



معيار المالية
MIYAR CAPITAL

WWW.MIYARCAPITAL.COM.SA



2025

Miyar Murabaha Fund

Annual Report

Public Open-Ended Money Market Fund

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A. Investment Fund Information

1 . Fund Name

Miyar Murabaha Fund

2 Investment Objectives, Policies and Practices.

The Fund aims to generate investment returns while preserving capital through investments in low-risk money market instruments. The Fund seeks to invest primarily in Murabaha transactions and other short- and medium-term financial instruments in compliance with the Shariah guidelines approved by the Fund's Shariah Committee.

3 Distribution of income and gain policy.

The Fund does not distribute periodic profits to unitholders.

4 The Fund does not distribute periodic profits to unitholders.

5 Description of the fund's benchmark reasons for choosing such benchmark, and its suitability for fund's investment strategies and objectives, as well as the service provider's website.

The Fund's benchmark is the 1-Month SAIBOR, which reflects the return on one-month Saudi Riyal interbank deposit quotations among Saudi banks. It is determined daily based on market conditions and the approved pricing mechanisms and conventions applied among banks.

B. Fund Performance

1. Comparative Table Covering the Last Three Financial Years, or Since Inception

Item	2023	2024	2025
Net Asset Value (NAV) at year-end (SAR)	38,993,983.48	34,544,791.31	66,813,280.62
NAV per unit at year-end (SAR)	10.6447	11.1944	11.7715
Highest NAV per unit during the year (SAR)	10.6447	11.1944	11.7715

Item	2023	2024	2025
Lowest NAV per unit during the year (SAR)	10.1457	10.1457	10.6462
Number of units outstanding at year-end	3,663,234.00	3,085,909.77	5,675,864.59
Expense ratio	0.75%	0.88%	%0.59
Comparison of the Fund's Performance with the Benchmark	%0.95	%0.69	%1.28

2. A performance record that covers the following:

A. The total return for 1 year, 3 years and 5 years (and since inception (where applicable)).

Item	One Year	Three Years	Five Years	Since Inception
Total Return	5.16%	16.06%	-	17.71%

B. the Annual total return for each of the last 10 financial years (or since inception).

Year	2023	2024	2023	Since Inception
Total Return	4.93%	5.13%	5.16%	17.71%

C. Fees, Charges and Expenses

Fees and Charges (SAR)	Net Amount	Expense Ratio to Average NAV
Subscription Fees	-	-
Fund Management Fees	271,664	0.41%
Custody Fees	41,400	0.06%
External Audit Fees	51,750	0.08%
Shariah Board Fees	6,500	0.01%
Tadawul Fees	5,750	0.01%
Independent Board Members' Fees	-	-
Other Expenses	16,180	0.12%
Total Expenses	393,244	0.59%

D. The Fund Manager confirms that the performance calculation methodology and assumptions have been applied consistently.

3. If there were material changes that occurred during the period and that affected the performance of the fund, these changes must be clearly disclosed.

None.

4. Disclosure of the exercise of annual voting rights and it must include the issuer's name and the date of the General Assembly and the subject of the vote and the decision to vote (Agree / disagree / abstain from voting).

None.

5. Annual Report of the Fund's Board of Directors.

A. Names of Fund Board members, and indicating membership type.

Board Member Name	Membership Type
Ghassan Abdulrahman Al-Thukair	Non-Independent Member (Chairman)
Mohammed Omar Al-Bishr	Independent Member
Ayman Mansour Al-Aidan	Independent Member
Raed Saleh Al-Motai	Non-Independent Member

B. A brief about of the fund board members' qualification.

1. Ghassan Abdulrahman Al-Thukair (Chairman)

Board Member and Chief Executive Officer of Miyar capital Company.

- He has over 15 years of experience in asset management and investment research. He previously served as Chief Executive Officer of Dar Al Tamweel and Investment Financial Company, where he played a key role in obtaining the Capital Market Authority license for the company. He later joined Miyar capital Company, serving as Head of Private

Wealth and Advisory Portfolio Management. He also held the position of Senior Director of Investment Funds at Al Rajhi Capital, where he was responsible for managing all local and international equity funds, the Saudi Equity Fund, and private investment portfolios for high-net-worth clients. In addition, he served as Head of Asset Management and Fund Manager of the Alinma Fund at Alinma Investment. He also covered the banking and petrochemicals sectors at Albilad Capital. He holds a bachelor's degree in Industrial Management from King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia, earned in 2007.

2. Mohammed Omar Al Bishr (Independent Member)

- He currently serves as General Manager of Credit Insurance at the Saudi Export-Import Bank and has over 26 years of leadership experience covering financial and administrative responsibilities in the fields of insurance, banking, financial services, and investment, in addition to industrial risk management and marketing. He has served as General Manager of Credit Insurance at the Saudi Export-Import Bank since 2021 and continues in this role to date. He previously held the position of Investment Manager at the Arab Investment Company, Assistant General Manager for Business Development and Investment Affairs at Asharq Insurance Company in Bahrain, Chief Financial Officer at the Saudi Exports Program of the Saudi Fund for Development, and Regional Sales Manager for the Middle East at Saudi Basic Industries Corporation (SABIC). He holds a Master's degree in Financial Management from George Washington University and a Bachelor's degree in Business Administration with a specialization in Finance from King Saud University.

3. Ayman Mansour Al-Aidan (Independent Member)

- He currently serves as Investment Director at Alkhabeer Endowment Foundation and has investment and real estate experience of more than 10 years. He also previously served as Business Development Manager at Alkhabeer for Commercial Business and Real Estate Development. In addition, he held the positions of Acting Chief Executive Officer at Emirates NBD Securities, Head of Brokerage at Emirates NBD Securities, International Brokerage Manager at Bank Albilad, and Manager of the International Equities Desk at Fransi Capital.
- He holds a bachelor's degree in Applied Business Administration from King Saud University. He has also obtained a number of professional certificates and courses in financial management, including the Financial Planning Certificate, an investment

principles course from the Saudi Central Bank (SAMA), and brokerage training at SNB Capital.

