

التقرير السنوي إلى مالكي الوحدات لسنة 2023

صندوق البلاد المتنوع بالريال السعودي

(أ) معلومات صندوق الاستثمار

(1) اسم صندوق الاستثمار:

صندوق البلاد المتنوع بالريال السعودي

(2) أهداف وسياسات الاستثمار وممارساته:

يهدف الصندوق إلى تحقيق التوازن بين المحافظة على رأس المال وتحقيق عائد إيجابي عليه، بالإضافة إلى توفير السيولة لملاك الوحدات من خلال الاستثمار في أسواق النقد والدخل الثابت المجازة من قبل لجنة الرقابة الشرعية في شركة البلاد للاستثمار "البلاد المالية"، بالإضافة إلى المنتجات المهيكلة والأوراق المالية المدعومة بأصول والمجازة من قبل لجنة الرقابة الشرعية لدى البلاد المالية.

(3) سياسة توزيع الدخل والأرباح:

لا يوجد

(4) تقارير الصندوق متاحة عند الطلب وبدون مقابل

(5) وصف مؤشر الاسترشادي للصندوق، والموقع الإلكتروني لمزود الخدمة

مؤشر سايبور 3 شهور بين البنوك السعودية + 100 نقطة أساس.

(ب) أداء الصندوق

(1) جدول مقارنة يغطي السنوات المالية الثلاث (أو منذ التأسيس):

2023	2022	2021	البند
167,991,865	214,267,566	631,304,465	صافي قيمة أصول الصندوق في نهاية السنة المالية
10.50	10.30	10.09	صافي قيمة أصول الصندوق لكل وحدة في نهاية السنة المالية
10.50	10.30	10.09	أعلى صافي قيمة أصول الصندوق لكل وحدة
10.30	10.09	10.00	أقل صافي قيمة أصول الصندوق لكل وحدة
15,997	20,801	62,547	عدد الوحدات المصدرة في نهاية السنة المالية (بالآلاف)
-	-	-	قيمة الأرباح الموزعة لكل وحدة (حيثما ينطبق)
0.77%	0.73%	0.41%	نسبة المصروفات
-	-	-	نسبة الأصول المقترضة من إجمالي قيمة الأصول، ومدة انكشافها وتاريخ استحقاقها (إن وجدت)
-5.33	-2.12%	-0.28%	نتائج مقارنة أداء المؤشر الاسترشادي للصندوق بأداء الصندوق

المقر الرئيسي للبلاد المالية:

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فاكس: +966 11 2906299
ص.ب: الرياض 12313 - 3701، المملكة العربية السعودية

للمزيد من المعلومات الاتصال بـ:

إدارة الأصول
هاتف: +966 11 2039888
فاكس: +966 11 2039899
الموقع الإلكتروني: <http://www.albilad-capital.com/En/AssetManagement>



إخلاء المسؤولية

توضيح: نرجو الانتباه إلى أن المعلومات الواردة أعلاه هي لأغراض توضيحية فقط وأداء الصندوق في الماضي ليس مؤشرًا على الأداء المستقبلي، كما أن قيمة الاستثمار في صندوق الاستثمار متغيرة وقد تخضع للزيادة أو النقص. لمزيد من المعلومات عن هذا الصندوق، نرجو الاطلاع على شروط وأحكام الصندوق.

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*تم إدراج الصندوق في مارس 2021

(2) سجل أداء:

(أ) العائد الإجمالي لسنة واحدة، ثلاث سنوات، خمس سنوات، ومنذ التأسيس

البند	سنة	3 سنوات	5 سنوات	منذ التأسيس
العائد الإجمالي	1.95%	-	-	5.01%

(ب) العائد الإجمالي لكل سنة من السنوات المالية العشر الماضية أو منذ التأسيس

السنة	منذ التأسيس	2021	2022	2023
العائد الإجمالي	5.01%	0.94%	2.05%	1.95%

*يقر مدير الصندوق انه تم تطبيق قواعد حساب بيانات الأداء وأي افتراض بشكل متسق

(ج) جدول يوضح مقابل الخدمات والعمولات والأتعاب التي تحملها صندوق الاستثمار على مدار العام. ويجب أيضا الإفصاح بشكل واضح عن إجمالي نسبة المصروفات، ويجب الإفصاح عن ما إذا كانت هناك أي ظروف يقرر فيها مدير الصندوق الإعفاء من أي رسوم أو تخفيضها.

نوع الخدمات أو العمولات أو الأتعاب	صافي القيمة	نسبة المصروفات إلى متوسط صافي أصول الصندوق
رسوم اشتراك	-	-
رسوم الإدارة	945,734	0.50%
رسوم التطهير الشرعي	-	-
رسوم مراجع الحسابات	25,000	0.01%
رسوم الحفظ	102,658	0.05%
مكافأة أعضاء مجلس الإدارة	3,538	0.002%
رسوم نشر المعلومات على موقع تداول	-	-
رسوم الرقابة	7,500	0.004%
رسوم المؤشر الاسترشادي	5,750	0.003%
مصاريف القيمة المضافة	170,744	0.09%
مصاريف تعامل (الوساطة)	-	-
رسوم خدمات الصندوق الادارية	184,196	0.10%
مصاريف أخرى	3,750	0.002%
مجموع المصاريف	1,448,871	0.77%

*لم يتم مدير الصندوق بأي تخفيض أو إعفاء من أي رسوم خلال عام 2023

(3) إذا حدثت تغيرات جوهرية خلال الفترة وأثرت في أداء الصندوق، يجب الإفصاح عنها بشكل واضح.

