

**RIYAD USD TRADE FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY RIYAD CAPITAL)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

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FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders
Riyad USD Trade Fund
(Open-Ended Mutual Fund)
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Riyad USD Trade Fund** (the "Fund"), managed by Riyad Capital (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in net assets attributable to the Unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 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 ("IFRSs") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as 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 of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as endorsed in the Kingdom of Saudi Arabia ("the Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Fund's 2025 annual report, other than the financial statements and our auditor's report thereon. The Fund Manager is responsible for the other information in its annual report. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report to the Unitholders of Riyadh USD Trade Fund (Continued)**Responsibilities of Fund Manager and Those Charged with Governance for the Financial Statements**

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA, the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority, and the Fund's Terms and Conditions, and for such internal control as the Fund Manager 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, 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 the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Fund's 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 ISAs as 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 the aggregate, these 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 ISAs as endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism 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 that resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of Fund Manager'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.
- 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.

Independent Auditor’s Report to the Unitholders of Riyad USD Trade Fund (Continued)

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence.

**Deloitte and Touche & Co.
Chartered Accountants**



Tariq Mohammed Al-Fattani
Certified Public Accountant
License No. 446
31 March 2026
12 Shawwal 1447H

**RIYAD USD TRADE FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY RIYAD CAPITAL)
STATEMENT OF FINANCIAL POSITION
(ALL AMOUNTS IN UNITED STATES DOLLAR UNLESS OTHERWISE STATED)**

	Note	As at 31 December 2025	As at 31 December 2024
ASSETS			
Cash and bank balances	6	1,612,022	1,369,152
Investments carried at fair value through profit or loss (FVPL)	7	3,433,652	3,862,388
Investments carried at amortized cost	8	12,624,533	16,064,559
Total assets		17,670,207	21,296,099
LIABILITIES			
Management fees payable	5,12	587	474
Accrued expenses		17,494	16,114
Redemptions payable		2,852	142,635
Total liabilities		20,933	159,223
Net assets attributable to the Unitholders		17,649,274	21,136,876
Units in issue (number)	9	2,582,386.54	3,192,703.86
Net assets value per unit (SAR)		6.83	6.62

The accompanying notes 1 to 18 form an integral part of these financial statements.

RIYAD USD TRADE FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY RIYAD CAPITAL)
STATEMENT OF COMPREHENSIVE INCOME
(ALL AMOUNTS IN UNITED STATES DOLLAR UNLESS OTHERWISE STATED)

		For the year ended 31 December	
	Note	2025	2024
Income			
Special commission income		643,464	1,082,805
Net gain from investments carried at FVPL	10	71,263	96,152
		<u>714,727</u>	<u>1,178,957</u>
Expenses			
Management fees expense	5,12	(77,102)	(103,183)
Other expenses	11	(28,822)	(32,484)
Total expenses		<u>(105,924)</u>	<u>(135,667)</u>
Net income for the year		608,803	1,043,290
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>608,803</u></u>	<u><u>1,043,290</u></u>

The accompanying notes 1 to 18 form an integral part of these financial statements.

RIYAD USD TRADE FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY RIYAD CAPITAL)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS
(ALL AMOUNTS IN UNITED STATES DOLLAR UNLESS OTHERWISE STATED)

	For the year ended 31 December	
	2025	2024
Net assets attributable to the Unitholders at beginning of the year	21,136,876	21,614,940
Total comprehensive income for the year	608,803	1,043,290
Movement of subscriptions and redemptions by the Unitholders		
Issuance of units	7,443,231	14,488,225
Redemption of units	(11,539,637)	(16,009,579)
Net changes from unit transactions	(4,096,406)	(1,521,354)
Net assets attributable to the Unitholders at end of the year	17,649,273	21,136,876

The accompanying notes 1 to 18 form an integral part of these financial statements

RIYAD USD TRADE FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY RIYAD CAPITAL)
STATEMENT OF CASH FLOWS
(ALL AMOUNTS IN UNITED STATES DOLLAR UNLESS OTHERWISE STATED)

