the fair value of financial instruments disclosed as at period end:

30 June 2019	*Level 1 SR*	*Level 2 SR*	*Level 3 SR*	***Total SR***
<u>*Investment properties*</u>				
Dawadmi Mall	-	143,593,997	-	**143,593,997**
AlKhair Mall	-	271,502,711	-	**271,502,711**
Hafral Batin Mall	-	443,617,653	-	**443,617,653**
Tabouk Mall	-	213,368,749	-	**213,368,749**
	-	1,072,083,110	**-**	**1,072,083,110**

16 FAIR VALUE MEASUREMENT (continued)

31 December 2018	*Level 1*	*Level 2*	*Level 3*	*Total*
	SR	*SR*	*SR*	*SR*
Financial assets at fair value through profit and loss				
Money market securities	30,226,332	-	-	30,226,332
Investment properties				
Dawadmi Mall	-	139,060,620	-	139,060,620
AlKhair Mall	-	286,506,756	-	286,506,756
Hafral Batin Mall	-	438,009,264	-	438,009,264
Tabouk Mall	-	212,681,099	-	212,681,099
	30,226,332	1,076,257,739	-	1,106,484,071

When the fair value of items disclosed in these financial statements cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk, correlation and volatility.

Changes in assumptions about these factors could affect the fair value of items disclosed in these financial statements and the level where the items are disclosed in the fair value hierarchy.

The financial assets at fair value through profit and loss are based on quoted market prices in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Fund values these investments at bid price for long positions and ask price for short positions.

The fair values of investment properties were assessed by BARCODE and BUSSMA as disclosed in note 7. They are accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment properties being valued.

The valuation models have been applied in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards, in addition to recently published International Valuation Standards issued by International Valuation Standards Council (IVSC) and applied by Saudi Authority for Accredited Valuers (TAQEEM). These models comprise both the income capitalisation approach and depreciated replacement cost (DRC).

17 FINANCIAL RISK MANAGEMENT

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

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

The Fund has its Terms and Conditions document that sets 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.

17.1 Market risk

The Fund will be subject to the general conditions of the real estate sector in Saudi Arabia, which itself is influenced by a variety of factors such as, but not limited to the overall macroeconomic growth in the kingdom, interest rates, demand-supply, availability of financing, investor sentiment, liquidity, legal and regulatory requirement. The Fund management monitors on a regular basis the fluctuation and changes in the overall economic environment and believes that the impact of such changes is not significant to the Fund.

17 FINANCIAL RISK MANAGEMENT

17.2 Credit risk

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to credit risk on the followings:

	30 June 2019 SR	*31 December 2018 SR*
Due from a related party (refer note 10)	**20,147,225**	24,188,228
Rent receivable (refer note 9)	**49,541,440**	18,124,541
	69,688,665	42,312,769

The carrying amount of financial assets represents the maximum credit exposure.

The Fund seeks to limit its credit risk with respect to rent receivables by charging rent in advance and by monitoring outstanding balances on an ongoing basis. The receivable balances are monitored with the result that the Fund's exposure to bad debts is not significant. Further, the Fund limits its credit risk with respect to due from a related party by holding up a security deposit from its related party who is obliged to pay the Fund the amount due as per the agreement between the related party and the Fund.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The table below summarises the maturity profile of the Fund's financial liabilities based on contractual undiscounted payments:

30 June 2019	***On demand SR***	***Less than 3 months SR***	***Total SR***
Unearned income	-	27,005,426	**27,005,426**
Accrued management fees	-	4,173,199	**4,173,199**
Accrued expenses	-	941,344	**941,344**
	-	32,119,969	**32,119,969**

31 December 2018	*On demand SR*	*Less than 3 months SR*	*Total SR*
Unearned income	-	20,913,552	20,913,552
Accrued management fees	-	5,541,875	5,541,875
Accrued expenses	-	265,794	265,794
	-	26,721,221	26,721,221

17.4 Property risk

Property risk is the risk related to the investment properties of the Fund. The Fund's management has identified the risk that a tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associate property. To reduce this risk, the Fund reviews the financial status of all prospective tenants and decides on the appropriate measures to mitigate this risk.

18 OPERATING SEGMENT

The Fund is organised into one operating segment. All of the Fund's activities are interrelated and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the fund as one segment.

19 CONTINGENCIES

There are no contingencies as at the reporting date.

20 DIVIDENDS DISTRIBUTION

On 14 March 2019, the Fund Manager approved to distribute dividends to the unitholders for the period from 6 August 2018 to 31 December 2018 amounting to SR 31,860,000 in accordance with the terms and conditions of the Fund which was at least 90% of the Fund's annual net profits.