لا يوجد

(4) الإفصاح عن ممارسات التصويت السنوية على أن تحتوي اسم المصدر وتاريخ الجمعية العمومية وموضوع التصويت وقرار التصويت (موافق/غير موافق/ الامتناع عن التصويت)

لا يوجد

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(5) تقرير مجلس إدارة الصندوق السنوي على أن يحتوي - على سبيل المثال لا الحصر - على:

(أ) أسماء أعضاء مجلس إدارة الصندوق، مع بيان نوع العضوية

- 1- زيد محمد سعد المفرح
رئيس مجلس الإدارة غير مستقل
- 2- هيثم سليمان السحيمي
عضو مجلس إدارة غير مستقل
- 3- وليد عبدالله بن عتيق
عضو مجلس إدارة مستقل
- 4- عمر علي بصال
عضو مجلس إدارة مستقل

(ب) نبذة عن مؤهلات أعضاء مجلس إدارة الصندوق

زيد المفرح

حصل على شهادة البكالوريوس في إدارة الأعمال ونظم المعلومات من جامعة تشوبو في اليابان، وحصل على درجة الماجستير في الاقتصاد والمالية من جامعة ولاية نيويورك في الولايات الأمريكية المتحدة. و شغل سابقاً منصب وكيل الهيئة للشركات المدرجة والمنتجات الاستثمارية في هيئة السوق المالية. بالإضافة الى امتلاكه خبرة تفوق 10 عاما في قطاع الخدمات المالية.

(رئيس مجلس الإدارة للصندوق والرئيس التنفيذي لشركة البلاد للاستثمار " البلاد المالية ").

هيثم السحيمي

حاصل على الماجستير في علوم الاستثمار ومخاطر التمويل من جامعة وستمنستر University of Westminster في لندن بالمملكة المتحدة، شغل عدة مناصب في اعمال الادارة بشركة سابين الإمارات العربية المتحدة SAPIN UAE، وخبرات لاحقة منذ عام ٢٠١٥ في جدوى للاستثمار ثم البلاد المالية كمحلل مالي في المصرفية الاستثمارية والاسهم الخاصة وتطوير الأعمال. (عضو مجلس الإدارة بنك البلاد والرئيس التنفيذي لتطوير الأعمال في البلاد المالية).

وليد عبدالله بن عتيق

ماجستير في المالية من جامعة سانت ماري في كندا، وبكالوريوس في الاقتصاد مع تخصص فرعي في إدارة الأعمال من جامعة ولاية أوهايو في الولايات المتحدة الأمريكية. خبرة أكثر من 16 عاما في التمويل والاستثمار والتأمين وإدارة المخاطر. شغل عدة مناصب كمشرف للتأمين في البنك المركزي السعودي (ساما)، محلل أول لأداء الاستثمار في البنك المركزي السعودي (ساما)، المدير المالي في شركة أليانز السعودي الفرنسي للتأمين التعاوني، ويشغل حاليا منصب نائب الرئيس المالي في الشركة السعودية لإعادة التأمين التعاوني

عمر بصال

ماجستير إدارة اعمال والإدارة المالية و الإحصاء بمرتبة الشرف، يمتلك الاستاذ عمر خبرة تزيد عن عشرة أعوام في المجال المالي ويشغل حالياً منصب مدير لإدارة الأصول في شركة محمد إبراهيم السبيعي وأولاده. ورغم أن الاستاذ عمر بصال يشغل منصب تنفيذي في إحدى الشركات المالكة لبنك البلاد (بنك البلاد يملك 100% من أسهم شركة البلاد للاستثمار " البلاد المالية ")، فإنه لا يوجد تضارب مصالح.

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(ج) أدوار مجلس إدارة الصندوق ومسؤولياته

تشمل مسؤوليات أعضاء مجلس إدارة الصندوق، على سبيل المثال لا الحصر الآتي:

- الموافقة على جميع العقود والقرارات والتقارير الجوهرية التي يكون الصندوق طرفاً فيها، ويشمل ذلك على سبيل المثال لا الحصر، الموافقة على عقود تقديم خدمات الإدارة للصندوق، وعقود خدمات الحفظ ولا يشمل ذلك العقود المبرمة وفقاً للقرارات الاستثمارية في شأن أي استثمارات قام بها الصندوق أو سيقوم بها بالمستقبل.
- اعتماد سياسة مكتوبة فيما يتعلق بحقوق التصويت المتعلقة بأصول الصندوق.
- الموافقة على تعيين المراجع الخارجي للصندوق الذي يرشحه مدير الصندوق
- الإشراف، ومتى ما كان ذلك مناسباً، الموافقة والمصادقة على أي تضارب مصالح يفصح عنه مدير الصندوق.
- الاجتماع مرتين سنوياً على الأقل مع لجنة المطابقة والالتزام لدى مدير الصندوق أو مسؤول المطابقة والالتزام لديه لمراجعة التزام الصندوق بجميع القوانين والأنظمة واللوائح ذات العلاقة.
- التأكد من اكتمال ودقة شروط وأحكام الصندوق وأي مستند آخر (سواء أكان عقداً أو غيره) يتضمن إفصاحات تتعلق بالصندوق ومدير الصندوق وإدارته للصندوق، إضافة إلى التأكد من توافق ما سبق مع أحكام لائحة صناديق الاستثمار.
- التأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لأحكام لائحة صناديق الاستثمار وشروط وأحكام الصندوق.
- التأكد من التزام مدير الصندوق بالإفصاح عن المعلومات الجوهرية لمالكي الوحدات وغيرهم من أصحاب المصالح
- العمل بأمانة وحسن نية واهتمام ومهارة وعناية وحرص لمصلحة الصندوق ومالكي الوحدات وتشمل واجبات الأمانة واجب الاخلاص والاهتمام وبذل الحرص المعقول.
- تدوين محاضر الاجتماعات التي تبين وقائع الاجتماعات والقرارات التي اتخذها المجلس.

