

Miyar Saudi Equity Fund

(Open-Ended Mutual Fund)

(Managed by Miyar capital Company)

Independent Auditor's Report and Interim condensed financial statements

For the six-months period ended 30 June 2024

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
Interim Condensed Financial Statements
For the six-months period ended 30 June 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE UNITHOLDERS OF MIYAR SAUDI EQUITY FUND
[MANAGED BY MIYAR FINANCIAL COMPANY]

(1 /2)

RIYADH, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Miyar Saudi Equity Fund (the "Fund") as at 30 June 2024 and the related interim condensed statements of comprehensive income, changes in net assets (Equity) attributable to the unitholders and cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 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 condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE UNTHOLDERS OF MIYAR SAUDI EQUITY FUND
[MANAGED BY MIYAR FINANCIAL COMPANY]**

(2 /2)

RIYADH, KINGDOM OF SAUDI ARABIA

OTHER MATTERS

The financial statements of the Fund for the year ended December 31, 2023, were audited by another auditor who expressed an **unmodified** opinion on those statements at 22 April 2024 G.

We would also like to draw attention to the comparative figures for the period from May 3, 2023 to June 30, 2023 (the comparative figures for the Interim condensed statement of comprehensive income, the interim condensed statement changes in net assets (equity) attributable to the unitholders and the interim condensed statement of cash flows are **unaudited** and **unreviewed**).

For PKF Al-Bassam Chartered Accountants



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MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(SAR)

	<u>Note</u>	30 June 2024 (Un-audited)	31 December 2023 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	6	1,365,052	1,274,360
Dividends payable		35,890	-
Investments carried at FVTPL	7	63,090,007	50,957,246
Total assets		64,490,949	52,231,606
<u>LIABILITIES</u>			
Accrued management fees	8	-	404,925
Accrued expenses and other liabilities		90,348	58,812
Total liabilities		90,348	463,737
Net assets (equity) attributable to the Unit Holders		64,400,601	51,767,869
Units in issue (in numbers)		5,158,564	4,787,019
Unit value (SAR)		12,48	10,81

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2024

(SAR)

	Note	For the six-months period ended 30 June 2024 (Unaudited)	For the period from 3 May 2023 to 30 June 2023 (Unaudited)
<u>Income</u>			
Unrealized gain from the investments carried at FVPL	7	4,059,206	2,992,079
Realized gain from the investments carried at FVPL	7	6,647,113	399,386
Special commission income from Murabaha		-	42,625
Dividends income	7	503,872	139,286
Total incomes		11,210,191	3,573,376
<u>Expenses</u>			
Performance fees	8	(2,527,322)	(799,326)
Other expenses		(513,355)	(119,899)
		(3,040,677)	(919,225)
Net income for the period		8,169,514	2,654,151
Other comprehensive income for the period		-	-
Total comprehensive income for the period		8,169,514	2,654,151

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

MIYAR SAUDI EQUITY FUND**(Managed by Miyar capital Company)****INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS (EQUITY)****ATTRIBUTABLE TO THE UNITHOLDERS****For the six-month period ended 30 June 2024****(SAR)**

	For the six-months period ended 30 June 2024 (Unaudited)	For the period from 3 May 2023 to 30 June 2023 (Unaudited)
Net assets (equity) attributable to the Unit Holders at the beginning of the period	51,767,869	-
Issuance of units during the period	4,768,949	50,153,904
Redemption of units during the period	(305,731)	(1,541,097)
Net income for the period	8,169,514	2,654,151
Other comprehensive income for the period	-	
Total comprehensive income for the period	8,169,514	2,654,151
Net assets (equity) attributable to the Unit Holders at the end of the period	64,400,601	51,266,958

The following is a summary of unit transactions for the period:

	For the six-months period ended 30 June 2024 (Unaudited)	For the period from 3 May 2023 to 30 June 2023 (Unaudited)
The number of units at the beginning of the period	4,787,019	-
Issuance of units during the period	396,764	5,010,622
Redemption of units during the period	(25,219)	(152,149)
Net change in units at the end of the period	371,545	4,858,473
Number of units at the end of the period	5,158,564	4,858,473

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2024
(SAR)

