

ALJAZIRA SAUDI RIYAL MURABAHA FUND
Open-Ended Fund
(Managed by Aljazira Capital Company)
Interim Condensed Financial Statements (Unaudited)
For the six-months period ended 30 June 2025
Together with the
Independent Auditor's Review Report to the Unitholders

ALJAZIRA SAUDI RIYAL MURABAHA FUND

Open-Ended Fund

(Managed by Aljazira Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

	PAGES
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS	1
INTERIM STATEMENT OF FINANCIAL POSITION	2
INTERIM STATEMENT OF COMPREHENSIVE INCOME	3
INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS	4
INTERIM STATEMENT OF CASH FLOWS	5
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS	6 - 17

INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE UNITHOLDERS OF ALJAZIRA SAUDI RIYAL MURABAHA FUND
MANAGED BY ALJAZIRA CAPITAL COMPANY**

(1 /1)

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Aljazira Saudi Riyal Murabaha Fund (the "Fund") managed by Aljazira Capital Company (the "Fund Manager") as at 30 June 2025 and the related interim statement of comprehensive income, interim statement of changes in net assets (equity) attributable to the unitholders and the interim statement of cash flows for the six-months period then ended, and a summary of material accounting policies and other explanatory notes. 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.

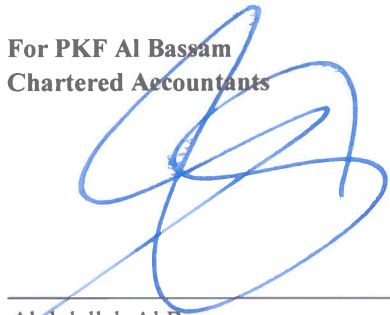
SCOPE OF REVIEW

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 PKF Al Bassam
Chartered Accountants**



Abdullellah Al Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
13 Safar 1447H
Corresponding to: 07 August 2025



ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at 30 June 2025

(Amounts in Saudi Riyals)

	Notes	30 June 2025 (Un-audited)	31 December 2024 (Audited)
ASSETS			
Cash at Bank	4	3,644,756	1,227,950
Investments measured at fair value through profit or loss (FVTPL)	5	135,737,131	132,359,272
Investments carried at amortized cost – Murabaha	6	1,484,244,639	1,071,745,139
Investments carried at amortized cost – Sukuk	7	147,227,359	173,731,439
Prepayments and other receivables		639,864	282,983
TOTAL ASSETS		1,771,493,749	1,379,346,783
LIABILITIES			
Management fee payable	8	3,913,431	3,184,260
Accrued expenses and other liabilities		442,019	90,447
TOTAL LIABILITIES		4,355,450	3,274,707
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		1,767,138,299	1,376,072,076
Units in issue (in numbers)	9	10,128,688	8,066,628
Net Asset (Equity) Value per unit		174.47	170.59

The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the six-month period ended 30 June 2025

(Amounts in Saudi Riyals)

	Notes	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
Income			
Special Commission income from investments carried at amortized cost			
– Murabaha		36,563,578	31,839,626
– Sukuk		3,910,507	4,826,585
Net unrealized gain from investments carried at FVTPL	10	3,377,859	2,926,549
		43,851,944	39,592,760
Expenses			
Management fees	8	(6,975,997)	(6,592,065)
Custody fees		(45,623)	(45,749)
Other expenses		(35,432)	(35,016)
		(7,057,052)	(6,672,830)
Net income for the period		36,794,892	32,919,930
Other comprehensive income for the period		-	-
Total comprehensive income for the period		36,794,892	32,919,930

The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements.

ALJAZIRA SAUDI RIYAL MURABAHA FUND
Open-Ended Fund
(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS (UN-AUDITED)

For the six-month period ended 30 June 2025
(Amounts in Saudi Riyals)

	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
Net assets (Equity) attributable to the Unitholders at beginning of the period	1,376,072,076	1,211,765,074
Total comprehensive income for the period	36,794,892	32,919,930
Changes from unit transactions		
Issuance of units	1,617,528,840	817,147,399
Redemption of units	(1,263,257,509)	(717,069,824)
Net changes from unit transactions	354,271,331	100,077,575
Net assets (Equity) attributable to the Unitholders at end of the period	1,767,138,299	1,344,762,579

The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements.

