RIYAD SAR TRADE FUND
Open-Ended Mutual Fund
(Managed by Riyad Capital)
Interim condensed financial information (Un-audited)
For the six-month period ended 30 June 2022
Together with the
Independent Auditor's Review Report to the Unitholders

RIYAD SAR TRADE FUND
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(Managed by Riyad Capital)

Interim Condensed Financial Information (Un-audited)
For the six-month period ended 30 June 2022

Report on review of Interim Condensed Financial Information

To the Unitholders and the Fund Manager of
Riyad SAR Trade Fund

Introduction
We have reviewed the accompanying interim condensed statement of financial position of Riyad SAR Trade Fund (the "Fund") as of 30 June 2022 and the related interim condensed statements of comprehensive income, changes in equity attributable to the unitholders and cash flows for the six-month period then ended and other explanatory notes. Fund Manager is responsible for the preparation and presentation of these interim condensed financial information in accordance with International Accounting Standard 34 - *"Interim Financial Reporting" (IAS 34),* as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information performed by the Independent Auditor of the Entity",* as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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, as 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 information are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Bader I. Benmohareb
License Number 471

15 August 2022

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LICENSE NO.25
C.R.1010371622

PricewaterhouseCoopers, License No. 25,
Kingdom Tower, P.O. Box 8282, Riyadh 11482, Kingdom of Saudi Arabia
T: +966 (11) 211-0400, F: +966 (11) 211-0401, www.pwc.com/middle-east

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Arabian Riyal unless otherwise stated)

	Note	At as 30 June 2022 (Un-audited)	As at 31 December 2021 (Audited)
ASSETS			
Cash and cash equivalents	6.1	**17,731,922**	20,776,703
Investment carried at amortized cost	7	**12,621,806,089**	19,521,918,490
Investments carried at fair value through profit or loss (FVPL)	8	**932,346,953**	3,142,687,818
Total assets		**13,571,884,964**	22,685,383,011
LIABILITIES			
Management fees payable	12	**512,850**	9,665,770
Accrued expenses		**92,052**	119,228
Redemption payable		**347,994**	3,802,317
Total liabilities		**952,896**	13,587,315
Equity attributable to the Unitholders		**13,570,932,068**	22,671,795,696
Units in issue (number)	9	**6,032,504.27**	10,145,358.89
Equity attributable to each unit		**2,249.63**	2,234.70

The accompanying notes 1 to 17 form an integral part of these interim condensed financial information.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
(All amounts in Saudi Arabian Riyal unless otherwise stated)

		For the six-month period ended	
	Note	**30 June 2022**	**30 June 2021**
Income			
Net gain from investments carried at FVPL	10	**19,659,134**	15,582,116
Special commission income		**140,083,360**	168,667,352
Total income		**159,742,494**	184,249,468
Expenses			
Fund management fees	12	**(38,584,292)**	(65,828,492)
Other expenses	11	**(5,802,771)**	(9,902,617)
Total expenses		**(44,387,063)**	(75,731,109)
Net income for the period		**115,355,431**	108,518,359
Other comprehensive income for the period		**-**	-
Total comprehensive income for the period		**115,355,431**	108,518,359

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (UN-AUDITED)

(All amounts in Saudi Arabian Riyal unless otherwise stated)

	For the six-month period ended	
	30 June 2022	**30 June 2021**
Equity attributable to the Unitholders at the beginning of the period	**22,671,795,696**	25,521,397,430
Total comprehensive income for the period	**115,355,431**	108,518,359
Subscriptions and redemptions by the Unitholders		
Issuance of units	**5,207,712,399**	12,521,577,973
Redemption of units	**(14,423,931,458)**	(7,777,982,618)
Net changes from unit transactions	**(9,216,219,059)**	4,743,595,355
Equity attributable to the Unitholders at the end of the period	**13,570,932,068**	30,373,511,144

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)
(All amounts in Saudi Arabian Riyal unless otherwise stated)

	Note	For the six-month period ended 30 June 2022	30 June 2021
Cash flows from operating activities:			
Net income for the period		**115,355,431**	108,518,359
Adjustments for:			
Unrealized loss / (gain) from investments carried at FVPL	10	**46,515,560**	(8,604,180)
		161,870,991	99,914,179
Net changes in operating assets and liabilities:			
Investments carried at amortized cost		**8,750,112,401**	(4,400,912,040)
Investments carried at FVPL		**2,163,825,305**	(596,977,936)
Management fees payable		**(9,152,920)**	1,091,851
Accrued expenses		**(27,176)**	156,687
Redemption payable		**(3,454,323)**	(3,049,285)
Net cash generated from / (used in) operating activities		**11,063,174,278**	(4,899,776,544)
Cash flows from financing activities:			
Proceeds from issuance of units		**5,207,712,399**	12,521,577,973
Redemptions of the units		**(14,423,931,458)**	(7,777,982,618)
Net cash (used in) / from financing activities		**(9,216,219,059)**	4,743,595,355
Net changes in cash and cash equivalents		**1,846,955,219**	(156,181,189)
Cash and cash equivalents at beginning of the period		**3,414,776,703**	3,735,300,531
Cash and cash equivalents at end of the period	6	**5,261,731,922**	3,579,119,342