		For the year ended 31 December	
	Note	2025	2024
Cash flows from operating activities:			
Net income for the year		608,803	1,043,290
Adjustment for:			
Unrealized gain on revaluation of investments carried at FVPL	10	(66,557)	(93,527)
		542,246	949,763
Net changes in operating assets and liabilities:			
Investments carried at amortized cost		40,026	12,192,874
Investments carried at FVPL		495,294	(2,802,625)
Management fees payable		113	(657)
Accrued expenses		1,380	990
Net cash generated from operating activities		1,079,059	10,340,345
Cash flows from financing activities:			
Proceeds from issuance of units		7,443,231	14,488,225
Redemptions of units, paid		(11,679,420)	(15,866,944)
Net cash used in financing activities		(4,236,189)	(1,378,719)
Net changes in cash and cash equivalents		(3,157,130)	8,961,626
Cash and cash equivalents at beginning of the year		17,369,152	8,407,526
Cash and cash equivalents at end of the year	6	14,212,022	17,369,152
Supplemental non-cash information			
Payable to Unitholders on account of redemptions		(139,783)	(142,635)

The accompanying notes 1 to 18 form an integral part of these financial statements.

**RIYAD USD TRADE FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY RIYAD CAPITAL)
STATEMENT OF CASH FLOWS
(ALL AMOUNTS IN UNITED STATES DOLLAR UNLESS OTHERWISE STATED)**

1. THE FUND AND ITS ACTIVITIES

The Riyad USD Trade Fund (the “Fund”) is a money market fund managed through an agreement between Riyad Capital (the “Fund Manager”) and the investors in the Fund (the “Unitholders”). The objective of the Fund is to seek maximum possible preservation of capital and realize a reasonable return thereon through participation in money market investments denominated in US Dollars that do not contradict with the principles of Islamic Sharia.

In dealing with the Unitholders, 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 activities 3 October 1990, 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).

The Fund Manager has appointed HSBC Saudi Arabia (the “Custodian”) to act as the custodian of the Fund. The fees of the Custodian are paid by the Fund.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Funds Regulations (the “Regulations”) issued by the Board of CMA on 3 Dhul Hijjah 1427H (corresponding to 24 December 2006) and amended by the resolution of the Board of the CMA dated 3 Jumada Al-Thani 1447H (corresponding to 24 November 2025) detailing the requirements of all funds within the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”), and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority (“CMA”) and the Fund’s Terms and Conditions.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, using the accrual basis of accounting and the going concern concept except for investments measured at fair value through profit or loss are recorded at 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 order of their liquidity

3.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the main economic environment in which the Fund operates (the “functional currency”) and are expressed in United States Dollar (USD), which is the Fund’s functional and operational currency and all financial information presented is rounded to the nearest USD.

3. BASIS OF PREPARATION

3.4 Critical accounting judgments, estimates and assumptions

The preparation of the financial statements requires the Fund Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant areas where management has used estimates, assumptions or exercised judgement are as follows:

Going concern

The Fund Manager has assessed 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 Fund Manager is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern.

Expected credit loss

Expected credit loss (ECL) against financial assets is a significant estimate used in the preparation of these financial statements. The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weights of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

3. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 New Standards, Interpretations and Amendments Adopted by the Fund

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2024. Based on the adoption of new standard and in consideration of current economic environment, the following accounting policies are applicable effective from 1 January 2025 replacing, amending, or adding to the corresponding accounting policies set out in 2024 financial statements.

**RIYAD USD TRADE FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY RIYAD CAPITAL)
STATEMENT OF CASH FLOWS
(ALL AMOUNTS IN UNITED STATES DOLLAR UNLESS OTHERWISE STATED)**

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.1 New Standards, Interpretations and Amendments Adopted by the Fund (continued)

The following standards, interpretations or amendments are effective from the annual reporting period beginning on 1 January 2025 and are adopted by the Fund, however, these do not have any impact on the financial statements of the year unless otherwise stated below:

Standard, interpretation or amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

The adoption of the above amendment to standards did not have any significant impact on these financial statements.

4.2 New standards Issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Fund’s financial statements are listed below. The listing is of standards and interpretations issued, which the Fund reasonably expects to be applicable at a future date. The Fund intends to adopt these standards when they become effective.

