



## 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 Public Fund
LISTING DATE	19 January 2021
FUND TERM	99 years, starting as from the Listing Date, renewable
NET ASSET VALUE PER UNIT	SAR 9.7832
FUND ASSETS SIZE*	SAR 492,985,295
FUND'S TOTAL CAPITAL AS AT THE LISTING DATE	SAR 472,814,700
FINANCING AMOUNT*	SAR 28,174,505
RATIO OF LOANS TO FUND'S TOTAL ASSET VALUE*	5.72%
RATIO OF LOANS TO FUND'S NET ASSET VALUE AS AT THE END OF THE REPORTING QUARTER	6.09%
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	0.34%
NUMBER OF DAYS WEIGHTED AVERAGE	91 Days

\* As of 31 March 2024 (Unaudited).

## FINANCIAL INDICATORS\*

VALUATION FREQUENCY	Quarterly
FUND'S TOTAL ASSET VALUE*	SAR 492,985,295
FUND UNITS' NET ASSET VALUE*	SAR 462,565,986
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**	0.40%
RATIO OF FUND'S TOTAL COSTS TO FUND'S TOTAL ASSET VALUE***	0.50%
RATIO OF FUND'S TOTAL COSTS/FEES TO FUND'S AVERAGE NET ASSET VALUE****	0.53%
FUND'S TOTAL COSTS FOR THE REPORTING QUARTER	SAR 2,453,180

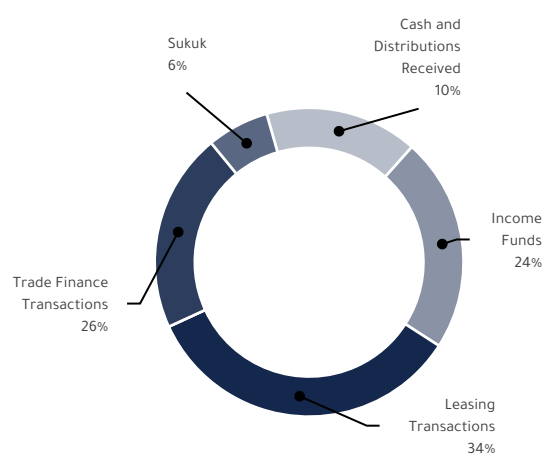
\* As of 31 March 2024 (Unaudited).

\*\* 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.

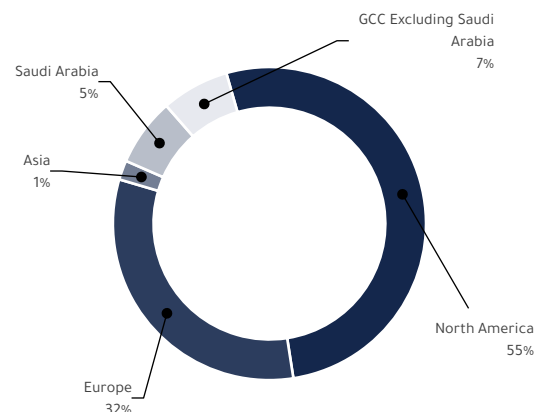
\*\*\*\* Fund average NAV for the reporting period = SAR 465,782,076

