

**AL RAJHI ENDOWMENT FUND**

An open-ended mutual fund

**(MANAGED BY AL RAJHI CAPITAL COMPANY)**

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**

**FOR THE PERIOD FROM 1 DECEMBER 2024 TO 30 JUNE 2025**

**TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT TO THE  
UNITHOLDERS**

**AL RAJHI ENDOWMENT FUND**

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**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**

**30 JUNE 2025**

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### Independent auditor's review report on the interim condensed financial information

To the Unitholders and the Fund Manager of  
Al Rajhi Endowment Fund  
(An open-ended mutual fund)

#### **Introduction**

We have reviewed the accompanying interim condensed statement of financial position of **Al Rajhi Endowment Fund** (the "Fund") managed by Al Rajhi Capital Company (the "Fund Manager") as of June 30, 2025, and the related statement of comprehensive income, changes in net assets attributable to the unitholders and cashflows for the period from December 1, 2024, to June 30, 2025, and material accounting policy information and explanatory notes. The Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim financial information based on our review.


#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

**Deloitte and Touche & Co.**  
**Chartered Accountants**

  
**AbdulRahman S. Al Suwaiygh**  
Certified Public Accountant  
License no. 461  
7 August 2025  
13 Safar 1447H



**AL RAJHI ENDOWMENT FUND**

An open-ended mutual fund

**(MANAGED BY AL RAJHI CAPITAL COMPANY)****INTERIM CONDENSED FINANCIAL POSITION (UNAUDITED)****AS AT 30 JUNE 2025****ALL AMOUNTS PRESENTED IN (ﷲ)**

	Notes	30 June 2025
<b>ASSETS</b>		
Cash and cash equivalents		15,306
Investments at fair value through profit or loss ("FVTPL")	4	17,366,416
Accrued special commission income		109,962
Dividends receivable		13,200
<b>Total assets</b>		<b>17,504,884</b>
<b>LIABILITIES</b>		
Management fees payable	6	33,056
Accrued expenses	7	49,149
<b>Total liabilities</b>		<b>82,205</b>
<b>Net assets attributable to the Unitholders</b>		<b>17,422,679</b>
<b>Units in issue (numbers)</b>		<b>17,424,185</b>
<b>Net assets attributable to each unit</b>		<b>1.00</b>

The accompanying notes 1 to 13 form an integral part of this interim condensed financial information.

**AL RAJHI ENDOWMENT FUND**

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**(MANAGED BY AL RAJHI CAPITAL COMPANY)****INTERIM CONDENSED COMPREHENSIVE INCOME (UNAUDITED)****FOR THE PERIOD FROM 1 DECEMBER 2024 TO 30 JUNE 2025****ALL AMOUNTS PRESENTED IN (ﷲ)**

	Notes	For the period from 1 December 2024 to 30 June 2025
<b>INCOME</b>		
Net unrealized loss on investments at FVTPL		(360,990)
Net realized gain on investments at FVTPL		15,558
Special commissions income		246,498
Dividends income		186,592
<b>Total income</b>		<b>87,658</b>
<b>EXPENSES</b>		
Management fees	6	33,056
Other expenses	8	61,978
<b>Total expenses</b>		<b>95,034</b>
<b>Net loss for the period</b>		<b>(7,376)</b>
Other comprehensive income for the period		-
<b>Total comprehensive loss for the period</b>		<b>(7,376)</b>

The accompanying notes 1 to 13 form an integral part of this interim condensed financial information.