	For the six-months period ended 30 June 2024 (Unaudited)	For the period from 3 May 2023 to 30 June 2023 (Unaudited)
Cash flows from operating activities		
Net income for the period	8,169,514	2,654,151
<i>Adjustments to settlement net income to net cash used in operating activities:</i>		
Unrealized gain from the investments carried at FVTPL	<u>(4,059,206)</u>	<u>(2,992,079)</u>
	4,110,308	(337,928)
Net changes in:		
Addition to investments at FVIPL	(56,230,628)	(47,393,129)
Proceeds from sales of investments at FVIPL	48,157,073	3,956,028
Dividends payable	(35,890)	-
Accrued performance fees	(404,925)	799,326
Accrued expenses and other liabilities	31,536	119,899
Net cash used in operating activities	<u>(4,372,526)</u>	<u>(42,855,803)</u>
Cash flows from financing activities:		
Proceeds from issuance of units	4,768,949	50,153,904
Payments for redemptions of the units	(305,731)	(1,541,097)
Net cash from financing activities	<u>4,463,218</u>	<u>48,612,807</u>
Net change in cash at banks	90,692	5,757,004
Cash and cash equivalents at beginning of the period	1,274,360	-
Cash and cash equivalents at end of the period	<u>1,365,052</u>	<u>5,757,004</u>

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

1. GENERAL INFORMATION

Miyar Saudi Equity Fund (“the Fund”) is an open-ended stock fund that aims to achieve capital growth in the medium and long term by investing in stock of companies listed on the main Saudi stock market or listed on the parallel Saudi stock market (Nomu). In the shares of initial issues and priority rights listed in the main Saudi stock market or listed in the parallel Saudi stock market (Nomu), exchange-traded funds, real estate traded funds, investment funds in Saudi stocks, money market funds, fixed income funds licensed by the Capital Market Authority, and fixed income instruments compatible with Sharia Committee controls.

The Fund's manager and operator is Miyar capital, and Al Rajhi Capital Company was appointed as the Fund's custodian.

The terms and conditions of the fund were issued on 17 Rabi’ al-Awwal 1444 AH (corresponding to 13 October, 2022), and on 15 Rabi’ al-Thani 1445 AH (corresponding to 30 October 2023), the fund manager made some amendments to the terms and conditions of the fund.

The fund was approved to be offered on 17 Rabi’ al-Awwal 1444 AH (corresponding to 13, October 2022) pursuant to the approval of the Capital Market Authority (“CMA”), and the closing of the offering period and the start of its operations were approved on 13, Shawwal 1445 AH (corresponding to 3, May 2023).

In dealing with unitholders, the Fund is considered an independent entity. Accordingly, the Fund prepares its Interim condensed financial statements. In addition, unit holders are considered owners of the fund's assets.

The Minister of Finance, pursuant to Ministerial Resolution No. (29791) dated 9 Jumada al-Ula 1444 AH (corresponding to 3, December 2022), approved the zakat rules for investment funds approved by the CMA

The rules will be effective as of 1 January 2023, and require investment funds to register with the Zakat, Tax and Customs Authority (“the Authority”). The rules also require investment funds to submit a declaration of information about zakat to the Authority within 120 days of the end of their year, including audited financial statements. Records of transactions with related parties and any other data required by the Authority. Under the rules, investment funds are not subject to zakat provided that they do not participate in any economic or investment activities that are not stipulated in accordance with the terms and conditions approved by the CMA. Zakat will be applied to the fund’s unitholders.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Funds Regulations (“Regulations”) issued by the Capital Market Authority on 3, Dhul-Hijjah 1427 AH (corresponding to 24 December, 2006) and as of 6 Safar, 1438 AH (6 November, 2016) for the new Investment Funds Regulations (“Amended Regulations”). “) issued by the CMA on 16, Shaaban 1437 AH (corresponding to 23, May 2016), and the regulations were amended (“Amended Regulations”) on 17, Rajab 1442 AH (corresponding to March 1, 2021), which details the requirements for all funds in the Kingdom of Saudi Arabia, the amended regulations came into effect from 19 Ramadan 1442 AH (corresponding to 1 May 2021).

