

ALJAZIRA SUKUK 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 SUKUK FUND
Open-Ended Fund
(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 Sukuk Fund**

INTRODUCTION

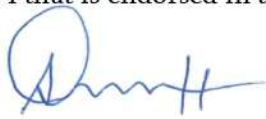
We have reviewed the accompanying interim statement of financial position of Aljazira Sukuk Fund (the "Fund") managed by Aljazira Capital Company (the "Fund Manager") as at 30 June 2022 and the related interim statements of comprehensive (loss) / income, changes in net assets (Equity) attributable to 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 SUKUK 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	1,717,214	1,229,549
Investments carried at fair value through profit or loss (FVTPL)	5	37,222,013	24,119,485
Accrued special commission income		36,622	-
Prepayments and other receivables		-	16
TOTAL ASSETS		38,975,849	25,349,050
<u>LIABILITIES</u>			
Management fee payable	6	78,079	52,293
Accrued expenses and other liabilities		60,904	38,741
TOTAL LIABILITIES		138,983	91,034
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		38,836,866	25,258,016
Units in issue (in numbers)	7	427,816	249,615
Net Asset (Equity) Value per unit		90.78	101.19

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

ALJAZIRA SUKUK 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)**

	<u>Notes</u>	<u>30 June 2022</u> <u>(Un-audited)</u>	<u>30 June 2021</u> <u>(Un-audited)</u>
<u>Income</u>			
Net gain from investments carried at FVTPL	8	(2,979,742)	(5,969)
Special commission income		624,413	-
Interest income		-	668,952
Other income		251	-
		<u>(2,355,078)</u>	<u>662,983</u>
<u>Expenses</u>			
Management fee	6	(123,939)	110,254
Custody fees		(11,866)	13,014
Other expenses		(41,554)	253,250
		<u>(177,359)</u>	<u>376,518</u>
Net (loss) / income for the period		(2,532,437)	286,465
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(2,532,437)	286,465

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

ALJAZIRA SUKUK 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	25,258,016	13,336,994
Total comprehensive (loss)/ income for the period	(2,532,437)	286,465
Changes from unit transactions		
Issuance of units	36,300,941	20,790,138
Redemption of units	(19,053,095)	(961,847)
Net changes from unit transactions	17,247,846	19,828,291
Dividend distribution	(1,136,559)	(459,305)
Net assets (Equity) attributable to the Unitholders at end of the period	38,836,866	32,992,445

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

ALJAZIRA SUKUK 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)

	<u>Notes</u>	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
<u>Cash flows from operating activities:</u>			
Net (loss)/ income for the period		(2,532,437)	286,465
Adjustments for:			
- Unrealized loss from investments carried at FVTPL	8	<u>2,509,282</u>	<u>12,497</u>
		(23,155)	298,962
<u>Net changes in operating assets and liabilities:</u>			
Investments carried at FVTPL		(15,611,810)	(19,271,961)
Accrued special commission income		(36,622)	90,890
Prepayments and other receivables		16	(9,311)
Management fee payable		25,786	35,604
Accrued expenses and other liabilities		22,163	29,600
Net cash used in operating activities		<u>(15,623,622)</u>	<u>(18,826,216)</u>
<u>Cash flows from financing activities:</u>			
Proceeds from issuance of units		36,300,941	20,790,138
Redemption of units		(19,053,095)	(961,847)
Dividend paid		(1,136,559)	(459,305)
Net cash generated from financing activities		<u>16,111,287</u>	<u>19,368,986</u>
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of the period	4	<u>1,229,549</u>	<u>810,741</u>
Cash and cash equivalents at end of the period	4	<u>1,717,214</u>	<u>1,353,561</u>

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

ALJAZIRA SUKUK 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 Sukuk 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”) 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. 495/5 dated 19 Sha’ban 1441H (corresponding to 12 April 2020). The Fund commenced its operations 4 Muharram 1442H (corresponding to 23 August 2020).

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 investment securities listed in diversified global markets with a long-term capital growth. The Fund’s objective is to generate income in the medium to long term and to disburse cash dividend to investors.

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 period 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 income.

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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)

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 period 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	16,683	-
Cash with Custodian	4.2	1,700,531	1,229,549
		<u>1,717,214</u>	<u>1,229,549</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).

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(Amounts in United States Dollars)

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

For management services, the Fund pays quarterly, a management fees at an annual rate of 0.65% 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 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 0.5% of the value of Fund's net assets (equity) calculated on 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	123,939	110,254
Bank Aljazira	Affiliate	Bank charges	360	230
Fund's Board	Key executive	Board remuneration	2,127	1,929

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 follows:

Related parties and nature of relationship	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	<i>(Unit in numbers)</i>	
Fund Manager		
Aljazira Capital	100,000	100,000
Affiliate		
Aljazira Takaful Taawuni Company	-	-
Funds managed by the Fund Manager		
Aljazira Asset Allocation Fund- Growth Strategy	47,348	-
Aljazira Asset Allocation Fund- Moderate Strategy	63,191	-
Aljazira Asset Allocation Fund- Conservative Strategy	202,271	-

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	16,683	-
Aljazira Capital Company	Fund Manager	Management fee payable	78,079	52,293
Fund's Board	Key executive	Remuneration payable *	6,217	4,091

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

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(Amounts in United States Dollars)