Standard, interpretation or amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity’s financial statements.	1 January 2026

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.2 New standards Issued but not yet effective (continued)

Standard, interpretation or amendments	Description	Effective date
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity’s financial performance as ‘management-defined performance measures’ (‘MPMs’). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.3 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash in investment accounts, balances with custodian and Murabaha deposits with an original maturity of three months or less from the date of acquisition. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

4.4 Financial instruments

4.4.1 Classification and measurement of financial assets

4.4.1.1 Initial recognition and measurement

Financial assets are recognized when the Fund becomes a party to the contractual provisions of the instrument. The Fund records financial instruments on a 'trade date' basis.

At initial recognition, the Fund measures a financial asset at its fair value. In the case of a financial asset not recorded at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions are adjusted. For financial assets held at fair value through profit or loss, the transaction costs are expensed in the statement of profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognized for debt financial assets measured at amortized cost, which results in an ECL charge being recognized in the statement of profit or loss.

4.4.1.2 Classification and subsequent measurement of financial assets

On initial recognition, the Fund classifies its financial assets in the following measurement categories:

- Amortized cost
- Fair value through other comprehensive income ("FVOCI")
- Fair value through statement of profit or loss ("FVPL")

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on:

- The Fund's business model for managing the asset; and
- The contractual cash flow characteristics of the asset.

Business model: The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Fund in determining the business model for a group of assets include:

- past experience on how the cash flows for these assets were collected.
- how the asset's performance is internally evaluated and reported to key management personnel.
- how risks are assessed and managed; and
- how managers are compensated.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4 Financial instruments (continued)

4.4.1 Classification and measurement of financial assets (continued)

4.4.1.2 Classification and subsequent measurement of financial assets (continued)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Debt securities held for trading, if any, are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payment of principal and interest (the "SPPI" test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., interest (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the SPPI test does not pass, and the related financial asset is classified and measured at FVPL.

The SPPI assessment is performed on initial recognition of an asset, and it is not subsequently reassessed. Based on these factors, the Fund classifies its debt instruments into one of the following three measurement categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any Allowance for expected credit losses recognized and measured as described in Note 4.4.2.3. Profit earned from these financial assets is recognized in the statement of profit or loss using the effective interest rate method.

Fair value through statement of profit or loss ("FVPL"): If debt instrument's cash flows do not represent solely SPPI or if it is not held within the held to collect or the held to collect and sell business model, or if it is designated at FVPL, then it is measured at FVPL. A gain or loss on a debt investment measured at FVPL, where cashflows do not represents solely SPPI, is recognized in the statement of profit or loss, within "Net gain/(loss) on investments mandatorily measured at FVPL", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value, or which are held for trading are presented separately from debt investments that are mandatorily measured at FVPL, within "Net gain/ (loss) in investments designated at FVPL or held for trading".

Fair value through other comprehensive income ("FVOCI"): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income ("FVOCI"). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in statement of profit or loss. When the debt financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss.

**RIYAD USD TRADE FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY RIYAD CAPITAL)
STATEMENT OF CASH FLOWS
(ALL AMOUNTS IN UNITED STATES DOLLAR UNLESS OTHERWISE STATED)**

4.4 Financial instruments (continued)

4.4.1 Classification and measurement of financial assets (continued)

4.4.1.2 Classification and subsequent measurement of financial assets (continued)

The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the year.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Fund subsequently measures all equity investments at FVPL, except where the Fund has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to the statement of profit or loss, including on disposal. On disposal, fair value gains/losses are transferred directly from fair value reserve to retained earnings. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of profit or loss when the Fund's right to receive payments is established.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4 Financial instruments (continued)

4.4.2 Impairment of financial assets

The Fund assesses on a forward-looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortized cost. The Fund recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

IFRS 9 outlines a 'three stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- (i) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored.
- (ii) If a significant increase in credit risk ('SICR') is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- (iii) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4 Financial instruments (continued)

4.4.2 Impairment of financial assets (continued)

- (iv) Financial instrument in Stage 1 has their ECL measured at an amount equal to the portion of expected credit losses that result from the default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- (v) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- (vi) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Stage 1: (Initial recognition) 12-month expected credit losses

Stage 2: (Significant increase in credit risk since initial recognition) Lifetime expected credit losses

Stage 3: (Credit impaired assets) Lifetime expected credit losses.