(د) مكافآت أعضاء مجلس إدارة الصندوق

يتقاضى أعضاء مجلس الإدارة المستقلين مكافأة مقطوعة تقدر بـ 40,000 ريال سنوياً كحد أقصى (20,000 ريال لكل عضو مستقل) عن جميع الاجتماعات التي حضرها خلال السنة لجميع الصناديق المدارة من قبل البلاد المالية مقسمة بالتساوي على جميع الصناديق باستثناء الصناديق العقارية، تحسب في كل يوم تقييم بشكل تراكمي وتخضع وتدفع مرة واحدة في السنة.

(هـ) بيان بأي تعارض متحقق أو محتمل بين مصالح عضو مجلس الصندوق ومصالح الصندوق

لا يوجد أي نشاطات عملية أو مصالح لدى مدير الصندوق أو أعضاء مجلس إدارته من المحتمل أن تتعارض مع مسؤولياتهم أو أدائهم تجاه الصندوق وفي حال وجدت سيتم الإفصاح عنها.

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(و) بيان يوضح جميع مجالس إدارة الصناديق التي يشارك فيها عضو مجلس الصندوق ذي العلاقة

اسم الصندوق	زيد المفرح	هيثم السحيمي	وليد بن عتيق	عمر بصال
صندوق البلاد للأسهم السعودية النقية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للمرابحة بالريال السعودي	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للأسهم السعودية للدخل	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للأسهم الخليجية للدخل	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للاستثمار في صناديق الاستثمار العقارية المتداولة (البلاد ريت القابض)	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق نساند	-	عضو غير مستقل	-	-
صندوق البلاد المتداول للصكوك السيادية السعودية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد المتداول للذهب	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد المتنوع بالريال السعودي	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد أم إس سي آي المتداول للأسهم الأمريكية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد أم إس سي آي المتداول للأسهم التقنية الأمريكية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد متعدد الأصول المتوازن	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد المرن للأسهم السعودية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد إم إس سي آي المتداول الأسهم النمو السعودية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للصكوك	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق إنسان الاستثمار الوقفي	رئيس مجلس الإدارة	-	-	-
صندوق البلاد للضيافة في مكة المكرمة	-	رئيس مجلس الإدارة	-	-
صندوق صاحبة الاستثمار ي	-	رئيس مجلس الإدارة	-	-
صندوق مجمع الوسط التجاري الثاني	-	رئيس مجلس الإدارة	-	-
صندوق المشاريع العقارية	-	عضو غير مستقل	-	-
صندوق مجمع مزدلفه العقار ي	-	رئيس مجلس الإدارة	-	-
صندوق صفا نجد	-	رئيس مجلس الإدارة	-	-
صندوق بلاد العوالي العقاري الثاني	-	رئيس مجلس الإدارة	-	-
صندوق البلاد أبحر العقار ي	-	رئيس مجلس الإدارة	-	-

(ز) الموضوعات التي تمت مناقشتها والقرارات الصادرة بشأنها بما في ذلك أداء الصندوق وتحقيق الصندوق لأهدافه

تم عقد اجتماعين 2023 وعقد الاجتماع الاول في تاريخ 19 يوليو عام 2023 كما عقد الاجتماع الثاني في تاريخ 25 ديسمبر من العام نفسه وكان أبرز ما تم النقاش حوله كالتالي :

- مستجدات الاسواق المحلية والاقليمية والعالمية
- أداء الصناديق
- تقييم مجلس الادارة

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فاكس: +966 11 2906299
ص.ب: الرياض 12313 - 3701 , المملكة العربية السعودية

للمزيد من المعلومات الاتصال بـ:

إدارة الأصول
هاتف: +966 11 2039888
فاكس: +966 11 2039899
الموقع الإلكتروني: <http://www.albilad-capital.com/En/AssetManagement>



إخلاء المسؤولية

توضيح: نرجو الانتباه إلى أن المعلومات الواردة أعلاه هي لأغراض توضيحية فقط وأداء الصندوق في الماضي ليس مؤشراً على الأداء المستقبلي، كما أن قيمة الاستثمار في صندوق الاستثمار متغيرة وقد تخضع للزيادة أو النقص. لمزيد من المعلومات عن هذا الصندوق، نرجو الاطلاع على شروط و أحكام الصندوق.

