

YAQEEN SAR MURABAHA FUND
(Managed By Yaqeen Capital)
FINANCIAL STATEMENTS
For the year ended 31 December 2024
Together with the
Independent Auditor's Report

YAQEEN SAR MURABAHA FUND
(Managed by Yaqeen Capital)
FINANCIAL STATEMENTS
For the year ended 31 December 2024

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Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Unitholders of Yaqeen SAR Murabaha Fund

Opinion

We have audited the financial statements of **Yaqeen SAR Murabaha Fund** (the "Fund") managed by Yaqeen Capital (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, changes in net assets (equity) attributable to unitholders and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA") 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 (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Fund Manager 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 IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority, the Fund's Terms and Conditions and for such internal control as Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Fund's Board, is responsible for overseeing the Fund's financial reporting process.

YAQEEN SAR MURABAHA FUND
(Managed By Yaqeen Capital)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

(All amounts are in Saudi Riyals unless stated otherwise)

	Notes	31 December 2024	31 December 2023
Assets			
Cash and cash equivalent	5	6,649,649	11,253,136
Financial assets at amortised cost	6	341,214,125	349,401,968
Financial assets at fair value through profit or loss (FVTPL)	7	263,051,569	41,932,384
Total assets		610,915,343	402,587,488
Liabilities			
Management fee payable	8	862,209	592,011
Other liabilities	9	198,308	161,263
Total liabilities		1,060,517	753,274
Net assets (equity) attributable to the Unitholders		609,854,826	401,834,214
Units in issue (numbers)		413,390,776	287,554,299
Net asset value per unit		1.48	1.40
Contingencies and commitments	10	-	-

The accompanying notes from 1 to 18 form an integral part of these financial statements.

YAQEEEN SAR MURABAHA FUND
(Managed By Yaqeen Capital)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Saudi Riyals unless stated otherwise)

	Notes	31 December 2024	31 December 2023
Income			
Murabaha contracts commission income	6	21,873,216	22,748,048
Fair value gain on financial assets at FVTPL	7.1	5,600,262	2,588,512
Special Commission income on Sukuk	7.2	948,542	-
Total operating income		28,422,020	25,336,560
Expenses			
Management fee	8	(2,713,630)	(2,900,564)
Others	9	(156,283)	(292,084)
Total operating expenses		(2,869,913)	(3,192,648)
Profit for the year		25,552,107	22,143,912
Other comprehensive income for the year		-	-
Total comprehensive income for the year		25,552,107	22,143,912

The accompanying notes from 1 to 18 form an integral part of these financial statements.

YAQEEN SAR MURABAHA FUND
(Managed By Yaqeen Capital)
STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Saudi Riyals unless stated otherwise)

	31 December 2024	31 December 2023
Net assets (equity) attributable to the Unitholders as at the beginning of the year	401,834,214	915,992,059
Total comprehensive income for the year	25,552,107	22,143,912
Unitholders' subscriptions and redemptions:		
Issuance of redeemable units during the year	710,189,417	241,932,280
Redemption of redeemable units during the year	(527,720,912)	(778,234,037)
Net assets (equity) attributable to the Unitholders as at end of the year	609,854,826	401,834,214

Movement in number of units

The movement in number of units are as follows:

	31 December 2024 Units	31 December 2023 Units
Number of units as at 1 January	287,554,299	685,866,146
Issuance of redeemable units during the year	492,592,661	176,872,163
Redemption of redeemable units during the year	(366,756,184)	(575,184,010)
Number of units as at 31 December	413,390,776	287,554,299

The accompanying notes from 1 to 18 form an integral part of these financial statements.

YAAQEE SAR MURABAHA FUND
(Managed By Yaaqeen Capital)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Saudi Riyals unless stated otherwise)