**AL RAJHI ENDOWMENT FUND**

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**(MANAGED BY AL RAJHI CAPITAL COMPANY)****INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)****FOR THE PERIOD FROM 1 DECEMBER 2024 TO 30 JUNE 2025****ALL AMOUNTS PRESENTED IN (ﷲ)**

	For the period from 1 December 2024 to 30 June 2025
<b>Net assets attributable to the unitholders at beginning of the period</b>	-
Net loss for the period	(7,376)
Other comprehensive income for the period	-
Total comprehensive income for the period	(7,376)
Proceeds from issuance of units during the period	17,430,055
<b>Net assets attributable to the unitholders at end of the period</b>	<b>17,422,679</b>
	For the period from 1 December 2024 to 30 June 2025
<b>Units at the beginning and end of the period</b>	<b>17,424,185</b>

The accompanying notes 1 to 13 form an integral part of this interim condensed financial information

**AL RAJHI ENDOWMENT FUND**

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**(MANAGED BY AL RAJHI CAPITAL COMPANY)****INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)****FOR THE PERIOD FROM 1 DECEMBER 2024 TO 30 JUNE 2025****ALL AMOUNTS PRESENTED IN (ﷲ)**

	For the period from 1 December 2024 to 30 June 2025
<b>Operating activities</b>	
Net loss for the period	(7,376)
Adjustments for:	
Net unrealized loss on investments at FVTPL	360,990
Net realized gain on investments at FVTPL	(15,558)
Dividends income	(186,592)
<b>Net changes in operating assets and liabilities</b>	
Purchase of investments at FVTPL	(23,943,737)
Proceeds from sale of investments at FVTPL	6,231,889
Increase special commission income receivable	(109,962)
Increase in management fee payable	33,056
Increase in accrued expenses	49,149
	(17,588,141)
Dividends received	173,392
<b>Net cash used in operating activities</b>	(17,414,749)
<b>Financing activity</b>	
Proceeds from issuance of units	17,430,055
<b>Net cash flows from financing activity</b>	17,430,055
<b>Net increase in cash and cash equivalents</b>	15,306
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	15,306

The accompanying notes 1 to 13 form an integral part of this interim condensed financial information



## **AL RAJHI ENDOWMENT FUND**

An open-ended mutual fund

**(MANAGED BY AL RAJHI CAPITAL COMPANY)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)**

**30 JUNE 2025**

**ALL AMOUNTS PRESENTED IN (ﷲ)**

### **1. INCORPORATION AND ACTIVITIES**

- (a) Al Rajhi Endowment Fund, (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, in accordance with the Capital Market Authority ("CMA") regulation. 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 an open-ended public investment fund which aims to encourage voluntary community participation in non-profit development investment and to contribute under the concept of social solidarity to participate in supporting beneficiaries around the Kingdom of Saudi Arabia and contribute to the Fund in order to develop and invest its assets in the Fund for the purpose of enhancing its value and developing. The participation of the Fund Manager invest assets in all asset classes of various risks in order to achieve the capital development objective suspended with the distribution of the proceeds of the endowment to the "beneficiaries of the fund" at least 50% of the net annual profit (from dividends and/or capital gains).

The Fund invests primarily, in accordance with the regulations of the Fund's Sharia Supervisory Committee, in money market investments, transactions, and funds, debt and fixed income instrument investments and funds, equity investments and funds, REITs and income-generating real estate funds, closed-end traded funds, private fund investments, multi-asset fund investments, and any public fund investments that are consistent with the Fund's objectives and strategies.

The Fund was established on 1 Safar 1446H (corresponding to 5 August 2024) as per notification to the Capital Market Authority (CMA) and commenced its operations on 29 Jumada Al-Ula 1446H (corresponding to 01 December 2024). Therefore, the Fund's first financial period runs from 01 December 2024 to 30 June 2025, and as a result, comparative figures for the statements are not presented.

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 has appointed Al Bilad Investment Company (the "Custodian") to act as its custodian.

- (b) The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the CMA detailing the requirements for all Investment Funds within the Kingdom of Saudi Arabia. The Fund is governed by the Investment Funds Regulations (the "Regulations") issued by the Board of CMA on 3 Dhul Hijjah 1427H (corresponding to 24 December 2006) and amended by the resolution of the Board of the CMA dated 23 Dhul Qa'dah 1446H (corresponding to 21 May 2025) detailing the requirements of all funds within the Kingdom of Saudi Arabia.



