ALISTITHMAR CAPITAL SAR MURABAHA FUND
An open-ended mutual fund
(Managed by Alistithmar for Financial Securities
and Brokerage Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2024
together with the
Independent Auditor's Report to the Unitholders

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P.O. Box 92876
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Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Unitholders of Alistithmar Capital SAR Murabaha Fund

Opinion

We have audited the financial statements of **Alistithmar Capital SAR Murabaha Fund** (the "Fund") managed by Alistithmar for Financial Securities and Brokerage Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2024, the statements of comprehensive income, changes in net assets (equity) attributable to the Unitholders and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority ("CMA"), the Fund's Terms and Conditions and for such internal control as the Fund 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 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 the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Fund Board, is responsible for overseeing the Fund's financial reporting process.

Independent Auditor's Report

To the Unitholders of Alistithmar Capital SAR Murabaha Fund (continued)

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 ISA 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 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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 Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's 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, then 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 of **Alistithmar Capital SAR Murabaha Fund ("the Fund")**.

KPMG Professional Services Company

Nasser Ahmed Al Shutairy
License No: 454

Riyadh: 20 Ramadan 1446H
Corresponding to: 20 March 2025

كي بي إم جي للإستشارات المهنية
ترخيص رقم ٤٦
س.ت ١٠١٠٤٢٥٤٩٤
Lic No. 46
C.R. 1010425494
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ALISTITHMAR CAPITAL SAR MURABAHA FUND
An open-ended mutual fund
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Amounts in Saudi Arabian Riyals)

	Notes	**31 December 2024**	31 December 2023
ASSETS			
Cash and cash equivalents	*9*	**164,276,635**	156,875,887
Money market placements	*10*	**594,618,508**	43,378,478
Investments	*11*	**130,680,780**	74,563,141
Total Assets		**889,575,923**	274,817,506
LIABILITIES			
Management fee payable	*14, 18*	**463,671**	125,717
Accrued expenses		**215,584**	230,034
Risk allowance	*16*	**--**	6,078,955
Total Liabilities		**679,255**	6,434,706
Net assets (Equity) attributable to the Unitholders		**888,896,668**	268,382,800
Units in issue *(numbers)*		**54,623,283**	17,620,165
Net assets (Equity) attributable to each unit:			
– IFRS NAV *(SAR)*	*23*	**16.27**	15.23
– Dealing NAV *(SAR)*	*23*	**16.29**	15.26

The accompanying notes 1 to 25 form an integral part of these financial statements.

ALISTITHMAR CAPITAL SAR MURABAHA FUND
An open-ended mutual fund
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Amounts in Saudi Arabian Riyals)

	Notes	**31 December 2024**	31 December 2023
INCOME			
Special commission income	*12*	**32,926,678**	22,471,821
Gain on investments, net	*13*	**163,172**	--
Other income	*16*	**6,078,955**	--
Total income		**39,168,805**	22,471,821
EXPENSES			
Management fee	*14, 18*	**(2,801,548)**	(2,095,927)
Custody fee		**(300,000)**	(300,000)
Expected credit losses (charge) / reversal	*15*	**(242,676)**	303,400
Other expenses	*17*	**(689,253)**	(769,993)
Total expenses		**(4,033,477)**	(2,862,520)
Net profit for the year		**35,135,328**	19,609,301
Other comprehensive income for the year		--	--
Total comprehensive income for the year		**35,135,328**	19,609,301

The accompanying notes 1 to 25 form an integral part of these financial statements.