	Notes	31 December 2024	31 December 2023
Cash flows from operating activities			
Profit for the year		25,552,107	22,143,912
Adjustments for non-cash items:			
Murabaha contracts commission income	6	(21,873,216)	(22,748,048)
Net fair value gain on investments at FVTPL	7.1	(5,600,262)	(2,588,512)
Special Commission income on Sukuk	7.2	(948,542)	-
Changes in operating assets and liabilities:			
Purchase of financial assets at amortised cost	6	(867,832,998)	(1,406,447,449)
Proceeds from sale of financial assets at amortised cost	6	897,894,057	1,790,418,145
Purchase of financial assets at FVTPL	7.1	(459,000,000)	(68,500,000)
Proceeds from sale of financial assets at FVTPL	7.1	243,885,869	217,842,566
Commission income received on Sukuk	7.2	543,750	-
Management fee payable		270,198	(1,449,038)
Other liabilities		37,045	(15,306)
Net cash (used in) / generated from operating activities		(187,071,992)	528,656,270
Cash flows from financing activities			
Issuance of units during the year		710,189,417	241,932,280
Redemption of units during the year		(527,720,912)	(778,234,037)
Net cash generated from / (used) in financing activities		182,468,505	(536,301,757)
Net decrease in cash and cash equivalents		(4,603,487)	(7,645,487)
Cash and cash equivalents at the beginning of the year		11,253,136	18,898,623
Cash and cash equivalents at the end of the year	5	6,649,649	11,253,136

The accompanying notes from 1 to 18 form an integral part of these financial statements.

YAAQEE SAR MURABAHA FUND
(Managed By Yaqeen Capital)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(All amounts are in Saudi Riyals unless stated otherwise)

1 General information

Yaqeen SAR Murabaha Fund (the “Fund”) is a fund established under an agreement between Yaqeen Capital (“Fund Manager”) and Fund’s Investors (“Unitholders”). The Fund's objectives are to achieve return and provide liquidity in accordance with capital market rates in the short term and maintain Unitholders’ investments. The Fund provides investment solutions to investors in accordance with Islamic Shariah to achieve competitive returns from the market from short-term Murabaha investments and Sukuks. The Fund is "open-ended" and does not distribute any dividends to the Unitholders. Instead, all profits collected in the fund are reinvested and reflected in the price of the Fund’s unit.

The address of the Fund Manager is as follows:

Yaqeen Capital
Olaya Street, P.O. 884
Riyadh 11421
Kingdom of Saudi Arabia

Yaqeen Capital Company is the administrator of the Fund. Further, Al-Bilad Capital Company is the custodian of the Fund as per the terms and conditions of the Fund.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. In addition, the Unitholders are considered as owners benefiting from the Fund's assets.

The Capital Market Authority (CMA) license was granted to the Fund on 12 Jumada Al Akhir 1429 H (corresponding to 16 June 2008). The Fund commenced operations on 9 Rajab 1429 H (corresponding to 12 July 2008).

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by Capital Market Authority (CMA) on 3 Dhul Hija 1427H (corresponding to 24 December 2006) as amended by the resolution of CMA board on 16 Sha’aban 1437H (corresponding to 23 May 2016). It is further amended by the resolution of CMA board on 12 Rajab 1442H (corresponding to 24 February 2021).

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

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 statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The Fund has also complied with Investment Funds Regulations published by CMA and Fund’s terms and conditions, information memorandum and key information summary (collectively hereinafter referred to as “Terms and Conditions”) with respect to preparation and presentation of these financial statements.

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2 Basis of preparation (continued)

2.2 Going concern

The Fund's management has assessed the Fund's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss that are measured at fair value.

Furthermore, these financial statements are prepared, using the accrual basis of accounting and are based on the going concern basis.

2.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These financial statements are presented in Saudi Riyals which is the Fund's functional and presentation currency.

2.5 Financial Year

The financial year of the Fund commences on 1 January and ends on 31 December of each calendar year.

2.6 Use of estimates and judgments

In the ordinary course of business, the preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. There are no areas of significant judgment or critical assumption used in the preparation of these financial statements.

YAAEEN SAR MURABAHA FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
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3 Application of new and revised standards

3.1 New standards, interpretations and amendments adopted from 1 January 2024

The Fund applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024, but they had no material impact on these financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standard/interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 16 - Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants and Classification of liabilities as current or non-current	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

These amendments had no impact on the financial statements of the Fund. The Fund intends to use the practical expedients in future periods if they become applicable.

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3 Application of new and revised standards (continued)

3.2 New standards, interpretations and amendments not yet effective (continued)

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Fund has decided not to adopt early, and they do not have a significant impact on those financial statements.

The most significant of these are as follows:

Standard	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
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
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.	1 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

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4 Material accounting policies

The accounting policies applied in the preparation of these financial statements are set out below. The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023. Based on the adoption of new standard and in consideration of current economic environment, the following accounting policies are applicable effective 1 January 2024 replacing, amending, or adding to the corresponding accounting policies set out in 2023 annual financial statements.

