

**Osool and Bakheet Parallel Market Fund**  
Open Investment fund  
(Managed by Osool & Bakheet Investment Company)

**Interim financial statements (unaudited) and independent auditor' report on limited review**  
**For the six months period ended at June 30, 2022**

**Osool and Bakheet Parallel Market Fund**  
Open Investment fund  
(Managed by Osool & Bakheet Investment Company)

**Interim financial statements (unaudited) and independent auditor' report on limited review**  
**For the six months period ended at June 30, 2022**

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## Independent auditor' report on limited review of the interim finical statement

### To the Unitholders of Osool and Bakheet Parallel Market Fund

#### Introduction

We have reviewed the accompanying interim statement of financial position of Osool and Bakheet Parallel Market Fund (the Fund), which is managed by Osool & Bakheet Investment Company (The Fund Manager) as at June 30, 2022 and the interim statements of profit or loss and other comprehensive income, interim statement of changes in net assets attributable to unitholders and interim statement of cash flows for the six - month period that ended on that date and the accompanying notes which are an integral part of these interim financial statements The fund Management is responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim 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 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, 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 financial statements are not prepared, in all material respects, in accordance with IAS 34 - "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia.

#### Allied Accountants Professional Services Company



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

4 Muharram 1444 (corresponding to 2 August 2022)



**Osool and Bakheet Parallel Market Fund**  
Open Investment fund  
(Managed by Osool & Bakheet Investment Company)

**Interim statement of financial position (unaudited)**  
**As at June 30, 2022**  
(By Saudi Riyal)

	<u>Note</u>	<u>June 30, 2022</u> <u>(Unaudited)</u>	<u>December 31, 2021</u> <u>(Audited)</u>
<b>Assets</b>			
Investments at fair value through profit or loss	6	21,808,647	28,739,468
Advance payments for investment		-	3,086,160
Accrued dividend		55,053	-
Account receivables and other assets		1,193,157	-
Cash at banks		1,554,655	288,688
<b>Total assets</b>		<u>24,611,512</u>	<u>32,114,316</u>
<b>Liabilities</b>			
Due to related parties	7	258,670	356,586
Accrued to shariah committee members		3,752	15,000
Accrued Expenses and other liabilities		24,737	18,495
<b>Total liabilities</b>		<u>287,159</u>	<u>390,081</u>
<b>Equity attributable to unitholders</b>			
<b>Net assets value attributable to unitholders</b>		<u>24,324,353</u>	<u>31,724,235</u>
Units in issue (numbers)		<u>5,898,859</u>	<u>6,886,796</u>
Per unit value		<u>4.12</u>	<u>4.61</u>

The accompanying notes (1) to (12) form an integral part of these interim financial statements

**Osool and Bakheet Parallel Market Fund**  
Open Investment fund  
(Managed by Osool & Bakheet Investment Company)

**Interim statement of profit or loss and other comprehensive income (unaudited)**  
**For the six - month period ended June 30, 2022**  
**(By Saudi Riyal)**

		For the six-months period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
<b><u>Profit or loss</u></b>	<b><u>Note</u></b>		
<b>Income</b>			
Realized gains from sale of investments at fair value through profit or loss	6	1,742,939	1,924,318
Unrealized losses on investments at fair value through profit or loss	6	(4,545,699)	(110,493)
Dividend income		369,605	211,671
Other income		6,771	11,230
<b>Total (loss) income for the period</b>		<b>(2,426,384)</b>	<b>2,036,726</b>
<b>Expenses</b>			
Management fees	7	(336,830)	(278,458)
Custodian fees	7	(84,207)	(69,327)
Remuneration of board members	7	(58,221)	(55,669)
Other expenses		(31,888)	(85,549)
<b>Total expenses for the period</b>		<b>(511,146)</b>	<b>(489,003)</b>
<b>Net (loss) income for the period</b>		<b>(2,937,530)</b>	<b>1,547,723</b>
<b><u>Other comprehensive income</u></b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(2,937,530)</b>	<b>1,547,723</b>

The accompanying notes (1) to (12) form an integral part of these interim financial statements

**Osool and Bakheet Parallel Market Fund**  
Open Investment fund  
(Managed by Osool & Bakheet Investment Company)

**Interim statement of changes in net assets attributable to unitholders (unaudited)**  
**For the six - month period ended June 30, 2022**  
(By Saudi Riyal)