MIYAR SAUDI EQUITY FUND
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

3. BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and in compliance with the applicable provisions of the Investment Funds Regulations issued by the CMA and the terms and conditions.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. However, selected accounting policies and explanatory notes are included to explain events and transactions that are important to understanding the changes in the Fund's financial position and performance at 30, June 2024.

These interim condensed financial statements for the six-month period ending on 30, June 2024 are the Fund's initial semi-annual statements, so there are no comparative figures other than the statement of financial position.

3.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, the going concern concept, and the accrual basis of accounting, except for investments carried at fair value through profit or loss which are carried at their fair value.

3.3 Functional and Presentation Currency

These interim condensed financial statements are presented in SAR, which represents the Fund's functional currency. All financial information has been rounded to the nearest SAR, unless otherwise stated.

4. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Preparing of financial statements in accordance with the financial reporting standards approved in the Kingdom of Saudi Arabia and other standards and issuances complementary to international standards approved by the Saudi Organization for Auditors and Accountants requires the use of some important judgments, estimates and assumptions that affect the amounts of assets and liabilities presented and the disclosure of potential assets and liabilities at the date of preparing the financial reports and the proven value of revenues, and expenses during the financial reporting period. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors. Including forecasts of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions regarding the future. The resulting accounting estimates rarely equal actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The key judgments, estimates and assumptions that have a significant impact on the Fund's financial statements are described below:

MIYAR SAUDI EQUITY FUND
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

4. USE JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Measuring the fair value of financial instruments

When it is not possible to measure the fair value of financial assets and financial liabilities recorded in the statement of financial position on the basis of prices traded in active markets, their fair value is determined using valuation methods, including the discounted cash flow method. Inputs to these methods are through observable markets where possible. Where this is not feasible, a degree of judgment is required to determine fair value. Judgment includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions related to these factors affect the fair value of financial instruments.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the financial statements of the Fund for the year ended 31, December 2023

5.1 New Standards, Amendments, and Interpretations Effective from January 1, 2024, and Not Early Adopted

The accounting policies used in preparing these interim financial statements are consistent with those used and disclosed in the fund's annual financial statements for the year ended December 31, 2023. There are new standards, amendments, and interpretations that apply for the first time in 2024, but they do not have an impact on the fund's interim condensed financial statements.

There are several other amendments and interpretations that have been issued but are not yet effective as of the date of issuance of the fund's interim financial statements. The fund's board of directors believes that these will not have a material impact on the fund's interim financial statements. The fund intends to adopt these amendments and interpretations, if applicable.

6. CASH AND CASH EQUIVALENTS

	30 June 2024 (Un-audited) SAR	31 December 2023 (Audited) SAR
Cash at bank	1,134,243	19,303
Cash with Custodian	230,809	1,255,057
	1,365,052	1,274,360

Cash at Bank is held in investment accounts with Al-Rajhi Capital Company (the custodian of the fund). The Fund does not earn profit on these investment accounts.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

7. INVESTMENTS CARRIED AT FVTPL

- a. Investments at FVIPL represent shares of companies listed on the main Saudi stock market and shares of companies listed on the parallel Saudi market (Nomu). The movement of these investments as at the preparing date of the interim condensed financial statements is as follows:

	30 June 2024 (Un-audited) SAR	31 December 2023 (Audited) SAR
Balance at the beginning of the period	50,957,246	-
Additions to financial investments at fair value during the period/year	56,230,628	110,219,418
Sales of investments at FVIPL during the period/year	(48,157,073)	(63,405,592)
Unrealized gain from investments carried at FVIPL	4,059,206	4,143,420
Balance at the end of the period	63,090,007	50,957,246

- b. The following is a summary of the components of investments measured at fair value through profit or loss as at the date of the statement of financial position by sector:

	30 June 2024	
	Book value	Fair value
Equity Investments (By Sector)		
Materials	9,020,942	9,394,959
Energy	10,336,076	9,381,990
Commercial and professional services	6,092,736	6,461,812
Retailing and distribution of consumer goods	6,443,504	5,933,761
Transportation	7,023,660	9,010,717
Health Care	4,379,390	4,380,630
Financial services	3,341,950	4,178,884
Insurance	2,249,655	3,431,523
Applications and technology services	2,837,094	3,389,715
Pharmaceuticals	3,248,459	2,650,500
Capital Goods	191,651	256,723
Utilities	539,787	1,335,386
Real estate management and development	2,338,951	2,439,191
Real estate traded funds	986,946	844,216
	59,030,801	63,090,007

