

AL RAJHI COMMODITIES MUDARABA FUND
UNITED STATES DOLLAR
An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Condensed Interim Financial Statements (Unaudited)
For the six-month period ended 30 June 2022
together with the
Independent Auditor's Review Report to the Unitholders

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR
An open-ended mutual fund
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Condensed Interim Financial Statements (Unaudited)
For the six-month period ended 30 June 2022

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كي بي إم جي للاستشارات المهنية

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

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Unitholders of Al Rajhi Commodities Mudaraba Fund – United States Dollar

Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of **Al Rajhi Commodities Mudaraba Fund – United States Dollar** (the "Fund"), managed by Al Rajhi Capital Company (the "Fund Manager"), which comprises:

- the condensed statement of financial position as at 30 June 2022;
- the condensed statement of comprehensive income for the six-month period ended 30 June 2022;
- the condensed statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2022;
- the condensed statement of cash flows for the six-month period ended 30 June 2022; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by Capital Market Authority, the Fund's Terms and Conditions and the Information Memorandum. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim 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 that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2022 condensed interim financial statements of **Al Rajhi Commodities Mudaraba Fund – United States Dollar** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Khalil Ibrahim Al Sedais

License No. 371

Date: 17 Muharram 1444H

Corresponding to: 15 August 2022

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with the paid-up capital of SAR (25,000,000). Previously known as "KPMG Al Fozan & Partners Certified Public Accountants". A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٢٥,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

An open-ended mutual fund

(Managed by Al Rajhi Capital Company)

Condensed Statement of Financial Position (Unaudited)

As at 30 June 2022

(Amounts in USD)

	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	7	23,497,035	44,242,922
Investments at fair value through profit or loss (“FVTPL”)	8	17,460,355	13,834,828
Investments at amortised cost	9	142,395,458	129,079,935
Total Assets		<u>183,352,848</u>	<u>187,157,685</u>
<u>LIABILITIES</u>			
Management fee payable	10	38,732	24,869
Accrued expenses	11	13,469	10,631
Total Liabilities		<u>52,201</u>	<u>35,500</u>
Net assets (equity) attributable to the Unitholders		<u>183,300,647</u>	<u>187,122,185</u>
Units in issue (numbers)		<u>77,766</u>	<u>79,777</u>
Net assets (equity) attributable to each unit (USD) - Dealing	15	<u>2,357.08</u>	<u>2,345.55</u>
Net assets (equity) attributable to each unit (USD) - IFRS	15	<u>2,357.09</u>	<u>2,345.55</u>

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

An open-ended mutual fund

(Managed by Al Rajhi Capital Company)

Condensed Statement of Comprehensive Income (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in USD)

		For the six-month period ended 30 June	
	<i>Notes</i>	<u>2022</u>	<u>2021</u>
INCOME			
Special commission income		970,423	859,745
Net unrealized (loss) / gain on investments at FVTPL		94,211	(156,181)
Net realized gain on investments at FVTPL		<u>29,877</u>	<u>241,833</u>
Total income		<u>1,094,511</u>	<u>945,397</u>
EXPENSES			
Management fee	<i>10</i>	176,531	156,667
Other expenses	<i>12</i>	<u>10,919</u>	<u>10,256</u>
Total expenses		<u>187,450</u>	<u>166,923</u>
Net income for the period		907,061	778,474
Other comprehensive income for the period		--	--
Total comprehensive income for the period		<u>907,061</u>	<u>778,474</u>

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

An open-ended mutual fund

(Managed by Al Rajhi Capital Company)

Condensed Statement of Changes in Net Assets (Equity)

Attributable to the Unitholders (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in USD)

