



FUND OVERVIEW

Alkhabeer Diversified Income Traded Fund ("the Fund") is a closed-ended Shari'a-compliant investment traded fund established in accordance with the applicable laws and regulations of the Kingdom of Saudi Arabia and regulated by the Capital Market Authority (CMA). The Fund's investment objective is to generate periodic income to investors by investing in Shari'a-compliant income generating assets. The Fund Manager "Alkhabeer Capital" plans to invest in Sukuk, trade finance transactions, leasing transactions, income funds and Murabaha transactions, either directly or through investment funds.

KEY FUND FACTS

TADAWUL SYMBOL	4700
BLOOMBERG SYMBOL	AKDICIF:AB
FUND TYPE	Closed-ended Traded Fund
LISTING DATE	19 January 2021
FUND TERM	99 years, starting as from the Listing Date, renewable
NET ASSET VALUE PER UNIT	SAR 9.9193
FUND ASSETS SIZE*	SAR 502,259,793
FUND'S TOTAL CAPITAL AS AT THE LISTING DATE	SAR 472,814,700
FINANCING AMOUNT*	SAR 28,669,984
RATIO OF LOANS TO FUND'S TOTAL ASSET VALUE*	5.71%
RATIO OF LOANS TO FUND'S NET ASSET VALUE AS AT THE END OF THE REPORTING QUARTER	6.11%
RATIO OF LOANS TO FUND'S NET ASSET VALUE AS AT THE END OF THE REPORTING QUARTER	0.00%
RATIO OF FUND MANAGER'S INVESTMENT TO FUND'S NET ASSET VALUE AS AT THE END OF THE REPORTING QUARTER	0.00%
RISK LEVEL	High
FUND CURRENCY	Saudi Arabian Riyal (SAR)
INVESTMENT ADVISOR AND FUND SUB-MANAGER	N/A
RATIO OF UNDERLYING FUNDS' MANAGEMENT FEES	0.33%
NUMBER OF DAYS WEIGHTED AVERAGE	92 Days

* As of 31 December 2023 (Unaudited).

FINANCIAL INDICATORS*

VALUATION FREQUENCY	Quarterly
FUND'S TOTAL ASSET VALUE*	SAR 502,259,793
FUND UNITS' NET ASSET VALUE*	SAR 468,998,167
AMOUNT OF DEALING EXPENSES FOR THE REPORTING QUARTER TO FUND'S AVERAGE NET ASSET VALUE	N/A
RATIO OF DEALING EXPENSES FOR THE REPORTING QUARTER TO FUND'S AVERAGE NET ASSET VALUE	0.00%
RATIO OF TRANSACTION EXPENSES FOR THE REPORTING QUARTER TO FUND'S AVERAGE NET ASSET VALUE	0.00%
RATIO OF FUND'S EXPENSES AND FEES TO FUND'S TOTAL ASSET VALUE**	0.65%
RATIO OF FUND'S TOTAL COSTS TO FUND'S TOTAL ASSET VALUE***	0.75%
RATIO OF FUND'S TOTAL COSTS TO FUND'S AVERAGE NET ASSET VALUE****	0.81%
FUND'S TOTAL COSTS FOR THE REPORTING QUARTER	SAR 3,788,240

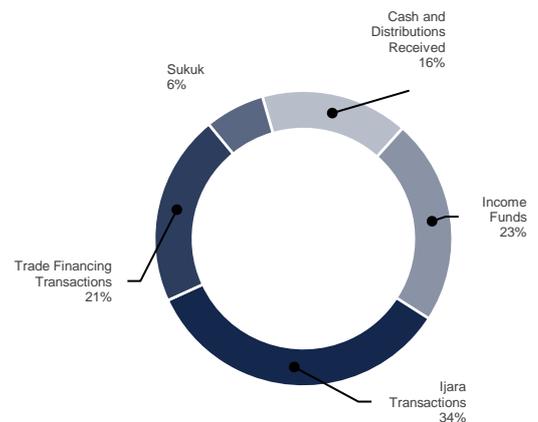
* As of 31 December 2023 (Unaudited).

** Fund expenses and fees are all Fund expenses during the reporting quarter, excluding financing costs.

*** Fund total costs are all Fund fees and expenses, including financing costs.

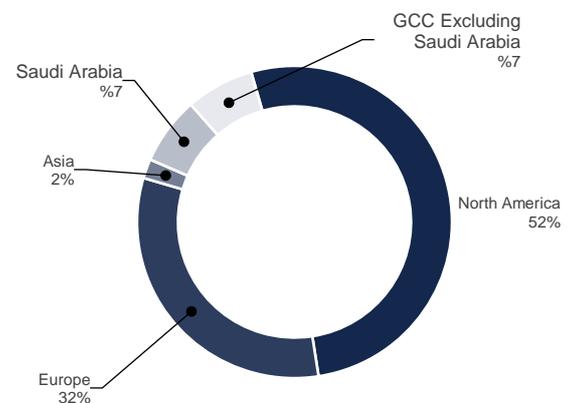
**** Fund average NAV for the reporting period = SAR 465,221,914

FUND PORTFOLIO INVESTMENT CONCENTRATION RATIOS *



The average term of Fund investments are 3.1 years.