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the six-month period ended 30 June 2025

(Amounts in Saudi Riyals)

	Notes	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
<u>Cash flows from operating activities:</u>			
Net income for the period		36,794,892	32,919,930
Adjustments for:			
- Unrealized gain from investments carried at FVTPL	10	(3,377,859)	(2,926,549)
- Amortization of Premium on Sukuk		-	47,575
		<u>33,417,033</u>	<u>30,040,956</u>
<u>Net changes in operating assets and liabilities:</u>			
Investments carried at FVTPL		-	(39,999,997)
Investments carried at amortized cost – Murabaha		13,920,681	(127,306,466)
Investments carried at amortized cost – Sukuk		26,504,080	(25,668,254)
Prepayments and other receivables		(356,881)	-
Management fee payable		729,171	(380,893)
Accrued expenses and other liabilities		351,572	42,757
Net cash generated from / (used in) operating activities		<u>74,565,656</u>	<u>(163,271,897)</u>
<u>Cash flows from financing activities:</u>			
Proceeds from issuance of units		1,617,528,840	817,147,399
Redemption of units		(1,263,257,509)	(717,069,824)
Net cash generated from / (used in) financing activities		<u>354,271,331</u>	<u>100,077,575</u>
Net decrease in cash and cash equivalents		428,836,987	(63,194,322)
Cash and cash equivalents at beginning of the period	4	<u>97,239,950</u>	<u>565,349,089</u>
Cash and cash equivalents at end of the period	4	<u>526,076,937</u>	<u>502,154,767</u>

The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements.

ALJAZIRA SAUDI RIYAL MURABAHA FUND

Open-Ended Fund

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Aljazira Saudi Riyal Murabaha 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 26 November 2000.

The Fund operates under the terms and conditions contained in its prospectus with the prime objective of providing the investors with the opportunities to achieve profits from Murabaha placements and Islamic deposits with a low risk. The Fund’s net income is reinvested in the Fund, which is reflected in the net assets (equity) attributable to each unit.

The Fund Manager and administrator of the Fund is Aljazira Capital Company. The Custodian of the Fund is NOMW Capital.

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 Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Fund’s last annual financial statement for the year ended 31 December 2024. The results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 Saudi Riyals (SAR) which is the Fund’s functional and presentation currency.

Transactions and balances

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

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)**For the six-months period ended 30 June 2025****(Amounts in Saudi Riyals)****3 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

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 2024. There are new standards, amendments and interpretations apply for the first time in 2025, 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.

3.1 New standards, interpretations and amendments adopted by the Fund

During the period, the Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments, given below, apply for the first time in 2025, but do not have a material impact on the interim condensed financial statements of the Fund.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

The listing of standards and interpretations issued which the Fund reasonably expects to be applicable at a future date are as follows. The Fund is currently assessing the impact of these standards and interpretations and intends to adopt these when they become effective.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026.

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)**For the six-months period ended 30 June 2025****(Amounts in Saudi Riyals)****3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.1 New standards, interpretations and amendments adopted by the Fund (continued)**

Standard/ interpretation	Description	Effective from periods beginning on or after
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

3.2 Critical accounting estimates and assumptions

The preparation of these interim condensed financial statements requires the Fund Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In the process of applying the Fund's accounting policies, the Fund Manager 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 Fund Manager 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.

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

4 CASH AT BANK

	<u>Notes</u>	<u>30 June 2025 (Un-audited)</u>	<u>31 December 2024 (Audited)</u>
Cash at Bank	4.1	<u>3,644,756</u>	<u>1,227,950</u>
		<u>3,644,756</u>	<u>1,227,950</u>

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

4.2. Cash and cash equivalent

	<u>Notes</u>	<u>30 June 2025 (Un-audited)</u>	<u>31 December 2024 (Audited)</u>
Cash at Bank	4.1	<u>3,644,756</u>	<u>1,227,950</u>
Murabaha placements with original maturity of 3 months or less	6.1	<u>522,432,181</u>	<u>96,012,000</u>
		<u>526,076,937</u>	<u>97,239,950</u>

5 INVESTMENTS MEASURED AT FVTPL

Investments measured at FVTPL comprise of the following:

Name	<u>30 June 2025 (Un-audited)</u>		
	<u>Cost</u>	<u>Fair value</u>	<u>Fair value %</u>
ANB Capital SAR Trade Fund	50,000,000	54,273,072	39.98
Artal Murabaha Fund	29,999,997	33,238,173	24.49
Al-Badr Murabaha Fund	30,000,000	32,192,477	23.72
MEFIC Saudi Riyal Murabaha Fund	10,000,000	10,566,338	7.78
Riyad SAR Trade Fund	5,000,000	5,467,071	4.03
Total	<u>124,999,997</u>	<u>135,737,131</u>	<u>100</u>