**AL RAJHI ENDOWMENT FUND**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (CONTINUED)**

**30 JUNE 2025**

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**2. BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

This interim condensed financial information is prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). The results for the six-month period end 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2025.

**2.2 BASIS OF MEASUREMENT**

This interim condensed financial information has been prepared on a historical cost basis, using the accrual basis of accounting except for investments carried at FVTPL that were measured at fair value. The Fund presents its interim condensed statement of financial position in the order of liquidity. All balances are classified as current. The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

This interim condensed financial information is presented in Saudi Arabian Riyal ("ﷲ"), which is also the functional currency of the Fund. All financial information presented has been rounded to the nearest ﷲ.

**2.4 USE OF JUDGEMENTS AND ESTIMATES**

The preparation of the interim condensed financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

There are no significant estimates or judgements involved in the preparation of financial information, that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period. The Fund based its assumptions and estimates on parameters available when the interim condensed financial information was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

**2.5 GOING CONCERN**

The Fund Manager has assessed the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the Fund Manager is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern.

**3. MATERIAL ACCOUNTING POLICIES**

The following are the material accounting policies applied by the Fund in preparing its financial statements.

**3.1 Standards Issued but not yet effective**

Standards issued but not yet effective up to the date of issuance of the Fund's financial statements are listed below. The listing is of standards and interpretations issued, which the Fund reasonably expects to be applicable at a future date. The Fund intends to adopt these standards when they become effective.

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**(MANAGED BY AL RAJHI CAPITAL COMPANY)****NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)****30 JUNE 2025****ALL AMOUNTS PRESENTED IN (ﷲ)****3. MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.1 Standards Issued but not yet effective (continued)**

<b>Standard / Interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after the following date</b>
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.	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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**3. MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.2 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash in investment account, balance with custodian and Murabaha deposits with an original maturity of three months or less from the date of acquisition. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

**3.3 Financial instruments****3.3.1 Classification and measurement of financial assets****3.3.1.1 Initial recognition and measurement**

Financial assets are recognized when the Fund becomes a party to the contractual provisions of the instrument. The Fund records financial instruments on a 'trade date' basis.

At initial recognition, the Fund measures a financial asset at its fair value. In the case of a financial asset not recorded at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions are adjusted. For financial assets held at fair value through profit or loss, the transaction costs are expensed in the statement of profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognized for debt financial assets measured at amortized cost, which results in an ECL charge being recognized in the statement of profit or loss.

**3.3.1.2 Classification and subsequent measurement of financial assets**

On initial recognition, the Fund classifies its financial assets in the following measurement categories:

- Amortized cost
- Fair value through other comprehensive income ("FVOCI")
- Fair value through statement of profit or loss ("FVPL")

**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:

- The Fund's business model for managing the asset; and
- The contractual cash flow characteristics of the asset.

**Business model:** The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL.

Factors considered by the Fund in determining the business model for a group of assets include:

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### **3. MATERIAL ACCOUNTING POLICY (CONTINUED)**

#### **3.3 Financial instruments (continued)**

##### **3.3.1.2 Classification and subsequent measurement of financial assets (continued)**

- past experience on how the cash flows for these assets were collected.
- how the asset's performance is internally evaluated and reported to key management personnel.
- how risks are assessed and managed; and
- how managers are compensated.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Debt securities held for trading, if any, are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payment of principal and interest (the "SPPI" test).

The SPPI assessment is performed on initial recognition of an asset, and it is not subsequently reassessed.

Based on these factors, the Fund classifies its debt instruments into one of the following three measurement categories:

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any Allowance for expected credit losses recognized and measured as described in Note 4.4.2.3. Profit earned from these financial assets is recognized in the statement of profit or loss using the effective interest rate method.