4.4.2.3 EXPECTED CREDIT LOSS MEASUREMENT

Measurement of ECL:

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described below.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

LGD is the magnitude of the likely loss if there is a default. The Fund estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties.

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-collateralised 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. In absence of history, bench making is performed.

EAD represents the expected exposure in the event of a default. The Fund derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4 Financial instruments (continued)

4.4.2 Impairment of financial assets (continued)

4.4.2.3 Expected credit loss measurement (continued)

The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

Measurement of ECL:

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described below.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. PDs are estimated considering binomial distribution of total borrowers and total defaults.

The financial assets of the Fund, which are subjected to ECL review include cash and cash equivalents and investment carried at amortised cost. Loss given default (LGD) is insignificant given the “insignificant risk of changes in value” criteria.

EAD represents the expected exposure in the event of a default. The Fund derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount.

4.4.3 Financial liabilities

All financial liabilities are initially recognized at fair value less transaction costs except for financial liabilities measured at FVPL where transactions cost, if any, are not deducted from the fair value measurement at initial recognition and are included in the statement of profit or loss.

Subsequently, all special commission bearing financial liabilities other than those held at FVPL are measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on settlement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.4 Financial instruments (continued)

4.4.4 Fair value of financial instruments

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4.4.5 Derecognition of financial instruments

A financial asset is derecognized, when the contractual rights to receive the cash flows from the financial asset expire or the asset is transferred, and the transfer qualifies for de-recognition. In instances where the Fund is assessed to have transferred a financial asset, the asset is derecognized if the Fund has transferred substantially all the risks and rewards of ownership. Where the Fund has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognized only if the Fund has not retained control of the financial asset. The Fund recognizes separately as assets or liabilities any rights and obligations created or retained in the process. A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expired.

4.4.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is an enforceable legal right to offset the recognized amounts and there is an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.5 Accrued expenses

Accrued expenses are recognised for amounts to be paid in the future for services received, whether billed by the suppliers or not. Accrued expenses are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

4.6 Provisions

A provision is recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.7 Redeemable units

The Fund is open for subscriptions/ redemptions of units from Sunday to Thursday. The net assets value of the Fund is determined every day from Sunday to Thursday (each a "Valuation Day"). The net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the value of net assets (fair value of Fund assets minus Fund liabilities) by the total number of outstanding units on the relevant Valuation Day.

The Fund classifies its redeemable units as an equity instrument if the redeemable units have all of the following features:

- It entitles the holder to a pro-rata share of the Fund's net assets in the event of the Fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata shares of the Fund's net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

The Fund continuously assesses the classification of the redeemable shares. If the redeemable shares cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable shares subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable shares are accounted for as equity transactions.

No gain or loss is recognised in the statement of comprehensive income on the purchase, issuance or cancellation of the Fund's own equity instruments.

4.8 Zakat and Taxes

In accordance with Zakat, Tax and Customs Authority (ZATCA) regulations, Zakat / taxation is the obligation of the Unitholders and therefore, no provision for such liability is made in these financial statements. Value Added Taxes applicable for expenses are recognized in the statement of comprehensive income.

4.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, taxes and rebates.

Dividend income is recognised in the statement of comprehensive income when the Fund's right to receive dividend is established.

Realised gain on disposal of investments held at FVPL is measured as the difference between the sales proceed and the carrying value before disposal.

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4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4.9 Revenue recognition (continued)

Special commission income is recognized in the statement of comprehensive income based on effective yield basis.

4.10 Management fees

Fund management fees are recognised on accrual basis and charged to the statement of comprehensive income. Fund management fee is charged at agreed rates with the Fund Manager as stated in the terms and conditions of the Fund.

4.11 Other expenses

Other expenses are charged at rates / amounts within limits mentioned in terms and conditions of the Fund.

4.12 Net Assets Value per unit

Net Assets Value per unit as disclosed in the statement of financial position is calculated by dividing the net assets of the fund by the number of units outstanding at year end.