DISTRIBUTION OF INVESTMENTS BY GEOGRAPHY



FUND ASSETS INFORMATION

TRADE FINANCE PORTFOLIO TOTAL VALUE	SAR 104,995,325
LEASING PORTFOLIO TOTAL VALUE	SAR 170,967,654
SUKUK PORTFOLIO TOTAL VALUE	SAR 32,609,517
INCOME FUNDS PORTFOLIO TOTAL VALUE	SAR 113,021,512
TOTAL CASH AND CASH EQUIVALENT	SAR 80,665,785

FUND MARKET VALUE INFORMATION*

AS AT THE LISTING DATE	SAR 472,814,700
AS AT 31 MARCH 2021	SAR 428,370,118
AS AT 30 JUNE 2021	SAR 433,098,265
AS AT 30 SEPTEMBER 2021	SAR 427,897,304
AS AT 31 DECEMBER 2021	SAR 409,930,345
AS AT 31 MARCH 2022	SAR 402,838,124
AS AT 30 JUNE 2022	SAR 342,317,843
AS AT 30 SEPTEMBER 2022	SAR 339,480,955
AS AT 31 DECEMBER 2022	SAR 281,324,747
AS AT 31 MARCH 2023	SAR 297,873,261
AS AT 30 JUNE 2023	SAR 329,079,031
AS AT 30 SEPTEMBER 2023	SAR 329,551,846
AS AT 31 DECEMBER 2023	SAR 335,698,437

*Based on the Unit Price.

NET ASSET VALUE AND UNIT PRICE PERFORMANCE*



FUND UNITS INFORMATION

UNIT PRICE AS AT THE END OF Q4 (31 DECEMBER 2023)	SAR 7.10
CHANGE IN UNIT PRICE COMPARED TO THE PREVIOUS QUARTER (FROM 30 SEPTEMBER 2023 TO 31 DECEMBER 2023)*	1.87%
UNIT PRICE PERFORMANCE SINCE THE LISTING DATE (FROM THE LISTING DATE TO END Q4 2023)	-29.00%
52-WEEK HIGH	SAR 8.95
52-WEEK LOW	SAR 5.97
NUMBER OF OUTSTANDING UNITS	47,281,470 Units

* Unit Price as at 30 September 2023 = SAR 6.97.

DIVIDEND DISTRIBUTION

DIVIDEND DISTRIBUTION POLICY

The Fund Manager will distribute 100% of the semi-annual profits received from the returns on the Fund's investments after deducting the expenses from the Unitholders twice a year, provided distributions are made during the months of August and February annually.

TOTAL DIVIDENDS DISTRIBUTED IN THE REPORTING QUARTER*	SAR 0.00
TOTAL DIVIDENDS DISTRIBUTED FOR THE LAST SEMI-ANNUAL PERIOD**	SAR 13,238,812
DIVIDENDS DISTRIBUTED FOR THE LAST SEMI-ANNUAL PERIOD PER UNIT	SAR 0.28
RATIO OF DIVIDENDS DISTRIBUTED IN THE REPORTING QUARTER TO THE INITIAL UNIT PRICE	0.00
DIVIDENDS DISTRIBUTED ON UNIT PRICE	0.00
TOTAL INCOME FOR THE REPORTING QUARTER*	SAR 11,466,739
RATIO OF TOTAL INCOME FOR THE REPORTING QUARTER TO THE UNIT PRICE (31 DECEMBER 2023)	3.42%

* From 1 October 2023 to 31 December 2023.

** From 1 January 2023 to 30 June 2023

FUND PERFORMANCE CRITERIA AND INDICATORS

BENCHMARK	12 months Term SOFR + 300 bps*
INITIAL UNIT PRICE (AT THE INITIAL OFFERING)	SAR 10
UNIT PRICE PERFORMANCE SINCE THE PREVIOUS PERIOD**	1.87%
UNIT PRICE PERFORMANCE SINCE THE DATE OF INCEPTION***	-29.00%
TOTAL RETURN SINCE THE DATE OF INCEPTION****	-16.09%

* On 16 May 2023, the Fund has changed its benchmark from the London Interbank Offered Rate (LIBOR) 12 months + 300 basis points to the Secured Overnight Financing Rate (Term SOFR) 12 months + 300 basis points.