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Net assets (equity) attributable to the Unitholders at beginning of the period	187,122,185	215,962,956
Net income for the period	907,061	778,474
Other comprehensive income for the period	--	--
Total comprehensive income for the period	907,061	778,474
Net (redemptions) / contributions by the Unitholders		
Proceeds from issuance of units during the period	64,972,728	44,709,202
Payments on redemption of units during the period	(69,701,327)	(47,484,288)
Net redemptions by the Unitholders	(4,728,599)	(2,775,086)
Net assets (equity) attributable to the Unitholders at end of the period	<u>183,300,647</u>	<u>213,966,344</u>

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Unit transactions (numbers)	<u>Units</u>	<u>Units</u>
Units in issuance at beginning of the period	79,777	92,741
Issuance of units during the period	27,628	19,168
Redemption of units during the period	(29,639)	(20,347)
Net decrease in units	(2,011)	(1,179)
Units in issuance at end of the period	<u>77,766</u>	<u>91,562</u>

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

An open-ended mutual fund

**(Managed by Al Rajhi Capital Company)
Condensed Statement of Cash Flows (Unaudited)**

For the six-month period ended 30 June 2022

(Amounts in USD)

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Net income for the period	907,061	778,474
<i>Adjustments for:</i>		
Net unrealized (gain) / loss on investments	(94,211)	156,181
Net realized gain on investments	(29,877)	(241,833)
Net changes in operating assets and liabilities		
Purchase of investments at FVTPL	(6,501,439)	(14,923,667)
Proceeds from sale of investments FVTPL	3,000,000	16,826,667
Purchase of investments at amortised cost	(124,150,523)	(243,620,099)
Proceeds from sale of investments at amortised cost	110,835,000	235,336,000
Increase in management fee payable	13,863	2,014
Increase / (decrease) in accrued expenses	2,838	(363)
Net cash flows used in operating activities	(16,017,288)	(5,686,626)
Cash flows from financing activities		
Proceeds from issuance of units	64,972,728	44,709,202
Payments on redemption of units	(69,701,327)	(47,484,288)
Net cash flows used in financing activities	(4,728,599)	(2,775,086)
Net decrease in cash and cash equivalents	(20,745,887)	(8,461,712)
Cash and cash equivalents at the beginning of the period	44,242,922	10,665,359
Cash and cash equivalents at the end of the period	23,497,035	2,203,647

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

An open-ended mutual fund

**(Managed by Al Rajhi Capital Company)
Condensed Statement of Cash Flows (Unaudited)**

For the six-month period ended 30 June 2022

(Amounts in USD)

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

- (a) Al Rajhi Commodities Mudaraba Fund – United States Dollar, the (“Fund”) is an open-ended investment fund created by an agreement between Al Rajhi Capital Company (the “Fund Manager”), a wholly owned subsidiary of Al Rajhi Banking and Investment Corporation (the “Bank”) and investors (the “Unitholders”) in the Fund. The address of the Fund Manager is as follows:

Al Rajhi Capital, Head Office
8467 King Fahad Road, Al Muruj District
P.O. Box 2743
Riyadh 11263
Kingdom of Saudi Arabia

The Fund is designed for investors seeking current income consistent with the preservation of capital and liquidity. The assets of the Fund are invested in Murabaha funds and in Murabaha transactions executed in accordance with Sharia principles. Murabaha comprises purchases of goods and commodities from approved suppliers against immediate payment and selling them to reputed organisations on deferred payment terms, thereby generating a profit. All the trading profits are reinvested in the Fund. The Fund was established on 14 December 1990.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund. The Fund pays a management fee at a maximum rate of 16% per annum (2021: 16%) calculated on the Fund's special commission. The fee is intended to compensate the Fund Manager for administration of the Fund.

The Fund has appointed Al Bilad Investment Company (the “Custodian”) to act as its custodian. The fees of the Custodian are paid by the Fund.

- (b) The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by Capital Market Authority (“CMA”) on 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended (the “Amended Regulations”) on 16 Sha’ban 1437 H (corresponding to 23 May 2016). The Regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442 H (corresponding to 1 March 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442 H (corresponding to 1 May 2021).