**Fair value through statement of profit or loss ("FVPL"):** If debt instrument's cash flows do not represent solely SPPI or if it is not held within the held to collect or the held to collect and sell business model, or if it is designated at FVPL, then it is measured at FVPL. A gain or loss on a debt investment measured at FVPL, where cashflows do not represents solely SPPI, is recognized in the statement of profit or loss, within "Net gain/(loss) on investments mandatorily measured at FVPL", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value, or which are held for trading are presented separately from debt investments that are mandatorily measured at FVPL, within "Net gain/ (loss) in investments designated at FVPL or held for trading".

**Fair value through other comprehensive income ("FVOCI"):** 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 interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income ("FVOCI"). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in statement of profit or loss. When the debt financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss.



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**ALL AMOUNTS PRESENTED IN (ﷲ)**

### **3. MATERIAL ACCOUNTING POLICY (CONTINUED)**

#### **3.3 Financial instruments (continued)**

##### **3.3.1.2 Classification and subsequent measurement of financial assets (continued)**

The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the year.

##### 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.

The Fund subsequently measures all equity investments at FVPL, except where the Fund 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 trade. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to the statement of profit or loss, including on disposal. On disposal, fair value gains/losses are transferred directly from fair value reserve to retained earnings. 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 statement of profit or loss when the Fund's right to receive payments is established

##### **3.3.2 Financial liabilities**

All financial liabilities are initially recognized at fair value less transaction costs except for financial liabilities measured at FVPL where transactions cost, if any, are not deducted from the fair value measurement at initial recognition and are included in the statement of profit or loss.

Subsequently, all special commission bearing financial liabilities other than those held at FVPL are measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on settlement

##### **3.3.3 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.

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (CONTINUED)**  
**30 JUNE 2025**  
**ALL AMOUNTS PRESENTED IN (ﷲ)**

**3. MATERIAL ACCOUNTING POLICY (CONTINUED)**

**3.3 Financial instruments (continued)**

**3.3.3 Fair value of financial instruments (continued)**

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**3.3.4 Derecognition of financial instruments**

A financial asset is derecognized, when the contractual rights to receive the cash flows from the financial asset expire or the asset is transferred, and the transfer qualifies for de-recognition. In instances where the Fund is assessed to have transferred a financial asset, the asset is derecognized if the Fund has transferred substantially all the risks and rewards of ownership. Where the Fund has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognized only if the Fund has not retained control of the financial asset. The Fund recognizes separately as assets or liabilities any rights and obligations created or retained in the process.

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expired.

**3.3.5 Offsetting of financial instruments**

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is an enforceable legal right to offset the recognized amounts and there is an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

**3.4 Accrued expenses**

Accrued expenses are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.



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ALL AMOUNTS PRESENTED IN (ﷲ)

**3. MATERIAL ACCOUNTING POLICY (CONTINUED)****3.3 Financial instruments (continued)****3.5 Provisions**

A provision is recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provision is not recognised for future operating loss.

**3.6 Redeemable units**

The Fund is open for subscriptions/ redemptions of units from Sunday to Thursday. The net assets value of the Fund is determined every day from Sunday to Thursday (each a "Valuation Day"). The net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the value of net assets (fair value of Fund assets minus Fund liabilities) by the total number of outstanding units on the relevant Valuation Day.

The Fund classifies its redeemable units as an equity instrument if the redeemable units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The instrument 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.
- 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 of the Fund over the life of the instrument.

The subscription and redemption of redeemable units are accounted for as equity transactions as long as units are classified as equity.

**3.7 Zakat / Taxation**

Zakat / taxation is the obligation of the unitholders and therefore, no provision for such liability is made in these financial statements. Value added taxes applicable for expenses are recognized in the statement of comprehensive income.

**3.8 Revenue recognition**

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

Dividend income is recognised when the Fund's right to receive dividend is established.

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**(MANAGED BY AL RAJHI CAPITAL COMPANY)****NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)****30 JUNE 2025****ALL AMOUNTS PRESENTED IN (ﷲ)****3. MATERIAL ACCOUNTING POLICY (CONTINUED)**

Realised gain on disposal of investments held at FVPL is measured as the difference between the sales proceed and the carrying value before disposal.