Name	<u>As at 31 December 2024 (Audited)</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Fair Value%</u>
ANB Capital SAR Trade Fund	50,000,000	52,885,735	39.96
Artal Murabaha Fund	30,000,000	32,379,637	24.46
Al-Badr Murabaha Fund	30,000,000	31,390,586	23.72
MEFIC Saudi Riyal Murabaha Fund	10,000,000	10,311,935	7.79
Riyad SAR Trade Fund	5,000,000	5,391,379	4.07
Total	<u>125,000,000</u>	<u>132,359,272</u>	<u>100</u>

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

5 INVESTMENTS MEASURED AT FVTPL (CONTINUED)

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Carrying amount as at 1 January	132,359,272	85,850,666
Additions during the year	-	40,000,000
Sold during the year during the year	-	-
Unrealize gain	3,377,859	6,508,606
Realize gain	-	-
Carrying amount as at the year end	135,737,131	132,359,272

6 INVESTMENTS CARRIED AT AMORTIZED COST – MURABAHA

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Saudi Investment Bank	352,051,000	-
Bank Aljazira	352,559,375	96,012,000
Emirates NBD KSA	352,409,514	-
Qatar National Bank	170,022,667	-
ABC Bank	156,675,000	152,150,000
First Abu Dhabi Bank	100,527,083	-
Banque Saudi Fransi	-	302,030,000
Al Rajhi Bank	-	265,858,000
Saudi National Bank	-	255,695,139
Total	1,484,244,639	1,071,745,139

The following table represents the movement of investment in Murabaha placements measured at amortized cost during the period / year:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Carrying amount as at 1 January	1,071,745,139	981,091,318
Additions during the year	30,297,000,000	47,890,420,000
Matured during the year	(29,733,000,000)	(47,807,420,000)
Murabaha profit recognized in the statement of comprehensive income	36,563,578	66,919,140
Murabaha profit received during the year	(188,064,078)	(59,265,319)
Carrying amount as at the year end	1,484,244,639	1,071,745,139

6.1. Includes Murabaha placements with original maturity of 3 months or less amounting to SAR 522,432,181 (2024: SR 96,012,000) (See Note 4).

6.2. The rate of profit on Murabaha placements ranges from 4.45% to 6% (2024: 4.50% to 6.65% per annum) per annum.

6.3. The Fund Manager has performed an assessment of Expected Credit Losses (ECL) for the financial assets carried at amortized cost. An allowance for impairment over these financial assets was not recognized in the interim condensed financial statements as the amount was not material.

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)**For the six-months period ended 30 June 2025****(Amounts in Saudi Riyals)****7 INVESTMENTS CARRIED AT AMORTIZED COST – SUKUK**

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ACWA Power Sukuk	101,679,846	101,713,073
KSA Sukuk Limited	26,700,093	26,703,808
Saudi Government SAR Sukuk	18,847,420	18,848,967
Saudi National Bank	-	26,465,591
Total	147,227,359	173,731,439

The following table represents the movement of investment in Sukuks measured at amortized cost during the period / year:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Carrying amount at the start of period / year	173,731,439	147,367,787
Additions during the period / year	-	25,000,000
Sold during the year	(25,000,000)	-
Amortization of Premium on Sukuk	-	-
Profit recognized during the period / year	3,910,507	10,155,163
Profit received during the period / year	(5,414,587)	(8,791,511)
Carrying amount at the end of the period / year	147,227,359	173,731,439

7.1 The rate of profit on Sukuk ranges from 2.69% to 6.71% (2024: 2.69% to 6.72% per annum) per annum.

7.2 The Fund Manager has performed an assessment of Expected Credit Losses (ECL) for the financial assets carried at amortized cost. An allowance for impairment over these financial assets was not recognized in the interim condensed financial statements as the amount was not significant.

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

For management services, the Fund pays on quarterly basis, the management fees at an annual rate of 15% of investment return, which does not exceed 0.75% of the net asset value of the Fund.

