

ALJAZIRA SAUDI EQUITIES FUND
Open-Ended Fund
(Managed by Aljazira Capital Company)
Interim Condensed Financial Statements (Unaudited)
For the six-months period ended 30 June 2023
Together with the
Independent Auditor's Review Report to the Unitholders

ALJAZIRA SAUDI EQUITIES FUND
Open-Ended Fund
(Managed by Aljazira Capital Company)
INTERIM CONDENSED FINANCIAL STATEMENTS (Unaudited)
For the six-months period ended 30 June 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE UNITHOLDERS OF ALJAZIRA SAUDI EQUITIES FUND**

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of ALJAZIRA SAUDI EQUITIES FUND (the "Fund"), managed by Aljazira Capital Company (the Fund Manager) as at 30 June 2023 and the related interim statement of comprehensive income, interim changes in net assets (equity) attributable to the unitholders and interim cash flows for the six-months 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: 23 Muharram 1445H
Corresponding to: 10 August 2023



ALJAZIRA SAUDI EQUITIES FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF FINANCIAL POSITION**As at 30 June 2023****(Amounts in Saudi Riyals)**

	Notes	30 June 2023 (Un-audited)	31 December 2022 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	4	33,586,433	7,079,887
Investments carried at fair value through profit or loss (FVTPL)	5	551,591,267	482,331,712
Dividend receivable		514,326	408,595
Prepayments and other receivables		-	9,036
TOTAL ASSETS		585,692,026	489,829,230
<u>LIABILITIES</u>			
Management fee payable	6	2,090,468	2,322,028
Payable to Unitholders on account of redemption		2,239,477	685,530
Accrued expenses and other liabilities		545,689	387,589
TOTAL LIABILITIES		4,875,634	3,395,147
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		580,816,392	486,434,083
Units in issue (in numbers)	7	715,555	763,531
Net Asset (Equity) Value per unit		811.70	637.08

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

ALJAZIRA SAUDI EQUITIES FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME**For the six-months period ended 30 June 2023****(Amounts in Saudi Riyals)**

	Notes	30 June 2023 (Un-audited)	30 June 2022 (Un-audited)
<u>Income</u>			
Net gain from investments carried at FVTPL	8	124,979,194	25,555,883
Dividend income		7,190,750	6,591,916
		<u>132,169,944</u>	<u>32,147,799</u>
<u>Expenses</u>			
Management fees	6	(4,281,035)	(5,542,634)
Custody fees		(114,161)	(147,804)
Other expenses		(50,156)	(52,163)
		<u>(4,445,352)</u>	<u>(5,742,601)</u>
Net income for the period		127,724,592	26,405,198
Other comprehensive income for the period		-	-
Total comprehensive income for the period		127,724,592	26,405,198

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

ALJAZIRA SAUDI EQUITIES FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS**For the six-months period ended 30 June 2023****(Amounts in Saudi Riyals)**

	30 June 2023 (Un-audited)	30 June 2022 (Un-audited)
Net assets (Equity) attributable to the Unitholders at beginning of the period	486,434,083	576,540,264
Total comprehensive income for the period	127,724,592	26,405,198
Changes from unit transactions		
Issuance of units	24,994,817	110,665,253
Redemption of units	(58,337,100)	(138,138,881)
Net changes from unit transactions	(33,342,283)	(27,473,628)
Net assets (Equity) attributable to the Unitholders at end of the period	580,816,392	575,471,834

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

ALJAZIRA SAUDI EQUITIES FUND**Open-Ended Fund**

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INTERIM STATEMENT OF CASH FLOWS**For the six-months period ended 30 June 2023****(Amounts in Saudi Riyals)**

	Notes	30 June 2023 (Un-audited)	30 June 2022 (Un-audited)
<u>Cash flows from operating activities:</u>			
Net income for the period		127,724,592	26,405,198
Adjustments for:			
- Unrealized (gain) / loss from investments carried at FVTPL	8	(105,397,302)	18,854,575
		<u>22,327,290</u>	<u>45,259,773</u>
<u>Net changes in operating assets and liabilities:</u>			
Investments carried at FVTPL		36,137,747	(72,979,198)
Dividend receivable		(105,731)	(156,371)
Prepayments and other receivables		9,036	5,488
Management fee payable		(231,560)	362,385
Accrued expenses and other liabilities		158,100	259,301
Net cash (used in) / generated from operating activities		<u>58,294,882</u>	<u>(27,248,622)</u>
<u>Cash flows from financing activities:</u>			
Proceeds from issuance of units		24,994,817	110,665,253
Redemption of units, net of payable *		(56,783,153)	(138,140,250)
Net cash used in financing activities		<u>(31,788,336)</u>	<u>(27,474,997)</u>
Net increase / (decrease) in cash and cash equivalents		<u>26,506,546</u>	<u>(54,723,619)</u>
Cash and cash equivalents at beginning of the period	4	<u>7,079,887</u>	<u>85,953,364</u>
Cash and cash equivalents at end of the period	4	<u>33,586,433</u>	<u>31,229,745</u>
Supplementary information			
* Payable to Unitholders on account of redemption		<u>2,239,477</u>	<u>1,335,822</u>

