

ALJAZIRA DIVERSIFIED CONSERVATIVE FUND
A Private Open-Ended Fund
(Managed by Aljazira Capital Company)
Interim Condensed Financial Statements (Unaudited)
For the six-month period ended 30 June 2021
Together with the
Independent Auditor's Review Report to the Unitholders

ALJAZIRA DIVERSIFIED CONSERVATIVE FUND
A Private Open-Ended Fund
(Managed by Aljazira Capital Company)
INTERIM CONDENSED FINANCIAL STATEMENTS (Un-audited)
For the six-month period ended 30 June 2021

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

**TO THE UNITHOLDERS OF
 ALJAZIRA DIVERSIFIED CONSERVATIVE FUND
 Managed by Aljazira Capital Company**

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Aljazira Diversified Conservative Fund (the "Fund") managed by Aljazira Capital Company (the "Fund Manager") as at 30 June 2021 and the related interim statements of comprehensive income, changes in net assets (Equity) attributable to the unitholders and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

For Al-Bassam & Co.

Ibrahim Ahmed Al-Bassam
 Certified Public Accountant
 License No. 337

02 Safar 1443H
 09 September 2021G
 Riyadh, Kingdom of Saudi Arabia



ALJAZIRA DIVERSIFIED CONSERVATIVE FUND**A Private Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF FINANCIAL POSITION**As at 30 June 2021****(Amounts in Saudi Arabian Riyals)**

	Notes	30 June 2021 (Un-audited)	31 December 2020 (Audited)
<u>ASSETS</u>			
Investments carried at fair value through profit or loss (FVTPL)	4	150,107,981	44,955,338
Prepayments and other receivables		-	34
TOTAL ASSETS		150,107,981	44,955,372
<u>LIABILITIES</u>			
Accrued expenses and other liabilities		53,549	59,557
TOTAL LIABILITIES		53,549	59,557
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		150,054,432	44,895,815
Units in issue (in numbers)	6	1,161,653	358,744
Net Asset (Equity) Value per unit		129.17	125.15

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

ALJAZIRA DIVERSIFIED CONSERVATIVE FUND**A Private Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME**For the six-month period ended 30 June 2021****(Amounts in Saudi Arabian Riyals)**

	Notes	30 June 2021 (Un-audited)	30 June 2020 (Un-audited)
<u>Income</u>			
Net gain from investments carried at FVTPL	7	2,368,672	101,900
Dividend income		55,859	17,288
		<u>2,424,531</u>	<u>119,188</u>
<u>Expenses</u>			
Other expenses		88,287	66,533
		<u>88,287</u>	<u>66,533</u>
Net income for the period		<u>2,336,244</u>	<u>52,655</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>2,336,244</u>	<u>52,655</u>

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

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INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS**For the six-month period ended 30 June 2021****(Amounts in Saudi Arabian Riyals)**

	30 June 2021 (Un-audited)	30 June 2020 (Un-audited)
Net assets (Equity) attributable to the Unitholders at beginning of the period	44,895,815	37,081,632
Total comprehensive income for the period	2,336,244	52,655
Changes from unit transactions		
Issuance of units	117,546,142	22,052,625
Redemption of units	(14,723,769)	(19,792,886)
Net changes from unit transactions	102,822,373	2,259,739
Net assets (Equity) attributable to the Unitholders at end of the period	150,054,432	39,394,026

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

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INTERIM STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2021
(Amounts in Saudi Arabian Riyals)

	Notes	30 June 2021 (Un-audited)	30 June 2020 (Un-audited)
<u>Cash flows from operating activities:</u>			
Net income for the period		2,336,244	52,655
Adjustments for:			
- Unrealized (gain) / loss from investments carried at FVTPL	7	(12,562,836)	709,181
		<u>(10,226,592)</u>	<u>761,836</u>
<u>Net changes in operating assets and liabilities:</u>			
Investments carried at FVTPL		(92,589,807)	(4,435,131)
Advance for purchase of investments		-	1,327,042
Prepayments and other receivables		34	(2,598)
Accrued expenses and other liabilities		(6,008)	57,950
Net cash used in operating activities		<u>(102,822,373)</u>	<u>(2,290,901)</u>
<u>Cash flows from financing activities:</u>			
Proceeds from issuance of units		117,546,142	22,052,625
Redemption of units		(14,723,769)	(19,792,886)
Net cash generated from financing activities		<u>102,822,373</u>	<u>2,259,739</u>
Net change in cash and cash equivalents:		-	(31,162)
Cash and cash equivalents at beginning of the period		-	31,162
Cash and cash equivalents at end of the period		<u>-</u>	<u>-</u>