4. Raed Saleh Al-Motai (Non-Independent Member)

- He holds a bachelor's degree in Financial Management from King Saud University. He also holds the General Securities Qualification Certificate, in addition to the International Certificate in Wealth and Investment Management, and has completed several courses in asset management and investment services. He currently serves as Head of Money Markets at Albilad Capital.
- Prior to joining Maiyar Capital, he served as Head of Money Markets at SICO Capital, and before that as Head of Money Markets at Itqan Capital

C. Description of the roles and responsibilities of the Fund Board.

1. Approving all material contracts, decisions, or reports to which the Fund is a party.
2. Adopting a written policy regarding voting rights related to the Fund's assets.
3. Overseeing and, where appropriate, approving or ratifying any conflict of interest disclosed by the Fund Manager in accordance with the regulations.
4. Meeting at least twice a year with the Fund Manager's Compliance and Conformance Committee to ensure compliance with all applicable rules and regulations.
5. Approving all changes stipulated in Articles (64) and (65) of the Investment Funds Regulations, prior to the Fund Manager obtaining approval from unit holders and the Authority or notifying them (where applicable).
6. Ensuring the completeness and accuracy of the Fund's Terms and Conditions and any other document (whether a contract or otherwise) containing disclosures related to the Fund, the Fund Manager, and its management of the Fund, in addition to ensuring compliance with the Investment Funds Regulations.
7. Ensuring that the Fund Manager fulfills its responsibilities in the best interest of the unit holders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
8. Reviewing the report containing the evaluation of the performance and quality of services provided by the parties involved in providing material services to the Fund, as referred to in Paragraph (L) of Article (9) of the Investment Funds Regulations, to ensure the Fund Manager fulfills its duties effectively.

9. Evaluating the Fund Manager’s mechanism for dealing with risks related to the Fund’s assets in accordance with the Fund Manager’s policies and procedures for monitoring and addressing fund-related risks.
10. Acting with honesty, good faith, care, skill, diligence, and concern in a manner that serves the best interests of the unit holders.
11. Recording minutes of meetings that include the proceedings of the meetings and the decisions taken by the Fund's Board of Directors.
12. Reviewing the report containing all complaints and the actions taken regarding them, as referred to in Paragraph (M) of Article (9) of the Investment Funds Regulations; this is to ensure that the Fund Manager is fulfilling its responsibilities in a manner that achieves the interests of unit holders, in accordance with the Fund's Terms and Conditions and the provisions of the Investment Funds Regulations.

D. Details on the remuneration of fund board members.

The independent member receives only an annual remuneration of SAR 3,000 for attending each meeting, subject to a maximum of SAR 12,000 per member per year.

E. A statement of any conflict or potential conflict of interest between the interests of a fund board member and the interests of the fund.

The Fund Manager is committed to avoiding any practice that may give rise to a conflict of interest. In the event that any material conflict of interest arises between the Fund Manager, its affiliates, or any member of the Fund Board and the interests of the Fund, the Fund Manager shall disclose such conflict clearly to the Fund Board. Members of the Fund Board must also disclose any actual or potential conflict of interest between their interests and the interests of the Fund.

F. A statement showing all the funds boards that the relevant board member is Participating in.

Name	Membership Type	Fund Manager	Other Fund Boards Served
Ghassan Abdulrahman Al-Thukair	Non-Independent Member (Chairman)	Miyar Capital	Miyar Saudi Equity Fund, Miyar Murabaha Fund
Mohammed Omar Al-Bishr	Independent Member	Miyar Capital	Miyar Saudi Equity Fund, Miyar Murabaha Fund

Ayman Mansour Al-Aidan	Independent Member	Miyar Capital	Miyar Saudi Equity Fund, Miyar Murabaha Fund
Raed Saleh Al-Motai	Non-Independent Member	Miyar Capital	Miyar Saudi Equity Fund, Miyar Murabaha Fund

G. topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives:

The Fund Board held two meetings during the year 2025. Below is a summary of the most important decisions approved and topics discussed by the Fund Board:

- Discussing the Fund's achievement of its objectives and its performance during the year.
- The Fund's compliance with the Capital Market Authority (CMA) Law and its Executive Regulations, in coordination with the Compliance Officer.

C. Fund Manager

1. Name and Address of the Fund Manager.

Miyar Capital Company

Dhaman Complex, 5th Floor, King Fahd Road, Al Mohammadiyah District, Riyadh

P.O. Box 12363, Riyadh 4590, Kingdom of Saudi Arabia

Tel: 920032099

Email: info@miyarcapital.com.sa

Website: www.miyarcapital.com.sa

2. Name and Address of the Fund Manager's Sub-Manager and/or Investment Adviser.

None.

3. Review of the Fund's Investment Activities During the Period.

The Fund invested primarily in short-term Murabaha transactions to maintain high levels of liquidity. In certain periods, the Fund also invested in longer-term Murabaha transactions to preserve performance levels and achieve the best possible return.

4. Report on the Fund's Performance During the Period.

The Fund delivered a return of 5.16% during the period, outperforming the benchmark by 3.88%.

5. Details of Any Changes to the Fund's Terms and Conditions or Information Memorandum (for public funds) or Fund Documents (for private funds) During the Period.

No updates were made during the year.

6. Any Other Information That Would Enable Unitholders to Make an Informed Decision Based on Sufficient Information about the Fund's Activities During the Period.

None.

7. If the investment fund invests substantially in other investment funds, disclosure must be made of the management fees charged to the fund itself and to the funds in which the fund invests.

1-Alpha Murabaha Fund (0.45%)

2-Al Rajhi Income Fund(0.50%)

8. A statement on any special commission received by the fund manager during the period, clearly identifying what they are and the manner in which they were utilized.

None.

9. Any other data and information required to be included in this report

The Fund Manager's ownership in the Fund amounted to 24.6% as at the end of 2025.

10. Duration of the registered person's management of the Fund

Since 19 February 2023.

11. A disclosure of the expense ratio of each underlying fund at end of year and the weighted average expense ratio of all underlying funds that invested in.

- Alpha Murabaha Fund: The Fund invests in Alpha Murabaha Fund. The expense ratio of Alpha Murabaha Fund was 0.18% as at 31 December 2025. The investment in this fund represents 17.03% of the Fund's total assets, and accordingly, its contribution to the weighted average expense ratio was 0.03%.
- Al Rajhi Income Fund: The financial statements or the required disclosures for the underlying fund were not available up to the date of preparation of this report.

