

US DOLLAR AL BADR MURABAHA FUND
(Managed by Saudi Fransi Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT

US DOLLAR AL BADR MURABAHA FUND
(Managed by Saudi Fransi Capital Company)

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FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022
AND INDEPENDENT AUDITOR'S REVIEW REPORT

INDEX	PAGE
Report on review of interim condensed financial statements	1
Interim condensed statement of financial position	2
Interim condensed statement of comprehensive income	3
Interim condensed statement of changes in equity attributable to the Unitholders	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial statements	6-11



Report on review of interim condensed financial statements

To the Unitholders and the Fund Manager of US Dollar Al Badr Murabaha Fund

Introduction

We have reviewed the accompanying interim condensed statement of financial position of US Dollar Al Badr Murabaha Fund (the "Fund") as of 30 June 2022 and the related interim condensed statements of comprehensive income, changes in equity attributable to the Unitholders and cash flows for the six-month period then ended and other explanatory notes. Fund Manager 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), as 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 Engagements 2410, *"Review of Interim Financial Information performed by the Independent Auditor of the Entity"*, as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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, as 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, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Bader I. Benmohareb', is written over the PricewaterhouseCoopers text.

Bader I. Benmohareb
License Number 471

23 August 2022

US DOLLAR AL BADR MURABAHA FUND
(Managed by Saudi Fransi Capital Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

		<i>As at 30 June 2022 (Un-Audited) USD</i>	<i>As at 31 December 2021 (Audited) USD</i>
	<i>Note</i>		
<u>ASSETS</u>			
Cash and cash equivalents	7	595,515	115,642
Investments measured at fair value through profit or loss (FVTPL)	8	7,602,650	6,141,504
Investments measured at amortised cost	10	31,421,237	27,774,964
Prepayments and other assets		1,689	61
TOTAL ASSETS		39,621,091	34,032,171
<u>LIABILITIES</u>			
Management fee payable	11	9,452	8,599
Accruals and other liabilities		10,080	6,228
Payables against units redeemed		-	49,632
TOTAL LIABILITIES		19,532	64,459
Equity attributable to the Unitholders		39,601,559	33,967,712
Units in issue		23,789,006	20,531,533
Equity per unit in USD		1.6647	1.6544

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

US DOLLAR AL BADR MURABAHA FUND
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INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

		<i>For the six-month period ended 30 June 2022 USD</i>	<i>For the six-month period ended 30 June 2021 USD</i>
	<i>Note</i>	<hr/>	<hr/>
<u>INCOME</u>			
Special commission income		260,871	72,447
Net gain on investments measured at FVTPL	9	47,360	16,140
Other income		893	2,187
		<hr/>	<hr/>
		309,124	90,774
<u>EXPENSES</u>			
Management fees	11	(53,950)	(37,473)
Other expenses		(13,103)	(14,156)
		<hr/>	<hr/>
		(67,053)	(51,629)
NET INCOME FOR THE PERIOD			
		<hr/>	<hr/>
		242,071	39,145
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
		<hr/>	<hr/>
		242,071	39,145

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

US DOLLAR AL BADR MURABAHA FUND
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO
THE UNITHOLDERS (UN-AUDITED)

	<i>For the six-month period ended 30 June 2022 USD</i>	<i>For the six-month period ended 30 June 2021 USD</i>
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE BEGINNING OF THE PERIOD	33,967,712	27,355,659
CHANGES FROM OPERATIONS		
Total comprehensive income for the period	242,071	39,145
CHANGES FROM UNIT TRANSACTIONS		
Proceeds from units sold	10,174,490	8,272,895
Value of units redeemed	(4,782,714)	(7,661,921)
Net change from unit transactions	5,391,776	610,974
EQUITY ATTRIBUTABLE TO THE UNITHOLDERS AT THE END OF THE PERIOD	39,601,559	28,005,778

Transactions in units during the periods are summarised as follows:

	<i>For the six-month period ended 30 June 2022 Units</i>	<i>For the six-month period ended 30 June 2021 Units</i>
UNITS AT THE BEGINNING OF THE PERIOD	20,531,533	16,611,239
Units sold	6,138,218	5,020,960
Units redeemed	(2,880,745)	(4,650,415)
Net change in units	3,257,473	370,545
UNITS AT THE END OF THE PERIOD	23,789,006	16,981,784

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US DOLLAR AL BADR MURABAHA FUND
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INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)

