

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

**RIYAD AL JAREI FUND**  
**Open-Ended Mutual Fund**  
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**Interim Condensed Financial Information (Un-audited)**  
**For the period ended 30 June 2022**

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## Report on review of Interim Condensed Financial Information

To the Unitholders and the Fund Manager of  
Riyad Al Jarei Fund

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Riyadh Al Jarei 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 ("interim condensed financial information"). The Fund Manager is responsible for the preparation and presentation of this 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 this 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 is 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  
(17 Muharram 1444H)



**RIYAD AL JAREI FUND**  
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**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

*(All amounts in Saudi Arabian Riyal unless otherwise stated)*

	Note	As at 30 June 2022 (Un-audited)	As at 31 December 2021 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	6,11	383,747	3,663,907
Investments carried at fair value through profit or loss (FVPL)	7	22,387,996	21,642,501
<b>Total assets</b>		<b>22,771,743</b>	<b>25,306,408</b>
<b>LIABILITIES</b>			
Redemption payable		58,700	10,279
Accrued expenses		43,064	52,423
<b>Total liabilities</b>		<b>101,764</b>	<b>62,702</b>
<b>Equity attributable to the Unit Holders</b>		<b>22,669,979</b>	<b>25,243,706</b>
Units in issue (number)	8	795,219.12	780,975.88
<b>Equity attributable to each unit</b>		<b>28.51</b>	<b>32.32</b>

The accompanying notes 1 to 15 form an integral part of these interim condensed financial information.

**RIYAD AL JAREI FUND**  
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**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE (LOSS) / INCOME (UN-AUDITED)**  
*(All amounts in Saudi Arabian Riyal unless otherwise stated)*

	Note	For the six-month period ended	
		30 June 2022	30 June 2021
<b><u>Investment income</u></b>			
Net (loss)/ gain from investments carried at FVPL	9	(2,946,481)	1,303,413
Dividend income		90,536	130,138
		<b>(2,855,945)</b>	<b>1,433,551</b>
<b><u>Expenses</u></b>			
Other expenses	10	(179,273)	(17,642)
		<b>(179,273)</b>	<b>(17,642)</b>
<b>Net (loss)/ income for the period</b>		<b>(3,035,218)</b>	<b>1,415,909</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive (loss)/ income for the period</b>		<b>(3,035,218)</b>	<b>1,415,909</b>

The accompanying notes 1 to 15 form an integral part of these interim condensed financial information.

**RIYAD AL JAREI FUND**  
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**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (UN-AUDITED)**

*(All amounts in Saudi Arabian Riyal unless otherwise stated)*

	<b>For the six-month period ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
<b>Equity attributable to the Unitholders at the beginning of the period</b>	<b>25,243,706</b>	22,395,418
<b>Total comprehensive (loss)/ income for the period</b>	<b>(3,035,218)</b>	1,415,909
<b>Subscriptions and redemptions by the Unit Holders</b>		
Subscriptions of units	<b>3,744,222</b>	2,148,521
Redemption of units	<b>(3,282,731)</b>	(3,320,764)
<b>Net changes from unit transactions</b>	<b>461,491</b>	(1,172,243)
<b>Equity attributable to the Unit Holders at the end of the period</b>	<b>22,669,979</b>	22,639,084

The accompanying notes 1 to 15 form an integral part of these interim condensed financial information.

**RIYAD AL JAREI FUND**  
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**INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)**

**For the six-month period ended 30 June 2022**

*(All amounts in Saudi Arabian Riyal unless otherwise stated)*

	Note	For the six-month period ended	
		30 June 2022	30 June 2021
<b>Cash flows from operating activities:</b>			
<b>Net (loss)/ income for the period</b>		<b>(3,035,218)</b>	1,415,909
Adjustments for:			
Unrealized loss/ (gain) from investments carried at FVPL	9	<u>2,775,755</u>	(1,211,551)
		<b>(259,463)</b>	204,358
<b>Net changes in operating assets and liabilities:</b>			
Investments carried at FVPL		<b>(3,521,250)</b>	593,914
Accrued expenses		<b>(9,359)</b>	(7,284)
<b>Net cash (used in)/ generated from operating activities</b>		<b>(3,790,072)</b>	790,988
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of units		<b>3,744,222</b>	2,148,521
Redemptions of the units		<b>(3,234,310)</b>	(1,569,722)
<b>Net cash from financing activities</b>		<b>509,912</b>	578,799
<b>Net changes in cash and cash equivalents</b>		<b>(3,280,160)</b>	1,369,787
Cash and cash equivalents at beginning of the period		<b>3,663,907</b>	722,546
<b>Cash and cash equivalents at end of the period</b>		<b>383,747</b>	2,092,333

The accompanying notes 1 to 15 form an integral part of these interim condensed financial information.

**RIYAD AL JAREI FUND**  
**Open-Ended Mutual Fund**  
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**Notes to the interim condensed financial information (Un-audited)**

**For the six-month period ended 30 June 2022**

*(All amounts in Saudi Arabian Riyal unless otherwise stated)*

**1 FUND AND ITS ACTIVITIES**

The Riyadh Al Jarei Fund (the “Fund”) is a fund of funds managed through an agreement between Riyadh Capital (the “Fund Manager”) and the investors in the Fund (the “Unit Holders”). The Fund is an open-ended public holding fund that invests in underlying funds of various asset classes. The objective of the fund is to provide investors with high long-term capital growth by investing on average 80% in local and global equity funds while on average 20% of the fund are invested in fixed income and money market funds. The fund exhibits a high risk profile.