ALISTITHMAR CAPITAL SAR MURABAHA FUND
An open-ended mutual fund
STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS
For the year ended 31 December 2024
(Amounts in Saudi Arabian Riyals)

	31 December 2024	31 December 2023
Net assets (Equity) attributable to the Unitholders at beginning of the year	**268,382,800**	589,218,920
Total comprehensive income for the year	**35,135,328**	19,609,301
Contributions and redemptions by the Unitholders:		
Contributions by the Unitholders	**1,728,634,343**	340,938,980
Redemptions by the Unitholders	**(1,143,255,803)**	(681,384,401)
Net contributions / (redemptions) by the Unitholders	**585,378,540**	(340,445,421)
Net assets (Equity) attributable to the Unitholders at end of the year	**888,896,668**	268,382,800

UNITS TRANSACTIONS *(numbers)*

	31 December 2024	31 December 2023
Units in issuance at beginning of the year	**17,620,165**	40,517,113
Units issued during the year	**108,997,740**	23,031,433
Units redeemed during the year	**(71,994,622)**	(45,928,381)
Net increase / (decrease) in units	**37,003,118**	(22,896,948)
Units in issuance at end of the year	**54,623,283**	17,620,165

The accompanying notes 1 to 25 form an integral part of these financial statements.

ALISTITHMAR CAPITAL SAR MURABAHA FUND
An open-ended mutual fund
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(Amounts in Saudi Arabian Riyals)

	Notes	**31 December 2024**	31 December 2023
Cash flows from operating activities			
Net profit for the year		**35,135,328**	19,609,301
Adjustments for:			
Charge/ (reversal) of expected credit loss	*15*	**233,426**	(369,095)
Special commission income	*12*	**(32,926,678)**	(22,471,821)
Gain on investments, net	*13*	**(163,172)**	--
		2,278,904	(3,231,615)
Net (increase) / decrease in operating assets and net increase / (decrease) in operating liabilities:			
Money market placements		**(544,694,107)**	354,927,353
Investments		**(55,806,913)**	44,422,527
Management fee payable		**337,954**	(171,818)
Accrued expenses		**(14,450)**	11,247
Risk allowance		**(6,078,955)**	--
Special commission income received		**25,999,775**	27,034,264
Net cash (used in) / generated from operating activities		**(577,977,792)**	422,991,958
Cash flows from financing activities			
Proceeds from issuance of units		**1,728,634,343**	340,938,980
Payments made on redemptions of units		**(1,143,255,803)**	(681,384,401)
Net cash generated from / (used in) financing activities		**585,378,540**	(340,445,421)
Net increase in cash and cash equivalents		**7,400,748**	82,546,537
Cash and cash equivalents at beginning of the year		**156,875,887**	74,329,350
Cash and cash equivalents at end of the year	*9*	**164,276,635**	156,875,887

The accompanying notes 1 to 25 form an integral part of these financial statements.

1. GENERAL

Alistithmar Capital SAR Murabaha 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.

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 Riyad Capital Company 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 financial statements of the Fund.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by Capital Market Authority ("CMA").

3. BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and to comply with the applicable provisions of the Investment Fund Regulations issued by CMA and the Fund's terms and conditions.

4. BASIS OF MEASUREMENT

These financial statements are prepared using accrual basis of accounting on a going concern basis under the historical cost convention, except for measurement of investments at fair value.

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.

5. FUNCTIONAL AND PRESENTATION CURRENCY

These 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 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. Revision to estimates are recognised prospectively.

Significant area where management has used judgements, estimates and assumptions is as follows:

Measurement of the expected credit loss allowance

The measurement of the expected credit loss (ECL) 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 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. MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Fund in preparing its financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Foreign currency

Transactions in foreign currencies are translated into SAR at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into SAR at the exchange rate at the reporting date. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income as net foreign exchange gains or losses, except for those arising on financial instruments at fair value through Profit or loss (“FVTPL”), which are recognised as a component of net gain from financial instruments at FVTPL.

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition

Special commission income

Special commission income and expense are recognized in the statement of comprehensive income, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Special commission received or receivable, and special commission paid or payable, are recognized in statement of comprehensive income as special commission income and special commission expense, respectively.

Dividend income

Dividend income is recognised in the statement of comprehensive income on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated as at Fair Value Through Profit or Loss is recognised in statement of comprehensive income as a separate line item.