	<b>For the six-months period ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Net assets value, beginning of the period</b>	<b>31,724,235</b>	<b>16,603,018</b>
<b>Net (loss) income for the period</b>	<b>(2,937,530)</b>	<b>1,547,723</b>
<b>Subscription and redemption to unitholders</b>		
Proceeds from units subscribed	<b>5,273,440</b>	<b>17,583,822</b>
Payments for units redeemed	<b>(9,735,792)</b>	<b>(4,299,840)</b>
<b>Net change from unit transactions</b>	<b>(4,462,352)</b>	<b>13,283,982</b>
<b>Net assets value attributable to unit holders, at the end of the period</b>	<b>24,324,353</b>	<b>31,434,723</b>

**Unit transactions**

Transactions in units during the period are summarized as follows:

	<b>For the six-months period ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>Units</b>	<b>Units</b>
Units number, beginning of the period	<b>6,886,796</b>	<b>4,172,980</b>
Subscribed units	<b>1,132,460</b>	<b>3,877,147</b>
Redeemed units	<b>(2,120,397)</b>	<b>(890,771)</b>
<b>Units number, at the end of the period</b>	<b>5,898,859</b>	<b>7,159,356</b>

The accompanying notes (1) to (12) form an integral part of these interim financial statements

**Osool and Bakheet Parallel Market Fund**  
Open Investment fund  
(Managed by Osool & Bakheet Investment Company)

**Interim Statement of cash flows (Unaudited)**  
**For the six - month period ended June 30, 2022**  
(By Saudi Riyal)

	<b>For the six-months period ended 30 June</b>	
	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Net (loss) income for the period	(2,937,530)	1,547,723
<b>Adjustments to reconcile net income for the period to net cash generated from (used in) operating activities</b>		
Realized gains from sale of investments at fair value through profit or loss	(1,742,939)	(1,924,318)
Unrealized gains on investments at fair value through profit or loss	4,545,699	110,493
Dividend income	(369,605)	(211,671)
	<b>(504,375)</b>	<b>(477,773)</b>
<b>The changes in operating assets and liabilities</b>		
Additions to Investments at fair value through profit or loss	(13,797,341)	(22,190,481)
Proceeds from the sale of Investments at fair value through profit or loss	17,925,402	8,554,631
Proceeds from dividends income	314,552	234,116
Advance payments for investments	3,086,160	-
Account receivables and other assets	(1,193,157)	-
Due to related parties	(97,916)	225,792
Accrued to the members of the Shariah Committee	(11,248)	3,490
Accrued expenses and other liabilities	6,242	44,205
<b>Net cash generated from (used in) operating activities</b>	<b>5,728,319</b>	<b>(13,606,020)</b>
<b>Cash flows from financing activities</b>		
Proceeds from units subscribed	5,273,440	17,583,822
Payments for units redeemed	(9,735,792)	(4,299,840)
<b>Net cash (used in) generated from financing activities</b>	<b>(4,462,352)</b>	<b>13,283,982</b>
<b>Net change in cash at banks</b>	<b>1,265,967</b>	<b>(322,038)</b>
Cash at banks, beginning of the period	288,688	7,015,572
<b>Cash at banks, at the end of the period</b>	<b>1,554,655</b>	<b>6,693,534</b>

The accompanying notes (1) to (12) form an integral part of these interim financial statements

## **Osool and Bakheet Parallel Market Fund**

Open Investment fund

(Managed by Osool & Bakheet Investment Company)

### **Notes to the interim financial statements (unaudited)**

**For the six - month period ended June 30, 2022**

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#### **1 - The Fund and its activities**

Osool and Bakheet Parallel Market fund (the "Fund") is an open-ended investment fund that aims to invests in companies that are listed in Saudi "Nomu - Parallel Market". In addition, the fund manager is allowed to invest a maximum of 75% of the fund's net assets value in small and medium companies' shares that are listed in main market. Besides, fund can invest in units of listed public funds that are licensed by Saudi Capital Market Authority. In addition to the ability of investing available cash in term deposits in Saudi Riyal in licensed Saudi banks, where all investments to be compatible with Shariah guidelines that approved by the fund's Shariah committee. The fund can also invest in Saudi stock funds and money market funds whose units are publicly offered and licensed by the Authority (including funds managed by the fund manager).

The Fund was approved for IPO on Jumada al-Awwal 11, 1438 (corresponding to February 8, 2017) according to the approval of CMA. The Fund commenced its operations on Rajab 9, 1438 (April 6, 2017).

The terms and conditions of the Fund were issued on May 11, 1438 (corresponding to February 8, 2017), on 17 Ramadan 1442 (corresponding to April 29, 2021) the Fund Manager made some amendment to the terms and conditions of the Fund.

