

**ALJAZIRA GLOBAL EMERGING MARKETS FUND
UNDER LIQUIDATION
Open-Ended Mutual Fund
(Managed by Aljazira Capital Company)
Financial Statements
For the year ended 31 December 2024
Together with the
Independent Auditor's Report**

ALJAZIRA GLOBAL EMERGING MARKETS FUND
Under Liquidation
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Financial statements
For the year ended 31 December 2024

	PAGES
INDEPENDENT AUDITOR'S REPORT	1 - 3
STATEMENT OF NET ASSETS	4
STATEMENT OF CHANGES IN NET ASSETS	5
NOTES TO THE FINANCIAL STATEMENTS	6 - 11

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ALJAZIRA GLOBAL EMERGING MARKETS FUND
[MANAGED BY ALJAZIRA CAPITAL COMPANY]
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(1 /3)

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets of Aljazira Global Emerging Markets Fund (the "Fund") (under liquidation) managed by Aljazira Capital Company (the "Fund Manager") as at 31 December 2024, and the changes in net assets attributable to unitholders for the period then ended in accordance with the Financial Reporting Standard on a Liquidation Basis "Principles and Requirements for Recognition, Measurement, Presentation and Disclosure" that are issued in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Fund, which comprise of the following:

- The statement of net assets as at 31 December 2024;
- The statement of changes in net assets for the year then ended;
- The notes to the financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Fund's financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER – LIQUIDATION BASIS OF FINANCIAL REPORTING

We draw attention to note 1 of the financial statements, which indicate that the financial statements have been prepared in accordance with the financial reporting standard on a liquidation basis, "Principles and Requirements of Evidence, Measurement, Presentation, and Disclosure," endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ALJAZIRA GLOBAL EMERGING MARKETS FUND
[MANAGED BY ALJAZIRA CAPITAL COMPANY]

(2 /3)

RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting standard on a liquidation basis, "Principles and Requirements of Evidence, Measurement, Presentation, and Disclosure," endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and in accordance with the terms and conditions of the Fund for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance, i.e. the Fund Board of Members, are responsible for overseeing the Fund's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the management;

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ALJAZIRA GLOBAL EMERGING MARKETS FUND
[MANAGED BY ALJAZIRA CAPITAL COMPANY]
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

(3 /3)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF Al Bassam Chartered Accountants



Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh, Kingdom of Saudi Arabia
25 Ramadhan 1446H
Corresponding to: 25 March 2025



ALJAZIRA GLOBAL EMERGING MARKETS FUND
Under Liquidation
Open-Ended Mutual Fund
(Managed by Aljazira Capital Company)

STATEMENT OF NET ASSETS
As at 31 December 2024
(Amounts in United States Dollars)

	<u>Notes</u>	<u>31 December 2024</u>
<u>ASSETS</u>		
Cash and cash equivalents	4	102,006
Investments carried at fair value through profit or loss (FVTPL)	5	3,455,140
Dividend receivable		11,282
Prepayments and other receivables		2,949
TOTAL ASSETS		<u>3,571,377</u>
<u>LIABILITIES</u>		
Management fee payable	6	35,635
Accrued expenses and other liabilities		178,950
TOTAL LIABILITIES		<u>214,585</u>
NET ASSETS		<u>3,356,792</u>
Units in issue (in numbers)	7	<u>24,275</u>
Net Asset (Equity) Value per unit		<u>138.28</u>

The accompanying notes 1 to 10 form an integral part of these financial statements.

ALJAZIRA GLOBAL EMERGING MARKETS FUND
Under Liquidation
Open-Ended Mutual Fund
(Managed by Aljazira Capital Company)

STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 December 2024
(Amounts in United States Dollars)

31 December 2024

Changes in net liquidation assets

Issuance of units	821,576
Redemption of units	(3,994,733)
Unrealized gain on revaluation of investments carried at FVTPL	303,994
Realized gain on disposal of investments	506,700
Dividend income	130,452
Other income	37,612
Management fees	(134,683)
Custody fees	(154,980)
Other expenses	(58,764)
Net decrease in net liquidated assets	(2,542,826)
Net liquidated assets at the beginning of the year	5,899,618
Net liquidated assets at the end of the year	3,356,792

The accompanying notes 1 to 10 form an integral part of these financial statements.

ALJAZIRA GLOBAL EMERGING MARKETS FUND

Under Liquidation

Open-Ended Mutual Fund

(Managed by Aljazira Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(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 through 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 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 Northern Trust (the “Administrator”). The Fund’s assets are held in the custody of Northern Trust Securities (the “Custodian”). Lazard Asset Management Limited acts as a Fund Sub Manager to the Fund. Fee paid to the Fund Sub Manager is borne by the Fund Manager except for performance fee which is borne by the Fund and paid to Fund Manager for onward settlement.