Gain on investments, net

Gain on investments, net includes all realised and unrealised fair value changes and foreign exchange differences (if any), but excludes interest and dividend income.

Net realised gain from financial instruments at FVTPL is calculated using the weighted average cost method.

(c) Fee and other expenses

Fee and other expenses are recognized in statement of comprehensive income as the related services are received.

(d) Financial assets and financial liabilities

Recognition and initial measurement

Financial assets and financial liabilities at FVTPL are initially recognised on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of comprehensive income. Financial assets or financial liabilities not at FVTPL are initially recognised at fair value plus / (minus) transaction costs that are directly attributable to their acquisition or issue.

Classification of financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL.

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (continued)

Classification of financial assets (continued)

Financial asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- 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.

Financial asset at fair value through other comprehensive income ("FVOCI")

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL.

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent fair value changes in other comprehensive income. This election is made on an investment-by-investment basis.

Financial asset at fair value through profit or loss ("FVTPL")

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Business model assessment

The Fund Manager makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual commission revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's managers;

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (continued)

Classification of financial assets (continued)

<u>Business model assessment</u> *(continued)*

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

<u>Assessment whether contractual cash flows are solely payments of principal and interest</u>

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Commission / interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

<u>Reclassifications</u>

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (continued)

Classification of financial liabilities

The Fund classifies its financial liabilities at amortised cost using the effective interest method unless it has designated liabilities at FVTPL.

Derecognition

The Fund derecognizes a financial asset (or where applicable, a part of a financial asset or a part of group of similar financial assets) when the contractual rights to receive the cash flows from the financial asset have expired, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Transactions is which the Fund transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or portion of them, the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

Transactions in which the Fund neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Fund continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Fund derecognize a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting

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

Income and expenses are presented on a net basis only when permitted under IFRS as endorsed in the Kingdom of Saudi Arabia, or for gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

Expected Credit loss (ECL)

The Fund recognizes provisions for ECL on the following financial instruments that are not measured at FVTPL:

- Money market placements
- Investments held at amortized cost

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (continued)

The Fund measures loss allowance at an amount equal to lifetime ECL, except for the following which are measured at 12-month ECL:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Fund considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Significant increase in credit risk

To determine whether the risk of default on a financial instrument has increased significantly since initial recognition, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and expert credit assessment and including an assessment of the change in probability of default (PD) as at the reporting date with the PD at the time of initial recognition of the exposure.

One of the key quantitative indicators used by the Fund is the relative downgrade of the credit rating of the borrower and thereby the consequent change in the PD.

Using credit judgment and, where possible, relevant historical experience, the Fund Manager may determine that financial instrument has undergone a significant increase in credit risk based on particular qualitative indicators that considers are indicative of such and which effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. The qualitative indicators include forbearance.

Definition of Default

The Fund considers a financial asset to be in default when:

- The investee is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realizing security (if any is held); or
- The financial asset is more than 30 days past due

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk. At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial assets and financial liabilities (continued)

<u>Presentation of allowance for ECL in the statement of financial position</u>

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(e) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks, cash held with broker in trading account, cash held with custodian in investment account and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments.

(f) Redeemable Units

The Fund classified financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has redeemable units in issue. On liquidation of the Fund, they entitle the holders to the residual net assets. They rank pari passu in all respects and have identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund net assets at each redemption date and also in the event of the Fund's liquidation.

Redeemable units are classified as equity as it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;

- it 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;

- apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in 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.

Incremental costs directly attributable to the issue or redemption of redeemable units are recognized directly in equity as a deduction from the proceeds or part of the acquisition cost.