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التقرير السنوي إلى مالكي الوحدات لسنة 2023

صندوق البلاد المتنوع بالريال السعودي

ج) مدير الصندوق

1) اسم مدير الصندوق وعنوانه:

شركة البلاد للاستثمار " البلاد المالية "

8162 طريق الملك فهد الفرعي - العليا

وحدة رقم 22

الرياض 12313-3701

المملكة العربية السعودية

هاتف: 8001160002

فاكس: +966 11 290 6299

موقع الانترنت: www.albilad-capital.com

2) اسم وعنوان مدير الصندوق من الباطن و/ أو مستشار الاستثمار (إن وجد):

لا يوجد

3) مراجعة لأنشطة الاستثمار خلال الفترة:

لقد تم الاستثمار منذ تأسيس الصندوق بصفقات طويلة الأجل والصكوك وذلك للحفاظ على مستوى الاداء وبعدها تم عقد الصفقات ذات المدد القصيرة للمحافظة على مستوى السيولة.

4) تقرير عن أداء صندوق الاستثمار خلال الفترة

تفوق أداء المؤشر الاسترشادي عن أداء الصندوق بفارق 5.33% حيث حقق الصندوق 1.95% مقارنة بأداء المؤشر الاسترشادي البالغ 7.7%-

5) تفاصيل أي تغيرات حدثت على شروط وأحكام خلال عام 2023

تضمن ما يفيد الالتزام بقواعد جباية الزكاة من المستثمرين في الصناديق الاستثمارية.

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صندوق البلاد المتنوع بالريال السعودي

(6) أي معلومة أخرى من شأنها أن تمكن مالكي الوحدات من اتخاذ قرار مدروس ومبني على معلومات كافية بشأن أنشطة الصندوق خلال الفترة:

لا يوجد

(7) إذا كان صندوق الاستثمار يستثمر بشكل كبير في صناديق استثمار أخرى، يجب الإفصاح عن نسبة رسوم الإدارة المحتسبة على الصندوق نفسه والصناديق التي يستثمر فيها الصندوق:

يستثمر الصندوق في صندوق البلاد للمرابحة بالريال السعودي الذي تديره شركة البلاد المالية و نسبة رسومه هي 0.25%.

(8) بيان حول العمليات الخاصة التي حصل عليها مدير الصندوق خلال الفترة، مبينا بشكل واضح ماهيتها وطريقة الاستفادة منها:

لا يوجد

(9) أي بيانات ومعلومات أخرى أوجبت اللائحة تضمينها بهذا التقرير:

مخالفة قيود الاستثمار

الصندوق	التاريخ	نوع المخالفة	السبب	المدة الزمنية لمعالجة المخالفة
صندوق البلاد المتنوع بالريال السعودي	20/06/2022	قيود الاستثمار المادة 41 - المادة (و).	ارتفاع الاستثمار في الصكوك بأكثر من 40%	سيتم معالجة المخالفة خلال المدة النظامية وفق لائحة صناديق الاستثمار.

(10) مدة إدارة الشخص المسجل كمدير الصندوق

منذ مارس - 2021م.

(11) نسبة مصروفات كل صندوق بنهاية العام والمتوسط المرجح لنسبة مصروفات كل الصناديق الرئيسة المستثمر فيها

نسبة مصروفات الصندوق: 0.41%

المتوسط المرجح لنسبة مصروفات الصناديق المستثمر بها: 0.38%

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التقرير السنوي إلى مالكي الوحدات لسنة 2023

صندوق البلاد المتنوع بالريال السعودي

(د) أمين الحفظ

(1) اسم أمين الحفظ وعنوانه:

شركة الرياض المالية .، سجل تجاري رقم 1010239234. تعمل بموجب ترخيص من هيئة السوق المالية برقم (07070-37)

واحة غرناطة

2414 حي الشهداء وحدة رقم 69

الرياض 13241 – 7279،

المملكة العربية السعودية

هاتف: +966 11 4865866 / 4865898

فاكس: +966 11 4865859

البريد الإلكتروني: rcss@riyadcapital.com

(2) وصف موجز لواجباته ومسؤولياته:

- يعد أمين الحفظ مسؤولاً عن التزاماته وفقاً لأحكام لائحة صناديق الاستثمار، سواء أدى مسؤولياته بشكل مباشر أم كلف بها طرفاً ثالثاً بموجب أحكام لائحة صناديق الاستثمار ولائحة الأشخاص المرخص لهم. ويعد أمين الحفظ مسؤولاً تجاه مدير الصندوق ومالكي الوحدات عن خسائر الصندوق الناجمة بسبب احتياله أو إهماله أو سوء تصرفه أو تقصيره المتعمد.
- يعد أمين الحفظ مسؤولاً عن حفظ أصول الصندوق وحمايتها لصالح مالكي الوحدات، وهو مسؤول كذلك عن اتخاذ جميع الإجراءات الإدارية اللازمة فيما يتعلق بحفظ أصول الصندوق.
- تعد أصول الصندوق مملوكة لمالكي وحدات الصندوق مجتمعين، ولا يجوز أن يكون لمدير الصندوق أو مدير الصندوق من الباطن أو أمين الحفظ أو أمين الباطن أو مقدم المشورة أو الموزع أي مصلحة في أصول الصندوق أو أي مطالبه فيها، إلا إذا كان مدير الصندوق أو مدير الصندوق من الباطن أو أمين الحفظ أو أمين الباطن أو مقدم المشورة أو الموزع مالكا لوحدات الصندوق، وذلك في حدود ملكيته، أو كان مسموحاً بهذه المطالبات بموجب أحكام لائحة صناديق الاستثمار وأن يكون أفصح عنها في الشروط والأحكام.
- باستثناء وحدات الصندوق المملوكة لمدير الصندوق أو مدير الصندوق من الباطن أو أمين الحفظ أو أمين الباطن أو مقدم المشورة أو الموزع، وفي حدود ما يملكه المدين، لا يجوز أن يكون لدائني مدير الصندوق أو مدير الصندوق من الباطن أو أمين الحفظ أو أمين الباطن أو مقدم المشورة أو الموزع أي حق في أي مطالبه أو مستحقات في أموال الصندوق أو أصوله.