4.1 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows comprise current account with the bank.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e. the date that the Fund executes purchase or sale of the assets). Regular way purchase or sale of financial assets require settlement of assets within the time frame generally established by regulation or convention in the marketplace. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on trade date at which the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the profit or loss section of the statement of profit or loss and other comprehensive income. For all other financial assets and financial liabilities transaction costs are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

4.2.2 De-recognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and substantially all the risks and rewards are transferred.

4.2.3 Classification and subsequent measurement of financial assets

Financial assets are classified into the following specified categories:

- Financial assets at fair value through profit or loss.
- Financial assets at fair value through other comprehensive income; or
- Financial assets at amortised cost.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

Classification and subsequent measurement of debt instruments depend on:

- (i) *The Fund's business model for managing the asset; and*

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4 Material accounting policies (continued)

4.2 Financial instruments (continued)

4.2.3 Classification and subsequent measurement of financial assets

(ii) *The cash flow characteristics of the asset.*

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized in profit or loss. Profit income from these financial assets is included in 'Special finance income' using the effective interest rate method.
- **Fair value through other comprehensive income:** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at financial assets at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, special finance income and foreign exchange gains and losses on the instrument's amortised cost are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Profit income from these financial assets is included in 'Special finance income' using the effective interest rate method.
- **Fair value through profit or loss:** Financial assets that do not meet the criteria for amortized cost or FVOCI are classified as financial assets at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value is presented in the profit or loss in the year in which it arises.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Fund subsequently measures all equity investments at FVTPL, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to the profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the profit or loss as 'Dividend income' when the Fund's right to receive payments is established. The Fund has not classified any of its equity investments at fair value through other comprehensive income.

The Fund does not have any financial assets classified at fair value through other comprehensive income as at 31 December 2024 and 2023.

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4 Material accounting policies (continued)

4.2 Financial instruments (continued)

4.2.4 Impairment of financial assets

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Fund's financial assets fall into this category.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. The value of financial assets held at amortized cost has been taken into account in the calculation of expected credit loss. Financial assets held at amortized cost include bank balances. Bank balances are held at banks with high credit rating.

4.2.5 Classification and measurement of financial liabilities

Liabilities are recognized on an accrual basis for amounts to be paid in the future in return for services received, whether or not billed by the provider.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund has designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortized cost using the effective interest rate method.

4.2.6 Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at the market price because this price provides a reasonable approximation of the exit price.

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(All amounts are in Saudi Riyals unless stated otherwise)

4 Material accounting policies (continued)

4.3 Net assets (equity) attributable to Unitholders

The net assets (equity) attributable to the Unitholders comprise redeemable units issued, and accumulated profit generated by the Fund. The redeemable units are classified as equity as explained below.

(i) Units in issue

Units subscribed and redeemed are recorded at the net assets value per unit on the Valuation Day for which the subscription request and redemption applications are received.

The Fund classifies its units as equity as these units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's net assets (equity) in the event of the Fund's liquidation.
- It is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata shares of the Fund's net assets (equity).
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets (equity) of the Fund over the life of the instrument.

In addition, in order to classify these instruments as equity the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets (equity) or the change in the fair value of the recognized and unrecognized net assets (equity) of the Fund; and
- The effect of substantially restricting or fixing the residual return to the instrument holders.

The Fund continuously assesses the classification of the units. If the redeemable units cease to have any of the features or meet all the conditions set out in paragraphs 16A and 16B of IAS 32, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in net assets attributable to Unitholders. The subscription and redemption of redeemable units are accounted for as equity transactions as long as units are classified as equity.

(ii) Trading in the units

Units of the Fund are made available for purchase only in the Kingdom of Saudi Arabia at Yaqeen Capital branches by natural and corporate persons. The net asset value of the Fund is determined on the Valuation Day by dividing the net value of assets (fair value of total assets minus liabilities) by the total number of outstanding units on the relevant Valuation Day.

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(All amounts are in Saudi Riyals unless stated otherwise)

4 Material accounting policies (continued)

4.4 Net assets (equity) value per unit

Net assets value per unit disclosed in the statement of financial position is calculated by dividing the net assets of the Funds by the number of units in issue at the reporting date.

4.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the amount can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and taxes.

Realized gains and losses on investments at FVTPL sold are determined on a weighted average cost basis. Dividend income is recognized in the profit or loss when declared (i.e. when the Fund's right to receive the dividend is established).

