

ALJAZIRA GLOBAL EMERGING MARKETS FUND
Open-Ended Fund
(Managed by Aljazira Capital Company)
Interim Condensed Financial Statements (Unaudited)
For the six-month period ended 30 June 2022
Together with the
Independent Auditor's Review Report to the Unitholders

ALJAZIRA GLOBAL EMERGING MARKETS FUND
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(Managed by Aljazira Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)
For the six-month period ended 30 June 2022

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

TO THE UNITHOLDERS OF
Aljazira Global Emerging Fund

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Aljazira Global Emerging Market Fund (the "Fund") managed by Aljazira Capital Company (the "Fund Manager") as at 30 June 2022 and the related interim statements of comprehensive (loss) / 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.

Ahmed A. Mohandis
Certified Public Accountant
License No. 477

Riyadh: 24 Muharram 1444H
Corresponding to: 22 August 2022



ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF FINANCIAL POSITION**As at 30 June 2022****(Amounts in United States Dollars)**

	Notes	30 June 2022 (Un-audited)	31 December 2021 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	4	216,377	636,901
Investments carried at fair value through profit or loss (FVTPL)	5	6,468,389	21,014,684
Receivable against sale of investments		74,005	-
Dividend receivable		24,817	49,966
Due from related party	6	52,849	43,356
Prepayments and other receivables		266	2,701
TOTAL ASSETS		6,836,703	21,747,608
<u>LIABILITIES</u>			
Management fee payable	6	37,288	121,686
Payable to Unitholders on account of redemptions		633	-
Payable against purchase of investments		109,358	85,884
Dividends payable		20,398	19,161
Accrued expenses and other liabilities		133,666	56,314
TOTAL LIABILITIES		301,343	283,045
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		6,535,360	21,464,563
Units in issue (in numbers)	7	48,724	141,327
Net Asset (Equity) Value per unit		134.13	151.88

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF COMPREHENSIVE (LOSS) / INCOME**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)**

	Notes	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
<u>Income</u>			
Net (loss) / gain from investments carried at FVTPL	8	(3,032,640)	1,813,703
Dividend income		140,833	217,167
Other income		9,493	20,962
		(2,882,314)	2,051,832
<u>Expenses</u>			
Management fee	6	(136,034)	228,203
Custody Fees		(62,397)	64,923
Other expenses		(80,436)	68,926
		(278,867)	362,052
Net (loss) / income for the period		(3,161,181)	1,689,780
Other Comprehensive Income		-	-
Total comprehensive (loss) / income for the period		(3,161,181)	1,689,780

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)**

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
Net assets (Equity) attributable to the Unitholders at beginning of the period	21,464,563	17,242,161
Total comprehensive (loss) / income for the period	(3,161,181)	1,689,780
Changes from unit transactions		
Issuance of units	1,067,966	6,449,007
Redemption of units	(12,835,988)	(2,620,158)
Net changes from unit transactions	(11,768,022)	3,828,849
Net assets (Equity) attributable to the Unitholders at end of the period	6,535,360	22,760,790

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF CASH FLOWS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)**

	Notes	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
<u>Cash flows from operating activities:</u>			
Net (loss) / income for the period		(3,161,181)	1,689,780
Adjustments for:			
- Unrealized loss / (gain) from investments carried at FVTPL	8	2,957,271	(127,668)
		<u>(203,910)</u>	<u>1,562,112</u>
<u>Net changes in operating assets and liabilities:</u>			
Investments carried at FVTPL		11,589,024	(5,315,377)
Receivable against sale of investments		(74,005)	-
Dividend receivable		25,149	(26,290)
Prepayments and other receivables		2,435	30,374
Receivable from related party		(9,493)	(43,113)
Management fee payable		(84,398)	55,263
Payable against purchase of investments		23,474	-
Dividend payable		1,237	-
Accrued expenses and other liabilities		77,352	58,972
Net cash generated / (used in) from operating activities		<u>11,346,865</u>	<u>(3,678,059)</u>
<u>Cash flows from financing activities:</u>			
Proceeds from issuance of units		1,067,966	6,449,007
Redemption of units, net off payable to unitholders		(12,835,355)	(2,620,158)
Net cash (used in) / from generated financing activities		<u>(11,767,389)</u>	<u>3,828,849</u>
Net change in cash and cash equivalents		(420,524)	150,790
Cash and cash equivalents at beginning of the period	4	<u>636,901</u>	<u>516,201</u>
Cash and cash equivalents at end of the period	4	<u>216,377</u>	<u>666,991</u>
Supplementary information:			
Payable to unitholders on account of redemption		<u>633</u>	<u>-</u>

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

ALJAZIRA GLOBAL EMERGING MARKETS FUND

Open-Ended Fund

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Aljazira Global Emerging Markets Fund (the “Fund”) is an open-ended, Saudi 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”). 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 5578/5 dated 8 Safar 1432H (corresponding to 13 January 2011). The Fund commenced its operations on 01 January 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 attributable to each unit.