8. NEW STANDARDS AND REGULATIONS

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 2024 and accordingly adopted by the Fund, as applicable:

Standards, interpretations and amendments	***Description***
Amendments to lAS 1	Non-current liabilities with covenants and classification of liabilities as current or non-current
Amendments to IFRS 16	Lease liability in sale and lease back transaction
Amendments to IAS 7 and IFRS 7	Supplier finance arrangement

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

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

The following new standards, amendments and revision to existing standards, which were issued by IASB but not yet effective are listed below. The Fund intends to adopt these standards when they become effective.

Standards, interpretations and amendments	***Description***	***Effective from periods beginning on or after the following date***
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	1 January 2024
Amendments to IFRS 18	Presentation and disclosure in financial statements	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture	Available for optional adoption / effective date deferred indefinitely

The above standards, interpretations and amendments are not expected to have a significant impact on the Fund's financial statements.

9. CASH AND CASH EQUIVALENTS

	Notes	**31 December 2024**	31 December 2023
Cash at bank – current account		**--**	7,782
Cash with custodian		**3,476,691**	5,266,945
Money market placements	*9.1*	**160,799,944**	151,601,160
		164,276,635	156,875,887

9. CASH AND CASH EQUIVALENTS (CONTINUED)

9.1 These comprise placements with local 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 a special commission rate of 5.5% to 6.1% per annum (31 December 2023: 3.5% to 6.45% per annum).

	Note	**31 December 2024**	31 December 2023
Money market placements		**160,000,000**	150,775,397
Accrued special commission income		**890,925**	907,494
Less: Allowance for expected credit losses	*15*	**(90,981)**	(81,731)
		160,799,944	151,601,160

10. MONEY MARKET PLACEMENTS

	Notes	**31 December 2024**	31 December 2023
Money market placements	*10.1*	**587,172,087**	42,477,980
Accrued special commission income		**7,810,454**	916,771
Less: Allowance for expected credit losses	*15*	**(364,033)**	(16,273)
		594,618,508	43,378,478

10.1 These comprise placements with commercial banks having investment grade credit ratings. These placements have an original maturity of more than three months and carry special commission rates from 5.2% to 6.1% per annum (31 December 2023: 6.15% to 6.5% per annum).

11. INVESTMENTS

	Notes	**31 December 2024**	31 December 2023
Investments at amortized cost	*11.1*	**38,610,319**	74,563,141
Investments at FVTPL	*11.2*	**92,070,461**	--
		130,680,780	74,563,141

11.1 Investments held at amortized cost represent Sukuk, detail as follows:

	Notes	**31 December 2024**	31 December 2023
Sukuk	*11.1.1*	**38,390,472**	74,490,848
Accrued special commission income		**599,673**	566,453
Less: Allowance for expected credit losses	*15*	**(379,826)**	(494,160)
		38,610,319	74,563,141

11.1.1 These Sukuk have maturity of more than 1 year and carry special commission rates ranging from 5.63% to 6.88% per annum (31 December 2023: 4.31% to % 6.75% per annum).

11.1.2 The geographical exposure of Sukuk is as follows:

	31 December 2024	31 December 2023
Kingdom of Saudi Arabia	**38,390,472**	74,490,848

11. INVESTMENTS (CONTINUED)

11.2 This represents investment in mutual funds. The cost and fair value of investment as at statement of financial position date is as follows:

Portfolio	31 December 2024		31 December 2023	
	Carrying Amount*	Fair Value	Carrying Amount*	Fair Value
Investment in Public Mutual Funds	**92,000,000**	**92,070,461**	--	--

**This represents carrying amount before fair value measurement as at the reporting date.*

12. SPECIAL COMMISSION INCOME

	For the year ended 31 December	
	2024	2023
Money market placements	**31,705,115**	17,860,455
Sukuk	**1,221,563**	4,611,366
	32,926,678	22,471,821

13. GAIN ON INVESTMENTS, NET

	For the year ended 31 December	
	2024	2023
Realised gain, net	**92,711**	--
Unrealized gain, net	**70,461**	--
	163,172	--

14. MANAGEMENT FEE AND EXPENSES

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 LOSSES CHARGE / (REVERSAL) DURING THE YEAR