2. BASIS OF ACCOUNTING

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by the CMA, the Fund's terms and conditions and the Information Memorandum. These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Fund's annual audited financial statements for the year ended 31 December 2021.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for investments held at FVTPL that were measured at fair value. The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the condensed interim statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

An open-ended mutual fund

(Managed by Al Rajhi Capital Company)

Condensed Statement of Cash Flows (Unaudited)

For the six-month period ended 30 June 2022

(Amounts in USD)

4. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in United States Dollar (“USD”), which is the Fund’s functional currency. All amounts have been rounded to the nearest USD, unless otherwise indicated.

5. USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed interim financial statements, management has made 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 estimates are recognized prospectively.

Allowance for Expected Credit Losses (ECL)

The Fund recognizes loss allowances for expected credit loss (ECL) on its Murabaha placements and Sukuk instruments. The Fund measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured at 12-month ECL:

- Investments that are determined to have low credit risk at the reporting date; and
- Investments on which credit risk has not increased significantly since their initial recognition

6. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended 31 December 2021.

a) *New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Fund*

The following new standards, amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (IASB) have been effective from 1 January 2022 and accordingly adopted by the Fund, as applicable:

<u>Standards / Amendments</u>	<u>Description</u>
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
IFRS standards 2018-2020	Annual improvements to IFRS Standards 2018-2020
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	COVID 19 – Related Rent Concessions beyond 30 June 2021

The adoption of the amended standards and interpretations applicable to the Fund did not have any significant impact on these condensed interim financial statements.

b) *New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective*

The following new standards, amendments and revisions to existing standards, which were issued by IASB but not yet effective up to the date of issuance of the Fund’s condensed interim financial statements. The Fund intends to adopt these standards when they become effective.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

**An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Condensed Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in USD)**

6. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<u>Standards / Amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimate	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12 Income Taxes	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2023

7. CASH AND CASH EQUIVALENTS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Bank balances - current account	1,099,834	611,829
- Cash with Custodian	6,028,929	1,353
Short term Murabaha placements with having original maturity of three months or less	16,330,000	43,600,000
Accrued special commission income on placements	38,272	29,740
Total	<u>23,497,035</u>	<u>44,242,922</u>

Cash at bank comprises of bank balances with Al Rajhi Banking and Investment Corporation (the “Bank”), the parent entity of the Fund Manager.

Murabaha placements are held with the local and international banks. These placements carry profit rates ranging from 1% to 1.3% per annum (31 December 2021: 0.5% to 1.3% per annum).

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

Investments at FVTPL comprise units in the following funds as at the reporting date:

	30 June 2022 (Unaudited)		
	Cost	Fair value	Unrealised gain
Al Rajhi Commodity Mudaraba Fund – Saudi Riyal*	<u>17,218,371</u>	<u>17,460,355</u>	<u>241,984</u>

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

**An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Condensed Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in USD)**

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

	31 December 2021 (Audited)		
	Cost	Fair value	Unrealised gain
Al Rajhi Commodity Mudaraba Fund – Saudi Riyal*	13,687,055	13,834,828	147,773

* A fund managed by the Fund Manager

Investments in mutual funds are unrated. The Fund also does not have an internal grading mechanism. However, the Fund Manager seeks to limit its risk by monitoring each investment exposure and setting limits for individual investment.

9. INVESTMENTS AT AMORTISED COST

	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Murabaha placements	9.1	136,900,000	123,602,000
Sukuk	9.2	4,909,535	5,002,776
Accrued special commission income		585,923	475,159
		142,395,458	129,079,935

9.1 Remaining maturity of Murabaha placements are composed of the following:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Up to 1 month	8,135,000	24,200,000
1-3 months	88,705,000	41,077,000
3-6 months	34,060,000	11,000,000
6-9 months	--	23,265,000
9-12 months	6,000,000	24,060,000
	136,900,000	123,602,000

Murabaha placements are held with the local banks and international banks. These placements have original maturity periods of more than three months and carry profit rate ranging from 0.90% to 3.10% per annum (31 December 2021: 0.5% to 1.25% per annum).