5. MANAGEMENT FEE, ADMINISTRATION AND OTHER CHARGES

On each valuation day, the Fund Manager charges the Fund, a management fee at the rate of 0.50% (2024:0.50% per annum) per annum of the Fund's net asset value. In addition, the Fund Manager charges the Fund custody fee at the rate of 0.005% per annum plus USD 8 per transaction (2024: 0.005% per annum plus USD 8 per transaction) of the Fund's net asset value.

The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund such as audit fees, legal fees and other similar charges. These charges are not expected to exceed in total 0.20% (2024: 0.20%) per annum of the Fund's equity.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise of the following:

	Note	As at 31 December 2025	As at 31 December 2024
Cash in investment accounts	12, 6.1	2,852	142,636
Balance with custodian		1,609,170	1,226,516
Cash and bank balances		1,612,022	1,369,152
Murabaha placements having a maturity of three month or less from the date of acquisition	8.1	12,600,000	16,000,000
Cash and cash equivalents in statement of cash flows		14,212,022	17,369,152

6.1 Cash in investment accounts is held in investment accounts with Riyad Capital and a cash balance held with the Custodian. The Fund does not earn profit on these investment accounts.

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7. INVESTMENTS CARRIED AT FVPL

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

	Note	As at 31 December 2025	As at 31 December 2024
Mutual Fund:			
Riyad USD Diversified Trade Fund	12	3,433,652	3,862,388
		<u>3,433,652</u>	<u>3,862,388</u>

8. INVESTMENTS CARRIED AT AMORTIZED COST

	As at 31 December 2025	As at 31 December 2024
Investments in Murabaha placements with local banks	12,600,000	16,000,000
Accrued special commission income	24,533	64,559
Total	<u>12,624,533</u>	<u>16,064,559</u>

8.1 Those placements are with an original maturity of 3 months or less from acquisition date and are included within cash and cash equivalents balance for the purposes of the statement of cash flows.

8.2 The rate of special commission income for above investment carried at amortized cost ranges from 3.00% to 4.34% per annum (2024: 4.00% to 5.20% per annum).

9. UNIT TRANSACTIONS

Transactions in units for the year are summarized as follows:

	As at 31 DECEMBER 2025	As at 31 December 2024
Units at the beginning of the year	3,192,703.86	3,410,113.04
Units issued	1,104,044.33	2,238,315.14
Units redeemed	(1,714,361.65)	(2,455,724.32)
Net change in units	(610,317.32)	(217,409.18)
Units at the end of the year	<u>2,582,386.54</u>	<u>3,192,703.86</u>

10. NET GAIN FROM INVESTMENTS CARRIED AT FVPL

	For the year ended 31 December	
	2025	2024
Realized gain from sale of investments carried at FVPL	4,706	2,625
Unrealized gain from revaluation of investments carried at FVPL	66,557	93,527
	<u>71,263</u>	<u>96,152</u>

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11. OTHER EXPENSES

	Note	For the year ended 31 December	
		2025	2024
VAT expenses		13,024	16,886
Professional fees	11.1	7,714	6,267
CMA fee		2,000	2,000
Tadawul fee		1,333	1,333
Custody fees		1,227	1,368
Other		3,524	4,630
		28,822	32,484

11.1 This includes auditor's remuneration for the statutory audit and interim review of the fund's financial statements and interim financial information for the year ended 31 December 2025 amounting to USD 4,000 and USD 2,667 respectively. (2024: USD 4,000 and USD 2,267 respectively).

12. TRANSACTIONS AND BALANCE WITH RELATED PARTY

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

In the ordinary course of its activities, the Fund transacts business with related parties. The related parties' transactions are in accordance with terms and conditions of the Fund. The significant related party transactions entered into by the Fund during the year and the balances resulting from such transactions are as follows:

Related party	Relationship	Nature of transactions	Net amount of transactions during the year ended		Closing balance assets / (liabilities)	
			31 December 2025	31 December 2024	31 December 2025	31 December 2024
			Riyad Capital	Fund Manager	Fund management fees	(77,102)
		Cash in investment accounts	(139,783)	(264,890)	2,852	142,636
Riyad USD Diversified Trade Fund	Fund managed by the Fund Manager	Investments carried at FVPL	(428,737)	2,896,152	3,433,652	3,862,388

As at 31 December 2025, the Fund Manager held 30,048.70 (2024: 33,804.97) units in the Fund. No other mutual funds managed by the Fund Manager had transactions in units of the Fund.

