

ALISTITHMAR CAPITAL SAR MURABAHA FUND
(Formerly known as SAIB Trade Finance Fund)
An open-ended mutual fund
**(Managed by Alistithmar for Financial Securities
and Brokerage Company)**
Condensed Interim Financial Statements (Unaudited)
For the six-month period ended 30 June 2022
together with the
Independent Auditor's Review Report to the Unitholders



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كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Unitholders of Alistithmar Capital SAR Murabaha Fund (formerly known as SAIB Trade Finance Fund)

Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of **Alistithmar Capital SAR Murabaha Fund** ("the Fund"), managed by Alistithmar for Financial Securities and Brokerage Company ("the Fund Manager"), which comprises:

- the condensed statement of financial position as at 30 June 2022;
- the condensed statement of comprehensive income for the six-month period ended 30 June 2022;
- the condensed statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2022;
- the condensed statement of cash flows for the six-month period ended 30 June 2022; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by Capital Market Authority, the Fund's Terms and Conditions and the Information Memorandum. 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 the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2022 condensed interim financial statements of **Alistithmar Capital SAR Murabaha Fund** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Hani Hamzah A. Bedairi
License No: 460



Al Riyadh, 19 Muharram 1444H
Corresponding to: 17 August 2022

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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٢٥.٠٠٠.٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون كفايون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة الجائزة محدودة وضمان. جميع الحقوق محفوظة.

ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2022
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	<i>9</i>	34,587,482	48,773,136
Money market placements	<i>10</i>	641,101,705	177,226,508
Other assets	<i>11</i>	155,921	--
Investments	<i>12</i>	185,816,492	585,647,149
Total Assets		<u>861,661,600</u>	<u>811,646,793</u>
<u>LIABILITIES</u>			
Management fee payable	<i>14, 17</i>	892,232	419,758
Accrued expenses		142,332	181,510
Risk allowance	<i>16</i>	6,078,955	6,078,955
Total Liabilities		<u>7,113,519</u>	<u>6,680,223</u>
Net assets (Equity) attributable to the Unitholders		<u>854,548,081</u>	<u>804,966,570</u>
Units in issue (numbers)		<u>59,491,519</u>	<u>56,419,780</u>
Net assets (Equity) attributable to each unit --			
– IFRS NAV (SAR)	<i>20</i>	<u>14.36</u>	<u>14.27</u>
– Dealing NAV (SAR)	<i>20</i>	<u>14.37</u>	<u>14.28</u>

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in Saudi Arabian Riyals)

		For the six-month period ended 30 June	
	<i>Notes</i>	<u>2022</u>	<u>2021</u>
<u>INCOME</u>			
Special commission income		6,745,900	1,282,196
Gain on investments, net	13	1,753,674	5,419,575
Total income		<u>8,499,574</u>	<u>6,701,771</u>
<u>EXPENSES</u>			
Management fee	14, 17	(2,093,136)	(2,633,729)
Custody fee		(148,767)	(164,315)
Expected credit losses reversal / (charge)	15	193,040	(223,922)
Other expenses		(746,038)	(566,050)
Total expenses		<u>(2,794,901)</u>	<u>(3,588,016)</u>
Net income for the period		5,704,673	3,113,755
Other comprehensive income for the period		--	-
Total comprehensive income for the period		<u><u>5,704,673</u></u>	<u><u>3,113,755</u></u>

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in Saudi Arabian Riyals)

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Net assets (Equity) attributable to the Unitholders at beginning of the period	804,966,570	1,324,340,606
Total comprehensive income for the period	5,704,673	3,113,755
Contributions and redemptions by the Unitholders:		
Contributions by the Unitholders	242,058,159	340,533,273
Redemptions by the Unitholders	(198,181,321)	(650,608,702)
Net contributions / (redemptions) by the Unitholders	43,876,838	(310,075,429)
Net assets (Equity) attributable to the Unitholders at the end of the period	854,548,081	1,017,378,932

UNITS TRANSACTIONS *(numbers)*

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Units at the beginning of the period	56,419,780	93,362,010
Units issued during the period	16,894,415	23,973,829
Units redeemed during the period	(13,822,676)	(45,819,785)
Net increase / (decrease) in units	3,071,739	(21,845,956)
Units at the end of the period	59,491,519	71,516,054