## FUND PORTFOLIO INVESTMENT CONCENTRATION RATIOS \*

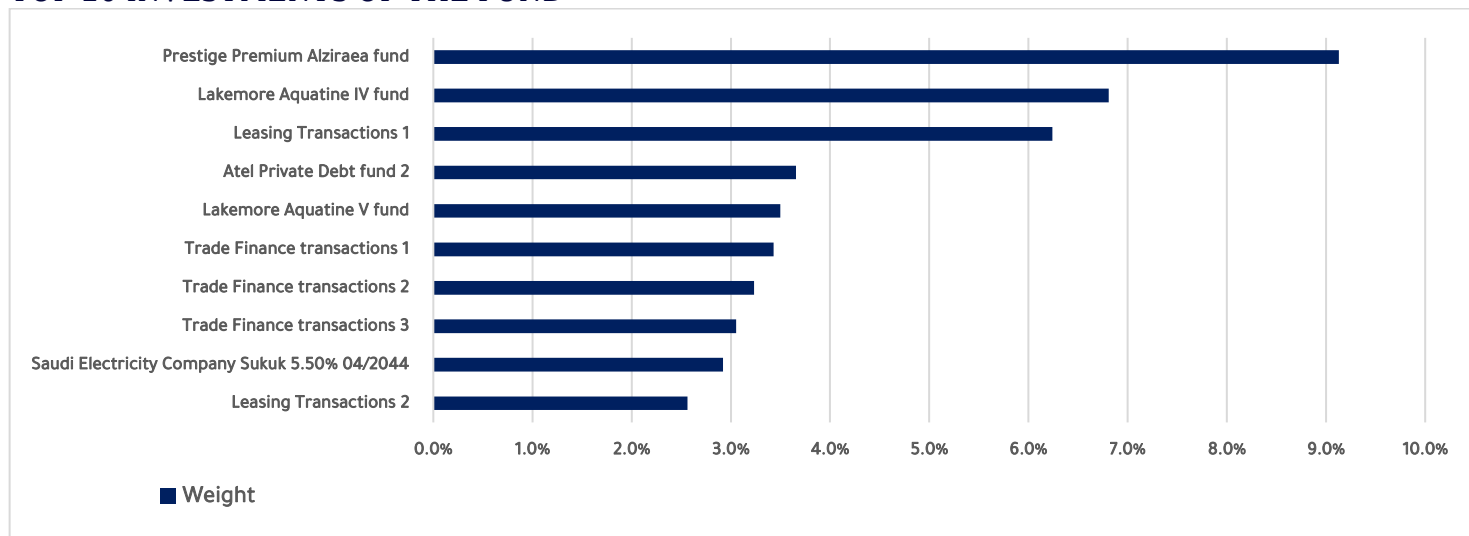


The average term of Fund investments are 2.9 years.

## DISTRIBUTION OF INVESTMENTS BY GEOGRAPHY



## TOP 10 INVESTMENTS OF THE FUND



## FUND ASSETS INFORMATION

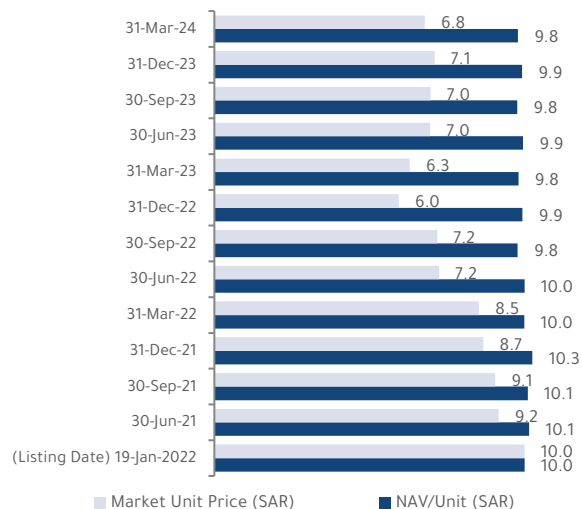
TRADE FINANCE PORTFOLIO TOTAL VALUE	SAR 126,277,328
LEASING PORTFOLIO TOTAL VALUE	SAR 170,025,179
SUKUK PORTFOLIO TOTAL VALUE	SAR 31,799,936
INCOME FUNDS PORTFOLIO TOTAL VALUE	SAR 116,492,538
TOTAL CASH AND CASH EQUIVALENT	SAR 48,390,313

## 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
AS AT 31 MARCH 2024	SAR 320,568,367

\*Based on the Unit Price.

## NET ASSET VALUE AND UNIT PRICE PERFORMANCE\*



## FUND UNITS INFORMATION

UNIT PRICE AS AT THE END OF Q1 (31 MARCH 2024)	SAR 6.78
CHANGE IN UNIT PRICE COMPARED TO THE PREVIOUS QUARTER (FROM 31 DECEMBER 2023 TO 31 MARCH 2024)*	-4.51%
UNIT PRICE PERFORMANCE SINCE THE LISTING DATE (FROM THE LISTING DATE TO END Q1 2024)	-32.20%
52-WEEK HIGH	SAR 8.95
52-WEEK LOW	SAR 6.37
NUMBER OF OUTSTANDING UNITS	47,281,470 Units
P/E RATIO	N/A

\* Unit Price as at 31 March 2024 = SAR 7.10.