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13.FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 December 2025	Amortized cost	FVPL
Assets as per statement of financial position		
Cash and cash equivalents	1,612,022	-
Investment carried at FVPL	-	3,433,652
Investment carried at amortized cost	12,624,533	-
Total assets	14,236,555	3,433,652
Liabilities as per statement of financial position		
Management fees payable	587	-
Accrued expenses	17,494	-
Redemption payable	2,852	-
Total liabilities	20,933	-
As at 31 December 2024		
Assets as per statement of financial position		
Cash and cash equivalents	1,369,152	-
Investment carried at FVPL	-	3,862,388
Investment carried at amortized cost	16,064,559	-
Total assets	17,433,711	3,862,388
Liabilities as per statement of financial position		
Management fees payable	474	-
Accrued expenses	14,210	-
Redemption payable	142,635	-
Total liabilities	157,319	-

14.FINANCIAL RISK MANAGEMENT

14.1 Financial risk factors

The objective of the Funds 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's Board of Directors oversees the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund's Board of Directors. 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 financial instruments included in these financial statements principally include cash and cash equivalents, investments carried at FVPL, investments carried at amortized cost, management fees payable, accrued expenses and redemptions payable. The recognition methods adopted are disclosed in the individual policy statements associated with each item.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1 Financial risk factors (continued)

Financial assets and liabilities are offset and net amounts are reported in the financial statements, when the Fund has a legally enforceable right to disburse the recognized amounts and intends either to settle on a net basis, or to realize the assets and liabilities simultaneously.

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

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

Other than USD currency, some of the Fund's transactions and balances are in Saudi Arabian Riyals (SAR), where SAR is pegged to USD, therefore the Fund exposure to foreign exchange risk is negligible.

(ii) Special Commission rate risk

Commission rate risk is the risk that the value of future cash flows of a financial instrument or fair values of financial instruments will fluctuate due to changes in market commission rates.

Currently all investments of the Fund are in Murabaha placements which carry fixed commission rate. Since these investments are classified as amortized cost, any changes in the market rates would not have any impact on the profit or loss of the Fund.

(iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds. The Fund has investment in units of open-ended mutual funds which are classified as held at FVPL, which has geographically concentrated in the Saudi market. The Fund Manager closely monitors the price movement of its financial instruments.

The effect on equity attributable to Unitholders due to a reasonably possible change in market prices, with all other variables held constant, is as follows:

	31 December 2025		31 December 2024	
	Reasonably possible change %	Effect on equity	Reasonably possible change %	Effect on equity
A financial instrument that is subject to floating market prices				
Investments carried at FVPL	+/-5	171,683	+/-5	193,119

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1 Financial risk factors (continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to credit risk for its investments carried at amortized cost and cash equivalents. Cash in investment accounts held with the Fund Manager and the cash balances held with the custodian are held in banks which has sound credit rating and there is no historical history of default to recover the balance.

(b) Credit risk (continued)

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position.

	As at 31 December 2025	As at 31 December 2024
Cash and bank balances	1,612,022	1,369,152
Investments carried at amortized cost	12,624,533	16,064,559
	14,236,555	17,433,711

Credit quality analysis

The following table shows an analysis of the credit quality of financial assets as at 31 December.

	2025		
	Investment grade	Non-investment grade	Total
Financial assets			
Cash and bank balances	1,612,022	-	1,612,022
Investments carried at amortized cost	12,624,533	-	12,624,533
Total	14,236,555	-	14,236,555
	2024		
	Investment grade	Non-investment grade	Total
Financial assets			
Cash and bank balances	1,369,152	-	1,369,152
Investments carried at amortized cost	16,064,559	-	16,064,559
Total	17,433,711	-	17,433,711

The cash and cash equivalents and investments carried at amortized cost are held with counterparties having strong credit rating, and hence, low credit risk. Therefore, ECL is negligible.