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).

Subsequent to the year, the Fund Board of Directors approved to liquidate the Fund. The fact was intimated to the unitholders on 12 January 2025. Accordingly, the Fund Manager started the liquidation process and liquidated the assets within 21 working days of the announcement date. The last valuation date for the fund was February 10, 2025. The redemption to the unitholders were executed on 20 February 2025.

(A) LIQUIDATION PLAN

Following liquidation plan was approved by the Fund Board:

- Unitholders and the Capital Market Authority will be notified of the Fund Manager’s desire to terminate the Fund, the plan and the procedures to be followed, at least 21 business days prior to the target date for terminating the Fund.
- The Fund Manager will notify the Fund Sub-Manager, the Custodian and the Auditor of his desire to terminate the Fund, provided that the notice period is no less than that period granted to the Capital Market Authority and the Unitholders.
- The Fund Manager will stop the Fund’s subscriptions starting from the business day following the plan notification.
- The Fund Manager will request the liquidation of the Fund’s assets to the Fund Sub-Manager before the end of the Fund’s term according to the target date with a sufficient period.
- The Fund Manager will complete the phase of selling the Fund’s assets.
- The Fund Manager will pay all obligations of the Fund, subject to receipt of invoices.
- The Fund Manager will distribute all the dues of the unit holders to them in their investment accounts with Aljazira Capital.

ALJAZIRA GLOBAL EMERGING MARKETS FUND

Under Liquidation

Open-Ended Mutual Fund

(Managed by Aljazira Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in United States Dollars)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

(A) LIQUIDATION PLAN (CONTINUED)

- The Fund Manager will notify the Capital Market Authority and the unit holders in writing of the termination of the Fund within (10) business days from the end of the Fund's term and its liquidation
- The Fund Manager will announce on Aljazira Capital's website and the market's website the end of the Fund's term and its liquidation and will also notify the unit holders.
- The Fund Manager will provide the unit holders with a report on the termination of the Fund in accordance with the Investment Funds Regulations within a period not exceeding (70) business days from the date of termination of the Fund, including the final audited financial statements of the Fund for the period following the last audited annual financial statements.
- The Fund Manager will notify the Capital Market Authority and the unit holders of any material events or developments during the Fund's liquidation period.

(B) LIQUIDATOR INFORMATION

Liquidator: Aljazira Capital (Fund Manager)

Address: Head Office, King Fahad Road – Riyadh 11455. P.O.Box 20438, KSA

Phone: +966 800 1169999

Email: contactus@aljaziracapital.com.sa

Website: www.aljazira-capital.com

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1. Statement of compliance

The financial statements were prepared on a liquidation basis in accordance with the standard “Financial Reporting on a Liquidation Basis: Principles and Requirements for Evidence, Measurement, Presentation and Disclosure” approved in the Kingdom of Saudi Arabia, which requires the preparation of a statement of net liquidation assets and a statement of changes in net liquidation assets and the note accompanying to them. These financial statements are prepared to meet the requirements of the Investment Funds Regulations related to the liquidation of the Fund.

Unlike the standards applicable to continuing entities, the standard “financial reporting on a liquidation basis: principles and requirements for evidence, measurement, presentation and disclosure” requires making estimates of income and future costs, and of the amounts expected to be achieved from the liquidation of assets and the settlement of liabilities until the date of the end of the liquidation in accordance with the assumptions regulated by the standard, and those affecting them. The amounts presented in the financial statements and accompanying notes, and the final amounts achieved may differ from these estimates.

ALJAZIRA GLOBAL EMERGING MARKETS FUND

Under Liquidation

Open-Ended Mutual Fund

(Managed by Aljazira Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in United States Dollars)

2 BASIS OF PREPARATION (CONTINUED)

2.2. Accounting on liquidation basis

As a result of the expiration of the fund's term, the liquidation of the fund is considered inevitable and therefore liquidation-based accounting was applied for the entire fiscal year during which the liquidation decision was taken, and the following periods/years in accordance with the requirements of the standard "Financial Reporting on the Liquidation-Based: Principles and Requirements for Evidence, Measurement, Presentation and Disclosure." The basis of liquidation is as follows:

1. Measuring the entity's assets by the cash amount, or compensation, expected to be collected when those assets are eliminated.
2. Measure obligations by the contractual amount due to settle those obligations.
3. Recognize other assets that were not recognized in accordance with the financial reporting framework applicable to the entity while it was a going concern when their estimated value can be reliably determined and they are expected to be sold in liquidation or to settle liabilities.
4. Proving the entitlement to the expected costs of excluding assets or other items expected to be sold in liquidation and presenting them in the list of net liquidation assets subtracted from the assets related to them, or presenting those costs in total separately from the assets, when they can be estimated reliably and when the assumptions of this estimate are verifiable.
5. Recognizing the accrual of costs and income items expected to be incurred or earned (for example, income from pre-existing orders that the entity expects to fulfil during liquidation) to the end of liquidation, when they can be estimated reliably and when the assumptions of this estimate are verifiable.