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in Saudi Arabian Riyals)

		For the six-month period ended 30 June	
	<i>Notes</i>	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		5,704,673	3,113,755
<i>Adjustment for:</i>			
Expected credit losses (reversal) / charge	15	(193,040)	223,922
		5,511,633	3,337,677
Changes in operating assets and liabilities:			
Decrease in investments		400,206,123	116,897,807
(Increase) / decrease in money market placements		(464,045,537)	36,320
(Increase) / decrease in other assets		(168,007)	110,969
Increase / (decrease) in management fee payable		472,474	(141,264)
Decrease in accrued expenses		(39,178)	(22,086)
Net cash (used in) / generated from operating activities		(58,062,492)	120,219,423
CASH FLOWS FROM FINANCING ACTIVITIES			
Contributions by the Unitholders		242,058,159	340,533,273
Redemptions by the Unitholders		(198,181,321)	(650,608,702)
Net cash generated from / (used in) financing activities		43,876,838	(310,075,429)
Net decrease in cash and cash equivalents		(14,185,654)	(189,856,006)
Cash and cash equivalents at the beginning of the period		48,773,136	233,016,294
Cash and cash equivalents at the end of the period	9	34,587,482	43,160,288

The accompanying notes 1 to 22 form an integral part of these condensed interim financial statements.

**ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)**

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

1. GENERAL

Alistithmar Capital SAR Murabaha Fund (formerly known as SAIB Trade Finance Fund) (the “Fund”) is an open-ended investment fund created by an agreement between Alistithmar for Financial Securities and Brokerage Company (“Alistithmar Capital” or the “Fund Manager”), a wholly owned subsidiary of The Saudi Investment Bank (the “Bank”), and the investors (the “Unitholders”). The Fund commenced its operations on 30 June 2003.

During the period, the name of the Fund was changed from SAIB Trade Finance Fund to Alistithmar Capital SAR Murabaha Fund.

The Fund is designed for investors seeking capital preservation and high liquidity through exposure to Shariah compliant assets. All income is reinvested in the Fund and is reflected in the unit price.

Alistithmar Capital is the Fund Manager and Riyadh Capital is the custodian of the Fund.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent Accounting unit. Accordingly, the Fund Manager prepares separate condensed interim financial statements.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by Capital Market Authority (“CMA”) on 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended (the “Amended Regulations”) on 16 Sha’ban 1437 H (corresponding to 23 May 2016). The Regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442 H (corresponding to 1 March 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442 H (corresponding to 1 May 2021).

3. BASIS OF ACCOUNTING

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by the Capital Market Authority (“CMA”), the Fund’s terms and conditions and the Information Memorandum. The 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 audited financial statements for the year ended 31 December 2021.

4. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on a historical cost basis, except for measurement of investments at fair value, using the accrual basis of accounting and the going concern concept.

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 their liquidity.

**ALISTITHMAR CAPITAL SAR MURABAHA FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

5. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Saudi Arabian Riyals (“SAR”), which is the Fund’s functional currency. All amounts have been rounded to the nearest SAR, unless otherwise indicated.

6. USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Significant areas where management has used estimates, assumptions or exercised judgement are as follows:

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

A number of significant judgments are also required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

7. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended 31 December 2021.

8. NEW STANDARDS

a) New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Fund

The following new standards, amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (“IASB”) have been effective from 1 January 2022 and accordingly adopted by the Fund, as applicable:

<u>Standards / Amendments</u>	<u>Description</u>
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
IFRS standards 2018-2020	Annual improvements to IFRS Standards 2018-2020
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	COVID 19 – Related Rent Concessions beyond 30 June 2021

The adoption of the amended standards and interpretations applicable to the Fund did not have any significant impact on these condensed interim financial statements.

**ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)**

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

8. NEW STANDARDS(CONTINUED)

b) New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective

The following new standards, amendments and revisions to existing standards, which were issued by IASB but not yet effective up to the date of issuance of the Fund's condensed interim financial statements. The Fund intends to adopt these standards when they become effective.