D. Custodian

1. Name and Address of the Custodian

Albilad Capital License No. (37-08100) dated 14/08/2007 Kingdom of Saudi Arabia, King Fahd Road, Olaya, Riyadh 12313-3701

2. Brief Description of the Custodian's Duties and Responsibilities

- The Custodian shall perform its duties and responsibilities in accordance with the provisions of the Investment Funds Regulations, whether such duties are carried out directly or through a third party pursuant to the Investment Funds Regulations or the Capital Market Institutions Regulations. The Custodian shall be responsible to the Fund Manager and the unitholders for any losses incurred by the Fund as a result of the Custodian's fraud, negligence, misconduct, or wilful default.
- The Custodian is responsible for safeguarding the Fund's assets and protecting them in the interest of unitholders. It is also responsible for taking all necessary administrative actions in relation to the custody of the Fund's assets.
- The Custodian has the right to appoint a sub-custodian.
- The Custodian may appoint one or more third parties, or any of its affiliates, to carry out the duties of the Custodian. The custodian of the fund in which the Fund invests may also appoint a sub-custodian. The Custodian shall remain responsible for the fees and expenses of any sub-custodian appointed from its own resources.
- The sub-custodian appointed by the Custodian must be a Capital Market Institution licensed to conduct custody activities and must be appointed under a written contract.

- The Fund Manager may dismiss the appointed Custodian upon written notice if it considers that the dismissal is in the best interests of unitholders. The Fund Manager must immediately notify the Authority and the unitholders in writing of the dismissal and appoint a replacement custodian within 30 days from the date the dismissed Custodian receives the written notice. The Fund Manager must disclose this on its website and on the website of the Saudi Exchange. The dismissed Custodian must fully cooperate with the Fund Manager to facilitate the orderly transfer of responsibilities to the replacement custodian. Where necessary, the dismissed Custodian must also transfer all contracts relating to the investment fund to the replacement custodian.

E. Fund Operator

Name and Address of the Fund Operator

Miyar Capital Company

Dhaman Complex, 5th Floor, King Fahd Road, Al Mohammadiyah District, Riyadh

P.O. Box 12363, Riyadh 4590, Kingdom of Saudi Arabia

Tel: 920032099

Email: info@miyarcapital.com.sa

Website: www.miyarcapital.com.sa

2. Brief Description of the Fund Operator's Duties and Responsibilities

- The Fund Operator is responsible for operating the Fund.
- The Fund Operator shall maintain records and books relating to the operation of the Fund.
- The Fund Operator shall prepare and maintain the register of unitholders in the Kingdom in accordance with the requirements of the Investment Funds Regulations
- The Fund Operator is responsible for the distribution of profits, if any, in accordance with the distribution policy set out in the Fund's Terms and Conditions.
- The Fund Operator shall carry out subscription, redemption, and transfer procedures in accordance with the provisions set out in the Fund's Terms and Conditions.
- The Fund Operator is responsible for the full and fair valuation of the Fund's assets and for calculating the price of the Fund's units in accordance with the Fund's Terms and Conditions.

O. Auditor.

Name and Address of the Auditor

Ibrahim Ahmed Al Bassam & Co. (PKF)

Building No. 4217, Prince Mohammed bin Abdulaziz Road

P.O. Box 69658, Riyadh 11557, Kingdom of Saudi Arabia

Fax: +96611206544

F. Financial Statements:

MIYAR MURABAHA FUND
Open-Ended Investment Fund
(Managed by Miyar capital Company)

FINANCIAL STATEMENTS
with the Independent Auditor's Report
For the year ended 31 December 2025

MIYAR MURABAHA FUND
Open-Ended investment Fund
(Managed by Miyar Capital Company)

Financial Statements

For the year ended 31 December 2025

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INDEPENDENT AUDITOR'S REPORT






**TO THE UNITHOLDERS OF MIYAR MURABAHA FUND
(OPEN-ENDED INVESTMENT FUND)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

(1 /3)

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Miyar Murabaha Fund (the "Fund") as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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).

We have audited the financial statements of the fund, which comprise the following:

-  The statement of financial position as at 31 December 2025;
-  The statements of comprehensive income for the year then ended;
-  The statement of changes in net assets (equity) attributable to the unitholders for the year then ended;
-  The statement of cash flows for the year then ended, and;
-  The notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent from the fund in accordance with the International Code of Ethics for Professional Accountants that are 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and according to the investment funds regulations and the terms and conditions of the fund and for such internal control as management 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, management 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 management either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MIYAR MURABAHA FUND
(OPEN-ENDED INVESTMENT FUND)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(2 /3)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS (CONTINUED)

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Fund's financial reporting process.

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 International Standards on Auditing 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 the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management'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, 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MIYAR MURABAHA FUND
(OPEN-ENDED INVESTMENT FUND)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(3 /3)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- 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.

PKF Al-Bassam
Chartered Accountants



Abdulillah Al Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
11 Shawwal 1447H
Corresponding to: 30 March 2026G



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MIYAR MURABAHA FUND
Open-Ended investment Fund
(Managed by Miyar Capital Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Amounts in SAR)

	<u>Note</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
ASSETS			
Cash and cash equivalents	7	36,500,749	20,148,674
Investments carried at fair value through profit or loss (FVTPL)	8	26,832,252	9,446,779
Financial Investments – Sukuk	10	3,000,000	3,000,000
Advances to purchase investments		-	5,656,256
Accrued special commission		566,418	88,567
Total assets		66,899,419	38,340,276
LIABILITIES			
Accrued management fees	13	26,082	13,379
Other accrued expenses	11	60,100	3,782,106
Total liabilities		86,182	3,795,485
Net assets (equity) attributable to the Unit Holders		66,813,237	34,544,791
Units in issue (number)		5,675,858	3,085,900
Net assets (equity) attributable to each unit		11.77	11.19

The accompanying notes 1 to 17 form an integral part of these financial statements.