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The Fund's terms and conditions provide for subscription and redemption of units from Sunday to Thursday, therefore, exposed to the liquidity risk of meeting unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the statement of financial position date.

The Fund has investments in Murabaha deals with maturities ranging from 1 to 12 months. Therefore, the Fund can realise its investment within 12 months after the current reporting date. Financial assets that do not have a defined maturity are highly liquid and can be liquidated on a trading day.

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.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below shows an analysis of financial assets and financial liabilities by when recovery or settlement is expected:

As at 31 DECEMBER 2025	Less than 7 days	7 days to 1 month	1 month – 12 months	Over 12 months	Total
Financial assets					
Cash and bank balances	1,612,022	-	-	-	1,612,022
Investments carried at amortized cost	1,706,148	10,918,385	-	-	12,624,533
Investments carried at FVPL	3,433,652	-	-	-	3,433,652
	6,751,822	10,918,385	-	-	17,670,207
Financial liabilities					
Management fees payable	-	587	-	-	587
Accrued expenses	-	17,494	-	-	17,494
Redemption payable	2,852	-	-	-	2,852
	2,852	18,081	-	-	20,933
Liquidity gap	6,748,970	10,900,304	-	-	17,649,274
As at 31 December 2024					
Financial assets					
Cash and cash equivalents	1,369,152	-	-	-	1,369,152
Investments carried at amortized cost	1,510,617	8,038,821	6,515,121	-	16,064,559
Investments carried at FVPL	3,862,388	-	-	-	3,862,388
	6,742,157	8,038,821	6,515,121	-	21,296,099
Financial liabilities					
Management fees payable	-	474	-	-	474
Accrued expenses	-	16,114	-	-	16,114
Redemption payable	142,635	-	-	-	142,635
	142,635	16,588	-	-	159,223
Liquidity gap	6,599,522	8,022,233	6,515,121	-	21,136,876

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 financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

14.2 Capital risk management

The Fund's capital represents the net assets of the Unitholders. The Fund's objectives when managing capital are to maintain the ability to continue as a going concern and achieve returns for Unitholders and benefits for other stakeholders, as well as maintaining the capital base to support the development of the Fund's investment activities.

14.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

Determination of fair value and fair value hierarchy

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 fair value of investments carried at FVPL are based on quoted prices in active markets and are therefore classified within Level 1 and the units of mutual fund held by the Fund are valued based on NAV published by the fund manager. All financial liabilities as at 31 December 2025 and 31 December 2024 were classified as financial liabilities measured at amortized cost. The table does not include fair value information for financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.3 Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities measured at fair value , as well as financial assets not measured at fair value but for which fair value is disclosed, as at 31 December 2025 and 2024.

* Investments carried at amortized cost are not measured at fair value. Their fair value is presented below for disclosure purposes only :

Determination of fair value and fair value hierarchy (continued)

2025	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<i>Financial assets not measured at fair value</i>					
Investment carried at amortized cost	12,624,533	-	-	12,624,533	12,624,533
<i>Financial assets measured at fair value</i>					
Investments carried at FVPL	3,433,652	3,433,652	-	-	3,433,652
	16,058,185	3,433,652	-	12,624,533	16,058,185
2024	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<i>Financial assets not measured at fair value</i>					
Investment carried at amortized cost	16,064,559	-	-	16,064,559	16,064,559
<i>Financial assets measured at fair value</i>					
Investments carried at FVPL	3,862,388	3,862,388	-	-	3,862,388
	19,926,947	3,862,388	-	16,064,559	19,926,947

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15.LAST VALUATION DAY

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

16.SUBSEQUENT EVENTS

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

17.INFORMATIVE ZAKAT RETURN SUBMISSION

Under the current system of zakat and income tax in the Kingdom of Saudi Arabia, the Fund does not pay any Zakat and income tax. Zakat and income tax are considered to be the obligation of the Unitholders and are not provided in these financial statements.

18.APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Fund's Board of Director on 31 March 2026 (corresponding to 12 Shawwal 1447H).