MIYAR SAUDI EQUITY FUND
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

7. INVESTMENTS CARRIED AT FVTPL(CONTINUED)

	31 December 2023	
	Book value	Fair value
Equity Investments (By Sector)		
Banks	1,640,294	1,966,783
Commercial and professional services	1,130,140	1,188,864
Retailing and distribution of consumer goods	4,344,326	3,758,458
Energy	6,737,344	8,341,584
Financial services	4,554,149	4,756,611
Food-production	4,483,889	4,650,643
Insurance	3,695,092	4,119,458
Materials	8,314,200	7,966,844
Real estate management and development	2,017,943	2,059,949
Real estate traded funds	500,792	508,719
Applications and technology services	6,339,355	6,670,080
Transportation	3,056,302	4,969,253
	<u>46,813,826</u>	<u>50,957,246</u>

- c. During the period, the Fund sold investments at fair value with a net book value of SAR 48,157,074, compared to SAR 54,804,187, resulting in realized profits of SAR 6,647,113.
- d. During the period, the Fund achieved dividend income from investments at FVIPL amounting to SAR 503,872 and received SAR 467,982.

8. RELATED-PARTY TRANSACTIONS AND BALANCES

Related parties consist of the Fund Manager, the Board of Directors and key management personnel of the Fund. Related parties also include certain business entities in which the fund manager or key management has an interest.

In the ordinary course of its activities, the Fund transacts business with related parties. The related parties' transactions are according to terms and conditions of the fund. All related party transactions are approved by the Fund's Board of Directors.

- a. The balances due to related parties are as follows:

Related parties	Nature of Relationship	Transaction amount		Balance debit /(credit)	
		For the period ending 30, June 2024	For the period from 3 May 2023 to 30 June 2023	As at 30, June 2024	As at 31, December 2023
Miyar capital	Performance fees	2,527,322	799,326	-	(404,925)
Board members	Remuneration	11,934	12,000	(11,934)	(12,000)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

8. RELATED-PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- **Performance fees:** The fund manager has an original maturity of a good performance fee amounting to 20% of the value of the fund's net asset profits (after deducting all fund fees), calculated daily and deducted quarterly. Performance fees are not calculated if the unit price does not rise above the fund's basis point, which is the highest unit price of the fund during the year.
- **Board members remuneration:** Each independent board member receives a remuneration of SAR 3,000 for each meeting, with a maximum of SAR 12,000 annually for each member.

9. RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE

Risk management is an integral part of the investment and operation process. Risk management can be divided into financial risk management, operational risk management and independent risk measurement. Financial risk management includes all elements of the investment process. A number of risk management systems allow the fund manager to note any deviations from the targets and target positions. Operational risk management includes the four points of potential loss: processes, systems, people and external events. Risk management is an independent function and is functionally standalone from operations management and portfolio management. The Risk Management Department is primarily responsible for identifying and monitoring risks. The Fund's Board of Directors supervises the Fund Manager and is ultimately responsible for managing the Fund's overall risks.

The Fund is exposed to the following risks as a result of its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risks

Risk management framework

The Fund maintains positions in non-derivative financial instruments in accordance with its investment management strategy. The fund's investment portfolio consists of stocks listed in the Saudi market.

The Fund is given the discretion to manage assets in line with the Fund's investment objectives. The Fund Manager monitors compliance with target asset allocations and portfolio composition on a daily basis. In cases where the portfolio differs from the target asset distributions, the fund manager is obligated to take measures to rebalance the portfolio in line with the specified objectives and within the established time limits.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss by failing to discharge an obligation or undertakings with the Fund.

The Fund is exposed to credit risk on its balance held in the trading account, its balance with the custodian and other assets. For the purposes of preparing risk management reports, the Fund studies and aggregates all elements of credit risk exposure, such as the debtor's individual default risk and sector risks.