** Unit Price as at 30 September 2023 = SAR 6.97.

*** From the Fund's Date of Inception to end Q3 2023.

**** Total Return = Unit Price Performance + Total Dividend Distributions (if any).

Note: It should be noted that the Unit Price on the Exchange may increase or decrease based on market factors.

DESCRIPTION OF THE FUND'S BENCHMARK

The Fund's Benchmark is 12 months Term SOFR plus 300 bps.

PERFORMANCE ASSESSMENT CRITERIA AND INDICATORS*

	ALKHABEER INCOME FUND	12M TERM SOFR + 300 BPS*
NET ASSET VALUE PER UNIT AS AT THE BEGINNING OF THE PERIOD**	9.7595	N/A
NET ASSET VALUE PER UNIT AS AT THE END OF THE PERIOD***	9.9193	N/A
UNIT PERFORMANCE	1.64%	2.00%****

* On 16 May 2023, the Fund has changed its benchmark from the London Interbank Offered Rate (LIBOR) 12 months + 300 basis points to the Secured Overnight Financing Rate (Term SOFR) 12 months + 300 basis points

** As at 30 September 2023.

***As at 31 December 2023.

****Benchmark average return is 8.22% per annum, or a return of 2.00% for the reporting quarter.

OWNERSHIP OF FUND INVESTMENTS

OWNERSHIP	PERCENTAGE (%)
FREEHOLD	100%
LEASEHOLD	0%

RETURNS

ITEM	3 MONTHS*	ONE YEAR UP TO 30 JUNE 2023*	ONE YEAR***	3 YEARS	5 YEARS
TOTAL RETURN/NAV PER UNIT "FUND PERFORMANCE"	1.64%	5.53%	5.53%	N/A	N/A
BENCHMARK PERFORMANCE	2.00%	8.32%	8.32%	N/A	N/A
PERFORMANCE SPREAD	-0.36%	-2.79%	-2.79%	N/A	N/A

* For the period from 30 September 2023 to 31 December 2023.

** For the period from 31 December 2022 to 31 December 2023, including cash distributions of 5.60%.

*** For the period from 31 December 2022 to 31 December 2023, including cash distributions of 5.60%.

PERFORMANCE AND RISKS

PERFORMANCE AND RISKS CRITERIA	3 MONTHS ¹	YEAR TO DATE ²	ONE YEAR ³	3 YEARS	5 YEARS
STANDARD DEVIATION ⁴	11.02	17.24	17.24	N/A	N/A
SHARPE RATIO ⁵	-0.42	1.29	1.29	N/A	N/A
TRACKING ERROR ⁶	11.54	17.33	17.33	N/A	N/A
BETA ⁷	-1.90	-2.08	-2.08	N/A	N/A
ALPHA ⁸	-7.56	16.28	16.28	N/A	N/A
INFORMATION RATIO ⁹	-0.66	0.94	0.94	N/A	N/A

1. For the period from 30 September 2023 to 31 December 2023

2. For the period from 31 December 2022 to 31 December 2023

3. For the period from 31 December 2022 to 31 December 2023.

4. Standard Deviation is a measure of risk. It is calculated as any volatility in returns over a period of time. The lower the volatility, the more homogeneous the set of returns.

5. Sharpe Ratio is a risk-adjusted performance measure. It is calculated as the difference as the Fund Manager excess return over the risk-free rate, divided by the Standard Deviation. The greater a portfolio's Sharpe Ratio, the better its risk-adjusted performance.

6. Tracking Error is a measure of risks. It is calculated as the Standard Deviation between the Fund Manager's return and the Benchmark's return. The lower the Tracking Error, the lower the Fund Manager deviates from the Benchmark.

7. Beta is a measure of the average historical sensitivity of the Fund's returns compared to market returns. It is calculated by using the covariance of the Fund and the market on the variance of the market.

8. Alpha measures any excess return achieved by the Fund compared to the performance of the index.

9. Information Ratio is a risk-adjusted performance measure. It is calculated as the active return of the Fund Manager, divided by its tracking error. The higher the Information ratio, the higher the Fund Manager ability to generate excess returns per Unit of excess risk. Knowing that the performance and risk parameters were calculated based on the Unit's trading prices in the market.

FUND HIGHLIGHTS AND ANY FUNDAMENTAL OR NON-FUNDAMENTAL CHANGES AFFECTING THE PERFORMANCE OF THE FUND

There were no fundamental or non-fundamental developments or changes affecting the performance of the Fund.