MIYAR MURABAHA FUND
Open-Ended investment Fund
(Managed by Miyar Capital Company)

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2025
(Amounts in SAR)

	<u>Note</u>	<u>For the year ended 31 December 2025</u>	<u>For the year ended 31 December 2024</u>
<u>Income</u>			
Realized gains on investments carried at fair value through profit or loss (FVTPL)	8	150,034	118,263
Unrealized gains on investments carried at fair value through profit or loss (FVTPL)	8	1,279,204	64,516
Special commission income on investments carried at amortized cost – Murabaha	9	1,770,471	1,828,400
Special commission income on financial investments – Sukuk	10	184,629	10,117
Total Revenue		3,384,338	2,021,296
<u>Expenses</u>			
Fund management fees	13	(271,664)	(157,054)
Custody Fees		(41,400)	(42,288)
Other expenses	12	(80,180)	(104,346)
Total Expenses		(393,244)	(303,688)
Net income for the year		2,991,094	1,717,608
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,991,094	1,717,608

The accompanying notes 1 to 17 form an integral part of these financial statements.

MIYAR MURABAHA FUND
Open-Ended investment Fund
(Managed by Miyar Capital Company)

STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS
For the year ended 31 December 2025
(Amounts in SAR)

	For the year ended 31 December 2025	For the year ended 31 December 2024
Net assets (equity) attributable to the unit holders at the beginning of the year	34,544,791	38,993,983
Total comprehensive income for the year	2,991,094	1,717,608
Contributions and redemptions by the unit holders		
Issuance of units during the year	64,201,787	35,157,613
Redemption of units during the year	(34,924,435)	(41,324,413)
Net changes from unit transactions	29,277,352	(6,166,800)
Net assets (equity) attributable to the unit holders at the end of the year	66,813,237	34,544,791

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

	For the year ended 31 December 2025	For the year ended 31 December 2024
The number of units at the beginning of the year	3,085,900	3,663,234
Issuance of units during the year	5,686,026	3,195,278
Redemption of units during the year	(3,096,068)	(3,772,612)
Net change in the number of units	2,589,958	(577,334)
Number of units at the end of the year	5,675,858	3,085,900

The accompanying notes 1 to 17 form an integral part of these financial statements.

MIYAR MURABAHA FUND
Open-Ended investment Fund
(Managed by Miyar Capital Company)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(Amounts in SAR)

	Note	For the year ended 31 December 2025	For the year ended 31 December 2024
Cash flows from operating activities			
Net income for the year		2,991,094	1,717,608
Adjustments to settlement net profit to net cash (used in) / generated from operating activities:			
Special commission income from investments carried at amortized cost – Murabaha		(553,772)	(78,450)
Special commission income from financial investments – Sukuk		(12,646)	(10,117)
		<u>2,424,676</u>	<u>1,629,041</u>
Net changes in operating assets and liabilities:			
Investments carried at fair value through profit or loss	8	(17,385,473)	(9,446,779)
Investments carried at amortized cost – Murabaha		-	14,800,000
Financial Investments – Sukuk		-	(3,000,000)
Advances to purchase investments		5,656,256	(5,656,256)
Special commissions received		88,567	486,579
Accrued management fees		12,703	(2,925)
Other accrued expenses	11	(3,722,006)	3,721,692
Net cash (used in) / generated from operating activities		<u>(12,925,277)</u>	<u>2,531,352</u>
Cash flows from financing activities:			
Proceeds from issuance of units		64,201,787	35,157,613
Redemptions of units		(34,924,435)	(41,324,413)
Net cash generated from / (used in) financing activities		<u>29,277,352</u>	<u>(6,166,800)</u>
Net changes in cash and cash equivalents		16,352,075	(3,635,448)
Cash and cash equivalents at beginning of the year		<u>20,148,674</u>	<u>23,784,122</u>
Cash and cash equivalents at end of the year	7	<u>36,500,749</u>	<u>20,148,674</u>

The accompanying notes 1 to 17 form an integral part of these financial statements.

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1. FUND AND ITS ACTIVITIES

Miyar Murabaha Fund (the “Fund”) is a public, open-ended money fund established and managed by an agreement between Miyar capital Company (the “Fund Manager”) and the investors in the Fund (Unitholders).

The fund aims to achieve investment returns and preserve capital in low-risk investments for the fund's unit owners and provide liquidity by investing primarily in Murabaha deals and other deals in short and medium-term financial instruments that are compatible with the Sharia regulations of the Fund’s Sharia Committee. No profits are distributed to unit holders, but all profits and revenues are reinvested in the same fund.

Subscription / Redemption

Subscription / redemption requests are accepted on all days on which Tadawul is open. The value of the Fund’s portfolio is determined on a daily basis. The net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the net assets of the Fund by the total number of outstanding Fund units.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Funds Regulations (“Regulations”) issued by The Board of the Capital Market Authority which details the requirements for all funds in the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION

3.1 Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and in compliance with the applicable provisions of the Investment Funds Regulations and the Fund’s Terms and Conditions.

3.2 Basis of Measurement

These 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.

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 the order of liquidity

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3. BASIS OF PREPARATION (CONTINUED)

3.3 Functional and Presentation Currency

These 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.

Transactions and balances

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates prevailing at date of the statement of financial position. Foreign exchange gains and losses, arising from translation are included in the comprehensive income.

4. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

4.1 use of judgments, estimates, and assumptions

Preparing of financial statements in accordance with the financial reporting standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements complementary to international standards endorsed 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. Amendments to accounting estimates are recognized in the period in which the estimates are amended.

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

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 flows method. Inputs to these methods are through observable markets where possible. when 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.

4.2 Going Concern

The Fund Manager has assessed the Fund's ability to continue operating in accordance with the going concern principle. He is confident that the Fund has sufficient resources to continue its operations in the foreseeable future. Moreover, the Fund's management has no significant doubts that could affect the Fund's ability to continue its activities in accordance with the going concern principle.