The Fund's policy on credit risk is to reduce its exposure to "counterparty" risks with a higher risk of default by dealing with counterparties that meet specified credit criteria.

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

9. RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Credit risk (continued)

Credit risk is regularly monitored by the Fund Manager to ensure that it is consistent with the Fund's investment guidelines.

The Fund's activities may create settlement risks. "Settlement risk" is the risk of loss due to an entity failing to meet its obligations to provide cash when both parties have fulfilled their contractual settlement obligations.

The following table shows the maximum credit risk exposure for the components of the interim condensed statement of financial position:

	30 June 2024	31 December 2023
	SAR	SAR
Cash and cash equivalents	1,365,052	1,274,360

The Fund does not have any formal internal classification mechanism. Credit risk is managed and controlled by monitoring credit risks, setting limits on dealing with specific third parties, and continuous assessment of the credit capacity of other parties. Credit risk is generally managed on the basis of third-party external credit ratings.

Impairment Provision

The Fund has equity investments only classified as at FVIPL; therefore, no impairment provision has been recorded in these interim condensed financial statements in accordance with IFRS 9. The Fund's cash and cash equivalents are placed primarily with third parties with a good credit rating. The credit risk associated with financial instruments is not material.

Liquidity Risk

Liquidity risk is the risk that the Fund will may not be able to settle its obligations associated with its financial liabilities that are settled by cash payment of other financial assets.

The Fund Manager aims to ensure that it always has sufficient liquidity as much as possible to meet liabilities as when they mature, under both normal and critical circumstances, including the estimated redemption of units, without incurring unacceptable losses or endangers the Fund's reputation.

The terms and conditions stipulate subscriptions and redemptions of units twice a week and therefore it is exposed to liquidity risk to meet unit holders' redemption requests at any time.

The Fund Manager monitors liquidity requirements on a periodic basis and seeks to ensure that sufficient funding is available to settle any obligations that may arise.

The Fund's investments in listed securities are considered to be readily realizable as they are actively traded in the GCC stock markets and the Saudi stock market.

The Fund manages its liquidity risk by investing primarily in securities that are expected to be liquidated within a short duration.

MIYAR SAUDI EQUITY FUND
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

9. RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

The following is the contractual maturity profile of the Fund's financial assets and financial liabilities:

30, June 2024	Within 3 months	3 – 12 months	More than one year	No Fixed maturity	Total
Investments at FVIPL	-	-	-	63,090,007	63,090,007
Dividends payable	35,890	-	-	-	35,890
Cash at banks	-	-	-	1,365,052	1,365,052
Total financial assets	35,890	-	-	64,455,059	64,490,949
Accrued expenses and other liabilities	(90,348)	-	-	-	(90,348)
Total financial liabilities	(90,348)	-	-	-	(90,348)
Net financial position	(54,458)	-	-	64,455,059	64,400,601
31 December 2023	Within 3 months	3 – 12 months	More than one year	No Fixed maturity	Total
Investments at FVIPL	-	-	-	50,957,246	50,957,246
Cash and cash equivalents	-	-	-	1,274,360	1,274,360
Total financial assets	-	-	-	52,231,606	52,231,606
Performance fees payable	(404,925)	-	-	-	(404,925)
Accrued expenses and other liabilities	(58,812)	-	-	-	(58,812)
Total financial liabilities	(463,737)	-	-	-	(463,737)
Net financial position	(463,737)	-	-	52,231,606	51,767,869

Market risk

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

The fund's strategy for managing market risk is derived from its investment objectives as outlined in the fund's terms and conditions. Market risks are regularly managed by the Fund Manager in accordance with specified policies and procedures. The fund manager regularly monitors the fund's market positions.

MIYAR SAUDI EQUITY FUND

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For the six-month period ended 30 June 2024

(SAR)

9. RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Market risk(continued)

Currency risk

Currency risk is the risk resulting from the fluctuation of the value of financial instruments as a result of changes in foreign exchange rates.

The Fund does not have any foreign currency exchange risks as most transactions are carried out in Saudi Riyals.

Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices.

The Fund's investments are subject to equity price risk resulting from uncertainty about future prices. The fund manager manages these risks by diversifying its investment portfolio in terms of sectoral focus.