OVERVIEW OF THE LEASING, TRADE FINANCE AND SUKUK INDUSTRIES

LEASING INDUSTRY OVERVIEW

- In its December 2023 meeting, the US Fed maintained its key interest rate continuing with its campaign to control inflation. Despite the higher interest rate environment, many US businesses continue to invest in productive assets, suggesting healthy demand for equipment leasing finance.
- The Equipment Leasing and Finance Association's (ELFA) Monthly Leasing and Finance Index (MLFI-25), which reports economic activity from twenty-five companies representing a cross section of the USD 1 trillion equipment finance sector, showed their overall new business volume for November 2023 was USD 8.3 billion, unchanged compared to same month prior year, but down 19% MoM from USD 10.4 billion in October. Year-to-date, cumulative new business volume was up 4.1% compared to 2022.

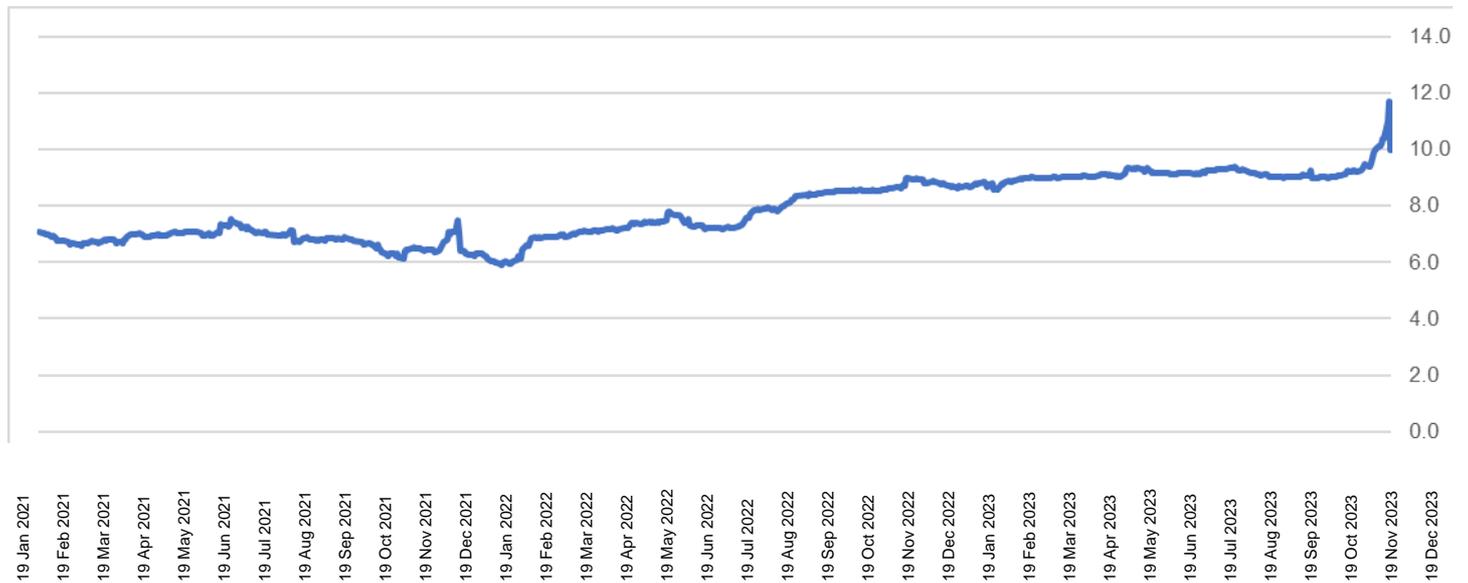
TRADE FINANCE INDUSTRY OVERVIEW

- As per the United Nations Conference on Trade and Development (UNCTAD) recent update, global trade in 2023 is expected to drop of 4.5% compared to the 2022 record high.
- Even though UNCTAD projects value of traded goods to decrease in 2023, the trend in the volume of international trade still suggests a resilient global demand for imported products.
- The global trade finance gap has widened to USD 2.5 trillion (per recent ADB survey of September 2023), registering a 47% increase from its previous survey which had estimated the 2020 trade finance gap at USD 1.7 trillion.

SUKUK INDUSTRY OVERVIEW

- Moody's expects global Sukuk issuance to decline by 10% in 2023, due to lower volumes from major sovereign issuers as robust oil prices and sustained economic growth strengthen the fiscal balances.
- In terms of performance, further to the worst year in decades in global Sukuk markets in 2022, the Sukuk market has recovered last year. In 2023, the US Dow Jones Sukuk Index (ex-reinvestment) gained 5.53% while S&P GCC Bond and Sukuk Index was up 5.38%.

PERFORMANCE OF THE UNIT PRICE TRADED ON THE EXCHANGE SINCE THE INCEPTION OF THE FUND *



* Prices as at 31 December 2023

FOR FURTHER INFORMATION

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