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إدارة الأصول

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الموقع الإلكتروني: <http://www.albilad-capital.com/En/AssetManagement>



إخلاء المسؤولية

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التقرير السنوي إلى مالكي الوحدات لسنة 2023

صندوق البلاد المتنوع بالريال السعودي

هـ) مشغل الصندوق

(1) اسم مشغل الصندوق وعنوانه:

شركة البلاد للاستثمار " البلاد المالية "

8162 طريق الملك فهد الفرعي - العليا

وحدة رقم 22

الرياض 12313-3701

المملكة العربية السعودية

هاتف: 920003636

فاكس: 966 11 290 6299+

موقع الانترنت: www.albilad-capital.com

(2) وصف موجز لواجباته ومسؤولياته:

1. يجب على مشغل الصندوق إعداد سجل مالكي الوحدات وحفظه في المملكة.
 2. يجب على مشغل الصندوق أن يحفظ في سجل مالكي الوحدات المعلومات الآتية بحد أدنى:
- اسم مالك الوحدات، وعنوانه، وأرقام التواصل.
 - رقم الهوية الوطنية لمالك الوحدات أو رقم إقامته أو رقم جواز سفره أو رقم سجله التجاري بحسب الحال، أو أي وسيلة تعريف أخرى تحددها الهيئة.
 - جنسية مالك الوحدات.
 - تاريخ تسجيل مالك الوحدات في السجل
 - بيانات جميع الصفقات المتعلقة بالوحدات التي أجراها كل مالك وحدات.
 - الرصيد الحالي لعدد الوحدات (بما في ذلك أجزاء الوحدات) المملوكة لكل مالك وحدات.
 - أي قيد أو حق على الوحدات المملوكة لكل مالك وحدات.

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إخلاء المسؤولية

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3. يجب على مشغل الصندوق تحديث سجل مالكي الوحدات فوراً بحيث يعكس التغييرات في المعلومات المشار إليها في الفقرة 2 أعلاه.
4. يعد مشغل الصندوق مسؤولاً عن عملية توزيع الأرباح على مالكي الوحدات.
5. يجب على مشغل الصندوق معاملة طلبات الاشتراك والاسترداد بالسعر الذي يُحتسب عند نقطة التقييم التالية للموعد النهائي لتقديم طلبات الاشتراك والاسترداد.
6. يجب على مشغل الصندوق تنفيذ طلبات الاشتراك والاسترداد بحيث لا تتعارض مع أي أحكام تتضمنها لائحة صناديق الاستثمار أو شروط وأحكام الصندوق.
7. يجب على مشغل الصندوق أن يدفع لملك الوحدات عوائد الاسترداد قبل موعد إقفال العمل في اليوم الخامس التالي لنقطة التقييم التي حُدد عندها سعر الاسترداد بحد أقصى.
8. يعد مشغل الصندوق مسؤولاً عن تقييم أصول الصندوق تقييماً كاملاً وعادلاً.
9. يجب على مشغل الصندوق تقييم أصول الصندوق العام في كل يوم تعامل في الوقت المحدد في شروط وأحكام الصندوق، وبمدة لا تتجاوز يوماً واحداً بعد الموعد النهائي لتقديم طلبات الاشتراك والاسترداد.
10. يجب على مشغل الصندوق الالتزام بأحكام الملحق (5) من لائحة صناديق الاستثمار الخاص بطرق تقييم الصناديق العامة.
11. يكون مشغل الصندوق مسؤولاً عن حساب سعر وحدات الصندوق العام الذي يشغله. ويُحسب سعر الوحدات لكل من الاشتراك والاسترداد في أي يوم تعامل بناءً على صافي قيمة أصول كل وحدة من وحدات الصندوق العام عند نقطة التقييم في يوم التعامل ذي العلاقة.
12. يجب على مشغل الصندوق بيان أسعار الوحدات بصيغة تحتوي على أربع علامات عشرية على الأقل.
13. في حال تقييم أصل من أصول الصندوق العام بشكل خاطئ أو حساب سعر وحدة بشكل خاطئ، يجب على مشغل الصندوق توثيق ذلك.
14. يجب على مشغل الصندوق تعويض جميع مالكي الوحدات المتضررين (بما في ذلك مالكي الوحدات السابقين) عن جميع أخطاء التقييم أو التسعير دون تأخير.

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التقرير السنوي إلى مالكي الوحدات لسنة 2023

صندوق البلاد المتنوع بالريال السعودي

و) مراجع الحسابات:

(1) اسم مراجع الحسابات وعنوانه:

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ز) القوائم المالية:

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إخلاء المسؤولية

توضيح: نرجو الانتباه إلى أن المعلومات الواردة أعلاه هي للأغراض توضيحية فقط وأداء الصندوق في الماضي ليس مؤشراً على الأداء المستقبلي، كما أن قيمة الاستثمار في صندوق الاستثمار متغيرة وقد تخضع للزيادة أو النقص. لمزيد من المعلومات عن هذا الصندوق، نرجو الاطلاع على شروط وأحكام الصندوق.