	Cash and cash equivalents	Money market placements	Investments	Total
Balance at 01 January 2023	16,036	248,012	631,516	895,564
(Reversal) / charge during the year	65,695	(231,739)	(137,356)	(303,400)
Balance at 31 December 2023	**81,731**	**16,273**	**494,160**	**592,164**
Charge / (reversal) during the year	**9,250**	**347,760**	**(114,334)**	**242,676**
Balance at 31 December 2024	**90,981**	**364,033**	**379,826**	**834,840**

16. RISK ALLOWANCE

The Fund calculated a risk allowance at an annual rate of 10% of net income from operations at each valuation date in accordance with its terms and conditions. Pursuant to change in terms and conditions of the Fund dated 4 Dhul-Qaidah 1438H (corresponding to 27 July 2017), the Fund discontinued to calculate any further provision for risk allowance. During the year the, Fund Board approved the reversal of risk allowance. Accordingly, the amount has been reversed.

17. OTHER EXPENSES

	For the year ended 31 December	
	2024	2023
Value added tax (VAT) expense	**474,983**	369,589
Exchange loss	**110,399**	280,649
Legal and professional fee	**72,500**	75,500
Shariah Board fee	**21,000**	32,000
Fund Board fee	**10,000**	10,000
Other expenses	**371**	2,255
	689,253	769,993

18. TRANSACTIONS WITH RELATED PARTIES

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

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

Transactions with related parties:

Related party	Nature of relationship	Nature of transaction	For the year ended 31 December 2024	2023
Alistithmar Capital	The Fund Manager	Management fee	**2,801,548**	2,095,927
		Expenses paid on behalf of the fund	**127,700**	99,833
The Saudi Investment Bank	Parent of the Fund Manager	Purchase of Investments	**362,046,772**	344,220,335
		Special commission income	**6,496,482**	2,762,026
The Fund Board	The Fund Board	The Fund Board fee	**10,000**	10,000
Alistithmar Capital Diversified SAR Fund	A fund managed by the Fund Manager	Purchase of investments	**2,000,000**	--
		Gain on investments, net	**70,461**	--

18. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Balances with related parties:

Related party	Nature of relationship	Nature of balance	31 December 2024	31 December 2023
Alistithmar Capital	The Fund Manager	Management fee payable	**463,671**	125,717
		Accrued expenses	**113,250**	127,700
Alistithmar Capital Diversified SAR Fund	A fund managed by the Fund Manager	Investments	**2,070,461**	--
The Saudi Investment Bank	Parent of the Fund Manager	Cash at bank – current account	**--**	7,783
		Money Market placements	**118,641,778**	20,305,893

Units of the Fund held with related parties (numbers):

Related party	Nature of relationship	31 December 2024	31 December 2023
Alistithmar Capital Quarterly Dividend Fund	A fund managed by the Fund Manager	**307,566**	--
Alistithmar Income Generating Fund 1	A fund managed by the Fund Manager	**--**	230,140

19. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below sets out the classification of the carrying amounts of the Fund's financial assets and financial liabilities into categories of financial instruments:

31 December 2024	Amortized cost	FVTPL
Financial assets		
Cash and cash equivalents	**164,276,635**	--
Money market placements	**594,618,508**	--
Investments	**38,610,319**	**92,070,461**
Total financial assets	**797,505,462**	**92,070,461**
Financial liabilities		
Management fee payable	**463,671**	--
Accrued expenses	**215,584**	--
Total Financial Liabilities	**679,255**	--

19. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

31 December 2023	Amortized cost	FVTPL
Financial assets		
Cash and cash equivalents	156,875,887	--
Money market placements	43,378,478	
Investments	74,563,141	--
Total financial assets	274,817,506	--
Financial liabilities		
Management fee payable	125,717	--
Accrued expenses	230,034	--
Total Financial Liabilities	355,751	--

20. FINANCIAL RISK MANAGEMENT

Exposure

Risk management is an integral part of the investment and the operational process. Risk management can be distinguished in financial risk management, operational risk management and independent risk measurement. Financial risk management encompasses all elements of the investment process. A number of risk management systems allow the Fund Manager to notice any deviations from intended positioning and targets. Operational risk management encompasses the four areas of potential losses: processes, systems, people and external events. Risk monitoring is an independent function, which is functionally separated from the operational department and portfolio management.