7 UNIT TRANSACTIONS

Transactions in units for the period are summarized as follows:

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	<i>(Unit in numbers)</i>	
Units at beginning of the period	249,615	131,404
Units issued during the period	376,564	302,545
Units redeemed during the period	(198,363)	(184,334)
Net change in units	178,201	118,211
Units at end of the period	427,816	249,615

8 NET GAIN FROM INVESTMENTS CARRIED AT FVTPL

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
Unrealized gain on revaluation of investments	(2,509,282)	(12,325)
Realised loss on disposal of investments	(470,460)	6,356
	(2,979,742)	(5,969)

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	1,717,214	-
Investments carried at FVTPL	-	37,222,013
Accrued special commission income	36,622	-
Total	1,753,836	37,222,013
Management fee payable	78,079	-
Accrued expenses and other liabilities	60,904	-
Total	138,983	-
31 December 2021 (Audited)		
Assets as per statement of financial position		
Cash and cash equivalents	1,229,549	-
Investments carried at FVTPL	-	24,119,485
Prepayments and other receivables	16	-
Accrued special commission income	90,890	-
Total	1,320,455	24,119,485
Management fee payable	52,293	-
Other payables	38,741	-
Total	91,034	-

ALJAZIRA SUKUK FUND

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(Amounts in United States Dollars)

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 investments in debt instruments measured at FVTPL are not exposed to any foreign exchange risk because the Saudi Riyal is pegged to the United States Dollar and therefore, there are no fluctuations between the exchange rates.

(i) 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 portfolio management team of the Fund Manager monitors risk exposures on a daily basis.

If the commission rate risk is not in accordance with the Fund's terms and conditions, then the Fund Manager is required to rebalance the portfolio within a reasonable period of time of each determination of such occurrence.

Exposure

A breakdown of the investments based on the type of commission rate on sukuk is as follows:

	30 June 2022 (Un-audited)		31 December 2021 (Audited)	
	Amount in USD	Percentage	Amount in USD	Percentage
Variable rate	37,222,013	100	24,119,485	100

(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.

(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 and other receivables.

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(Amounts in United States Dollars)

10 FINANCIAL RISK MANAGEMENT (CONTINUED)**(b) Credit risk**

Bank balances are placed with reputable financial institutions; hence the credit risk is minimal. For other assets, credit risk is also low.

Credit ratings

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

Rating of financial institution	30 June 2022 (Un-audited)	31 December 2021 (Audited)
Cash and cash equivalents		
BBB+	16,683	-
Unrated	1,700,531	1,229,549
Sukuk placements		
A	7,979,487	3,378,615
A-	5,201,373	-
A1	478,713	2,986,690
baa2	-	2,837,014
baa1	1,267,484	1,698,700
Baa3	3,626,413	1,515,741
BBB	8,480,890	1,299,384
BBB-	2,486,279	-
A2	-	927,394
AA-	1,392,581	877,428
b3	1,320,218	836,872
AAA	298,822	784,824
caa 1	940,752	659,000
F1	-	614,748
A+	913,426	605,145
b2	-	560,988
ba2	-	500,899
b1	-	472,000
Ba3	981,180	-
BB	207,128	-
Aa3	926,755	441,053
A3	245,556	-
Unrated	474,956	2,623,000
	37,222,013	23,619,495

(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.

ALJAZIRA SUKUK 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)

(c) Liquidity Risk (Continued)

	30 June 2022		
	(Un-audited)		
	Less than 1 year	More than 1 year	Total
Cash and cash equivalents	1,717,214	-	1,717,214
Investments carried at FVTPL	37,222,013	-	37,222,013
Accrued special commission income	36,622	-	36,622
Total	38,975,849	-	38,975,849
Management fee payable	78,079	-	78,079
Accrued expenses and other liabilities	60,904	-	60,904
Total	138,983	-	138,983

	31 December 2021		
	(Audited)		
	Less than 1 year	More than 1 year	Total
Cash and cash equivalents	1,229,549	-	1,229,549
Investments carried at FVTPL	24,119,485	-	24,119,485
Prepayments and other	16	-	16
Receivables			
Accrued special commission income	90,890	-	90,890
Total	25,349,050	-	25,349,050
Management fee payable	52,293	-	52,293
Accrued expenses and other liabilities	38,741	-	38,741
Total	91,034	-	91,034

(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.

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 is assumed to approximate its fair value.

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 debt instruments. The Fund does not adjust the quoted price for these instruments.

ALJAZIRA SUKUK FUND

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11 FAIR VALUE ESTIMATION (CONTINUED)

The Fund classifies its financial assets, except for those carried at amortized cost, as follows:

30 June 2022 (Un-audited)	Level 1	Level 2	Level 3	Total
Investments carried at FVTPL	37,222,013	-	-	37,222,013
31 December 2021 (Audited)	Level 1	Level 2	Level 3	Total
Investments carried at FVTPL	23,619,495	499,990	-	24,119,485

Investments in Level 2 are valued based on market observable data including broker rates, etc.

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 FVTPL.

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 DIVIDEND DISTRIBUTION

In accordance with the approved terms and conditions of the Fund to distribute dividend at the end of June and December every year, the Fund's Board approved to distribute dividends with regards to period ended 31 December 2021 and 30 June 2022 amounting to USD 552,700 and USD 583,859 to its unitholders respectively.

13 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.

14 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).

15 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.