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

ALJAZIRA DIVERSIFIED CONSERVATIVE FUND

A Private Open-Ended Fund

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2021

(Amounts in Saudi Arabian Riyals)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Aljazira Diversified Conservative Fund (the “Fund”) is an open-ended, Investment fund established and managed through an agreement between Aljazira Capital Company – a Saudi Closed Joint Stock Company (the “Fund Manager”) and the investors (the “unitholders”) in the Fund. The Fund Manager is a wholly owned subsidiary of Bank Aljazira (the “Bank”). The Capital Market Authority (“CMA”) approval to continue issuing units to public was granted vide its letter no 702/5 dated 01 Rabi Al-Thani 1434H (corresponding to 12 February 2013). The Fund commenced its operations on 9 March 2013.

The Fund operates under the terms and conditions contained in its prospectus with the prime objective of providing the investors with the opportunities to invest in Shariah compliant investments securities in emerging economies to achieve the long-term capital growth. The Fund’s net income is re-invested in the Fund, which is reflected in the net assets (equity) attributable to each unit.

The Fund’s Manager and administrator is Aljazira Capital Company. The Fund’s assets are held in the custody of Northern Trust Securities (the “Custodian”).

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) thereafter amended on 16 Sha’ban 1437H (corresponding to 23 May 2016). The regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442H (corresponding to 1 May 2021).

2 BASIS OF PREPARATION

2.1. Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Certified Public Accountants (SOCPA) and should be read in conjunction with the Fund’s last annual financial statement for the year ended 31 December 2020. The results for the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

2.2. Basis of measurement

These interim condensed financial statements have been prepared on a historical cost basis, except for investments that are measured at FVTPL.

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 interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

2.3. Functional and presentation currency

Items included in these interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These interim condensed financial statements are presented in Saudi Arabian Riyals (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 statement of comprehensive income.

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 New standards, interpretations and amendments**

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2020. There are new standards, amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed financial statements of the Fund.

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

3.2 Critical accounting estimates and assumptions

The preparation of these interim condensed financial statements requires management to make judgments, 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 recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Fund's accounting policies, the management has made the following estimate and judgment which is significant to these interim condensed financial statements:

3.2.1 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. Accordingly, these interim condensed financial statements have been prepared on a going concern basis.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2021****(Amounts in Saudi Arabian Riyals)****4 INVESTMENTS CARRIED AT FVTPL**

Investments carried at FVTPL comprise of the following:

Name of fund	30 June 2021 (Un-audited)		
	Cost	Fair value	%
Funds managed by the Fund Manager			
Aljazira Saudi Riyal Murabaha Fund	53,290,611	53,290,611	35.50
Aljazira International Equities Fund	2,647,251	9,927,190	6.61
Aljazira Local Fund	5,101,411	5,101,411	3.40
Aljazira GCC Income Fund	5,014,610	5,014,610	3.34
Aljazira European Equities Fund	1,319,126	4,946,723	3.30
Aljazira Asian Equity Fund	1,276,130	4,785,488	3.19
	68,649,139	83,066,033	55.34
Other funds			
Riyad Capital Murabaha Fund	53,521,391	53,521,391	35.66
Falcom Murabaha Fund	13,520,557	13,520,557	9.00
Total	135,691,087	150,107,981	100.00

Name of fund	31 December 2020 (Audited)		
	Cost	Fair value	%
Funds managed by the Fund Manager			
Aljazira Saudi Riyal Murabaha Fund	14,763,592	14,962,384	33.80
Aljazira International Equities Fund	1,372,816	1,619,470	3.60
Aljazira European Equities Fund	1,363,159	1,519,718	3.38
Aljazira Global Emerging Markets Fund	1,197,379	1,481,812	3.30
Aljazira Saudi Equities Fund	1,224,384	1,411,463	3.14
Aljazira GCC Income Fund	1,297,513	1,407,551	3.13
Aljazira Japanese Equities Fund	1,096,266	1,403,363	3.12
	22,315,109	23,805,761	52.95
Other funds			
Falcom Murabaha Fund	16,609,395	16,931,863	37.66
AlAhli Saudi Riyal Trade Fund	4,176,776	4,217,714	9.39
Total	43,101,280	44,955,338	100.00

5 RELATED PARTIES TRANSACTIONS AND BALANCES**Management fee and other expenses**

As per revised terms and conditions dated 02 November 2018, no management fee has been charged to the Fund during the period ended 30 June 2021 (30 June 2020: Nil).