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5. NEW AMENDED STANDARDS AND INTERPRETATIONS

5.1 new amendments to standards, enlisted below, are effective from 1 January 2025 but they do not have a material effect on the fund's financial statements.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment	Management Assessment
IAS 21	Lack of Exchangeability	1 January 2025	<p>The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.</p>	<p>There is no material impact from the application of these amendments on the Fund's financial statements for the current or future periods, for the following reasons:</p> <p>The Fund's functional currency is the Saudi Riyal (the local market currency).</p> <p>The Fund does not engage in any foreign currency transactions and has no assets or liabilities denominated in currencies other than the Saudi Riyal.</p> <p>Accordingly, due to the absence of foreign currency transactions, the guidance related to "lack of exchangeability" and the associated disclosures on the use of an estimated exchange rate are not relevant to the Fund's current or expected financial operations.</p>

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5. NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

5.2 The fund has not applied the following amendments to IFRS that have been issued but are not yet effective:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment	Management Assessment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	<p>These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.</p> <p>They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.</p>	<p>As the Fund's primary activity is the purchase and sale of Saudi equities traded on the Main Market and the "Nomu" Market, the amendments related to the timing of recognition and derecognition (settlement date) may affect the accounting presentation of its transactions. We will review the Fund's current accounting policies and settlement procedures to ensure compliance with the new requirements.</p> <p>The guidance related to the characteristics of cash flows may result in additional disclosures in the notes to the financial statements.</p>

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5. NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

5.2 The fund has not applied the following amendments to IFRS that have been issued but are not yet effective: (Continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment	Management Assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	<p>IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.</p> <p>In addition, operating expenses are presented directly on the face of the statement of profit or loss, classified either by nature (such as employee benefits), by function (such as cost of sales), or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.</p> <p>IFRS 18 also provides guidance on the aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures, and eliminates classification options for interest and dividends in the statement of cash flows.</p>	The main expected impact on the Fund is expected to be transitional in form and presentation, with limited substantive impact on the measurement of values, for the following reasons: all items are already included in the financial statements and will be reclassified to be consistent with the standard.

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5. NEW AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

5.2 The fund has not applied the following amendments to IFRS that have been issued but are not yet effective: (Continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment	Management Assessment
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries to present reduced disclosures when applying International Financial Reporting Standards. A subsidiary is considered eligible when the ultimate parent prepares consolidated financial statements for general purpose use in accordance with International Financial Reporting Standards (IFRS).	The Fund has a separate financial position as an independent entity and does not belong to any company.

Management expects that these new standards, interpretations, and amendments will be applied to the Fund's financial statements when they become applicable. The adoption of these interpretations and amendments may not have a material impact on the fund's financial statements during the initial application period.

6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES

Classification of Current and Non-Current

The Fund presents assets and liabilities in the statement of financial position on a current/non-current basis. Assets are classified as current when:

- When they are expected to be realized, intended to be sold, or consumed during the normal operations cycle.
- When they are primarily acquisition for trading purposes.
- When they are expected to be realized within twelve months after the financial period, or
- When they are cash or cash equivalents, unless there are restrictions on their exchange or use to settle liabilities for at least twelve months after the financial period.

All other assets are classified as non-current assets. All liabilities are classified as current when:

- When they are expected to be settled during the normal operations cycle,
- When they are primarily acquisition for trading purposes,
- When they are due to be settled within twelve months after the financial period, or
- When there is no unconditional right to defer the settlement of the liabilities for at least twelve months after the financial period. All other liabilities are classified as non-current liabilities.

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6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Financial Assets carried at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss (FVTPL) are presented at market value in the financial statements. Unrealized gains and losses from revaluation of investments, as well as realized gains and losses resulting from the disposal of investments, are in the statement of profit or loss.

Investment Transactions

Investment transactions are recorded on the trade date.

Cash at Banks

Cash at banks includes highly liquid time deposits with a maturity of three months or less from the acquisition date.

Net assets value

The net assets value of each unit as disclosed in the statement of financial position is calculated by dividing the Fund's net assets by the number of units issued at the end of the period.

Related Parties

A related party is a person or entity that has a relationship with the Fund. A person is considered a related party if they have control or significant influence over the Fund or if they are a member of the key management. An entity is considered a related party if it is a member of the same group, such as a parent company, subsidiary, associate, or is linked through a joint venture, or if both entities are joint ventures of a third party.

A related party transaction is the transfer of resources, services, or obligations between the Fund and a related party, regardless of whether a price is charged. Key management personnel are those individuals who are authorized and responsible for planning, directing, and controlling the Fund's operations, either directly or indirectly, including the manager.

Financial Instruments

Financial assets and liabilities are recognized when the Fund becomes a party to the contractual terms of these instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities other than those classified as fair value through profit or loss are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and liabilities measured at fair value through profit or loss are recognized directly in the statement of profit or loss.

First: Financial Assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at initial recognition. All sales and purchases of financial assets are recognized by normal methods on the basis of the date of trading. Regular way purchases or sales are purchases or sales of financial assets that require the delivery of assets within the time frame specified by regulations or custom in the market.

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7. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

8. Financial Instruments (Continued)

First: Financial Assets (Continued)

A- Financial assets determined at fair value through profit or loss

Financial assets identified at fair value are classified by profit or loss when they are acquired for the purpose of trading or selected to be classified as such.

Financial assets are classified for the purpose of trading if:

- They are acquired primarily for the purpose of selling them in the near future.
- Represents part of a portfolio of known financial instruments managed by the Fund and includes an actual pattern of financial instrument that achieves short-term profits.
- Represents a financial derivative but is not classified or effective as a hedging instrument.
- Financial assets designated at fair value through profit or loss are shown at their fair value, with any gains or losses arising from revaluation recognized in profit or loss. The net gain or loss includes any dividends or interest earned from the financial asset and is included in the statement of profit or loss.

B- financial assets identified at fair value through the statement of other comprehensive income

A debt instrument is measured at fair value by other comprehensive income if it meets both of the following conditions and is not allocated at fair value through profit or loss:

- The asset is held within a business model aimed at collecting cash flows and selling financial assets, and
- The contractual terms of the financial asset arise, on specified dates, cash flows representing only payments of the principal amount and commission on the outstanding principal amount.
- Debt instruments measured at fair value through other comprehensive income (FVTOCI) are subsequently measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. commission income and foreign exchange gains or losses are recognized in the statement of profit or loss.

C. Financial assets acquired at amortized cost

Financial assets are measured at amortized cost if they meet both of the following conditions and are not allocated at fair value through profit or loss:

- The asset is held within a business model whose purpose is to hold financial assets for the collection of cash flows, and
- The contractual terms of the financial asset arise, on specified dates, cash flows representing only payments of the principal amount and commission on the outstanding principal amount.

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6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

Second: Equity Instruments

Equity instruments are those that meet the definition of equity from the issuer's perspective that is, instruments that do not contain a contractual obligation to pay and represent a residual interest in the issuer's net assets. Examples of equity instruments include basic common equity.