The fund manager's address is as follows:

Osool & Bakheet Investment Company

P.B. 63762

Riyadh 11526

Saudi Arabia

#### **2 - Regulating authority**

The Fund is governed by Investment Funds Regulations (the "Regulations"), issued by Capital Market Authority (CMA) on Dhul Hijjah 3, 1427 (corresponding to 24 December 2006), and as of Safar 6, 1438 (corresponding to November 6, 2016) to the new Investment Funds Regulations ("the amended Regulations") issued by CMA on Rajab 17, 1442 (corresponding to March 1, 2021), detailing requirements for all types of funds in the Kingdom of Saudi Arabia. The amended Regulations Effective starting from Ramadan 19, 1442 (corresponding to May 1, 2021).

#### **3 - Basis of preparation**

##### **Statement of compliance**

The accompanying interim financial statements have been prepared in accordance with International Accounting Standard No. 34 "Initial Financial Report" approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants.

##### **Basis of measurement**

These financial statements are prepared accordance with historical cost principle, accrual basis of accounting and going concern concept, another basis is used if the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards supplement the international standards endorsed by the Saudi Organization for Auditors and Accountants, as indicated in the significant accounting policies (note 5).

##### **Presentation and functional currency**

These financial statements are presented in Saudi Riyals which is the functional currency and are rounded to the nearest Saudi Riyal.

##### **Accounting records**

The Fund maintains regular accounting records on the computer and in a language other than Arabic.

##### **Use of judgments, estimates and assumptions**

Preparing financial statements in accordance with international financial reporting standards endorsed in the Kingdom of Saudi Arabia and other standards supplement the international standards endorsed by the Saudi Organization for Auditors and Accountants requires the use of some significant judgment, estimates and assumptions that affect the amounts of assets and liabilities presented and the disclosure of potential assets and liabilities at the date of preparing the financial reports and the recorded amounts of revenues and expenses during the period of financial reports. Judgments, estimates and assumptions and are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The fund makes judgments, estimates and assumptions regarding the future. The resulting accounting estimates may differ from actual results.



**Notes to the interim financial statements (unaudited)**  
**For the six - month period ended June 30, 2022**

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**3 - Basis of preparation (continued)**

**Use of judgments, estimates and assumptions (continued)**

Major area where estimates or judgements made are significant to the fund's financial statements or where judgements was exercised in the application of accounting policies are as follows:

*Going Concern*

The Fund's management made an assessment for its ability to continue as a going concern and concluded that it has the resources to continue its activity in the foreseeable future. In addition, the management is not aware of any material uncertainty that may cast doubt on the ability of the Fund to continue according to the going concern basis. Accordingly, the financial statements have been prepared on the going concern basis.

**4 -New standards and amendments to standards, interpretations and issued standards that have not yet been applied**

**New standards, amendments to standards and interpretations**

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in fund's annual Financial Statements, but they do not have a material effect on the fund's Condensed Interim Financial Statements. The fund did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

**5 -Significant accounting policies**

Below are significant accounting policies adopted:

**Current or non-current classification**

The fund presents its assets and liabilities in the statement of financial position based on a current / non-current basis. The assets are considered as a current when its:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents, unless restricted from paying exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

All liabilities are considered as a current, when its:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

**Cash at banks**

Cash at banks comprise bank balances, term deposits with original maturity of three-months or less from the acquisition date.

**Investment at fair value through profit or loss**

Investment at fair value through profit or loss are recognized at market value in the financial statements. Unrealized gains and losses from revaluation of investments, and realized gains and losses arising from disposal of investments are recognized in the statement of profit or loss.

**Investment transactions**

Investment transactions are recorded on the trading date.

**Notes to the interim financial statements (unaudited)**  
**For the six - month period ended June 30, 2022**

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**5 -Significant accounting policies (continued)**

**Net assets value**

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

**Related parties**

The related party is a person or entity related to the fund, and the person is related if he owns control or significant influence over the fund or is a member of the main management, and the entity is related if the entity is a member in same the group as a parent institute or a subsidiary or an associate institute or associated with a joint venture, or both entities are a joint venture of a third party.

Transaction with related parties transfer of resources, services, or obligations between the fund and the related party, regardless of whether the price is charged. Key management personnel are the authorized and responsible persons for planning and management, and they have direct or indirect control over the operations of the fund, including the manager.

**Financial instruments**

Financial assets and financial liabilities are recognized when a Fund becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement profit or loss.