		<i>For the six-month period ended 30 June 2022 USD</i>	<i>For the six-month period ended 30 June 2021 USD</i>
	<i>Note</i>		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period		242,071	39,145
<i>Adjustment to reconcile net income to net cash (used in) / generated from operating activities:</i>			
Unrealised (gain) / loss on investments measured at FVTPL	9	(47,360)	4,863
		<u>194,711</u>	<u>44,008</u>
Changes in operating assets and liabilities:			
Investments measured at FVTPL		(1,413,786)	(103,180)
Investments measured at amortised cost		(3,646,273)	286,830
Prepayments and other assets		(1,628)	(785)
Management fee payable		853	473
Accruals and other liabilities		3,852	956
Net cash (used in) / generated from operating activities		<u>(4,862,271)</u>	<u>228,302</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units sold		10,174,490	8,272,895
Payment against units redeemed, net off redemption payable		(4,832,346)	(6,161,921)
Net cash generated from financing activities		<u>5,342,144</u>	<u>2,110,974</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		479,873	2,339,276
Cash and cash equivalents at the beginning of the period		115,642	1,470,323
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>595,515</u>	<u>3,809,599</u>

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

US DOLLAR AL BADR MURABAHA FUND
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

All amounts presented in United States Dollars unless otherwise stated

1. GENERAL

US Dollar Al Badr Murabaha Fund (the “Fund”) is an open-ended Shariah compliant investment fund established based on an agreement between Saudi Fransi Capital Company (the “Fund Manager”) and investors (the “Unitholders”). The Fund commenced its operations on 18 August 1997.

The objective of the Fund is to provide capital preservation and liquidity. The Fund invests in Shariah compliant debt instruments.

During the period, the Fund has updated its terms and condition which have been approved by the Capital Market Authority “CMA” 07 Rajab 1443 (corresponding to 7 February 2022).

The Fund Manager and Administrator of the Fund is Saudi Fransi Capital Company. The Custodian of the Fund is HSBC Saudi Arabia.

2. REGULATORY AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and amended by resolution of the Board of the Capital Market Authority on 12 Rajab 1442H (corresponding to 24 February 2021) effective from 19 Ramadan 1442H (corresponding 1 May 2021) by the New Investment Fund Regulations (“Amended Regulations”) published by the Capital Market Authority on 17 Rajab 1442H (corresponding to 1 March 2021) in addition to the new amendment number 2-22-2021 issued on 12 Rajab 1442H (Corresponding to 24 February 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION

3.1 STATEMENT OF COMPLIANCE

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, therefore, these should be read in conjunction with the Fund’s annual audited financial statements as at and for the year ended 31 December 2021. The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

Assets and liabilities in the interim condensed statement of financial position are presented in the order of liquidity.

3.2 BASIS OF MEASUREMENT

These interim condensed financial statements are prepared under the historical cost convention, using the accrual basis of accounting except for investment held at fair value through profit or loss (FVTPL) that are measured at fair value.

3.3 FUNCTIONAL CURRENCY

These interim condensed financial statements are presented in United States Dollar (“USD”), which is the Fund’s functional and presentation currency.

4. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES

The significant accounting and risk management policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the financial statements for the year ended 31 December 2021 except as mentioned in note 6.

US DOLLAR AL BADR MURABAHA FUND
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

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5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the 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 recognised in the period in which the estimates are revised and in any future periods affected. The significant accounting estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the financial statements for the year ended 31 December 2021.

Going concern

The Fund Manager 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 about the Fund's ability to continue as a going concern. Therefore, these interim condensed financial statements continue to be prepared on the going concern basis.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standards, interpretations and amendments adopted by the Fund

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after 1 January 2022. The management has assessed that the amendments have no significant impact on the Fund's interim condensed financial statements.

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

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

Standard / Interpretation	Description	Effective from periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	Disclosure of Accounting Policies	1 January 2023
IFRS 17, 'Insurance contracts'	New Insurance standard	1 January 2023
Amendments to IAS12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

All amounts presented in United States Dollars unless otherwise stated

7. CASH AND CASH EQUIVALENTS

	30 June 2022 (Un-Audited) USD	31 December 2021 (Audited) USD
Bank balances (See note below)	340,437	102,818
Cash with custodian	255,078	12,824
	595,515	115,642

The bank balances represent the cash in a current account maintained with Banque Saudi Fransi (Note 11).

The management has conducted a review as required under IFRS 9 and based on such an assessment, the effect of expected credit loss allowance against the carrying value of cash and cash equivalents is insignificant as the balances are held with investment grade credit rated financial institutions and therefore has not been recognised in these interim condensed financial statements.

8. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	30 June 2022 (Un-Audited) USD	31 December 2021 (Audited) USD
Investment in mutual fund	7,602,650	6,141,504

The composition of investments in mutual funds measured at FVTPL on the last valuation date is summarized below:

	30 June 2022 (Un-Audited)		
	Cost USD	Market Value USD	% of Market Value
Al Rajhi Commodity Fund	2,125,323	2,138,036	28.12
Riyad Commodity Trading SAR Fund	5,420,228	5,464,614	71.88
	7,545,551	7,602,650	100.00
	31 December 2021 (Audited)		
	Cost USD	Market Value USD	% of Market Value
Al Rajhi Commodity Fund	711,537	716,481	11.67
Riyad Commodity Trading SAR Fund	5,420,228	5,425,023	88.33
	6,131,765	6,141,504	100.00

9. NET GAIN ON INVESTMENTS MEASURED AT FVTPL

	For the six-month period ended 30 June 2022 (Un-Audited) USD	For the six- month period ended 30 June 2021 (Un-Audited) USD
Realised (loss) / gain on sale of investments measured at FVTPL, net	-	21,003
Unrealised gain on remeasurement of investments at FVTPL, net	47,360	(4,863)
	47,360	16,140

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

All amounts presented in United States Dollars unless otherwise stated

10. INVESTMENTS MEASURED AT AMORTISED COST

	30 June 2022 (Un-Audited)	31 December 2021 (Audited)
Money market placements (see note "a" below)	29,592,993	26,853,920
Investment in Sukuk (see note "b" below)	1,828,244	921,044
	31,421,237	27,774,964

a) The composition of money market placements by remaining maturity as at each period-end is set out below;

31 June 2022 (Un-Audited)

Remaining maturity	% of Value	Cost USD
Up to 1 month	12.89	3,814,331
1-3 months	39.32	11,636,231
3-6 months	39.29	11,626,322
6-9 months	8.50	2,516,109
	100.00	29,592,993

31 December 2021 (Audited)

Remaining maturity	% of Value	Cost USD
Up to 1 month	13.43	3,605,332
1-3 months	38.95	10,458,408
3-6 months	47.62	12,790,180
	100.00	26,853,920

b) The carrying value of investments in Sukuks are summarised as follows;

	30 June 2022 (Un-Audited) USD	31 December 2021 (Audited) USD
Carrying value	1,828,244	921,044

The composition of investment in sukuk by maturity as at each period-end is set out below;

	30 June 2022 (Un-Audited) USD	31 December 2021 (Audited) USD
3-5 years	1,828,244	921,044

The Management has conducted a review as required under IFRS 9, which included taking into account numerous variables. Based on the assessment, the management believes that there is no need for any significant expected credit loss against the carrying value of net investment measured at amortized cost at the reporting date.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

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11. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties include Saudi Fransi Capital Company (“the Fund Manager”), Banque Saudi Fransi (the Bank and the shareholder of the Fund Manager), the Funds’ Board of Directors (BOD), affiliates of the Fund Manager, the Funds managed by the Fund Manager and the Unitholders of the Fund.

In the ordinary course of its activities, the Fund transacts business with related parties.

The Fund pays the Fund Manager a management fee calculated at an annual rate of up to 0.35% per annum plus applicable taxes calculated on the total net assets value on daily basis. The fee is intended to compensate the Fund Manager for administration and management of the Fund.

Subscription fee up to 3 percent of the invested amount is adjusted by deduction from the gross subscription, hence, it does not affect or reflect in the financial statements of the Fund.

Related party transactions for the periods ended and balances are as follows:

<i>Name of related party</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance receivable / (payable)</i>	
		<i>For the period ended 30 June 2022</i>	<i>For the period ended 30 June 2021</i>	<i>As at 30 June 2022</i>	<i>As at 31 December 2021</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Audited)</i>
		<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
Saudi Fransi Capital Company	Management fee	(53,950)	(37,473)	(9,452)	(8,599)
Board of Directors	Annual remuneration	(311)	(246)	(311)	-

The units in issue as at 30 June 2022 include 252,172 held by the employees of Banque Saudi Fransi and Saudi Fransi Capital Company (31 December 2021: 11,527 units).

The units in issue as at 30 June 2022 include 2,681,952 units held by Allianz Saudi Fransi (affiliate of the Fund Manager) (31 December 2021: 2,413,241 units).

At the end of the period, cash balance with the Banque Saudi Fransi is USD 340,437 (31 December 2021: USD 102,818).

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability the principal or the most advantageous market must be accessible to the Fund.

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted market price: financial instruments with quoted unadjusted prices for identical instruments in active markets.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2022

All amounts presented in United States Dollars unless otherwise stated

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Fund's financial assets consist of bank balance, investments held at FVTPL, and other assets. The Fund's financial liabilities consist of management fee payable, accruals and other liabilities and payable against units redeemed.

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value. The fair value of investments measured at FVTPL are based on quoted prices in active markets and are therefore classified within Level 1.

	<i>Carrying value</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
30 June 2022 (Un-Audited)					
Investments measured at FVTPL	7,602,650	-	7,602,650	-	7,602,650
31 December 2021 (Audited)					
Investments measured at FVTPL	6,141,504	-	6,141,504	-	6,141,504

During the period ended 30 June 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

13. LAST VALUATION DAY

The last valuation day for the purpose of preparation of these interim condensed financial statements for the six-month period ended was 30 June 2022 (31 December 2021).

14. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorised for issue by the Fund Board on 24 Muharram 1444H (corresponding to 22 August 2022G).