The Fund subsequently measures all equity investments at fair value through profit or loss, except in cases where the Fund's management has, at initial recognition, irrevocably elected to designate an equity investment at fair value through other comprehensive income (FVTOCI).

The Fund's policy is to classify equity investments as measured at fair value through other comprehensive income (FVTOCI) when these investments are held for purposes other than generating investment returns. When using this option, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, including at disposal. Impairment losses (and reversals of impairment losses) are not reported separately from other changes in fair value. Dividends continue to be recognized, when they represent a return on these investments, in the income statement as "dividend income" when the Fund's right to receive the payments is established.

Third: Derecognition

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the part of the asset that is derecognized) and the sum of:

- 1) The consideration received (including any new asset obtained less any new liability assumed), and
- 2) Any accumulated profit or loss that has been recognized within other comprehensive income, is recognized in profit or loss.

Transactions in which the Fund transfers assets recognized on its statement of financial position but retains either all or most of the risks and rewards of the transferred assets, or a portion thereof, are not derecognized. The transfer of assets while retaining all or most of the risks and rewards includes sale and repurchase transactions.

For transactions where the Fund neither retains nor transfers substantially all the risks and rewards of ownership of financial assets and retains control over the assets, the Fund continues to recognize the assets to the extent of its continuing involvement, which is determined by the extent of its exposure to changes in the value of the transferred assets.

The Fund derecognizes a financial liability upon settlement, cancellation, or expiration of the contractual obligations.

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6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)
Financial Instruments (continued)

Revenue Recognition

Gains (Losses) on Financial Assets at Fair Value Through Profit or Loss

Unrealized gains and losses arising from changes in fair value, as well as realized gains and losses resulting from the sale of financial assets designated at fair value, and dividend distributions, are recognized in the statement of profit or loss. Realized gains and losses on sold financial assets designated at fair value are determined based on the weighted average cost.

Payables and accruals

Liabilities are recognized for amounts to be paid in the future for services received, whether or not invoiced by suppliers.

Zakat and Income Tax

On 9 Jumada Al-Awwal 1444H (corresponding to December 3, 2022G), Minister of Finance Resolution No. 29791 was issued regarding the rules for collecting Zakat from investors in investment funds. This decision resulted in the following:

- 1) Oblige funds to register with the Zakat, Tax and Customs Authority for the purpose of Zakat.
- 2) Oblige funds to maintain statutory accounts according to audited financial statements.
- 3) Oblige funds to submit information declarations to the Authority.
- 4) Funds are not obligated to pay Zakat, but the obligated are the shareholders (unitholders).
- 5) The investor in the fund should recommend his share in the fund until it is deducted as an investment in their Zakat declaration.
- 6) This decision applies to fiscal years beginning on or after 1/1/2023G.

Accordingly, Zakat and income tax are the responsibility of the unitholders, and therefore no provision is made for them in these accompanying financial statements.

Performance Fees and Other Expenses

Performance fees and other expenses are recognized at rates within the limits specified in the Fund's Terms and Conditions, on an accrual basis.

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6. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

Redemption of units

Units issued are recorded at the offering price determined by the Fund Manager for orders received during business hours, based on the closing of the previous day in which the orders were received. The offering price represents the net asset value per unit as of the previous day's closing, plus an allowable sales margin and a provision for transaction costs and any provision for incurred expenses and fees, if applicable.

Redeemed units are recorded at the redemption price applicable to the units based on the closing of the previous day. The redemption price represents the net asset value per unit as of the closing of the previous day in which the orders were received, minus any Redeemed expenses, fees, taxes, redemption charges, and any provision for transaction costs, if applicable.

Fund Unit Holders

The Fund classifies unitholders, representing the units issued by the Fund, at the redemption amount, which represents the investors' right to the residual interest in the Fund's assets.

Foreign Currency Transactions

Foreign currency transactions are translated into Saudi Riyals at the exchange rates prevailing when making the transaction. The monetary assets and liabilities in foreign currencies are transferred to Saudi Riyals at the prevailing rates at the end of the year as of the date of the statement of financial position. The gains and losses resulting from repayments or the conversion of foreign currencies are included in the statement of profit or loss.

Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position only when the Fund has a legally enforceable right to offset the recognized amounts and intends to either settle on a net basis or realize the assets and settle the liabilities simultaneously.

7. CASH AND CASH EQUIVALENTS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash with custodian	150,749	20,766
Murabaha placements due less than three months (Note9)	36,350,000	20,127,908
	<u>36,500,749</u>	<u>20,148,674</u>

The Fund holds cash in the investment account with Al Bilad Capital Company (the custodian of the fund). The Fund does not earn profits on these investment accounts.

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8. INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investments in open-ended investment funds within the Kingdom of Saudi Arabia represent:

Fund Name	As of 31 December 2025		
	Cost	FV	FV %
Alpha Murabaha Fund	10,851,457	11,375,026	42%
Al Rajhi Awaed Fund	14,701,591	15,457,226	58%
Total	25,553,048	26,832,252	%100

Fund Name	As of 31 December 2024		
	Cost	FV	FV %
Alpha Murabaha Fund	9,133,425	9,446,758	%100
Total	9,133,425	9,446,758	%100

8.1 The movement during the year can be summarized as follows:

	31 December 2025	31 December 2024
The value of the investment at the beginning of the year	9,446,779	-
Purchase of investments during the year	28,996,235	20,269,000
Disposal of investments for the year	(13,040,000)	(11,005,000)
Realized gain from disposal of investments carried at fair value through profit or loss	150,034	118,263
Unrealized gain from investments carried at fair value through profit or loss	1,279,204	64,516
The value of the investment at the end of the year	26,832,252	9,446,779

9. INVESTMENTS CARRIED AT AMORTIZED COST- MURABAHA

	31 December 2025	31 December 2024
Murabaha placements with other banks (Note 7)	36,350,000	20,127,908
Accrued special commission- Murabaha	553,772	78,450
	36,903,772	20,206,358

Commissions due are classified under a separate account in the statement of financial position.

	31 December 2025	31 December 2024
Murabaha placements due within 3 months	36,350,000	20,127,908
Murabaha placements due more than 3 months	-	-
	36,350,000	20,127,908

9-1 Murabaha placements are placed with local banks that have a good credit rating.

9-2 Murabaha receivables due within less than 3 months are classified as cash and cash equivalents in the statement of financial position.