4.6 Management fee, custody fee and other expenses

The Fund's expenses include management fee, custody fee and other expenses. These expenses are recognised on accrual basis. Management and custody fee are based on predetermined rates as specified in the Terms and Conditions of the Fund. Detailed policies are as follows:

4.6.1 Management fee

The Fund Manager charges the Fund, on every valuation day, a management fee at an annual rate of 0.5% (31 December 2023: 0.5%) of the Fund's net assets value.

4.6.2 Custody fee

The Fund accrues custody fee at rate of 0.02% annually of the assets under reservation (31 December 2023: 0.02% annually). These charges are accrued on each dealing day.

4.6.3 Regulatory fee

The Fund records regulatory fees to be paid to Capital Market Authority of SR 7,500 annually as specified in the terms and conditions.

5 Cash and cash equivalent

	31 December 2024	31 December 2023
Cash at bank	<u>6,649,649</u>	<u>11,253,136</u>

Cash and cash equivalent comprise of balance held with Al Bilad Bank which has an A3 long term credit rating as per Moody's.

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6 Financial assets at amortised cost

This balance consists of the Fund's investment in Murabaha contracts with low risk fixed-rate commodities at local banks and financial institution. These investments are initially measured at cost and are subsequently measured at amortised cost.

Following is the commodities wise breakup of the Murabaha contracts that the Fund holds.

	31 December 2024	31 December 2023
Palladium	104,000,000	133,000,000
Platinum	232,000,000	138,500,000
Palm Oil	-	25,328,472
Copper	-	24,000,000
Nama	-	23,000,000
	336,000,000	343,828,472
Accrued Murabaha commission income	5,214,125	5,573,496
	341,214,125	349,401,968

Movement in financial assets carried at amortised cost is as follows:

	31 December 2024	31 December 2023
Opening balance	349,401,968	710,624,616
Purchases during the year	867,832,998	1,406,447,449
Matured during the year	(897,894,057)	(1,790,418,145)
	319,340,909	326,653,920
Murabaha contract commission income	21,873,216	22,748,048
Closing balance	341,214,125	349,401,968

6.1. The average remaining maturity for the Murabaha contracts lies between 6 to 12 months with an average profit rate of 5.90% (2023: 6.08%).

6.2. As these balances are held with banks and financial institution having sound credit rating there the impact of expected credit losses (ECL) is immaterial to these financial statements.

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7 Financial assets at fair value through profit or loss (FVTPL)

	Notes	31 December 2024	31 December 2023
Investments in public funds	7.1	237,646,777	41,932,384
Investments sukuk	7.2	25,404,792	-
		<u>263,051,569</u>	<u>41,932,384</u>

7.1. This balance represents the Fund's investments in units of other local investment funds that invest in Murabaha and other financial securities and are managed by investment companies licensed by the CMA in the Kingdom of Saudi Arabia.

Following is the breakdown of investments held in Fund's units:

	31 December 2024	31 December 2023
Alpha Murabaha Fund	100,703,453	-
SNB Capital Al Sunbullah SAR	83,380,612	22,053,460
Alinma Saudi Riyal Liquidity Fund	53,562,712	-
Blominvest SR Murabaha Fund	-	5,016,409
ANB Capital SAR Trade Fund	-	14,862,515
	<u>237,646,777</u>	<u>41,932,384</u>

Movement in investments carried at fair value through profit or loss is as follows:

	31 December 2024	31 December 2023
Opening balance	41,932,384	188,686,438
Purchase during the year	434,000,000	68,500,000
Sold during the year	(243,885,869)	(217,842,566)
	<u>232,046,515</u>	<u>39,343,872</u>
Realized fair value gain, net for the year	3,284,150	2,359,915
Unrealized fair value gain, net for the year	2,316,112	228,597
Net fair value gain on financial assets at FVTPL	5,600,262	2,588,512
Closing balance	<u>237,646,777</u>	<u>41,932,384</u>

7.2. This represents investment made in a corporate unlisted sukuk issued by Rawabi Holding Company (the "issuer") in the Kingdom of Saudi Arabia and GCC. The issuer has long-term and short-term national ratings with a stable outlook of "ssA" and "ssA1", respectively, by Capital Intelligence Ratings and long term and short-term entity ratings of "A-" and "T-3", respectively, by Simah Rating (TASSNIEF).

The sukuk earns a yield of 8.7% per annum and will mature on 28 January 2028.