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**ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY
ALBILAD INVESTMENT COMPANY)**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS AND THE FUND MANAGER**

FOR THE YEAR ENDED 31 DECEMBER 2023

**ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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Independent auditor's report to the Unitholders and Fund Manager of AlBilad Diversified SAR Fund

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of AlBilad Diversified SAR Fund (the "Fund") as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of income and other comprehensive income for the year then ended;
- the statement of changes in equity attributable to the Unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund and Fund Manager in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Other information

Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's Annual Report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Fund's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Fund Manager and the Fund Board for the financial statements

Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority and the Fund's terms and conditions, and for such internal control as Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent auditor's report to the Unitholders and Fund Manager of AlBilad Diversified SAR Fund (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund Manager.
- Conclude on the appropriateness of Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers



Mufaddal A. Ali
License Number 447

28 March 2024



ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals '000' unless otherwise stated)

	Note	As at 31 December 2023	As at 31 December 2022
Assets			
Cash and cash equivalents	3	1,765	2,800
Investments held at amortised cost, net	4.1	166,266	211,400
Prepayments and other receivables		6	68
Total assets		168,037	214,268
Liabilities			
Accrued management fee	5	8	10
Accruals and other liabilities		56	39
Total liabilities		64	49
Equity attributable to the Unitholders		167,973	214,219
Units in issue in thousands		15,997	20,802
Equity per unit in Saudi Riyals		10.5003	10.2980

The accompanying notes from 1 to 13 form an integral part of these financial statements.

ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
(All amounts in Saudi Riyals '000' unless otherwise stated)

	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
Income			
Profit on investments held at amortised cost:			
- Commodity murabaha	4.1.1	895	3,527
- Sukuk	4.1.3	4,232	7,729
Realised gain on sale of investments held at FVSI, net		-	872
Total income		5,127	12,128
Expenses			
Management fee	5	(1,089)	(2,645)
Other expenses	6	(360)	(699)
Impairment reversal on investments held at amortised cost	4.1.2, 4.1.4	30	106
Total expenses		(1,419)	(3,238)
Net income for the year		3,708	8,890
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,708	8,890

The accompanying notes from 1 to 13 form an integral part of these financial statements.

ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS
(All amounts in Saudi Riyals '000' unless otherwise stated)

	For the year ended 31 December 2023	For the year ended 31 December 2022
Equity attributable to the Unitholders at the beginning of the year	214,219	631,149
Changes from operations		
Total comprehensive income for the year	3,708	8,890
Changes from unit transactions		
Proceeds from issuance of units	99,672	534,869
Payment against units redeemed	(149,626)	(960,689)
	(49,954)	(425,820)
Equity attributable to the Unitholders at the end of the year	167,973	214,219
	For the year ended 31 December 2023	For the year ended 31 December 2022
Units at the beginning of the year	20,802	62,547
Units issued	9,605	52,671
Units redeemed	(14,410)	(94,416)
Net change in units	(4,805)	(41,745)
Units at the end of the year	15,997	20,802

The accompanying notes from 1 to 13 form an integral part of these financial statements

ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals '000' unless otherwise stated)

	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
Cash flows from operating activities			
Net income for the year		3,708	8,890
Adjustments for:			
Profit on investments held at amortised cost:			
- Commodity Murabaha	4.1.1	(895)	(3,527)
- Sukuk	4.1.3	(4,232)	(7,729)
Realised gain on sale of investments held at FVSI, net		-	(872)
Impairment reversal on investments held at amortised cost	4.1.2, 4.1.4	(30)	(106)
		(1,449)	(3,344)
Net changes in operating assets and liabilities			
Investments held at amortised cost, net		44,396	260,332
Investments held at FVSI	4.2	-	146,895
Prepayments and other receivables		62	(58)
Accrued management fee		(2)	(10)
Accruals and other liabilities		17	(87)
Net cash generated from operating activities		44,473	407,072
Profit received on commodity Murabaha	4.1.1	1,413	3,602
Profit received on investment in sukuk	4.1.3	4,482	8,142
Net cash generated from operating activities		50,368	418,816
Cash flows from financing activities			
Proceeds from issuance of units		99,672	534,869
Payment against units redeemed		(149,626)	(960,689)
Net cash used in financing activities		(49,954)	(425,820)
Net change in cash and cash equivalents		(1,035)	(10,348)
Cash and cash equivalents at the beginning of the year		2,800	13,148
Cash and cash equivalents at the end of the year		1,765	2,800
Supplemental information			
Purchases of investments held at amortised cost		506,901	1,690,154
Disposal (maturity) of investments held at amortised cost		551,297	1,950,486

The accompanying notes from 1 to 13 form an integral part of these financial statements.

ALBILAD DIVERSIFIED SAR FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals '000' unless otherwise stated)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

AlBilad Diversified SAR Fund (the "Fund") is an open-ended investment fund, managed by AlBilad Investment Company (the "Fund Manager"), a subsidiary of Bank Albilad (the "Bank") for the benefit of the Fund's unitholders (the "Unitholders"). The objective of the Fund is to protect investor's principal investment and to achieve reasonable return by way of investment in Mutual Funds and Murabaha based transactions that do not conflict with Shari'ah rules.