**First: financial assets**

Financial assets 'at fair value financial assets are classified into the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets measured at amortized cost. Classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases and sales of financial assets are recognized on the basis of the transaction date. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or custom in the market.

**a) Financial assets measured at fair value through profit or loss**

The Fund classifies its financial assets at initial recognition into the categories of financial assets discussed below.

In applying that classification, a financial asset is considered to be held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near future or
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in profit or loss. Net profit or loss includes any dividends or interest due from the financial asset and is included in the statement of profit or loss.

**b) Financial assets measured at fair value through other comprehensive income**

Debt instruments that meet the following two conditions are measured subsequently at fair value through profit or loss:

- It is held within a business model whose objective is to sell assets to collect contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments measured at fair value through other comprehensive income are subsequently measured at fair value, together with gains and losses resulting from changes in the fair value recognized in other comprehensive income. Commission income and foreign exchange gains or losses are recognized in the statement of profit or loss.

**Notes to the interim financial statements (unaudited)**  
**For the six - month period ended June 30, 2022**

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**5 -Significant accounting policies (continued)**

**Financial instruments (continued)**

First: financial assets (continued)

c) Financial assets at amortized cost

Financial assets that meet the following two conditions and were not designated at fair value are measured at amortized cost through profit or loss:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Second: financial liabilities

Financial liabilities (including loans and accounts payable) are measured subsequently at amortized cost using the effective interest method.

The Fund derecognizes financial liabilities when, and only when, the fund's obligations are met, cancelled or expired. The difference between the carrying amount of disposed financial liabilities and amount paid is charged to the statement of profit or loss.

Effective interest rate method

The effective interest method is an accounting practice used for calculating the amortized cost of a debt instrument and for allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (Including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments or other discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Revenue recognition**

**- Dividends**

Dividends are recognized when the Fund's right to receive payment is declared.

**- Gains from investment at fair value through profit or loss**

Unrealized gains and losses resulting from changes in the fair value and realized gains and losses arising from the sale of financial assets designated at fair value and dividends are included in the statement of profit or loss. Gains and losses resulting from sale of financial assets at fair value through profit or loss are determined using the weighted average cost method.

**Zakat and Income tax**

Zakat and income tax are the obligation of the unitholders and are not provided for in these interim financial statements.

**Management fees and other expenses**

Management fees and other expenses are based on rates determined as specified in the Fund's terms and conditions on an accrual basis.

**Foreign currencies**

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at year end. Gains and losses from settlement and translation of foreign currency transactions are included in the other comprehensive income.

**Osool and Bakheet Parallel Market Fund**  
Open Investment fund  
(Managed by Osool & Bakheet Investment Company)

**Notes to the interim financial statements (unaudited)**  
**For the six - month period ended June 30, 2022**  
(By Saudi Riyal)

**6 -Investments at fair value through profit or loss**

A. Below is a summary of investment portfolio components at fair value through profit or loss at the date of the interim statement of financial position:

	<b>% of total market value</b>	<b>Market value as at June 30, 2022 (unaudited)</b>	<b>Market value as at December 31, 2021 (audited)</b>
<b>Equity investments (by sector)</b>			
Materials	40.0%	8,721,928	12,461,504
Real estate management and development	15.1%	3,282,628	3,716,653
Health care equipment and services	14.2%	3,101,543	3,186,089
Retailing	9.3%	2,021,739	-
Software & services	7.3%	1,585,845	1,281,266
Consumer services	4.7%	1,035,450	2,778,638
Commercial and professional services	4.3%	939,420	2,071,000
Utilities	3.4%	739,904	504,000
Capital goods	1.7%	380,190	-
Banks	-	-	1,055,116
Insurance	-	-	904,776
Food & staples retailing	-	-	410,593
Energy	-	-	369,833
<b>Total market value</b>	<b>100%</b>	<b>21,808,647</b>	<b>28,739,468</b>
<b>Total book value</b>		<b>26,354,346</b>	<b>27,852,481</b>
<b>Unrealized (losses) gains from investments at fair value through the profit or loss</b>		<b>(4,545,699)</b>	<b>886,987</b>

B. The movement on investments at fair value through profit or loss are as follows:

	<b>June 30, 2022 (unaudited)</b>	<b>December 31, 2021 (audited)</b>
Book value, beginning of the period/ year	28,739,468	9,598,214
Purchases during the period/ year	13,797,341	38,585,730
Sales during the period/ year*	(16,182,463)	(20,331,463)
<b>Book value, at the end of the period/ year</b>	<b>26,354,346</b>	<b>27,852,481</b>
Unrealized (losses) gains from investments at fair value through the profit or loss	<b>(4,545,699)</b>	<b>886,987</b>
<b>Market value, at the end of the period/ year</b>	<b>21,808,647</b>	<b>28,739,468</b>

\*The amount represents the book value of investments at fair value through profit or loss, sold for an amount of SAR 17,925,402 (December 31, 2021: SAR 23,955,908), which resulted in realized profits of SAR 1,742,939 (December 31, 2021: SAR 3,624,445).