The Fund is administered by Maples Fund Services (the “Administrator”). The Fund’s assets are held in the custody of Northern Trust Securities (the “Custodian”). Lazard Asset Management Limited act as a Sub Fund Manager to the Fund. Fee paid to the Sub Fund Manager is borne by the Fund Manager.

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 2021. The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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 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 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 United States Dollar (USD) which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into USD 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 (loss) / income.

ALJAZIRA GLOBAL EMERGING MARKETS FUND

Open-Ended Fund

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

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 2021. There are new standards, amendments and interpretations apply for the first time in 2022, 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, management has made the following estimate and judgment which is significant to these interim condensed financial statements:

3.2.1 Going concern

The management 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.

4 CASH AND CASH EQUIVALENTS

	<u>Notes</u>	<u>30 June 2022</u> <u>(Un-audited)</u>	<u>31 December 2021</u> <u>(Audited)</u>
Cash at Bank	4.1, 6	47,723	288
Cash with Custodian	4.2	168,654	636,613
		<u>216,377</u>	<u>636,901</u>

4.1. Cash at Bank is held in current accounts with Bank Aljazira, a related party (Also see Note 1). The Fund does not earn profit on these current accounts.

4.2. These funds are placed with the Custodian (also see Note 1).

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)****5 INVESTMENTS CARRIED AT FVTPL**

Investments in equity instruments carried at FVTPL comprise of the following:

Industry sector	30 June 2022 (Un-audited)		
	Cost	Fair value	%
Internet	1,621,650	1,429,196	22.10%
Semiconductors	739,224	883,780	13.66%
Computers	429,751	478,792	7.40%
Pharmaceuticals	331,352	340,281	5.26%
Mining	411,556	339,669	5.25%
Chemicals	307,326	303,800	4.70%
Oil & gas	278,140	290,731	4.49%
Telecommunications	249,093	246,101	3.80%
Retail	183,655	238,172	3.68%
Auto Manufacturers	244,956	200,432	3.10%
Food	189,691	196,426	3.04%
Home furnishings	183,204	177,360	2.74%
Electronics	221,094	176,538	2.73%
Electrical equipment	150,284	136,674	2.11%
Others	1,264,066	1,030,437	15.93%
Total	6,805,042	6,468,389	100%

Industry sector	31 December 2021 (Audited)		
	Cost	Fair value	%
Internet	4,127,404	3,882,149	18.47%
Semiconductors	2,120,258	3,633,589	17.29%
Computers	1,041,399	1,784,690	8.49%
Oil & gas	1,017,882	1,080,680	5.14%
Pharmaceuticals	1,081,337	1,193,254	5.68%
Chemicals	887,830	927,175	4.41%
Retail	440,462	765,236	3.64%
Telecommunications	602,621	620,597	2.95%
Mining	813,481	711,265	3.38%
Auto parts & equipment	734,955	564,570	2.69%
Food	445,198	464,312	2.21%
Home furnishings	491,128	517,972	2.46%
Electronics	363,416	432,090	2.06%
Electrical component & equipment	442,351	517,153	2.46%
Others	3,784,220	3,919,952	18.65%
Total	18,393,942	21,014,684	100%

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)****6 RELATED PARTIES TRANSACTIONS AND BALANCES*****Management fee and other expenses***

For management services, the Fund pays quarterly management fees at an annual rate of 1.95% of the net assets (equity) of the Fund attributable to Unitholders, at each valuation date, as set out in the Fund's terms and conditions.

The Fund pays performance fees at a rate of 20% on the specified benchmark criteria as per the Fund's terms and conditions.

The Fund Manager recovers from the Fund any other expenses incurred on behalf of the Fund such as board compensation, Shariah supervisory board compensation and other similar charges. These expenses are not expected to exceed an annual rate of 0.25% of the value of Fund's net assets (equity) calculated on a daily basis.