1 FUND AND ITS ACTIVITIES

The Riyad SAR Trade Fund (the "Fund") is a money market fund managed through an agreement between Riyad Capital (the "Fund Manager") and the Fund Investors (the "Unitholders"). The objective of the Fund is to seek maximum possible preservation of capital and realize a reasonable return thereon through investing in money market investments denominated in Saudi Riyal that do not contradict the principles of Islamic Sharia.

In dealing with the Unitholders, the Fund Management considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund.

The management of the Fund is the responsibility of the Fund Manager. However, in accordance with the Fund's Agreement, the Fund Manager can delegate or assign its duties to one or more of the financial institutions in the Kingdom of Saudi Arabia and overseas.

The Fund commenced its activities on 1 July 1993, where the terms and conditions of the Fund were originally approved by the Saudi Central Bank (SAMA). On 20 December 2008, the terms and conditions of the fund were approved by the Capital Markets Authority (CMA) through their letter dated 12 Dhul Hijja 1429H (corresponding to 20 December 2008).

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) which were amended on 12 Rajab 1442H (corresponding to 24 February 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial information 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 should be read in conjunction with the Fund's last annual financial statement for the year ended 31 December 2021. The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

3.2 Basis of measurement

These interim condensed financial information have been prepared under the historical cost convention, using 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 presents its interim condensed statement of financial position in the order of liquidity.

3.3 Functional and Presentation Currency

Items included in the interim condensed financial information are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These interim condensed financial information are presented in Saudi Arabian Riyal ("SAR") which is the Fund's functional and presentation currency.

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 interim statement of financial position. Foreign exchange gains and losses, if any, arising from translation are included in the interim condensed statement of comprehensive income.

3 BASIS OF PREPARATION (CONTINUED)

3.4 Critical accounting judgments, estimates and assumption

The preparation of the interim condensed financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There are no significant estimates or judgements involved in the preparation of financial information that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period. The Fund based its assumptions and estimates on parameters available when the interim condensed financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Going concern

In preparing the interim condensed financial information, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Fund Manager either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial information are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2021. Certain new standards, amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed financial information of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial information. The management believe that these no significant impact on the interim condensed financial information of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

New standards, interpretations and amendments adopted by the Fund

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after January 1, 2022. The management has assessed that the amendments have no significant impact on the Fund's interim condensed financial information.

- Amendments to IAS 37 - 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making;

- Amendments to IAS 16 - 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in statement of income;

- Amendments to IFRS 3 -'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations; and

- Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The listing of standards and interpretations issued, which the Fund reasonably expects to be applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective.

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

5 MANAGEMENT FEE, AND OTHER CHARGES

On each valuation day, the Fund Manager charges the Fund, a management fee at the rate of 0.50% per annum of the Fund's net assets value. In addition, on a daily basis the Fund Manager charges the Fund, custody fees each at the rate of 0.005% per annum of the Fund's net asset value and USD 8 per transaction.

The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund such as audit and legal fees, and other similar charges. These charges are not expected to exceed in total 0.2% per annum of the Fund's net assets value.

6 CASH AND CASH EQUIVALENTS

	Note	As at 30 June 2022 (Un-audited)	31 December 2021 (Audited)
Cash in investment accounts	6.1	**17,731,922**	20,776,703
Time deposits having maturity of three month or less from the date of acquisition	7.1	**5,244,000,000**	3,394,000,000
Cash and cash equivalent in statement of cash flow		**5,261,731,922**	3,414,776,703

6.1 Cash in investment accounts consists of investment account with the Fund Manager and balance with the custodian. The balance held with custodian under omnibus account with HSBC Saudi Arabia. Cash held in an investment account with Riyad Capital which is used to accept subscription and redemption. The Fund does not earn profit on this investment account.

7 INVESTMENTS CARRIED AT AMORTIZED COST

The Fund invests primarily in murabaha deposits and sukuks. The investment portfolio held at amortized cost is summarized as follows:

	Note	As at 30 June 2022 (Un-audited)	As at 31 December 2021 (Audited)
Investments in Murabaha Placements	7.1	**10,979,000,000**	17,564,000,000
Investments in Sukuk	7.2	**1,578,230,581**	1,836,749,330
		12,557,230,581	19,400,749,330
Accrued special commission income	7.3	**64,575,508**	121,169,160
		12,621,806,089	19,521,918,490

7 INVESTMENTS CARRIED AT AMORTIZED COST (CONTINUED)

7.1 These placements also include placements with original maturity of 3 months or less amounting to SR 5,244,000,000 (2021: SR 3,565,000,000) (Also see note 6).
7.2 The investments in Sukuk carry a floating commission rate.
7.3 The rate of special commission income for above investment carried at amortized cost ranges from 1.25% to 6.00% per annum (2021: 0.45% to 6.00% per annum).