**7 -Due to related parties**

There are transactions made during the period with related parties within the Fund's normal business and with management's approval, and management considers that the terms of such transactions are not materially different from any other transactions that the Fund makes with any third party, consisting of:

A. Balances due to related parties are as follows:

<b>Related party</b>	<b>June 30, 2022 (unaudited)</b>	<b>December 31, 2021 (audited)</b>
Osool and Bakheet Investment Company	160,360	189,269
Alinma Investment	40,090	47,317
Board members	58,220	120,000
	<b>258,670</b>	<b>356,586</b>

**Notes to the interim financial statements (unaudited)**  
**For the six - month period ended June 30, 2022**  
(By Saudi Riyal)

**7 - Due to related parties (continued)**

B. The most important significant transactions with the relevant parties are as follows:

Related party	Nature relation	Type of transactions	Transaction amount	
			June 30, 2022 (unaudited)	December 31, 2021 (audited)
Osool and Bakheet Investment Company	Fund manager	Management fees	336,830	698,507
Alinma Investment	Custodian	Custody fees	84,207	174,296
Board members	Board members	Annual rewards	58,221	120,000

- The Fund Manager charges the Fund 2% annually and the custodian fee of 0.5% per annum of the Fund's net assets calculated on a daily basis, and the Fund Manager recovers any other expenses incurred on behalf of the Fund such as audit fees, board remuneration and any other similar expenses, calculated as a 5% remuneration of the Fund's annual management fees and a maximum of SAR 30,000 per member.
- Each investor is charged an early refund fee of 1.75% of the value of the fund's recovered units.

**8 -Financial instruments, risk management and fair value**

The financial instruments in the statement of financial position comprise mainly of bank balances, Investments at fair value through profit or loss, due to related parties and accrued expenses.

**Credit risk**

Credit risk is the risk that one party may fail to discharge an obligation and will cause the other party to incur a financial loss. The Fund is not significantly subjected to credit risk. Cash is deposited at local banks with a high credit rating.

**Commission rate risk**

Commission rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market commission rates in the market. The Fund has no significant assets or liabilities that are subject to commissions as at June 30, 2022.

**Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Fund believes it is not subjected to significant currency risks as the Fund main transactions are in Saudi Riyals.

**Liquidity risks**

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The fund manager monitor the liquidity required on a regular basis and seeks to ensure that sufficient funds is available to meet any commitments are they arises.

**Fair value**

Fair values are classified into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

The first level: The quoted market prices in active markets for identical assets and liabilities.

The second level: Valuation techniques that depend on inputs that affect the fair value and can be directly or indirectly observable in the market.

The third level: Valuation techniques that depend on inputs that affect the fair value that cannot be directly or indirectly observed in the market.

<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value through profit and loss	21,808,647	-	-	21,808,647
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value through profit and loss	28,739,468	-	-	28,739,468

**Notes to the interim financial statements (unaudited)**  
**For the six - month period ended at June 30, 2022**

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**9 - Last valuation day**

The last valuation day of the period was June 30, 2022.

**10 - Significant matters**

The global Coronavirus (COVID-19) pandemic continues to create economic and social uncertainty throughout the world. Governments and central banks globally provided unprecedented fiscal and monetary support to economies suffering lockdown restrictions. Significant progress has been made on vaccine rollouts however distribution to developing countries has been slower. The emergence of further waves and more virulent strains remains a risk. Whilst many economies have successfully reopened, the path to recovery varies widely with the financial burden of lockdown weighing heavily. In spite of the reopening of economies, economic uncertainties, which may materially affect the valuation of portfolio investments and in turn, the net asset value of the Funds prevail. The long-term effect of the aforementioned fiscal and monetary intervention remains unpredictable.

**11 - Subsequent events**

The management believes there were no significant subsequent events before or after the date of the financial statements that may require modification or disclosure.

**12 - Approval of the financial statements**

The financial statements have been approved for issue by the Fund's board of directors on 4 Muharram 1444 (corresponding to 2 August 2022).