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7 Financial assets at fair value through profit or loss (FVTPL) (continued)

	31 December 2024	31 December 2023
Opening balance	25,000,000	-
Commission income earned during the year	948,542	-
Commission income received during the year	(543,750)	-
		-
Unrealized fair value gain / (loss) for the year	-	-
Closing balance	25,404,792	-

8 Management fee payable

	Note	31 December 2023	31 December 2023
Opening balance		592,011	2,041,049
Expense for the year	8.1	2,713,630	2,900,564
Payment made during the year		(2,443,432)	(4,349,602)
Closing balance		862,209	592,011

- 8.1** The Fund Manager charges management fee as per the terms and conditions of the Fund, the Fund pays management fee to the Fund Manager at the rate of 0.5% per annum (31 December 2023: 0.5%) of the net assets value at each valuation date.

9 Other liabilities

	31 December 2024	31 December 2023
Opening balance	161,263	176,569
Expense for the year	156,283	292,084
Payment made during the year	(119,238)	(307,390)
Closing balance	198,308	161,263

Other liabilities include custody fee and other expenses payable which are based on predetermined rates as specified in the Terms and Conditions of the Fund. These expenses are recognised on accrual basis.

10 Contingencies and commitments

There were no contingencies and commitments as at 31 December 2024 and 31 December 2023.

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11 Related party transactions and balances

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. The related parties of the Fund include Fund Manager, the Fund's Board and other Funds managed by the Fund Manager.

In the ordinary course of business, the Fund transacts with its related parties that are in turn subject to the Fund's terms and conditions approved by the CMA. The Fund entered into the following transactions with its related parties during the year and the balances arising from these transactions are also mentioned below.

Related party	Relationship	Nature of transactions	Transactions for the year		Balance as at	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
		Management fees (Note 8)	2,713,630	2,900,564	862,209	592,011
Yaqeen Capital	Fund Manager	Units held by Fund Manager – 26,183,075 units (31 December 2023: 13,814,096 units)	17,975,840	18,929,746	38,626,587	19,304,099
Yaqeen IPO Fund	Fund managed by the Fund Manager	Units held by another fund managed by the Fund Manager – 6,787,453 units (31 December 2023: 7,949,925 units)	(1,509,573)	5,700,000	10,011,986	11,104,835
Yaqeen Income Generating Fund I	Fund managed by the Fund Manager	Units held by another fund managed by the Fund Manager – 7,270,464 units (31 December 2023: 1,749,520 units)	8,049,467	2,425,055	10,725,754	2,444,815
Yaqeen Arar Hills Fund	Fund managed by the Fund Manager	Units held another fund managed by the Fund Manager – 1,724,028 units (31 December 2023: 7,881,330 units)	(8,800,000)	(10,556,473)	2,543,372	11,013,530
Yaqeen Murabaha Financing Fund	Fund managed by the Fund Manager	Units held another fund managed by the Fund Manager – 542,346 units (31 December 2023: Nil)	425,951	(42,635,533)	800,096	-

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11 Related parties transactions and balances (continued)

The Fund pays management fees, and other expenses calculated at each valuation day in the percentages shown below of the Fund's net assets value.

	<u>Percentage</u>
Management fees	0.5%

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a market price, because this price is assessed to be a reasonable approximation of the exit price.

The fair value hierarchy consists of the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for assets and liabilities.

Investments based on inputs other than quoted prices included within level 1, that are observable for the asset or liability are categorized as level 2, these investments have been valued using the net asset value of the funds available on Saudi Stock Exchange, Tadawul.

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 due to the short-term duration of financial instrument. The fair value of investments measured at FVTPL are based on inputs other than quoted prices in active markets and are therefore classified within level 2.

Financial assets at fair value through profit or loss (FVTPL)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
31 December 2024	-	263,051,569	-	263,051,569
31 December 2023	-	41,932,384	-	41,932,384

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13 Financial instruments – Risk management

The Fund's objective is to ensure the Fund's ability to continue as a going concern so that it can continue to provide optimal returns for the Unitholders and ensure reasonable safety of the Unitholders.

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

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager, which 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) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Fund's policy is to conclude financial instrument contracts with reputable counterparties. The Fund seeks to reduce credit risk by monitoring credit exposures, setting limits for transactions with specific counterparties, and constantly assessing the solvency of such parties.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position.

	31 December 2024	31 December 2023
Financial assets at amortised cost	341,214,125	349,401,968
Cash and cash equivalent (note 5)	6,649,649	11,253,136
	347,863,774	360,655,104

The Fund measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL.