<u>Standards / Amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimate	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12 Income Taxes	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2023

9. CASH AND CASH EQUIVALENTS

	<i>Notes</i>	30 June 2022	31 December 2021
Cash at bank – current account	9.1	6,079,101	6,082,870
Cash with custodian		3,317,155	2,685,409
Money market placements	9.2	25,191,226	40,004,857
		<u>34,587,482</u>	<u>48,773,136</u>

9.1 This balance is placed with The Saudi Investment Bank, a local Saudi bank and Parent entity of the Fund Manager, which has an investment grade credit rating.

9.2 These placements are with commercial banks having investment grade credit ratings.

These placements have an original maturity of three months or less from the date of placements and carry special commission rate of 2.35% per annum (31 December 2021: 0.35% to 1.15% per annum).

	<i>Notes</i>	30 June 2022	31 December 2021
Money market placements		25,078,021	40,000,000
Accrued special commission income		119,504	14,861
Less: Allowance for expected credit losses	15	(6,299)	(10,004)
		<u>25,191,226</u>	<u>40,004,857</u>

**ALISTITHMAR CAPITAL SAR MURABAHA FUND
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An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

10. MONEY MARKET PLACEMENTS

	<i>Notes</i>	30 June 2022	31 December 2021
Money market placements	10.1	638,377,958	177,204,611
Accrued special commission income		3,098,887	226,697
Less: Allowance for expected credit losses	15	<u>(375,140)</u>	<u>(204,800)</u>
		<u>641,101,705</u>	<u>177,226,508</u>

10.1 These placements are with commercial banks having investment grade credit ratings. These placements have an original maturity of more than three months and carry special commission rates of 1.25 to 3% per annum (31 December 2021: 1.01% to 1.3% per annum).

11. OTHER ASSETS

	<i>Notes</i>	30 June 2022	31 December 2021
Other assets		168,007	--
Less: Allowance for expected credit losses	15	<u>(12,086)</u>	<u>--</u>
		<u>155,921</u>	<u>--</u>

12. INVESTMENTS

	<i>Notes</i>	30 June 2022	31 December 2021
Fair value through profit or loss	12.1	72,682,766	383,096,754
Amortized cost	12.2	<u>113,133,726</u>	<u>202,550,395</u>
		<u>185,816,492</u>	<u>585,647,149</u>

12.1 Investments at FVTPL comprise units of the open-ended mutual fund.

12.2 Investments held at amortized cost include Sukuk. A summary of the investment is as follows.

	<i>Notes</i>	30 June 2022	31 December 2021
Sukuk	12.3, 12.4	112,167,650	201,858,090
Accrued special commission income		1,314,326	1,412,316
Less: Allowance for expected credit losses	15	<u>(348,250)</u>	<u>(720,011)</u>
		<u>113,133,726</u>	<u>202,550,395</u>

12.3 These Sukuk have a maturity of more than 1 year and carry special commission rates from 4.8% to 6.9% per annum (31 December 2021: 1.40% to 6.88% per annum).

12.4 The geographical exposure of sukuk is as follows:

		30 June 2022	31 December 2021
Kingdom of Saudi Arabia		108,971,950	84,048,710
United Arab Emirates		3,195,900	3,201,530
Bahrain		-	114,607,850
		<u>112,167,650</u>	<u>201,858,090</u>

**ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)**

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

13. GAIN ON INVESTMENTS, NET

	For the six-month period ended 30 June	
	2022	2021
Realised gain, net	1,240,484	696,968
Unrealised gain, net	513,190	4,722,607
	1,753,674	5,419,575

14. MANAGEMENT FEE

As per the terms and conditions of the Fund, the Fund pays a management fee to the Fund Manager equal to 0.50% per annum of the net assets value at each valuation date. Additionally, administration expenses paid by the Fund Manager on behalf of the Fund are reimbursed by the Fund and related expenses, if any, payable to the Fund Manager are classified in accrued expenses.

15. EXPECTED CREDIT LOSS (REVERSAL / (CHARGE) DURING THE PERIOD)

	For the six-month period ended 30 June	
	2022	2021
Cash and cash equivalents	3,705	96,365
Money market placements	(170,340)	2,320
Investments	371,761	(322,863)
Other assets	(12,086)	256
	193,040	(223,922)

16. RISK ALLOWANCE

The Fund calculated a risk allowance at annual rate of 10% of net income from operations at each valuation date in accordance with its initial terms and conditions. However, pursuant to change in terms and conditions on 4 Dhul-Qaidah 1438H (corresponding to 27 July 2017), the Fund discontinued to calculate any further provision as risk allowance.

17. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Fund include the Fund Manager, the Fund Board, the Bank and other funds managed by the Fund Manager. In the ordinary course of its activities, the Fund transacts business with its related parties.

In addition to transactions disclosed elsewhere in these condensed interim financial statements, related party transactions and balances are as follows:

**ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)**

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

17. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Transactions with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	For the six-month period ended 30 June	
			<u>2022</u>	<u>2021</u>
Alistithmar Capital	The Fund Manager	Management fee	2,093,136	2,633,729
The Saudi investment bank	Parent of the Fund Manager	Special commission income	266,092	92,961
The Fund Board	The Fund Board	The Fund Board fee	4,959	3,273

Balances with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>	<u>30 June 2022</u>	<u>31 December 2021</u>
Alistithmar Capital	The Fund Manager	Management fee payable	892,232	419,758
The Saudi Investment Bank	Parent of the Fund Manager	Cash at bank – current account Money Market placements	6,079,101	6,082,870
			25,191,226	25,205,097

Units held with related parties (numbers):

<u>Related party</u>	<u>Nature of relationship</u>	<u>30 June 2022</u>	<u>31 December 2021</u>
The Saudi Investment Bank	Parent of the Fund Manager	7,700,126	7,700,126

18. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Fund measures certain financial instruments at fair value at each statement of financial position 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 to which the Fund has access at that date.

**ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)**

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

18. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in assumptions about these factors could affect the fair value of financial instruments.

Valuation models

The fair values of financial instruments that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Fund values debt securities that are traded on a stock exchange at their last reported prices. To the extent that debt securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

The table below analyses financial instruments at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized.

	30 June 2022			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at FVTPL	--	72,682,766	--	72,682,766
Investments at amortized cost	--	113,481,976	--	113,481,976
Total	--	186,164,742	--	186,164,742

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

18. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	31 December 2021			Total
	Level 1	Level 2	Level 3	
Investments at FVTPL	--	383,096,754	--	383,096,754
Investments at amortized cost	--	88,433,434	114,607,850	203,041,284
Total	--	471,530,188	114,607,850	586,138,038

During the period, there has been no transfer in fair value hierarchy for the financial assets held at fair value

Other financial instruments such as cash and cash equivalents, money market placements, other assets, management fee payable and accrued expenses and other liabilities are short term financial assets and financial liabilities whose carrying amounts approximate their fair value. Cash and cash equivalents are classified under level 1 while the remaining financial assets and liabilities are classified under level 3.

19. LAST VALUATION DAY

The last valuation day of the period was 30 June 2022 (2021: 31 December 2021).

20. NET ASSETS VALUE

CMA, through its circular dated 10 Rabi Al Thani 1439H (corresponding to 28 December 2017), has approved the Dual NAV approach for investment funds. In accordance with the circular, IFRS 9 will be applied for accounting and reporting purposes and dealing NAV will remain unaffected until further notice.

As at 30 June 2022, the net assets value per unit considering the impact of IFRS 9 was SAR 14.36 (31 December 2021: SAR 14.27) and the dealing net assets value per unit was SAR 14.37 (31 December 2021: SAR 14.28). Refer below reconciliation:

	30 June 2022	
	Net assets attributable to the Unitholders	Net assets attributable to each unit
IFRS net assets	854,548,081	14.36
Effect of ECL in accordance with IFRS 9	741,755	0.01
Dealing net assets	855,289,836	14.37
	31 December 2021	
	Net assets attributable to the Unitholders	Net assets attributable to each unit
IFRS net assets	804,966,570	14.27
Effect of ECL in accordance with IFRS 9	934,815	0.01
Dealing net assets	805,901,385	14.28

**ALISTITHMAR CAPITAL SAR MURABAHA FUND
(FORMERLY KNOWN AS SAIB TRADE FINANCE FUND)**

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in Saudi Arabian Riyals)

21. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events subsequent to the statement of financial position date which require adjustments of or disclosure in the condensed interim financial statements or notes thereto.

22. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 04 Muharram 1444H (corresponding to 02 August 2022).