9-3 The profit rate on Murabaha deposits ranges from 5.4% to 6% per annum, and all Murabaha deposits are due within three months from the date of the statement of financial position.

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9-4 The fund manager conducted an assessment of expected credit losses on the financial assets measured at amortized cost. No impairment provision for these financial assets was recognized in the financial statements because the amount was not material.

The following table represents the movement in Murabaha deposit investments measured at amortized cost during the year:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Book value as at the beginning of the year	20,206,358	24,225,047
Additions during the year	214,273,125	450,141,540
Due within the year	(198,129,483)	(454,238,679)
Murabaha profits included in the comprehensive income statement	1,770,471	1,828,400
Murabaha profit received during the year	(1,216,699)	(1,749,950)
Book value as at the end of the year	36,903,772	20,206,358

10. Financial Investments – Sukuk

	<u>31 December 2025</u>	<u>31 December 2024</u>
Sukuk		
Saudi First Bank Sukuk	3,000,000	3,000,000
Total	3,000,000	3,000,000

The following table represents the movement of investments in Sukuk during the year:

	<u>2025</u>	<u>2024</u>
Book value as at the beginning of the year	-	-
Additions during the year	3,000,000	3,000,000
Accrued profits	12,646	10,117
Book value as at the end of the year	3,012,646	3,010,117
	<u>2025</u>	<u>2024</u>
Maturity exceeding 12 months	3,012,646	3,010,117
	3,012,646	3,010,117

a- The Sukuk profit rate is 6.07% per annum.

b- The fair value of financial investments in sukuk is close to their book value as of December 31, 2025.

11. OTHER ACCRUED EXPENSES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Advances to purchase investments	-	3,733,256
Accrued professional fees	34,500	17,250
Accrued custody fees	10,350	10,350
Accrued board fees	12,000	18,000
Accrued Sharia fees	3,250	3,250
	60,100	3,782,106

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12. OTHER EXPENSES

	For the year ended 31 December 2025	For the year ended 31 December 2024
Professional and consulting fees*	51,750	59,197
Trading fees	5,750	6,851
Accrued board fees	-	24,000
Accrued Sharia fees	6,500	3,250
Other expenses	16,180	11,048
	80,180	104,346

* The professional and consulting fees include the auditors' fees for the review and initial examination of the Fund's financial statements for the year ended December 31, 2025, amounting to SAR 45,000 (December 31, 2024: SAR 45,000).

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The fund's related parties include unit holders, the fund manager, and other funds managed by the fund manager. In the course of normal business operations, transactions with related parties are conducted in accordance with the regulations issued by the Capital Market Authority. All related party transactions are approved by the fund's board of directors.

Significant related-party transactions carried out by the Fund during the year and the resulting balances are as follows:

Related parties	Nature of transaction	Transaction value during the period		Balance as at	
		2025	2024	31 December 2025	31 December 2024
Miyar Capital Company (Fund Manager)*	Fund management fees	271,664	157,054	(26,082)	(13,379)
Board of Directors	Meeting Attendance Fees	-	24,000	(12,000)	(18,000)

*The outstanding balance of Miyar Capital Company has been classified as accrued management fees, and the outstanding balance for the Board of Directors has been classified under other accrued expenses in the financial position statement

14. FINANCIAL RISK MANAGEMENT

14-1 Financial risk factors

The objective of the Fund is to safeguard its ability to continue as a going concern so that it can continue to provide optimum returns to its Unitholders and to ensure reasonable safety to the Unitholders.

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14-1 Financial risk factors (Continued)

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

(1) Foreign Exchange Risk

Foreign exchange risk is the risk of changes in the value of future cash flows of a financial instrument due to changes in foreign exchange rates. It arises from financial instruments denominated in foreign currencies.

The Fund is not exposed to foreign exchange risk because all its transactions are conducted in Saudi Riyals.

(2) Interest Rate Risk

Interest rate risk is the risk of fluctuations in the future cash flows of a financial instrument or the fair value of fixed-income financial instruments due to changes in market interest rates.

As of December 31, 2025, the Fund was not exposed to interest rate risk with respect to the future cash flows of a financial instrument because the Fund does not hold investments with variable interest rates.

Furthermore, the fixed-income financial instruments [Murabaha deposits] is carried at amortized cost; therefore, the Fund is not subject to interest rate risk on these instruments.

(3) Price Risk

Price risk is the risk associated with changes in the value of the fund's financial instruments due to prevailing market price fluctuations caused by factors other than foreign exchange and commission rate changes.

Price risk arises primarily from the uncertainty surrounding the future prices of the financial instruments held by the fund. The fund closely monitors price movements in its investments. As of the date of the statement of financial position, the fund holds investments in mutual funds.

The following is the impact on net asset value (equity) (resulting from the change in the fair value of investments as of December 31, 2025 and December 31, 2024) when reasonably possible changes are made in equity indices based on sector concentration, keeping all other variables constant:

	31 December 2025		31 December 2024	
	Reasonable potential change %	Impact on net asset value	Reasonable potential change %	Impact on net asset value
Alpha Murabaha Fund	%1 -/+	113,750	%1 -/+	94,468
Al Rajhi Awaed Fund	%1 -/+	154,572	%1 -/+	-

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14-1 Financial risk factors (Continued)

(b) Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Its Fund's policy to enter into financial instrument contracts with reputable counterparties. The Fund seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Fund is exposed to credit risk for its cash and cash equivalents, Investments carried at amortized cost and other receivables. Cash is placed with reputable financial institutions; hence the credit risk is minimal. For other assets, credit risk is also low.

Expected credit loss measurement

The Fund does not have a formal internal grading mechanism. Credit risks are generally managed on the basis of external credit ratings of counterparties.

Under the general approach of IFRS 9 ECL, the financial assets are classified into three stages. Each stage indicates the credit quality of the particular financial asset.

Stage 1: includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognized and profit is calculated on the gross Book value of the asset (that is, without deduction for credit allowance).

Stage 2: includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but profit is still calculated on the gross Book value of the asset.

Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted).

One of the key components of IFRS 9 ECL is to determine whether there have been significant increases in credit risk (SICR) of an entity's credit exposures since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14-1 Financial risk factors (Continued)

(b) Credit risk (continued)

Definition of 'Default'

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

- the borrower 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 borrower is past due more than 90 days on any material credit obligation to the Fund. Overdrafts are considered as being past due once the counterparty has breached an advised limit or been advised of a limit smaller than the current amount outstanding.