All financial assets carried at amortised cost were considered for ECL as at 31 December 2024 and 31 December 2023. However, the impact of ECL on these assets was immaterial as the Fund is not exposed to significant credit risk and there is no history of default on recovery of these balances.

The Fund Manager reviews the credit concentration of the investment portfolio, depending on the counterparties. As at the reporting date, the Fund has investments in Murabaha contracts of local banks having credit ratings ranging from A- to B as per Moody's / Fitch. The Fund is not currently exposed to credit risk within its investment portfolio.

The cash and cash equivalent comprise balances held with Al Bilad Bank which has a A3 long term credit rating as per Moody's.

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13 Financial instruments – Risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet its commitments associated with financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The Fund's Terms and Conditions provide for the subscription and redemptions of units on dealing days during the week and it is, therefore, exposed to the liquidity risk of meeting Unitholders' redemptions. The Fund's investments are readily realizable, and the units can easily be redeemed at any time. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio, or obtaining funding from related parties.

2024	Up to one year	More than one year and up to five years	More than five years	Total
Financial liabilities				
Management fee payable	862,209	-	-	862,209
Other liabilities	198,308	-	-	198,308
	1,060,517	-	-	1,060,517
2023	Up to one year	More than one year and up to five years	More than five years	Total
Financial liabilities				
Management fee payable	592,011	-	-	592,011
Other liabilities	161,263	-	-	161,263
	753,274	-	-	753,274

Maturity profile

The table below shows an analysis of financial assets and financial liabilities according to when they are expected to be recovered or settled, respectively. The amount disclosed are the contractual undiscounted cash flows which equal their carrying balances as the impact of discounting is not significant.

2024	Up to one year	More than one year	No fixed maturity	Total
Financial assets				
Cash and cash equivalents	-	-	6,649,649	6,649,649
Financial assets at amortised cost	341,214,125	-	-	341,214,125
Financial assets at fair value through profit or loss (FVTPL)	-	25,404,792	237,646,777	263,051,569
	341,214,125	25,404,792	244,296,426	610,915,343
Financial liabilities				
Management fee payable	862,209	-	-	862,209
Other liabilities	198,308	-	-	198,308
	1,060,517	-	-	1,060,517

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13 Financial instruments – Risk management (continued)

b) Liquidity risk (continued)

2023	Up to one year	More than one year	No fixed maturity	Total
Financial assets				
Cash and cash equivalent	-	-	11,253,136	11,253,136
Financial assets at amortised cost	349,401,968	-	-	349,401,968
Financial assets at fair value through profit or loss (FVTPL)	-	-	41,932,384	41,932,384
	349,401,968	-	53,185,520	402,587,488
Financial liabilities				
Management fee payable	592,011	-	-	592,011
Other liabilities	161,263	-	-	161,263
	753,274	-	-	753,274

c) Market risk

i) Commission rate risk

Commission rate risk arises from the possibility that changes in market special commission rates will affect future profitability or the fair value of the financial instruments.

As of the date of the statement of financial position, the Fund is not exposed to significant commission rate risk as commission rate is fixed in Murabaha contracts.

ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

The functional currency of the Fund is Saudi Riyals. As the Fund's financial assets and financial liabilities are denominated in its functional currency, the Fund is not subject to currency 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 the financial instruments that the Fund holds. The Fund has a diversified portfolio of investments carried at FVTPL comprising of unit of other public funds and sukuk.

A 5% change in the fair value of investments carried at FVTPL, with all other variables held constant, would increase / decrease the profit for the year and net assets by SR 13.15 million (2023: 21 million).

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14 Capital management

The capital of the Fund is represented by net assets (equity) attributable to unitholders. The net assets (equity) attributable to unitholders of 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 stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund Board and the Fund Manager monitor capital on the basis of the value of net assets (equity) attributable to unitholders.

15 Unit Value Reconciliation

The Fund's financial assets held at amortized cost were considered for ECL as on 31 December 2024. However, the impact of ECL on these assets was immaterial as cash and cash equivalents and investment in Murabaha contracts are held with bank and financial institutions having sound credit rating and there is no history of default or recovery of these balances. Accordingly, these financial statements do not contain any ECL adjustments.

16 Last valuation day

The Fund units are valued, and the net assets value is calculated at the end of each working day (valuation day). The last day of valuation was 31 December 2024.

17 Subsequent events

There are no events subsequent to the reporting date which require adjustment or disclosure to these financial statements.

18 Approval of the financial statements

These financial statements were approved by the Fund's Board on 24 March 2025.