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 parties	Nature of relationship	Nature of transaction	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
Aljazira Capital Company	Fund Manager	Management fee	136,034	228,203
		Expenses paid on behalf of Fund Manager	-	43,113
Bank Aljazira	Affiliate	Bank charges	423	180
Fund's Board	Key executive	Board remuneration	2,660	2,616

Certain units of the Fund are subscribed by an affiliate of the Fund Manager and other funds managed and administered by the Fund Manager, the details of outstanding units as at period end/ year end are as follows:

Related parties and nature of relationship	30 June 2022 (Un-audited)	31 December 2021 (Audited)
<i>(Unit in numbers)</i>		
Affiliate		
Aljazira Takaful Taawuni Company	26,799	26,799
Funds managed by the Fund Manager		
Aljazira Asset Allocation Fund- Growth Strategy	-	55,603
Aljazira Asset Allocation Fund- Moderate Strategy	-	15,465
Aljazira Asset Allocation Fund- Conservative Strategy	-	13,560

Balances with related parties

Related parties	Nature of relationship	Nature of transaction	30 June 2022 (Un-audited)	31 December 2021 (Audited)
Bank Aljazira	Affiliate	Cash at Bank	47,723	288
Aljazira Capital Company	Fund Manager	Other Receivable	52,849	43,356
		Management fee payable	(37,288)	(121,686)
Fund's Board	Key executive	Remuneration payable *	(7,977)	(5,319)

* Classified in interim statement of financial position under accrued expenses and other liabilities.

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)****7 UNIT TRANSACTIONS**

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

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	<i>(Unit in numbers)</i>	
Units at beginning of the period / year	141,327	109,800
Units issued during the period / year	7,288	64,803
Units redeemed during the period / year	(99,891)	(33,276)
Net change in units	(92,603)	31,527
Units at end of the period / year	48,724	141,327

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

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
Unrealized (loss) / gain on revaluation of investments	(2,957,271)	127,668
Realised gain / (loss) on disposal of investments	(75,369)	1,686,035
	(3,032,640)	1,813,703

9 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2022 (Un-audited)	Amortized cost	FVTPL
Assets as per interim statement of financial position		
Cash and cash equivalents	216,377	-
Investments carried at FVTPL		6,468,389
Dividend receivable	24,817	-
Due from a related party	52,849	-
Prepayments and other receivables	266	
Total	368,314	6,468,389
Liabilities as per interim statement of financial position		
Management fee payable	37,288	-
Accrued expenses and other liabilities	133,666	-
Payable to Unitholders on account of redemption	633	-
Payable against purchase of investments	109,358	-
Dividends payable	20,398	-
Total	170,954	-
31 December 2021 (Audited)	Amortized cost	FVTPL
Assets as per statement of financial position		
Cash and cash equivalents	636,901	-
Investments carried at FVTPL	-	21,014,684
Due from a related party	43,356	
Dividend receivable	49,966	-
Prepayments and other receivables	2,701	-
Total	732,924	21,014,684

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)****9 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)****31 December 2021 (Audited)**

Liabilities as per statement of Financial Position	Amortized cost	FVTPL
Management fee payable	121,686	-
Payable against purchase of investments	85,884	-
Dividends payable	19,161	-
Accrued expenses and other liabilities	56,314	-
Total	283,045	-

10 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's significant investments in equity instruments carried at fair value through profit or loss are exposed to the foreign exchange risk in following currencies:

Currency	Country	30 June 2022 (Un-audited)		31 December 2021 (Audited)	
		Fair value	%	Fair value	%
HKD	Hong Kong	1,883,336	29.12	4,192,672	21.15
TWD	Taiwan	1,244,264	19.24	4,443,699	19.95
CNY	China	652,532	10.01	3,014,464	14.34
MYR	Malaysia	150,130	2.32	631,290	3.00
BRL	Brazil	260,681	4.03	605,782	2.88
	Others	1,010,745	15.63	2,922,358	13.91
		5,201,688	80.35	15,810,265	75.23

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)****10 FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market risk (Continued)***(i) Foreign exchange risk (continued)*

The effect on the net assets (equity) value (as a result of the change in the fair value of investments as at 30 June 2022 and 31 December 2021) due to a reasonably possible change in exchange rates based on the currency concentration, with all other variables held constant is as follows:

Currency	Country	30 June 2022 (Un-audited)		31 December 2021 (Audited)	
		Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
HKD	Hong Kong	+/- 1%	+/- 18,833	+/- 1%	+/- 41,927
TWD	Taiwan	+/- 1%	+/- 12,443	+/- 1%	+/- 44,437
CNY	China	+/- 1%	+/- 6,525	+/- 1%	+/- 30,145
MYR	Malaysia	+/- 1%	+/- 1,501	+/- 1%	+/- 6,313
BRL	Brazil	+/- 1%	+/- 2,607	+/- 1%	+/- 6,058
	Others	+/- 1%	+/- 10,107	+/- 1%	+/- 29,224

(ii) Commission rate risk

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 commission 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 listed equity securities (Note 5).