Special commission income is recognized in the statement of profit or loss based on effective yield basis.

**3.9 Management fees**

Management fee is calculated at rate mentioned in terms and conditions of the Fund and is payable monthly in arrears.

**3.10 Other expenses**

Other expenses are charged at rates / amounts within limits mentioned in terms and conditions of the Fund.

**3.11 Equity per unit**

The equity per unit as disclosed in the statement of financial position is calculated by dividing the equity of the fund by the number of units outstanding at year end

**4. INVESTMENTS AT FVTPL**

Investments at FVTPL comprise the following investments as at the reporting date:

	30 June 2025		
	Cost	Fair value	% of Fair value Unrealised gain / (loss)
<b><u>Investments:</u></b>			
Sukuk (Note 4.1)	6,352,539	6,403,820	36.87% 51,281
Units of Mutual Funds (Note 4.2)	5,452,556	5,444,860	31.35% (7,696)
Equity Securities (Note 4.3)	5,922,311	5,517,736	31.77% (404,575)
<b>Total</b>	<b>17,727,406</b>	<b>17,366,416</b>	<b>100% (360,990)</b>

**4.1 The composition of investment in Sukuk is as follows:**

<b><u>Description</u></b>	<b><u>Maturity date</u></b>	<b><u>Fair value as at 30 June 2025</u></b>
SAB Tier 1 Sukuk	12-Dec-29	3,000,000
Arabian Centers Tier III sukuk	6-Mar-29	2,403,820
Bank Aljazira Tier 1 Sukuk	15-Jan-30	1,000,000
<b>Total</b>		<b>6,403,820</b>

These carry profit rate ranging from 6.07% to 9.50% per annum.

**AL RAJHI ENDOWMENT FUND**

An open-ended mutual fund

**(MANAGED BY AL RAJHI CAPITAL COMPANY)****NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)****30 JUNE 2025****ALL AMOUNTS PRESENTED IN (ﷲ)****4. INVESTMENTS AT FVTPL (CONTINUED)**

4.2 The composition of the Fund's investment portfolio in the units of mutual funds is as follows:

	30 June 2025			
	Cost	Fair value	% of Fair value	Unrealised gain / (loss)
<b><u>Name of Funds</u></b>				
Al Rajhi Awaheed Fund*	2,247,766	2,262,824	41.56%	15,058
Al Rajhi Indirect Financing Fund*	1,240,632	1,240,917	22.79%	285
Al Rajhi Indirect Financing Fund 2*	850,000	850,000	15.61%	-
Al Rajhi Real Estate Monthly Distributions Fund*	737,376	730,763	13.42%	(6,613)
Bonyan REIT Fund*	189,606	178,556	3.28%	(11,050)
Jadwa REIT Saudi Fund*	187,176	181,800	3.34%	(5,376)
<b>Total</b>	<b>5,452,556</b>	<b>5,444,860</b>	<b>100%</b>	<b>(7,696)</b>

\* A fund managed by the fund manager

4.3 The composition of the Fund's equity securities investments portfolio by industry sector is as follows:

	30 June 2025			
	Cost	Fair value	% of Fair value	Unrealised gain / (loss)
<b><u>Investments (by sectors)</u></b>				
Financials	1,972,500	1,842,739	33.40%	(129,761)
Energy	781,558	758,000	13.74%	(23,558)
Materials	671,300	642,837	11.65%	(28,463)
Industrials	600,781	596,290	10.81%	(4,491)
Real Estate	478,082	477,661	8.66%	(421)
Utilities	514,629	374,918	6.79%	(139,711)
Telecommunication Services	234,274	254,990	4.62%	20,716
Information Technology	290,556	254,508	4.61%	(36,048)
Consumer Discretionary	253,011	200,124	3.63%	(52,887)
Health Care	107,878	103,065	1.87%	(4,813)
Consumer Staples	17,742	12,604	0.23%	(5,138)
<b>Total</b>	<b>5,922,311</b>	<b>5,517,736</b>	<b>100%</b>	<b>(404,575)</b>