The Fund Manager recovers from the Fund any other expenses incurred on behalf of the Fund such as audit fee, board compensation and other similar charges. These expenses are not expected to exceed an annual rate of 0.5% of the value of the Fund's net asset calculated on daily basis.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2021****(Amounts in Saudi Arabian Riyals)****5 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)***Transactions with related parties*

During the period, the Fund entered into the following significant transactions with related parties in the ordinary course of its business. These transactions were carried out on the basis of approved terms and conditions of the Fund.

Related party	Nature of transactions	Amount of transactions		Value of units held as at	
		30 June 2021	30 June 2020	30 June 2021	31 December 2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
Aljazira Capital	Board Remuneration	11,901	11,803	-	-
Aljazira Saudi Riyal Murabaha Fund	Subscription of Units	54,261,440	6,897,382		-
	Redemption of Units	(1,111,816)	(6,884,126)	53,290,611	14,962,384
	Subscription of Units	4,791,202	181,698		-
Aljazira European Equities Fund	Redemption of Units	(186,911)	(110,529)	4,946,723	1,519,718
	Dividend Income	55,859	17,288		-
Aljazira GCC Income Fund	Subscription of Units	2,728,443	945,052		
	Redemption of Units	(210,645)	(452,847)	5,014,610	1,407,551
	Dividend Income	-	-		-
Aljazira Local Fund	Subscription of Units	4,654,755	-		-
	Redemption of Units	(243,387)	-	5,101,411	-
	Subscription of Units	10,076,664	197,037		-
Aljazira International Equities Fund	Redemption of Units	(740,229)	(125,484)	16,113,585	1,619,470
	Subscription of Units	-	179,330		-
	Redemption of Units	(1,481,812)	(113,104)	-	1,481,812
Aljazira Global Emerging Markets Fund	Subscription of Units	-	847,212		-
	Redemption of Units	(1,411,463)	(445,449)	-	1,411,463
	Subscription of Units	-	847,212		-
Aljazira Saudi Equities Fund	Redemption of Units	(1,411,463)	(445,449)	-	1,411,463

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5 RELATED PARTIES BALANCES AND TRANSACTIONS (CONTINUED)

Related parties	Nature of transactions	Amount of Transaction		Value of Units held as at	
		30 June 2021	30 June 2020	30 June 2021	31 December 2020
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
Aljazira Asian Equity Fund	Subscription of Units	5,134,303	-		
	Redemption of Units	(189,213)	-	4,785,488	-
Aljazira Japanese Equities Fund	Subscription of Units	-	173,054		
	Redemption of Units	(1,403,363)	(113,625)	-	1,403,363

Certain units of the Fund are subscribed by an affiliate of the Fund Manager, the details of which are as follows:

Name of related parties	30 June 2021 (Un-audited)	31 December 2020 (Audited)
	<i>(Unit in numbers)</i>	
Affiliate		
Aljazira Takaful Taawuni Company	114,080	92,925

6 UNIT TRANSACTIONS

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

	30 June 2021 (Un-audited)	31 December 2020 (Audited)
	<i>(Unit in numbers)</i>	
Units at beginning of the period / year	358,744	310,164
Units issued during the period / year	918,031	246,303
Units redeemed during the period / year	(115,122)	(197,723)
Net change in units	802,909	48,580
Units at end of the period / year	1,161,653	358,744

7 NET GAIN / (LOSS) FROM INVESTMENTS CARRIED AT FVTPL

	30 June 2021 (Un-audited)	30 June 2020 (Un-audited)
Unrealized gain / (loss) on revaluation of investments	12,562,836	(709,181)
Realised (loss) / gain on disposal of investments	(10,194,164)	811,081
	2,368,672	101,900

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8 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2021 (Un-audited)	Amortized cost	FVTPL
Assets as per interim statement of financial position		
Investments carried at FVTPL	-	150,107,981
Total	-	150,107,981
Liabilities as per interim statement of financial position		
Accrued expenses and other liabilities	53,549	-
Total	53,549	-
31 December 2020 (Audited)	Amortized cost	FVTPL
Assets as per statement of financial position		
Investments carried at FVTPL	-	44,955,338
Total	-	44,955,338
Liabilities as per statement of financial position		
Accrued expenses and other liabilities	59,557	-
Total	59,557	-

9 FINANCIAL RISK MANAGEMENT

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 Board supervises 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 Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

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

(a) Market risk*(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. The Fund does not have any foreign exchange risk since all of its transactions are carried out in SAR

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

The Fund is not subject to commission rate risk, as it does not have any significant variable commission rate bearing financial instruments.