Exposure

The Risk Management department is primarily responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall risk management of the Fund.

The Fund has exposure to the following risks from financial instruments:

- credit risk;
- liquidity risk;
- market risk; and
- operational risk

Risk management framework

The Fund maintains positions in non-derivative financial instruments in accordance with its investment management strategy. The Fund's investment portfolio comprises of debt securities (sukuks and money market placements).

The Fund Manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio are monitored by the Fund Manager on a daily basis. In instances where the portfolio has diverged from target asset allocations, the Fund Manager is obliged to take actions to rebalance the portfolio in line with the established targets and within prescribed time limits.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund.

The Fund is exposed to credit risk on its bank balance, balance held in investment account, investments measured at amortized cost and money market placements. For risk management reporting purposes, the Fund considers and aggregates all elements of credit risk exposure such as individual obligor default risk, country risk and sector risk.

The Fund's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the certain credit standards.

Credit risk is monitored on a regular basis by the Fund Manager to ensure it is in line with the investment guidelines of the Fund Board.

The table below shows the maximum exposure to credit risk for the component of the statement of financial position:

	31 December 2024	31 December 2023
Cash and cash equivalents	**164,367,616**	156,957,618
Money market placements	**594,982,541**	43,394,751
Investments at amortized cost	**38,990,145**	75,057,301
Total exposure to credit risk	**798,340,302**	275,409,670

The Fund does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risks are generally managed on the basis of external credit ratings of counterparties.

Analysis of credit quality

The Fund has money market placements with counterparties having the following credit quality:

	31 December 2024	31 December 2023
A+	**208,873,250**	--
A	**99,724,433**	97,949,597
A-	**333,911,856**	19,816,775
AA-	--	20,950,523
BBB	--	20,894,250
BB+	**113,363,927**	35,466,497
Total	**755,873,466**	195,077,642

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The Fund has invested in Sukuk with the following credit quality:

	31 December 2024	31 December 2023
B+	**7,361,274**	3,289,999
B	**31,628,871**	--
BBB-	--	19,072,540
BB-	--	43,692,012
Non-investment grade	--	9,002,750
Total	**38,990,145**	75,057,301

As at the reporting date, the Fund's financial instruments were concentrated in the following economic sectors:

	31 December 2024	31 December 2023
Banks	**759,350,157**	200,352,369
Corporates	**131,060,606**	75,057,301
Total	**890,410,763**	275,409,670

Amounts arising from ECL

Impairment on money market placements and investments at amortized cost has been measured on a 12-month expected loss basis. The Fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

12-month and lifetime probabilities of default are based on the approved ECL methodology and impairment policy of the Fund. Loss given default (LGD) parameters generally reflect an assumed recovery rate which are linked to the composite credit ratings of the counterparties. However, if the assets were credit-impaired, then the estimate of loss would be based on a specific assessment of expected cash shortfalls and on the original effective profit rate.

The Fund has recorded expected credit loss on money market placements and investments at amortized cost amounting to SAR 834,840 as at 31 December 2024 (31 December 2023: SAR 592,164).

The Fund's cash and cash equivalents are held mainly with counterparties having "A-" credit rating. Credit risk relating to the financial instruments is considered to be not significant.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Fund Manager's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemption of units, without incurring unacceptable losses or risking damage to the Fund's reputation.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The Fund's terms and conditions provide for the subscriptions and redemptions of units on a daily basis and it is, therefore, exposed to the liquidity risk of meeting the Unitholders' redemptions 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.