In dealing with the Unit Holders, the Fund Manager 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 operations on 10 June 2001, 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**

This interim condensed financial information of the Fund has been prepared in accordance with Accounting standard 34 – Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements 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**

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

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**For the six-month period ended 30 June 2022**  
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**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 statements, 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 was 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.

**3.5 Going concern**

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern.

**4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of this interim condensed financial information is 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. In the opinion of the Fund's Board, these will have 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 statements.

- 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'.

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.

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**4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

<b>Standard/ Interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
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 receives a management fee of 0.85% in addition to the management fees taken by investing in other funds, whose management fees range from 0.50% to 2.33% (2021: ranging from 0.50% to 2.33%) annually. The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund such as audit and legal fees, board compensation and other similar charges. These charges are not expected to exceed in total 0.20% (2021: 0.20%) per annum of the Fund's net assets value

In addition, on a daily basis, the fund manager and custodian charge the fund custody fees and administrative expenses at the rate of 0.02% and 0.30%, respectively, annually of the fund's net asset value.

**6 CASH AND CASH EQUIVALENTS**

	<b>Note</b>	<b>30 June 2022 (Un-audited)</b>	<b>31 December 2021 (Audited)</b>
Cash and cash equivalents	6.1, 11	<b>383,747</b>	3,663,907
		<b>383,747</b>	3,663,907

6.1 Cash in investment account is held in an investment account with Riyadh Capital, a related party which is used to accept subscription and redemption. The Fund does not earn profit on this investment account.

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**7 INVESTMENTS CARRIED AT FVPL**

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

	<b>30 June 2022</b> <b>(Un-audited)</b>	31 December 2021 (Audited)
International Mutual Funds	<b>14,798,741</b>	12,504,539
Riyad Global Income Fund	-	5,340,246
Riyad Saudi Equity Fund	<b>3,380,878</b>	3,797,716
Riyad SAR Diversified Trade Fund	<b>2,300,442</b>	-
Riyad USD Diversified Trade Fund	<b>1,907,935</b>	-
<b>Total market value</b>	<b>22,387,996</b>	21,642,501
<b>Total cost</b>	<b>25,163,751</b>	21,177,834

The effect on the equity as a result of the change in the fair value of investments as at 30 June 2022 (Un-audited) and 31 December 2021 (Audited) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

	<b>30 June 2022</b> <b>(Un-audited)</b>		31 December 2021 (Audited)	
	<b>Potential reasonable change %</b>	<b>Effect on Equity</b>	Potential reasonable change %	Effect on Equity
International Mutual Funds	1%	<b>147,987</b>	1%	125,045
Riyad Global Income Fund	1%	-	1%	53,403
Riyad Saudi Equity Fund	1%	<b>33,809</b>	1%	37,977
Riyad SAR Diversified Trade Fund	1%	<b>23,004</b>	1%	-
Riyad USD Diversified Trade Fund	1%	<b>19,079</b>	1%	-
		<b>223,879</b>		216,425

**8 UNIT TRANSACTIONS**

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

	<b>30 June 2022</b> <b>(Un-audited)</b>	31 December 2021 (Audited)
	<i>(Units in numbers)</i>	
<b>Units at the beginning of the period / year</b>	<b>780,975.88</b>	775,510.51
Units issued during the period / year	<b>118,783.91</b>	191,745.43
Units redeemed during the period / year	<b>(104,540.67)</b>	(186,280.06)
<b>Net change in units</b>	<b>14,243.24</b>	5,465.37
<b>Units at the end of the period / year</b>	<b>795,219.12</b>	780,975.88

**9 NET (LOSS)/ GAIN FROM INVESTMENTS CARRIED AT FVPL**

	<b>30 June 2022</b>	30 June 2021
Realized (loss)/ gain from sale of investments carried at FVPL	<b>(170,726)</b>	91,862
Unrealized (loss)/ gain from revaluation of investments carried at FVPL	<b>(2,775,755)</b>	1,211,551
	<b>(2,946,481)</b>	1,303,413

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**10 OTHER EXPENSES**

	<b>30 June 2022</b>	30 June 2021
Administrative fees	<b>140,335</b>	2,136
Custody fees	<b>2,401</b>	53
VAT expenses	<b>22,899</b>	1,816
Other expenses	<b>13,638</b>	13,637
	<b>179,273</b>	17,642

**11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties of the Fund include “Riyad Capital” being the Fund Manager, “Riyad Bank” being the shareholder of Riyadh 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	Nature of transactions	Amount of transaction during the period		Closing balance (payable) / receivable	
		30 June 2022	30 June 2021	30 June 2022 (Un-audited)	31 December 2021(Audited)
Riyad Capital	Investment account	-	-	<b>383,747</b>	3,663,907
	Admin fee	<b>(140,335)</b>	2,136	<b>(23,107)</b>	(6,937)
	Accrued VAT*	<b>(22,899)</b>	1,816	<b>(5,132)</b>	(3,764)

\*Accrued VAT to related party is included under accrued expenses in the interim condensed statement of financial position.

**12 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 was 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 of financial instruments 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.

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

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**12 FAIR VALUE ESTIMATION (CONTINUED)**

The Fund's 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:

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

**13 SUBSEQUENT EVENTS**

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

**14 LAST VALUATION DAY**

The last valuation day for the purposes of preparation of this interim condensed financial information is 30 June 2022 (31 December 2021).

**15 APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION**

This interim condensed financial information was approved and authorized for issue by the Fund's Board on 10 August 2022 (corresponding to 12 Muharram 1444H).