Transactions with related parties

During the period, 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	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
Aljazira Capital Company	Fund Manager	Management fee	(6,975,997)	(6,592,065)
		Placements made during the period	-	12,659,540,000
		Placements matured during the period	-	(1,247,654,000)
Bank Aljazira	Affiliate	Profit received during the period	-	(5,054,325)
		Profit recognized during the period	-	5,082,029
Fund's Board	Key executive	Board remuneration	(7,935)	(7,957)

ALJAZIRA SAUDI RIYAL MURABAHA FUND

Open-Ended Fund

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

8 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Related parties	Nature of relationship	Nature of transaction	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
AlJazira Takaful Taawuni Company	Affiliate	Cash inflows from Subscription of Units	4,634,548	5,479,662
		Proceeds paid from Redemption of Units	(8,943,213)	(10,827,377)
AlJazira Asset Allocation Fund - Growth Strategy	Funds managed by the Fund Manager	Cash inflows from Subscription of Units	1,135,000	12,971,920
		Proceeds paid from Redemption of Units	(9,587,644)	(4,777,000)
AlJazira Asset Allocation Fund - Moderate Strategy	Funds managed by the Fund Manager	Cash inflows from Subscription of Units	280,000	4,487,260
		Proceeds paid from Redemption of Units	(2,403,000)	(1,420,000)
AlJazira Asset Allocation Fund - Conservative Strategy	Funds managed by the Fund Manager	Cash inflows from Subscription of Units	977,286	3,723,630
		Proceeds paid from Redemption of Units	(1,793,000)	(453,723)
AlJazira Private Equity Fund - E-Commerce	Funds managed by the Fund Manager	Proceeds paid from Redemption of Units	-	(1,150,000)
AlJazira Alternative Multi-Asset Fund	Funds managed by the Fund Manager	Cash inflows from Subscription of Units	88,410,000	18,117,084
		Proceeds paid from Redemption of Units	(63,265,936)	-
AlJazira Ajan Riveria Fund 1	Funds managed by the Fund Manager	Cash inflows from Subscription of Units	-	23,900,000
AlJazira REIT Fund	Funds managed by the Fund Manager	Cash inflows from Subscription of Units	-	1,500,000
Wahat AlNakheel Real Estate Fund	Funds managed by the Fund Manager	Cash inflows from Subscription of Units	207,000,000	-

Certain units of the Fund are subscribed by Fund Manager, an affiliate of the Fund Manager and other funds managed and administered by the Fund Manager, the details of which are as follows:

Related parties and nature of relationship	30 June 2025 (Un-audited)	31 December 2024 (Audited)
	<i>(Unit in numbers)</i>	
Affiliate		
AlJazira Takaful Taawuni Company	818,335	842,743
Funds Managed by Fund Manager		
AlJazira Asset Allocation Fund - Growth Strategy	156,442	205,409
AlJazira Asset Allocation Fund - Moderate Strategy	96,548	108,844
AlJazira Asset Allocation Fund - Conservative Strategy	127,428	132,157
AlJazira Private Equity Fund – E-commerce	41,356	41,356
AlJazira Alternative Multi-Asset Fund	275,859	127,103
Wahat AlNakheel Real Estate Fund	1,197,594	-

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

8 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)*Balances with related parties*

Related parties	Nature of relationship	Nature of transaction	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Bank Aljazira	Affiliate	Cash at bank	3,644,756	1,227,950
		Murabaha placements	522,432,181	96,012,000
Aljazira Capital Company	Fund Manager	Management fee payable	(3,913,431)	(3,184,260)
Fund's Board	Key executive	Remuneration payable	(7,934)	(16,000)
Aljazira Takaful Taawuni Company	Affiliate	Share in net assets	142,774,907	143,763,528
AlJazira Asset Allocation Fund - Growth Strategy	Funds managed by the Fund Manager	Share in net assets	27,294,436	35,040,721
AlJazira Asset Allocation Fund - Moderate Strategy	Funds managed by the Fund Manager	Share in net assets	16,844,730	18,567,698
AlJazira Asset Allocation Fund - Conservative Strategy	Funds managed by the Fund Manager	Share in net assets	22,232,363	22,544,663
AlJazira Private Equity Fund - E-Commerce	Funds managed by the Fund Manager	Share in net assets	7,215,459	7,054,920
AlJazira Alternative Multi-Asset Fund	Funds managed by the Fund Manager	Share in net assets	48,129,115	21,682,501
Wahat AlNakheel Real Estate Fund	Funds managed by the Fund Manager	Share in net assets	208,944,295	-

9 UNIT TRANSACTIONS

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

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
	<i>(Unit in numbers)</i>	
Units at beginning of the period / year	8,066,628	7,477,227
Units issued during the period / year	9,377,259	12,689,548
Units redeemed during the period / year	(7,315,199)	(12,100,147)
Net change in units	2,062,060	589,401
Units at end of the period / year	10,128,688	8,066,628

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

10 NET GAIN FROM INVESTMENTS CARRIED AT FVTPL

	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
Net unrealized gain on revaluation of investments	<u>3,377,859</u>	<u>2,926,549</u>
	<u>3,377,859</u>	<u>2,926,549</u>