9.2 Investment in Sukuk is summarised below:

	Maturity date	30 June 2022 (Unaudited)
Mumtalakat Sukuk	27-Feb-24	1,528,425
State of Qatar Sukuk	18-Jan-23	1,002,270
Sharjah Govt. Sukuk 2024	10-Jun-27	186,440
Almarai Sukuk	05-Mar-24	701,890
Mumtalakat Sukuk	21-Jan-27	488,840
Sharjah Govt. Sukuk 2027	17-Sep-24	1,001,670
		4,909,535

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

**An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Condensed Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in USD)**

9. INVESTMENTS AT AMORTISED COST (CONTINUED)

9.2 Investment in Sukuk is summarised below:

	Maturity date	31 December 2021 (Audited)
Mumtalakat Sukuk	27-Feb-24	1,594,500
State of Qatar Sukuk	18-Jan-23	1,003,453
Sharjah Govt. Sukuk 2024	17-Sep-24	1,008,363
Almarai Sukuk	05-Mar-24	700,000
Mumtalakat Sukuk	21-Jan-27	496,460
Sharjah Govt. Sukuk 2027	10-Jun-27	200,000
		<u>5,002,776</u>

The special commission rate on Sukuk ranges from 2.94% to 4.31% p.a. (31 December 2021: 2.90% to 4.31% p.a.).

10. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Fund include the Bank, the Fund Manager, the Fund Board, other funds managed by the Fund Manager and employees of the same. In the ordinary course of its activities, the Fund transacts business with the Fund Manager.

In addition to transactions disclosed elsewhere in these condensed interim financial statements, the Fund entered into the following transactions with related parties during the period. These transactions were carried out on the basis of approved terms and conditions of the Fund.

Related Party	Nature of relationship	Nature of transaction	For the six-month period ended 30 June	
			<u>2022</u>	<u>2021</u>
Al Rajhi Capital Company	The Fund Manager	Management fee	176,531	156,667
The Fund Board	The Fund Board	Fund Board fee to members of the Board	243	121

Balances arising from the above transactions with related parties are as follows:

Related Party	Nature of relationship	Nature of balance	30 June	31 December
			<u>2022</u>	<u>2021</u>
Al Rajhi Capital Company	The Fund Manager	Management fee payable	38,732	24,869
The Fund Board	The Fund Board	Fund Board fee payable to members of the Board	734	489

In the normal course of business, the Fund places Murabaha investments with the Bank at prevailing market rates. Murabaha investments involve typically the purchase of a commodity by the Fund for the purpose of its re-sale. The re-sale and the related mark up over cost is agreed with a counterparty at the inception of the Murabaha transaction deals.

The independent directors are entitled to remuneration for their services at rates determined by the Fund's terms and conditions in respect of attending meetings of the board of directors or meetings of the Fund. Independent directors' fees is currently USD 1,333 per meeting up to a maximum of 2 meetings per annum per director which is paid equally by all funds supervised by the board.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

**An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Condensed Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in USD)**

11. ACCRUED EXPENSES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Accrued audit fees	4,565	4,565
Other accrued expenses	<u>8,904</u>	<u>6,066</u>
	<u>13,469</u>	<u>10,631</u>

12. OTHER EXPENSES

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Professional fees	4,565	4,565
Other expenses	<u>6,354</u>	<u>5,691</u>
	<u>10,919</u>	<u>10,256</u>

13. 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. 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.

Valuation models

The fair values of financial instruments that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

**An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Condensed Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2022
(Amounts in USD)**

13. FAIR VALUE MEASUREMENT (CONTINUED)

The Fund values equity securities that are traded on a stock exchange at their last reported prices. To the extent that equity securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy, hence the Fund's assets recorded at fair value have been categorized based on fair value hierarchy Level 1.