## DIVIDEND DISTRIBUTION

<b>DIVIDEND DISTRIBUTION POLICY</b>	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.
<b>TOTAL DIVIDENDS PAID IN THE REPORTING QUARTER*</b>	SAR 13,711,626
<b>TOTAL DIVIDENDS DISTRIBUTED FOR THE LAST SEMI-ANNUAL PERIOD**</b>	SAR 13,711,626
<b>DIVIDENDS DISTRIBUTED FOR THE LAST SEMI-ANNUAL PERIOD PER UNIT</b>	SAR 0.29
<b>RATIO OF DIVIDENDS DISTRIBUTED IN THE REPORTING QUARTER TO THE INITIAL UNIT PRICE</b>	2.90%
<b>DIVIDENDS DISTRIBUTED ON UNIT PRICE</b>	4.28%
<b>TOTAL INCOME FOR THE REPORTING QUARTER*</b>	SAR 9,733,824
<b>RATIO OF TOTAL INCOME FOR THE REPORTING QUARTER TO THE UNIT PRICE (31 MARCH 2024)</b>	3.04%

\* From 1 January 2024 to 31 March 2024.

\*\* From 1 July 2023 to 31 December 2023 (Distributed Dividends paid on 25 February 2024).

## FUND PERFORMANCE CRITERIA AND INDICATORS

<b>BENCHMARK</b>	12 months Term SOFR + 300 bps*
<b>INITIAL UNIT PRICE (AT THE INITIAL OFFERING)</b>	SAR 10
<b>UNIT PRICE PERFORMANCE SINCE THE PREVIOUS PERIOD**</b>	-4.51%
<b>UNIT PRICE PERFORMANCE SINCE THE DATE OF INCEPTION***</b>	-32.20%
<b>TOTAL RETURN SINCE THE DATE OF INCEPTION****</b>	-16.45%

\* 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 31 December 2023 = SAR 7.10 .

\*\*\* From the Fund's Date of Inception to end Q1 2024.

\*\*\*\*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*
<b>NET ASSET VALUE PER UNIT AS AT THE BEGINNING OF THE PERIOD**</b>	9.9193	N/A
<b>NET ASSET VALUE PER UNIT AS AT THE END OF THE PERIOD***</b>	9.7832	N/A
<b>UNIT PERFORMANCE</b>	-1.37%	1.90%****

\* 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 31 December 2023.

\*\*\*As at 31 March 2024.

\*\*\*\*Benchmark average return is 7.92% per annum, or a return of 1.90% for the reporting quarter.

## OWNERSHIP OF FUND INVESTMENTS

OWNERSHIP	PERCENTAGE (%)
FREEHOLD	100%
LEASEHOLD	0%

## RETURNS

ITEM	3 MONTHS*	YEAR TO DATE**	ONE YEAR***	3 YEARS	5 YEARS
TOTAL RETURN/NAV PER UNIT "FUND PERFORMANCE"	1.55%	1.55%	5.87%	14.37%	N/A
BENCHMARK PERFORMANCE	1.90%	1.90%	8.10%	20.52%	N/A
PERFORMANCE SPREAD	-0.35%	-0.35%	-2.23%	-6.15%	N/A

\* For the period from 31 December 2023 to 31 March 2024, including cash distributions of 2.90%.

\*\* For the period from 31 December 2023 to 31 March 2024, including cash distributions of 5.70%.

\*\*\* For the period from 31 March 2023 to 31 March 2024, including cash distributions of 5.70%.

## PERFORMANCE AND RISKS

PERFORMANCE AND RISKS CRITERIA	3 MONTHS <sup>1</sup>	YEAR TO DATE <sup>2</sup>	ONE YEAR <sup>3</sup>	3 YEARS	5 YEARS
STANDARD DEVIATION <sup>4</sup>	7.99	7.99	11.05	13.71	N/A
SHARPE RATIO <sup>5</sup>	0.46	0.46	1.15	-0.44	N/A
TRACKING ERROR <sup>6</sup>	8.01	8.01	11.20	13.76	N/A
BETA <sup>7</sup>	-0.13	-0.13	-1.98	-1.75	N/A
ALPHA <sup>8</sup>	0.68	0.68	8.59	-8.69	N/A
INFORMATION RATIO <sup>9</sup>	0.09	0.09	0.77	-0.63	N/A