**5. 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 related parties.



**AL RAJHI ENDOWMENT FUND**

An open-ended mutual fund

**(MANAGED BY AL RAJHI CAPITAL COMPANY)****NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)****30 JUNE 2025****ALL AMOUNTS PRESENTED IN (﷼)****5. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

The Fund does not charge any subscription fee on subscription of units and redemption fee on redemption of units. Other expenses paid by the Fund Manager on the behalf of the Fund are recharged to the Fund as they are incurred as per constituting documents of the Fund.

In addition to transactions disclosed elsewhere in these financial statements, transactions with related parties for the period ended from 01 December 2024 to 30 June and related balances as at 30 June 2025 are as follows:

Related party	Nature of transaction / balance	Transactions for the period from
		01 December 2024 to 30 June 2025
Al Rajhi Capital Company – Fund Manager	Management fee	<u>33,056</u>

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

Related party	Nature of transaction / balance	Balance as at 30 June 2025
Al Rajhi Capital Company – Fund Manager	Management fee payable	<u>33,056</u>

**6. MANAGEMENT FEES**

The Fund pays the Fund Manager a management fee, subject to VAT charges of 15%, which is calculated as the lower of 0.4% per annum of the net assets value at each valuation day or 10% of the total annual return before fees and expense. The fee is intended to compensate the Fund Manager for the administration of the Fund

**7. ACCRUED EXPENSES**

	30 June 2025
Benchmark fee	15,196
Fund Board fee	14,959
Professional fee	5,749
custody fee	2,761
Zakat advisory fee	2,851
Others	7,633
	<u>49,149</u>

**AL RAJHI ENDOWMENT FUND**  
An open-ended mutual fund

(MANAGED BY AL RAJHI CAPITAL COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (CONTINUED)

30 JUNE 2025

ALL AMOUNTS PRESENTED IN (ﷲ)

**8. OTHER EXPENSES**

	For the period from 01 December 2024 to 30 June 2025
Board fee	14,959
Benchmark fee	15,196
Zakat fee	2,851
Others	28,972
	<u>61,978</u>

**9. FAIR VALUE MEASUREMENT**

**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 interim condensed statement of financial position. All below fair value measurements are recurring.

	30 June 2025				
	Carrying Value	Level 1	Level 2	Level 3	Total
Investments at FVTPL	17,366,416	12,281,912	5,084,504	-	17,366,416
Total	<u>17,366,416</u>	<u>12,281,912</u>	<u>5,084,504</u>	<u>-</u>	<u>17,366,416</u>

Other financial instruments such as cash and cash equivalents, dividend receivable, accrued special commission income, payable to custodian, management fee payable 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 ENDOWMENT FUND**

An open-ended mutual fund

**(MANAGED BY AL RAJHI CAPITAL COMPANY)****NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (CONTINUED)****30 JUNE 2025****ALL AMOUNTS PRESENTED IN (﷼)****10. MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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

	Within 12 months	After 12 months	Total
<b>As at 30 June 2025</b>			
<b>Assets</b>			
Cash and cash equivalents	15,306	--	15,306
Investments at FVPTL	17,366,416	--	17,366,416
Special commission income receivable	109,962	--	109,962
Dividends receivable	13,200	--	13,200
<b>Total assets</b>	<b>17,504,884</b>	<b>--</b>	<b>17,504,884</b>
<b>Liability</b>			
Management fees payable	33,056	--	33,056
Accrued expenses	49,149	--	49,149
<b>Total liabilities</b>	<b>82,205</b>	<b>--</b>	<b>82,205</b>

**11. EVENTS OCCURRING AFTER REPORTING DATE**

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

**12. LAST VALUATION DAY**

The last valuation day of the period was 30 June 2025.

**13. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION**

This interim condensed financial information was approved by the fund manager on 6 August 2025 (corresponding to 12 Safar 1447H).