Fair value hierarchy – Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position. All below fair value measurements are recurring.

30 June 2022 (Unaudited)					
	Carrying Value	Level 1	Level 2	Level 3	Total
Investments measured at FVTPL	17,460,355	--	17,460,355	--	17,460,355
Investments measured at Amortized cost	142,395,458	4,983,324	--	137,485,923	142,469,247
Total	<u>159,855,813</u>	<u>4,983,324</u>	<u>--</u>	<u>137,485,923</u>	<u>159,929,602</u>
31 December 2021 (Audited)					
	Carrying Value	Level 1	Level 2	Level 3	Total
Investments measured at FVTPL	13,834,828	--	13,834,828	--	13,834,828
Investments measured at Amortized cost	129,079,935	5,183,420	--	124,012,497	129,195,917
Total	<u>142,914,763</u>	<u>5,183,420</u>	<u>13,834,828</u>	<u>124,012,497</u>	<u>143,030,745</u>

During the period, there were no transfer between the fair value hierarchy.

Other financial instruments such as cash and cash equivalents, management fee payable, payable to Unitholders on account of redemption and accrued expenses are short-term financial assets and financial liabilities whose carrying amounts are approximate to their fair value, because of the short-term nature and high credit quality of counterparties. Cash and cash equivalents are classified under level 1, while the remaining financial assets and liabilities are classified under level 3.

AL RAJHI COMMODITIES MUDARABA FUND – UNITED STATES DOLLAR

An open-ended mutual fund

**(Managed by Al Rajhi Capital Company)
Condensed Statement of Cash Flows (Unaudited)**

For the six-month period ended 30 June 2022
(Amounts in USD)

14. MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled respectively:

	Within 12 months	After 12 months	Total
As at 30 June 2022 (Unaudited)			
Assets			
Cash and cash equivalents	23,497,035	--	23,497,035
Investments at fair value through profit or loss ("FVTPL")	17,460,355	--	17,460,355
Investments at amortised cost	138,488,193	3,907,265	142,395,458
Total assets	179,445,583	3,907,265	183,352,848
Liabilities			
Management fee payable	38,732	--	38,732
Accrued expenses	13,469	--	13,469
Total liabilities	52,201	--	52,201

	Within 12 months	After 12 months	Total
As at 31 December 2021 (Audited)			
Assets			
Cash and cash equivalents	44,242,922	--	44,242,922
Investments at fair value through profit or loss ("FVTPL")	13,834,828	--	13,834,828
Investments at amortised cost	124,077,159	5,002,776	129,079,935
Total assets	182,154,909	5,002,776	187,157,685
Liabilities			
Management fee payable	24,869	--	24,869
Accrued expenses	10,631	--	10,631
Total liabilities	35,500	--	35,500

15. LAST VALUATION DAY

The Capital Market Authority (CMA), through its circular dated 10 Rabi Al Thani 1439H (corresponding to 28 December 2017), has approved the Dual NAV approach for investment funds. In accordance with the circular, IFRS 9 will be applied for accounting and reporting purposes and dealing NAV will remain unaffected until further notice.

The last valuation day of the year was 30 June 2022 (2021: 31 December 2021) and in lieu of the above circular from CMA, the dealing net assets (equity) value on this day was USD 2,357.08 (31 December 2021: USD 2,345.55) per unit. The IFRS net assets (equity) value per unit on 30 June 2022 was USD 2,357.08 (31 December 2021: USD 2,345.55) per unit. Net assets (equity) per unit as per IFRS and dealing net assets (equity) value per unit remained the same due to immaterial ECL provisions recognised under IFRS 9.

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events subsequent to the reporting date which require adjustments of or disclosure in the financial statements or notes thereto.

17. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 17 Muharram 1444H (corresponding to 15 August 2022).