In assessing whether a borrower is in default, the Fund considers indicators that are:

- qualitative- e.g., breaches of covenant;
- quantitative- e.g., default 'and non-payment on another obligation of the same issuer to the Fund; and
- based on data developed internally and obtained from external sources.

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

Probability of Default (PD)

Through the yearly review of investments in debt instruments, the Fund shall draw a yearly transition matrix to compute account-based PD over the one-year horizon for the past 5 years. These PDs will be grouped as per credit ratings. This rating migration shall capture the movement of obligors into default at yearly intervals. An average default rate of the 5 yearly transition matrices provides the through the cycle PDs. IFRS 9 requires the use of a PD that is a 'point-in-time' (PiT PD) estimate reflecting current forecasts of future economic conditions. To derive PiT PDs, the Fund will annually source macro-economic forecast data for selected variables from appropriate sources.

Loss Given Default (LGD)

Loss given default is defined as the forecasted economic loss in case of default. LGD computation will be based on the Fund's losses on defaulted accounts after the consideration of recovery percentages. IFRS 9 also requires that LGD be estimated in collaboration with the forward-looking valuation of collaterals based on macro-economic factors. LGD computation is independent of the assessment of credit quality and thus applied uniformly across all stages.

For LGD estimation on its non-collateralized portfolio, the Fund shall compute LGD based on actual recoveries on its defaulted portfolio over a period of at least 5 years prior to the assessment date.

Exposure at Default (EAD)

Exposure at default is an estimation of the extent that the Fund may be exposed to an obligor in the event of default. The estimation of EAD should consider any expected changes in the exposure after the assessment date. This is of importance in the case of Stage 2 assets where the point of default may be several years in the future.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14-1 Financial risk factors (Continued)

(b) Credit risk (continued)

Discount rate

The Fund will compute effective profit rate at a contractual level. If the computation of the effective profit rate (at reporting date) is not feasible, the Fund will use the contractual profit (at reporting date) for discounting purposes.

The Fund Manager has performed an ECL assessment for the financial assets carried at amortized cost. An allowance for impairment over these financial assets was not recognized in these financial statements as the amount was not material.

Credit ratings

The Fund Manager reviews credit concentration of the investment portfolio based on counterparties. The credit quality of the financial assets is managed using the ratings from reputable credit ratings agencies. As at 31 December 2025 and 31 December 2024, the Fund has investments carried at amortized cost with the following credit quality:

Rating of financial institution	31 December 2025	31 December 2024
Cash with custodian		
Unrated	<u>150,749</u>	<u>20,766</u>
Murabaha placements		
A+(S&P)	27,850,000	9,406,658
B(S&P)	<u>8,500,000</u>	<u>10,721,250</u>
	<u>36,350,000</u>	<u>20,127,908</u>
Sukuk Investment		
A-(S&P)	<u>3,000,000</u>	<u>3,000,000</u>
	<u>3,000,000</u>	<u>3,000,000</u>

The table below shows the maximum exposure to credit risk in financial instruments subject to decline in value.

	31 December 2025			Total
	Stage 1	Stage 2	Stage 3	
Cash and cash equivalent	<u>36,500,749</u>	-	-	<u>36,500,749</u>
Financial Investments – Sukuk	<u>3,000,000</u>	-	-	<u>3,000,000</u>
Total Book Value	<u>39,500,749</u>	-	-	<u>39,500,749</u>
Provision for losses	-	-	-	-
Net Book Value	<u>39,500,749</u>	-	-	<u>39,500,749</u>

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14-1 Financial risk factors **(Continued)**

(b) Credit risk (continued)

	31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
Cash and cash equivalent	20,148,674	-	-	20,148,674
Financial Investments – Sukuk	3,000,000	-	-	3,000,000
Total Book Value	23,148,674	-	-	23,148,674
Provision for losses	-	-	-	-
Net Book Value	23,148,674	-	-	23,148,674

The fund manager assessed the expected credit losses on the financial assets held at amortized cost. An impairment provision for these financial assets was not recognized in the financial statements because the amount was not material.

The following is the geographic concentration of investments held at amortized cost:

	31 December 2025	31 December 2024
Kingdom of Saudi Arabia	39,500,749	23,148,674
	39,500,749	23,148,674

(c) Liquidity risk

These risks represent the Fund's exposure to difficulties in obtaining the necessary financing to meet obligations related to financial liabilities. Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short term loans from the Fund Manager.

The expected maturity dates for all liabilities due on the financial reporting date are 12 months (2024: due within 12 months).

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14-1 Financial risk factors (Continued)

(d) 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.

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 capital of the Fund is represented by the equity attributable to holders of redeemable units. The amount of equity attributable to holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other unitholders and maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund Manager monitor capital on the basis of the value of equity attributable to unitholders.

14-2 Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying value less impairment provision, if any, of financial instrument carried at amortized cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed debt instruments. The Fund does not adjust the quoted price for these instruments.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14-2 Fair Value Estimation (Continued)

Fund classifies all of its financial assets, except for those carried at amortized cost at Level 1 fair value.

As at 31 December 2025	Level 1	Level 2	Level 3	Total
Investments carried at FVTPL (Note 8)	-	26,832,252	-	26,832,252
Total	-	26,832,252	-	26,832,252

As at 31 December 2024	Level 1	Level 2	Level 3	Total
Investments carried at FVTPL (Note 8)	-	9,446,779	-	9,446,779
Total	-	9,446,779	-	9,446,779

Valuation technique for calculating the fair value of investments under Level 2 comprises of determining the net asset value per unit of the funds which is based on observable market data.

The Investee Funds classified in Level 2 were fair valued using the net asset value of the Investee Fund, as reported by the respective Investee Fund's administrator.

During the year, there has been no transfer in fair value hierarchy for FVTPL investments.

15. SUBSEQUENT EVENTS

As of the date of approval of these financial statements, there have been no significant subsequent events requiring disclosure or adjustment in these financial statements.

16. LAST VALUATION DAY

The last valuation day for the year was 31 December 2025 (2023: 31 December 2024).

17. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Fund's Board on 25 March 2026 (corresponding to 7 Shawwal H).