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

ALJAZIRA SAUDI EQUITIES FUND

Open-Ended Fund

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-months period ended 30 June 2023

(Amounts in Saudi Riyals)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Al Jazira Saudi Equities 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 7720/5 dated 12 Muharram 1431H (corresponding to 29 December 2009). The Fund commenced its operations on 4 December 1999.

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 Saudi capital market in accordance with the principles of Islamic Shariah. Equity investments by the Fund are restricted to those listed in the Kingdom of Saudi Arabia. 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 is administered by the Fund Manager. 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 2022. The results for the six-months period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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

These interim condensed financial statements are presented in Saudi Arabian Riyal (“SAR”) which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates prevailing at date of the interim statement of financial position. Foreign exchange gains and losses, if any, arising from translation are included in the interim statement of comprehensive income.

ALJAZIRA SAUDI EQUITIES FUND

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-months period ended 30 June 2023

(Amounts in Saudi Riyals)

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 2022. There are new standards, amendments and interpretations apply for the first time in 2023, 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 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.

4 CASH AND CASH EQUIVALENTS

	<u>Notes</u>	<u>30 June 2023</u> <u>(Un-audited)</u>	<u>31 December 2022</u> <u>(Audited)</u>
Cash at Bank	4.1, 6	355,460	437,138
Cash with Custodian		33,230,973	6,642,749
		<u>33,586,433</u>	<u>7,079,887</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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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-months period ended 30 June 2023****(Amounts in Saudi Riyals)****5 INVESTMENTS CARRIED AT FVTPL**

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

Industry sector	30 June 2023 (Un-audited)		
	Cost	Fair value	%
Banks	79,934,529	92,603,900	16.79
Insurance	71,434,363	87,227,321	15.81
Materials	99,201,097	85,964,285	15.58
Energy	48,484,698	65,589,127	11.89
Utilities	29,628,065	41,429,498	7.51
Retailing	33,447,575	40,493,266	7.34
Health Care Equipment & Service	13,853,273	27,859,852	5.05
Consumer Services	14,690,993	25,654,910	4.65
Capital Goods	14,383,768	24,823,838	4.50
Software & Services	10,944,961	19,692,147	3.57
Real estate management & Development	19,101,492	18,192,560	3.30
Telecommunication services	10,218,484	11,231,161	2.04
Transportation	9,120,353	10,829,402	1.96
Total	454,443,651	551,591,267	100

Industry sector	As at 31 December 2022 (Audited)		
	Cost	Fair Value	%
Banks and Financial Services	144,500,982	128,333,446	26.61
Material	114,439,042	89,002,716	18.45
Energy	36,408,061	39,015,018	8.09
Consumer Services	37,703,313	37,732,019	7.82
Utilities	26,611,806	29,699,437	6.16
Health Care Equipment & Services	24,018,753	26,445,727	5.48
Telecommunication Services	26,349,877	24,653,658	5.11
Retailing	27,951,759	24,638,358	5.11
Others	82,573,156	82,811,333	17.17
Total	520,556,749	482,331,712	100

5.1. Investments carried at FVTPL include investment in related parties (Refer Note 6).

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 1.50% 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.

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.

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For the six-months period ended 30 June 2023

(Amounts in Saudi Riyals)

6 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Related parties	Nature of relationship	Nature of transaction	30 June 2023 (Un-audited)	30 June 2022 (Un-audited)
Aljazira Capital Company	Fund Manager	Management fee	(4,281,035)	(5,542,634)
		Shares purchased during the period	-	950,365
		Shares disposed during the period	(306,878)	741,230
Bank Aljazira	Affiliate	Unrealized gain/ (loss) during the period	-	(2,092,189)
		Realized gain / (loss) during the period	-	2,751,048
		Dividend income	-	365,770
Fund's Board	Key executive	Board remuneration	(7,672)	(7,979)