(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 financial instruments that the Fund holds. The Fund closely monitors the price movement of its investments in financial instruments. As of the interim statement of financial position date, the Fund has investments in mutual funds (Note 5).

(iii) Price risk (continued)

The effect on the net assets (equity) value (as a result of the change in the fair value of significant investments as at 30 June 2021 and 31 December 2020) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

	30 June 2021		31 December 2020	
	(Un-audited)		(Audited)	
	Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
Funds managed by Fund Manager				
Aljazira Saudi Riyal Murabaha Fund	+/- 1%	532,906	+/- 1%	149,624
Aljazira International Equities Fund	+/- 1%	99,272	+/- 1%	16,195
Aljazira Local Fund	+/- 1%	51,014	+/- 1%	-
Aljazira GCC Income Fund	+/- 1%	50,146	+/- 1%	14,076
Aljazira European Equities Fund	+/- 1%	49,467	+/- 1%	15,197
Aljazira Asian Equity Fund	+/- 1%	47,855	+/- 1%	-
Aljazira Japanese Equities Fund	+/- 1%	-	+/- 1%	14,034
Aljazira Global Emerging Markets Fund	+/- 1%	-	+/- 1%	14,818
Aljazira Saudi Equities Fund	+/- 1%	-	+/- 1%	14,115
Other funds				
Riyadh Murabaha Fund	+/- 1%	535,214	+/- 1%	-
Falcom Murabaha Fund	+/- 1%	135,206	+/- 1%	169,319
AlAhli Saudi Riyal Trade Fund	+/- 1%	-	+/- 1%	42,177

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2021****(Amounts in Saudi Arabian Riyals)****9 FINANCIAL RISK MANAGEMENT (CONTINUED)****(b) Credit risk**

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

It is the Fund's policy to enter into financial instrument contracts with reputable counterparties. The Fund seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Fund is not exposed to credit risk as at period ended 30 June 2021.

(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.

The Fund's terms and conditions provide for subscription and redemption of units on every Saudi business day and it is, 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 interim statement of financial position date.

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.

30 June 2021			
(Un-audited)			
	Less than 1 year	More than 1 year	Total
Investments carried at FVTPL	150,107,981	-	150,107,981
Total	150,107,981	-	150,107,981
Accrued expenses and other liabilities	53,549	-	53,549
Total	53,549	-	53,549

31 December 2020			
(Audited)			
	Less than 1 year	More than 1 year	Total
Investments carried at FVTPL	44,955,338	-	44,955,338
Total	44,955,338	-	44,955,338
Accrued expenses and other liabilities	59,557	-	59,557
Total	59,557	-	59,557

(d) Operational risk

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

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to unitholders.

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(Amounts in Saudi Arabian Riyals)

10 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 carrying value less impairment provision, if any, of financial instrument carried at amortized cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

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

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

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

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.

For assets and liabilities that are measured at fair value on a recurring basis, the Fund identifies transfers between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the end of the reporting period during which the change has occurred. During the period, there was no transfer in fair value hierarchy for the financial assets held at fair value through profit or loss.

Other financial instruments such as, cash and cash equivalents are short-term financial assets whose carrying amount approximate their fair value, because of their short-term nature and the high credit quality of counterparty. For all other financial assets and liabilities, the carrying value is an approximation of fair value.

11 EVENTS AFTER THE END OF THE REPORTING PERIOD

There has been no significant event after the interim statement of financial position date, which in the opinion of the management requires recognition or disclosure in the interim condensed financial statements.

12 LAST VALUATION DAY

The last valuation day for the purpose of preparation of these interim condensed financial statements was 30 June 2021 (2020: 31 December 2020). There is no material change in the net assets (equity) attributable to each unit of the Fund between last valuation day and its financial period end i.e. 30 June 2021.

13 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 02 Safar1443H corresponding to 09 September 2021G.