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)****10 FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market risk (Continued)***(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 2022 and 31 December 2021) 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 2022		31 December 2021	
	(Un-audited)		(Audited)	
	Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
Internet	+/- 1%	+/- 14,292	+/- 1%	+/- 38,821
Semiconductors	+/- 1%	+/- 8,838	+/- 1%	+/- 36,336
Computers	+/- 1%	+/- 4,788	+/- 1%	+/- 17,847
Pharmaceuticals	+/- 1%	+/- 3,403	+/- 1%	+/- 11,933
Mining	+/- 1%	+/- 3,397	+/- 1%	+/- 7,113
Chemicals	+/- 1%	+/- 3,038	+/- 1%	+/- 9,272
Oil & gas	+/- 1%	+/- 2,907	+/- 1%	+/- 10,807
Telecommunications	+/- 1%	+/- 2,461	+/- 1%	+/- 6,206
Retail	+/- 1%	+/- 2,382	+/- 1%	+/- 7,652
Auto manufacturers	+/- 1%	+/- 2,004	+/- 1%	+/- 5,646
Food	+/- 1%	+/- 1,964	+/- 1%	+/- 4,643
Home furnishings	+/- 1%	+/- 1,774	+/- 1%	+/- 5,180
Electronics	+/- 1%	+/- 1,765	+/- 1%	+/- 4,321
Electrical equipment	+/- 1%	+/- 1,367	+/- 1%	+/- 5,172
Others	+/- 1%	+/- 10,304	+/- 1%	+/- 39,200

(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 exposed to credit risk for its cash and cash equivalents, dividends receivable, due from a related party and other receivables. Bank balances are placed with reputable financial institutions; hence the credit risk is minimal. For other assets, credit risk is also low.

The credit quality of the Fund's bank balance is assessed with reference to external credit ratings which, in all cases, are above investment-grade rating. The bank balances along with credit ratings are tabulated below:

Rating of financial institution	30 June 2022	31 December 2021
	(Un-audited)	(Audited)
Cash and cash equivalents		
BBB+	307	3,063
Unrated	666,684	513,138

(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.

ALJAZIRA GLOBAL EMERGING MARKETS FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-month period ended 30 June 2022****(Amounts in United States Dollars)****10 FINANCIAL RISK MANAGEMENT (CONTINUED)****(c) Liquidity risk (Continued)**

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 2022			
(Un-audited)			
	Less than 1 year	More than 1 year	Total
Cash and cash equivalents	216,377	-	216,377
Investments carried at FVTPL	6,468,389	-	6,468,389
Dividend receivable	24,817	-	24,817
Due from a related party	52,849	-	52,849
Total	6,762,432	-	6,762,432
Management fee payable	37,288	-	37,288
Payable to Unitholders on account of redemptions	633	-	633
Payable against purchase of investments	109,358	-	109,358
Dividends payable	20,398	-	20,398
Accrued expenses and other liabilities	133,666	-	133,666
Total	301,343	-	301,343

31 December 2021			
(Audited)			
	Less than 1 year	More than 1 year	Total
Cash and cash equivalents	636,901	-	636,901
Investments carried at FVTPL	21,014,684	-	21,014,684
Due from related party	43,356	-	43,356
Dividend receivable	49,966	-	49,966
Prepayments and other receivables	2,701	-	2,701
Total	21,747,608	-	21,747,608
Management fee payable	121,686	-	121,686
Payable against purchase of investments	85,884	-	85,884
Dividends payable	19,161	-	19,161
Accrued expenses and other liabilities	56,314	-	56,314
Total	283,045	-	283,045

(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.

11 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.

ALJAZIRA GLOBAL EMERGING MARKETS FUND

Open-Ended Fund

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

(Amounts in United States Dollars)

11 FAIR VALUE ESTIMATION (CONTINUED)

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.

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

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 asset 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.

12 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.

13 LAST VALUATION DAY

The last valuation day for the purpose of preparation of these interim condensed financial statements was 30 June 2022 (2021: 30 December 2021). 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 2022.

14 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 23 Muharram 1444H corresponding to 21 August 2022G.