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

Related parties, nature of relationship and outstanding units	30 June 2023 (Un-audited)	31 December 2022 (Audited)
	<i>(Unit in numbers)</i>	
Affiliate		
Aljazira Takaful Taawuni Company	503,244	530,027
Funds managed by the Fund Manager		
AlJazira Asset Allocation Fund - Growth Strategy	94,415	94,303
AlJazira Asset Allocation Fund - Moderate Strategy	11,329	13,855
AlJazira Asset Allocation Fund - Conservative Strategy	2,761	6,677

Balances with related parties

Related parties	Nature of relationship	Nature of transaction	30 June 2023 (Un-audited)	31 December 2022 (Audited)
Bank Aljazira	Affiliate	Cash at bank	355,460	437,138
		Investment designated at FVPL	-	5,855,232
Aljazira Capital Company	Fund Manager	Management fee payable	(2,090,468)	(2,322,028)
Fund's Board	Key executive	Remuneration payable *	(7,584)	(15,912)

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

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(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-months period ended 30 June 2023****(Amounts in Saudi Riyals)****7 UNIT TRANSACTIONS**

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

	30 June 2023 (Un-audited)	31 December 2022 (Audited)
	<i>(Unit in numbers)</i>	
Units at beginning of the period / year	763,531	922,114
Units issued during the period / year	34,614	191,739
Units redeemed during the period / year	(82,590)	(350,322)
Net change in units	(47,976)	(158,583)
Units at end of the period / year	715,555	763,531

8 NET REALIZED AND UNREALIZED GAIN FROM INVESTMENTS CARRIED AT FVTPL

	30 June 2023 (Un-audited)	30 June 2022 (Un-audited)
Unrealized gain / (loss) on revaluation of investments	105,397,302	(18,854,575)
Realised gain on disposal of investments	19,581,892	44,410,458
	124,979,194	25,555,883

9 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2023 (Un-audited)	Amortized cost	FVTPL
Assets as per interim statement of financial position		
Cash and cash equivalents	33,586,433	-
Investments carried at FVTPL	-	551,591,267
Dividend receivable	514,326	-
Total	34,100,759	551,591,267
31 December 2022 (Audited)		
Assets as per statement of financial position		
Cash and cash equivalents	7,079,887	-
Investments carried at FVTPL	-	482,331,712
Prepayments and other receivables	9,036	-
Dividend receivable	408,595	-
Total	7,497,518	482,331,712

All financial liabilities as at 30 June 2023 and 31 December 2022 were measured at amortized cost.

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.

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(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-months period ended 30 June 2023****(Amounts in Saudi Riyals)****10 FINANCIAL RISK MANAGEMENT (CONTINUED)**

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.

All the financial instruments held by the Fund are in Saudi Riyals and therefore they are not exposed to foreign exchange risk.

(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 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 equity investments in listed equity securities.

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 2023 and 31 December 2022) 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 2023		31 December 2022	
	(Un-audited)		(Audited)	
	Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
Banks	+/- 1%	926,039	+/- 1%	1,283,334
Insurance	+/- 1%	872,273	+/- 1%	-
Material	+/- 1%	859,643	+/- 1%	890,027
Energy	+/- 1%	655,891	+/- 1%	390,150
Utilities	+/- 1%	414,295	+/- 1%	296,994
Retailing	+/- 1%	404,933	+/- 1%	246,384
Health Care Equipment and Services	+/- 1%	278,599	+/- 1%	264,457
Consumer Services	+/- 1%	256,549	+/- 1%	377,320
Capital Goods	+/- 1%	248,238	+/- 1%	-
Software & Services	+/- 1%	196,921	+/- 1%	-
Real estate management & Development	+/- 1%	181,926	+/- 1%	-
Telecommunication Services	+/- 1%	112,312	+/- 1%	246,537
Transportation	+/- 1%	108,294	+/- 1%	-
Others	+/- 1%	-	+/- 1%	828,113

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six-months period ended 30 June 2023****(Amounts in Saudi Riyals)****10 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 exposed to credit risk on its cash and cash equivalents and dividends receivable. 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 cash and cash equivalents is assessed with reference to external credit ratings which, in all cases, are above investment-grade rating. The cash and cash equivalents along with credit ratings are tabulated below:

Rating of financial institution	30 June 2023 (Un-audited)	31 December 2022 (Audited)
Cash and cash equivalents		
BBB+	355,460	437,138
Unrated	33,230,973	6,642,749

(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 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.

(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.

ALJAZIRA SAUDI EQUITIES FUND

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-months period ended 30 June 2023

(Amounts in Saudi Riyals)

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 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 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 high credit quality of the 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 22 June 2023 (2022: 29 December 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 22 Muharram 1445H corresponding to 9 August 2023G.