11 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2025 (Un-audited)	Amortized cost	FVTPL
As per interim statement of financial position		
ASSETS		
Cash at Bank	3,644,756	-
Investments measured at FVTPL	-	135,737,131
Investments carried at amortized cost – Murabaha	1,484,244,639	-
Investments carried at amortized cost – Sukuk	147,227,359	-
Prepayments and other receivables	639,864	-
Total	<u>1,635,756,618</u>	<u>135,737,131</u>
31 December 2024 (Audited)		
As per statement of financial position		
ASSETS		
Cash at Bank	1,227,950	-
Investments measured at FVTPL	-	132,359,272
Investments carried at amortized cost – Murabaha	1,071,745,139	-
Investments carried at amortized cost – Sukuk	173,731,439	-
Prepayments and other receivables	282,983	-
Total	<u>1,246,987,511</u>	<u>132,359,272</u>

All financial liabilities as at 30 June 2025 (31 December 2024) were classified as financial liabilities measured at amortized cost.

12 FINANCIAL RISK MANAGEMENT

The objective of the Fund is to safeguard its ability to continue as a going concern so that it can continue to provide optimum returns to its Unitholders and to ensure reasonable safety to the Unitholders.

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

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

(a) Market risk*(i) Foreign exchange risk*

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

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

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

12 FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Market risk (continued)***(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's investments in Murabaha are fixed rate financial instruments, hence, the Fund is expose to commission rate risk, however the Murabaha placements are of short term and significant portfolio will be matured within a period of one year. Accordingly, the Fund is not exposed to material commission rate risk.

(iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund closely monitors the price movement of its investments in financial instruments. As of the interim statement of financial position date, the Fund has investments in mutual funds (Note 5).

The effect on the net assets (equity) value (as a result of the change in the fair value of investments measured at FVTPL as at 30 June 2025 and 31 December 2024) 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 2025 (Un-audited)		31 December 2024 (Audited)	
	Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
ANB Capital SAR Trade Fund	1%	542,731	1%	528,857
Artal Murabaha Fund	1%	332,382	1%	323,796
Al-Badr Murabaha Fund	1%	321,925	1%	313,906
MEFIC Saudi Riyal Murabaha Fund	1%	105,663	1%	103,119
Riyad SAR Trade Fund	1%	54,671	1%	53,914

(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 investments carried at amortized cost. Bank balances are placed with reputable financial institutions; hence the credit risk is minimal.

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

ALJAZIRA SAUDI RIYAL MURABAHA FUND**Open-Ended Fund**

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

12 FINANCIAL RISK MANAGEMENT (CONTINUED)**(b) Credit risk (continued)**

Rating of financial institution	30 June 2025	31 December 2024
Cash at Bank	(Unaudited)	(Audited)
A-(Fitch)	3,644,756	1,227,950
Murabaha		
A- (Fitch / S&P)	805,137,458	919,595,139
A+ (Fitch)	522,432,181	-
BB+ (Fitch)	156,675,000	152,150,000
Total	1,484,244,639	1,071,745,139
	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Rating of financial institution		
Sukuks		
Baa3 Moody's	101,679,846	101,713,073
Aa3 Moody's	26,700,093	26,703,808
A- Fitch	-	26,465,591
A+ Fitch	18,847,420	18,848,967
Total	147,227,359	173,731,439
Prepayments and other receivables		
Unrated	639,864	282,983

(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 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 providers 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.

(e) Capital risk Management

The capital of the Fund is represented by the equity attributable to holders of redeemable units. The amount of equity attributable to holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other units holder and maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund Manager monitor capital on the basis of the value of equity attributable to unitholders.

ALJAZIRA SAUDI RIYAL MURABAHA FUND

Open-Ended Fund

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)

For the six-months period ended 30 June 2025

(Amounts in Saudi Riyals)

13 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 and liabilities at amortised cost, except for those which are carried at fair value as level 2.

Valuation technique for calculating the fair value of investments under Level 2 comprises of determining the net asset value per unit of the investee funds which is based on observable market data.

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

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

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalent, investment carried at amortized cost, other receivables and accrued expenses and other liabilities. Due to their short-term nature, the carrying value of these financial instruments approximates their fair value.

14 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 Fund Manager requires recognition or disclosure in the interim condensed financial statements.

15 LAST VALUATION DAY

The last valuation day for the purpose of preparation of these interim condensed financial statements was 30 June 2025 (2024: 31 December 2024).

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 13 Safar 1447H corresponding to 07 August 2025G.