1. For the period from 31 December 2023 to 31 March 2024

2. For the period from 31 December 2023 to 31 March 2024

3. For the period from 31 March 2023 to 31 March 2024.

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. Cumulative new business volume was up.
- During its March meeting, the US FED maintained its key interest rate flat at 5.25% to 5.50%. However, it pointed to plans to reduce interest rates in 2024. The Equipment Leasing and Finance Association's (ELFA) projects gradual decreases in the Fed rates in 2024 and beyond commensurate with credit demand and availability.
- 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 that their overall new business volume for February 2024 was USD 7.9 billion, representing an annualized increase of 4.4%. Year-to-date, cumulative new business volume was up (USD 7.9 trillion) by 4.9% compared to 2023.
- The increase in the MLFI-25 Index refers to a qualitative assessment of the prevailing business conditions and the future outlook of the equipment leasing sector for the third consecutive month, rising from 51.7 in February to 55.2 in March.

### TRADE FINANCE INDUSTRY OVERVIEW

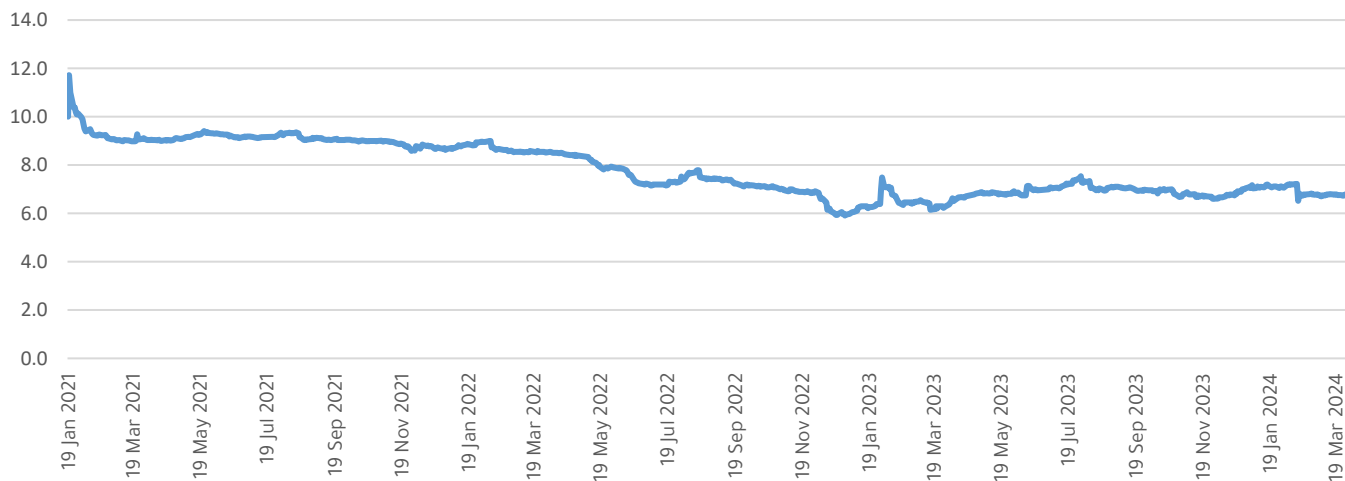
- As per the United Nations Conference on Trade and Development (UNCTAD) recent update, global trade in 2023 is expected to drop of 4.5% compared to the 2022 record high.

- 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.
- According to the merchandise trade index recently published in March by the World Trade Organization (WTO), world merchandise trade volume may record moderate improvements in Q1 2024, following its solid performance in 2023.
- UNCTAD projects world trade forecasts for 2024 will be widely positive with increased demand on eco-friendly goods, and in particular electric cars, which are expected to play a major role in boosting the growth of trade.
- 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. The gap currently represents 10% of the global merchandise trade.

## 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%.
- Standard & Poor's Global expects the volume of global sukuk issuance to range between USD 160 billion and USD 170 billion in 2024, given the increased financing needs of certain major Islamic finance countries and the potential for increased global liquidity.
- Year-to-date, The Dow Jones US Sukuk Index (ex-Reinvestment) performance was stable with a slight increase of 0.03%, with Standard & Poor's GCC Bond and Sukuk Index declined by 0.81%.

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



\* Prices are as of 19 March 2024.

### FOR FURTHER INFORMATION

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