The Fund was established on 6 May 2021.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate annual financial statements for the Fund. Furthermore, the Unitholders are considered to be the beneficial owners of the assets of the Fund. The management of the Fund is the responsibility of the Fund Manager.

Riyad Capital is the custodian ("the Custodian") of the Fund.

The Fund is governed by the Investment Fund Regulations ("IFR") published by the Capital Market Authority (CMA) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) as amended by the resolution of the CMA Board on 16 Sha'aban 1437H (corresponding to 23 May 2016) and 12 Rajab 1442H (corresponding to 24 February 2021) and complies with regulations and directives applicable to public funds, issued by the CMA.

2 MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of preparation

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

These financial statements have been prepared on a historical cost convention except for investment held at FVSI, and using accrual basis of accounting.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in the order of liquidity. However, all balances would generally be classified as current except for "Investments measured at amortised cost".

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

2.2 Critical accounting estimates and judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year/period in which the estimates are revised and in any future years affected. There are no areas of significant judgment or critical assumption used in the preparation of these financial statements.

ALBILAD DIVERSIFIED SAR FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals '000' unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policy and disclosures

(i) New standards effective in current year

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after 1 January 2023. The management has assessed that the amendments have no impact on the Fund's financial statements.

- IFRS 17, 'Insurance contracts' – This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts.
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 - The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction - requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendment to IAS 8, Definition of accounting estimate - The amendment to IAS 8 Accounting Policies, Changes in Accounting estimates and errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
- Amendment to IAS 12 - International tax reform - pillar two model rules - These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

(ii) Accounting standards issued but not yet effective and not early adopted

The listing of standards and interpretations issued which are applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective. These amendments and standards are not expected to have any impact on the financial statements of the Fund.

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Noncurrent liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

ALBILAD DIVERSIFIED SAR FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals '000' unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 Changes in accounting policy and disclosures (continued)

(ii) Accounting standards issued but not yet effective and not early adopted (continued)

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28.	Available for optional adoption / effective date deferred indefinitely
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025

2.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These financial statements are presented in Saudi Riyal ("SAR") which is the Fund's functional and presentation currency. All financial information presented in SAR has been rounded to the nearest thousand.

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates prevailing at the reporting date. Foreign exchange gains and losses arising from the translation of monetary assets and liabilities at exchange rate prevailing at the reporting date and from the settlement of transactions are included in the statement of income and other comprehensive income.

2.5 Cash and cash equivalents

Cash and cash equivalents of the Fund comprise balance with Bank AlBilad and balance held in a custodian account with Riyadh Capital. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.6 Financial instruments

Financial instruments are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument.

2.6.1 Measurement methods

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. The Fund records investments in murabaha, and sukuk on a 'settlement date' basis.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through statement of income (FVSI), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVSI are expensed in the statement of income.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, as described in Note 2.6.3, which results in an impairment loss being recognised in the statement of income when an asset is newly originated.

ALBILAD DIVERSIFIED SAR FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals '000' unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

2.6.2 Classification and measurement of financial assets

The Fund classifies its financial assets at amortised cost/ FVSI. The classification requirements for debt instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as murabaha contracts and sukuks.

Classification and subsequent measurement of debt instruments depend on:

- The Fund's business model for managing the asset; and
- The 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 FVSI. Factors considered by the Fund in determining the business model for a group of assets include 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. Securities held for trading 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 FVSI.

SPPP: 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 profit (the "SPPP" test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The SPPP 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 two measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit (SPPP), and that are not designated at FVSI, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 2.6.3. Profit earned from these financial assets is recognised in the statement of income using the effective commission rate method.

Fair value through statement of income (FVSI): If debt instrument's cash flows do not represent solely SPPP 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 FVSI, then it is measured at FVSI. A gain or loss on a debt investment measured at FVSI, where cashflows do not represents solely SPPP, is recognised in the statement of income, within "Net gain / (loss) on investments mandatorily measured at FVSI", 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 FVSI, within "Net gain / (loss) on investments designated at FVSI or held for trading". Commission income earned from these financial assets is recognised in the statement of income using the effective commission rate method.

ALBILAD DIVERSIFIED SAR FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals '000' unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

2.6.2 Classification and 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 period.

Currently investment in murabaha contracts and sukuk is classified as held at amortised cost.

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 equity.

The Fund classifies its financial assets at fair value through statement of income (FVSI). The Fund subsequently measures all equity investments at FVSI, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. 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 recognised in OCI and are not subsequently reclassified to the interim statement of other comprehensive income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the interim statement of comprehensive income when the Fund's right to receive payments is established.

The subsequent unrealised revaluation gains/loss on investment held at FVSI is recognised in statement of income.

ALBILAD DIVERSIFIED SAR FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals '000' unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

2.6.3 Impairment of financial assets measured at amortised cost

The Fund assesses on a forward-looking basis the expected credit losses ("ECL") associated with its financial instrument assets carried at amortised cost. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Under IFRS 9, loss allowances is measured on either of the following bases:

- a) 12-month ECLs: these ECLs that result from possible default events within the 12 months after the reporting date; and
- b) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

2.6.4 Financial liabilities

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

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

Currently accrued management fee and accruals and other liabilities are classified as financial liabilities held at amortised cost.