8 INVESTMENTS CARRIED AT FVPL

The investments represent the units of open-ended mutual funds managed and administered by the Fund Manager. The market value of the investments is summarized as follows:

	As at 30 June 2022 (Un-audited)	As at 31 December 2021 (Audited)
Mutual Fund:		
Riyad SAR Diversified Trade Fund	**932,346,953**	3,142,687,818
Total market value	**932,346,953**	3,142,687,818
Total cost	**978,862,513**	3,119,828,202

9 UNIT TRANSACTIONS

Transactions in units for the period / year are summarized as follows:

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	(Units in numbers)	
Units at the beginning of the period / year	**10,145,358.89**	11,512,537.71
Units issued during the period / year	**2,329,115.76**	7,796,729.96
Units redeemed during the period / year	**(6,441,970.38)**	(9,163,908.78)
Net change in units	**(4,112,854.62)**	(1,367,178.82)
Units at the end of the period / year	**6,032,504.27**	10,145,358.89

10 NET GAIN FROM INVESTMENTS CARRIED AT FVPL

	For the six-month period ended	
	30 June 2022	**30 June 2021**
Realized gain from sale of investments carried at FVPL	**66,174,694**	6,977,936
Unrealized (loss) / gain from revaluation of investments carried at FVPL	**(46,515,560)**	8,604,180
	19,659,134	15,582,116

11 OTHER EXPENSES

	For the six-month period ended	
	30 June 2022	**30 June 2021**
VAT expense	**5,789,133**	9,875,928
Other	**13,638**	26,689
	5,802,771	9,902,617

12 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include "Riyad Capital" being the Fund Manager, "Riyad Bank" being the shareholder of Riyad Capital, other funds managed by the Fund Manager and the Fund's Board of Directors.

In the ordinary course of its activities, the Fund transacts business with related parties. The related parties' transactions are governed by limits set by the regulations issued by the CMA. All related party transactions are approved by the Fund's Board of Directors.

The significant related party transactions entered into by the Fund during the period and the balances resulting from such transactions are as follows:

Related party	Relationship	Nature of transactions	Amount of transaction during the period ended		Closing balance (payable) / receivable	
			30 June 2022	30 June 2021	30 June 2022 (Un-audited)	31 December 2021 (Audited)
Riyad Bank	Shareholder of the Fund Manager	Investments measured at amortized cost	**-**	-	**2,310,000,000**	500,000,000
		Special commission income	**226,306**	5,341,170	**4,364,806**	416,667
Riyad Capital	Fund Manager	Management fee	**(38,584,292)**	(65,828,492)	**(512,850)**	(9,665,770)
		Accrued VAT*	**(5,789,133)**	(9,874,274)	**(78,415)**	(1,449,866)
		Cash in an investment account	**-**	-	**11,473,304**	20,776,703

*Accrued VAT to related party is included in the financial position under Accrued expenses.

13 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2022 (Un-audited)	**Amortized cost**	**FVPL**
Assets as per interim statement of financial position		
Cash and cash equivalents	**17,731,922**	**-**
Investments carried at amortized cost	**12,621,806,089**	**-**
Investments carried at FVPL	**-**	**932,346,953**
Total	**12,639,538,011**	**932,346,953**

31 December 2021 (Audited)	**Amortized cost**	**FVPL**
Assets as per statement of financial position		
Cash and cash equivalents	20,776,703	-
Investments measured at amortized cost	19,521,918,490	-
Investments measured at FVPL	-	3,142,687,818
Total	19,542,695,193	3,142,687,818

All financial liabilities as at 30 June 2022 (Un-audited) and 31 December 2021 (Audited) were classified as financial liabilities measured at amortized cost.

14 FINANCIAL RISK MANAGEMENT

Fair value estimation

The fair value for 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 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;
- Level 3 inputs are unobservable inputs for the asset or liability.

Fund classifies all of its financial assets except for those carried at amortized cost, at fair value as level 2.

The Fund financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined:

Financial assets / financial liabilities	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Investment carried at FVPL	Net Asset Value	N/A	N/A

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.

All financial liabilities as at 30 June 2022 (Un-audited) and 31 December 2021 (Audited) were classified as financial liabilities measured at amortized cost. Fund classifies its financial assets and financial liabilities that are measured at amortized cost as fair value at level 3.

15 SUBSEQUENT EVENTS

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

16 LAST VALUATION DAY

The last valuation day for the period was 30 June 2022.

17 APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

These interim condensed financial information were approved by the Fund's Board of Directors on 10 August 2022.