2.3. Basis of measurement

The accompanying financial statements have been prepared on a fair value basis.

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern till the end of extended tenure which is 31 December 2024. Consequently, the going concern basis for preparing financial statements is no longer appropriate and these financial statements have been prepared on a liquidation basis where assets are measured at their realizable amounts and liabilities are measured at amounts expected to be settled. No adjustments to the carrying value of assets and liabilities were recognized as a result of this change in the basis of accounting.

As the Fund will wind up in an orderly manner, the Board Members believe that there was no material difference in accounting measurement basis as would apply under a going concern basis as has been applied under the liquidation basis in this instance.

The line items in the statement of net assets have been presented in the order of liquidity.

ALJAZIRA GLOBAL EMERGING MARKETS FUND
Under Liquidation
Open-Ended Mutual Fund
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in United States Dollars)

2 BASIS OF PREPARATION (CONTINUED)

2.4. Functional and presentation currency

These 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 statement of net assets. Foreign exchange gains and losses, if any, arising from translation are included in the statement of comprehensive income.

3 NET LIQUIDATION ASSETS

Net Liquidation Assets represent the expected liquidation value available to unitholders upon its liquidation based on the number of outstanding units as at 31 December 2024. The Fund expects liquidation income, if any, to exceed its costs, if any, during the liquidation process. The liquidation value is subject to changes due to price and foreign exchange risk.

4. CASH AND CASH EQUIVALENTS

	<u>Note</u>	<u>31 December 2024</u>
Cash with Custodian	5.1	102,006
		102,006

4.1 Cash in investment account is held in investment accounts with Northern Trust. The Fund does not earn profit from these investment accounts.

ALJAZIRA GLOBAL EMERGING MARKETS FUND

Under Liquidation

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in United States Dollars)

5 INVESTMENTS CARRIED AT FVTPL

Investments in equity instruments comprise of the following:

Industry sector	As at 31 December 2024		
	Cost	Fair value	%
Semiconductors	379,014	783,139	22.67%
Internet	612,705	505,014	14.62%
Computers	265,367	316,008	9.15%
Pharmaceuticals	161,408	193,293	5.59%
Electrical component and equipment	155,188	170,388	4.93%
Telecommunication	88,814	148,062	4.29%
Auto manufacturing	130,920	142,170	4.11%
Oil and gas	140,650	135,593	3.92%
Mining	112,557	97,670	2.83%
Real estate	50,777	94,848	2.75%
Apparel	62,588	64,499	1.87%
Retail	61,471	62,930	1.82%
Food	44,377	55,925	1.62%
Healthcare services	52,753	55,524	1.61%
Others	798,660	630,077	18.24%
Total	3,117,249	3,455,140	100%

6 RELATED PARTIES TRANSACTIONS AND BALANCES

Management fee and other expenses

For management services, the Fund pays quarterly, the management fees at an annual rate of 1.95% of the net assets (equity) of the Fund attributable to Unitholders, calculated on daily basis, 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 also recovers from the Fund any other expenses incurred on behalf of the Fund such as 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 year, the Fund entered into the following significant transactions with related parties in the ordinary course of 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	2024
Aljazira Capital Company	Fund Manager	Management fees	(134,683)
Fund's Board	Key executive	Board remuneration	(5,347)

ALJAZIRA GLOBAL EMERGING MARKETS FUND

Under Liquidation

Open-Ended Mutual Fund

(Managed by Aljazira Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in United States Dollars)

6 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

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 which are as follows:

Name of related parties	2024 (Unit in numbers)
Fund Manager Aljazira Capital Company	4,773

Balances with related parties

Related parties	Nature of relationship	Nature of transaction	2024
Aljazira Capital Company	Fund Manager	Management fee payable	(35,635)
Fund's Board	Key executive	Remuneration payable *	(5,345)

* Included in Accrued expenses and other liabilities in the statement of net assets.

7 UNIT TRANSACTIONS

Transactions in units for the year are summarized as follows:

	31 December 2024 (Units in numbers)
Units at beginning of the year	46,848
Units issued during the year	6,299
Units redeemed during the year	(28,872)
Net change in units	(22,573)
Units at end of the year	24,275

8 SUBSEQUENT EVENTS

As of the date of approval of these financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these financial statements other than that is already disclosed under Note 1.

9 LAST VALUATION DAY

The last valuation day for the purpose of preparation of these financial statements was 31 December 2024.

10 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Fund's Board on 20 Ramadan 1446H corresponding to 20 March 2025.