Commission rate risks

Commission rate risk arises from the possibility that changes in commission rates will affect the fair values or future cash flows of financial instruments. The Fund Manager monitors positions daily to ensure they are maintained within the specified gap limits, if any. The Fund has no commission-bearing financial assets or liabilities. Therefore, the Fund is not exposed to commission rate risks.

Operational risk

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

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 Unitholders.

The key responsibility for preparing and implementing operational risk controls rests with the risk management team. This responsibility is supported by establishing general operational risk management standards that include controls and procedures at service providers and establishing service levels with Service providers in the following areas:

- Documenting controls and supervisory procedures;
- Requirements for:
 - Appropriate segregation of duties between different functions, roles and responsibilities;
 - Transaction settlement and monitoring; And
 - Periodic assessment of the operational risks faced.
- Adequacy of controls and supervisory procedures to address identified risks; Compliance with regulatory and other legal requirements;
- Develop emergency plans;
- Training and professional development;
- Ethical and business standards; And
- Reducing risks, including insurance if feasible

MIYAR SAUDI EQUITY FUND
(Managed by Miyar capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

(SAR)

9. RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Fair Value of Financial Instruments

The Fund measures certain financial instruments at fair value at the date of each statement of financial position.

Fair value is the value that will be received for the sale of an asset or paid for the transfer of an obligation under a regular transaction between participants in the market by measurement date. The measurement of fair value is determined by assuming that the transaction of the sale of the asset or the transfer of the obligation will take place either:

- in the main market of the asset or liability,
- in the best market suitable for the asset or commitment in the absence of a major market.

Evaluation Forms

The fair value of financial instruments traded in a point market is based on prices obtained directly from prices at which the instruments are traded or obtained through an intermediary who provides unadjusted quoted prices from an active market for similar instruments.

For financial instruments that are rarely traded and have little price transparency, fair value is less objective and requires varying degrees of judgment based on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting a particular instrument.

The Fund measures fair values using the fair value hierarchy below, which reflects the significance of the inputs used in making the measurement:

Level 1: Listed (unadjusted) entries in active markets for similar instruments.

Level 2: Inputs other than quoted prices included in Level 1 that can be observed directly (prices) or indirectly (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 to be at a lower point, or other valuation methods for which all significant inputs are directly or indirectly observable. From market data.

Level 3: Unobservable inputs This category includes all instruments with valuation methods that include inputs that are not based on observable data, and the unobservable inputs have a significant impact on the valuation of the instrument. This category includes instruments valued based on quoted prices for similar instruments that require significant unobservable adjustments or assumptions to reflect differences between the instruments.

The Fund values equity securities that are traded in a financial market at their most recently recorded prices. To the extent that equity securities are actively traded and valuation adjustments do not apply, they are classified as Level 1 of the fair value hierarchy; Therefore, the Fund's assets recorded at fair value were classified based on Level 1 of the fair value hierarchy.

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For the six-month period ended 30 June 2024

(SAR)

9. RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

Fair Value Hierarchy - Financial Instruments Measured at Fair Value

The following table analyzes financial instruments measured at fair value at the reporting date by level in the fair value hierarchy in which the fair value measurement is classified. Amounts are based on values recognized in the statement of financial position. All of the following fair value measurements are iterative.

30, June 2024	Level 1	Level 2	Level 3	Total
Investments at FVIPL	63,090,007	-	-	63,090,007

31, December 2023	Level 1	Level 2	Level 3	Total
Investments at FVIPL	50,957,246	-	-	50,957,246

During the period no transfers was made in the fair value hierarchy.

10. LAST VALUATION DAY

The Fund's units are evaluated and the net asset value is calculated at the end of each business day (valuation day). The last day of evaluation is 30, June 2024 (2023: 31, December 2023)..

11. SUBSEQUENT EVENTS

The Fund's management believes that there are no significant subsequent events after the date of the interim condensed financial statements and before the issuance of these statements that require amendment or disclosure.

12. APPROVAL OF THE FINANCIAL STATEMENTS

The initial condensed financial statements were approved and authorized for issue by the Fund's Board on 05 August 2024 (corresponding to 01 Safar 1446 AH)