The Fund manages its liquidity risk by investing predominantly in securities and financial assets that it expects to be able to liquidate within a short period of time.

The contractual maturity profile of the financial assets and liabilities of the Fund is as follows:

31 December 2024	**Within 3 months**	**3 to 12 months**	**More than 1 year**	**No fixed maturity**	**Total**
Cash and cash equivalents	**160,799,944**	--	--	**3,476,691**	**164,276,635**
Money market placements	--	**594,618,508**	--	--	**594,618,508**
Investments	--	--	**38,610,319**	**92,070,461**	**130,680,780**
Total financial assets	**160,799,944**	**594,618,508**	**38,610,319**	**95,547,152**	**889,575,923**
Management fee payable	**463,671**	--	--	--	**463,671**
Accrued expenses	**215,584**	--	--	--	**215,584**
Total financial liabilities	**679,255**	--	--	--	**679,255**
Net position	**160,120,689**	**594,618,508**	**38,610,319**	**95,547,152**	**888,896,668**

31 December 2023	Within 3 months	3 to 12 months	More than 1 year	No fixed maturity	Total
Cash and cash equivalents	151,601,160	--	--	5,274,727	156,875,887
Money market placements	--	43,378,478	--	--	43,378,478
Investments - amortized cost	--	--	74,563,141	--	74,563,141
Total financial assets	151,601,160	43,378,478	74,563,141	5,274,727	274,817,506
Management fee payable	125,717	--	--	--	125,717
Accrued expenses	230,034	--	--	--	230,034
Total financial liabilities	355,751	--	--	--	355,751
Net position	151,245,409	43,378,478	74,563,141	5,274,727	274,461,755

Market risk

Market risk is the risk that changes in market prices – such as commission rates, foreign exchange rates and equity prices – will affect the Fund's income or the fair value of its holdings in financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objectives as per the Fund's terms and conditions. The Fund's market risk is managed on a timely basis by the Fund Manager in accordance with the policies and procedures in place. The Fund's market positions are monitored on a timely basis by the Fund Manager.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

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 Fund invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in United States Dollar (USD). Consequently, the Fund is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of the Fund's financial assets or financial liabilities denominated in currencies other than SAR.

The Fund's currency risk is managed on a timely basis by the investment manager in accordance with the policies and procedures in place. The Fund's currency positions and exposures are monitored on a daily basis by the Fund Manager.

At the reporting date, the carrying amount of the Fund's financial assets net of financial liabilities held in individual foreign currencies, expressed in SAR are as follows:

	31 December 2024		31 December 2023	
	Amount in SAR	**%**	Amount in SAR	%
USD	**388,990,145**	**100**	75,057,301	100
	388,990,145	**100**	75,057,301	100

Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices. The Fund's investment portfolio as at year end comprises of debt securities. Hence, the Fund is not subject to equity price risk.

Special Commission rate risk

Commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of financial instruments. The Fund Manager monitors positions to ensure that it is maintained within established gap limits, if any.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

A summary of the Fund's commission rate gap position, analysed by the earlier of contractual re-pricing or maturity date, is as follows:

31 December 2024	Within 3 months	3 to 12 months	More than 1 year	Non-commission bearing	Total
Cash and cash equivalents	**160,799,944**	--	--	**3,476,691**	**164,276,635**
Money market placements	--	**594,618,508**	--	--	**594,618,508**
Investments - amortized cost	--	--	**38,610,319**	**92,070,461**	**130,680,780**
Total commission-bearing assets	**160,799,944**	**594,618,508**	**38,610,319**	**95,547,152**	**889,575,923**
Management fee payable	--	--	--	**463,671**	**463,671**
Accrued expenses	--	--	--	**215,584**	**215,584**
Total commission-bearing liabilities	--	--	--	**679,255**	**679,255**
Total special commission rate sensitivity rate gap	**160,799,944**	**594,618,508**	**38,610,319**	**94,867,897**	**888,896,668**

31 December 2023	Within 3 months	3 to 12 months	More than 1 year	Non-commission bearing	Total
Cash and cash equivalents	151,601,160	--	--	5,274,727	156,875,887
Money market placements	--	43,378,478	--	--	43,378,478
Investments - amortized cost	--	--	74,563,141	--	74,563,141
Total commission-bearing assets	151,601,160	43,378,478	74,563,141	5,274,727	274,817,506
Management fee payable	--	--	--	125,717	125,717
Accrued expenses	--	--	--	230,034	230,034
Total commission-bearing liabilities	--	--	--	355,751	355,751
Total special commission rate sensitivity rate gap	151,601,160	43,378,478	74,563,141	4,918,976	274,461,755

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

<u>Sensitivity analysis</u>

The table below sets out the effect on the statement of comprehensive income and to the net assets attributable to Unitholders of a reasonable possible fluctuation in the rate of SIBOR by 100 bps at reporting date. The Fund's commission rate risk arises from its investment in Sukuk and money market placements.

	31 December 2024		31 December 2023	
Effect on change	**Comprehensive Income**	**Net Assets**	Comprehensive Income	Net Assets
Increase of 100 basis points	**7,948,636**	**7,948,636**	2,677,442	2,677,442
Decrease of 100 basis points	**(7,948,636)**	**(7,948,636)**	(2,677,442)	(2,677,442)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments, either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to the Unitholders.

The primary responsibility for the development and implementation of control over operational risks rests with the Risk Management team.

This responsibility is supported by the development of overall standard for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- documentation of controls and procedures;
- requirements for:
  - appropriate segregation of duties between various functions, roles and responsibilities;
  - reconciliation and monitoring of transactions; and
  - periodic assessment of operational risks faced
- the adequacy of controls and procedures to address the risks identified;
- compliance with regulatory and other legal requirements;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance if this is effective

21. 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 for the asset or liability.

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

21. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation models (continued)

Fair value hierarchy – Financial instruments measured at fair value

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.

	31 December 2024				
	Carrying amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Investments at FVTPL	**92,070,461**	**92,070,461**	**--**	**--**	**92,070,461**
Investments at amortized cost	**38,610,319**	**37,946,936**			**37,946,936**
	130,680,780	**130,017,397**	**--**	**--**	**130,017,397**

	31 December 2023				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Investments at amortized cost	74,563,141	64,206,037	9,000,000	--	73,206,037
	74,563,141	64,206,037	9,000,000	--	73,206,037

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

Other financial instruments not fair valued such as cash and cash equivalents, money market placements, management fee payable and accrued expenses and other liabilities are short term financial assets and financial liabilities whose carrying amounts approximate their fair value.

22. LAST VALUATION DAY

The last valuation day of the year was 31 December 2024 (2023: 31 December 2023).

23. NET ASSETS VALUE

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

As at 31 December 2024, the net assets value per unit considering the impact of IFRS 9 was SAR 16.27 (31 December 2023: SAR 15.23) and the dealing net assets value per unit was SAR 16.29 (31 December 2023: SAR 15.26). Refer below reconciliation:

		31 December 2024	
	Note	**Net assets attributable to the Unitholders**	**Net assets attributable to each unit**
IFRS net assets		**888,896,668**	**16.27**
Effect of ECL in accordance with IFRS 9	*15*	**834,840**	**0.02**
Dealing net assets		**889,731,508**	**16.29**

		31 December 2023	
	Note	Net assets attributable to the Unitholders	Net assets attributable to each unit
IFRS net assets		268,382,800	15.23
Effect of ECL in accordance with IFRS 9	*15*	592,164	0.03
Dealing net assets		268,974,964	15.26

24. 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 financial statements or notes thereto.

25. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund Board on 16 Ramadan 1446H (corresponding to 16 March 2025).