2.6.5 De-recognition of financial instruments

A financial asset is derecognized, when the contractual rights to 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.

ALBILAD DIVERSIFIED SAR FUND
NOTES TO THE FINANCIAL STATEMENTS
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2 MATERIAL ACCOUNTING POLICIES (continued)

2.7 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Accruals and other liabilities

Liabilities are recognized for amounts to be paid for goods or services received, whether or not billed to the Fund. Accruals and other liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective commission rate method.

2.9 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.

2.10 Equity attributable to the Unitholders

Equity attributable to equity holders is equity and is made up of units issued and retained earnings.

(a) Redeemable Units

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 equity 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 equity.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised equity or the change in the fair value of the recognised and unrecognised equity of the Fund over the life of the instrument.

The Fund's redeemable participating units meet the definition of puttable instruments classified as equity instruments under IAS 32.16A-B and accordingly, are classified as equity instruments.

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

The Fund's distributions are classified as dividends paid in the statement of changes in equity attributable to Unitholders.

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2 MATERIAL ACCOUNTING POLICIES (continued)

2.10 Equity attributable to the Unitholders (continued)

(b) Trading in the units

Units of the Fund are available for purchasing only in the Kingdom of Saudi Arabia at Bank AlBilad branches by natural and corporate persons. The equity value of the Fund is determined on every working day in the Kingdom of Saudi Arabia ("Valuation Day") by dividing the net value of assets (fair value of total assets minus liabilities) by the total number of outstanding units on the relevant Valuation Day.

2.11 Taxation

Taxation is the obligation of the Unitholders and therefore, no provision for such liability is made in these financial statements.

2.12 Zakat

Zakat is the obligation of the Unitholders and therefore, no provision for such liability is made in these financial statements.

2.13 Value added tax (VAT)

Output VAT related to revenue is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of services to customers. The other entities that transact business with the Fund withhold taxes or recover VAT on services rendered to the Fund. As the Fund cannot recover these amounts, these are expensed in the statement of income.

2.14 Income 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.

Profit on murabaha contracts and sukuk is recognised on effective commission rate method.

The effective commission rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective commission rate, the Fund manager estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses. The carrying amount of the financial asset is adjusted if the Fund Manager revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective commission rate and the change in carrying amount is recorded as impairment losses.

2.15 Fund Manager fee

The Fund Manager charges the Fund a management fee at the rate of 0.50% (2022: 0.50%) per annum of the Fund's equity value which is calculated on each valuation day and deducted on a quarterly basis. Sharia Committee fees are included within the charged management fees in line with the Fund's terms and conditions.

The Fund Manager also recovers certain expenses incurred on behalf of the Fund within limits mentioned in the Terms and Conditions of the Fund.

2.16 Fund administration fee

The Fund Manager charges the Fund an administration fee at the rate of 0.09% (2022: 0.09%) per annum of the Fund's equity value which is calculated on each valuation day and deducted on a quarterly basis.

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3 CASH AND CASH EQUIVALENTS

		As at 31 December 2023	As at 31 December 2022
	Note		
Bank balances	5	21	1,080
Balance with the Custodian	5	1,744	1,720
		<u>1,765</u>	<u>2,800</u>

4 INVESTMENTS

4.1 Investments held at amortised cost

		As at 31 December 2023	As at 31 December 2022
	Note		
Investments in commodity murabaha contracts	4.1.1	5,005	35,522
ECL allowance	4.1.2	0	(6)
		<u>5,005</u>	<u>35,516</u>
Investments in sukuk	4.1.3	161,280	175,927
ECL allowance	4.1.4	(19)	(43)
		<u>161,261</u>	<u>175,884</u>
		<u>166,266</u>	<u>211,400</u>

4.1.1 The following table represents the movement of investments in murabaha contracts measured at amortised cost during the year:

	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
Amortised cost at the beginning of the year		35,522	248,598
Investments in murabaha contracts during the year		506,901	1,670,699
Murabaha deals matured during the year		(536,900)	(1,883,700)
Income from Murabaha:			
- recognised in the statement of income		895	3,527
- received during the year		(1,413)	(3,602)
		<u>5,005</u>	<u>35,522</u>
ECL allowance	4.1.2	-	(6)
Carrying amount at the end of the year		<u>5,005</u>	<u>35,516</u>

These commodity murabaha contracts have an average yield ranging from 5.70% to 5.75% and have maturities less than 3 months (2022: 3.2% to 4.1% and have maturities from 3 months to 7 months). All commodity murabaha contracts are fixed rate.

4.1.2 The movement of ECL allowance for murabaha contracts is as follows:

	For the year ended 31 December 2023	For the year ended 31 December 2022
Opening balance	6	110
Reversal for the year	(6)	(104)
Closing balance	<u>-</u>	<u>6</u>

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4 INVESTMENTS (continued)

4.1.3 The following table represents the movement of investments in sukuk measured at amortised cost during the year:

	Note	As at 31 December 2023	As at 31 December 2022
Amortised cost at the beginning of the year		175,927	223,671
Additions during the year		-	19,455
Principal matured during the year		(14,397)	(66,786)
Profit from sukuk:			
- recognised in the statement of income		4,232	7,729
- received during the year		(4,482)	(8,142)
		161,280	175,927
ECL allowance	4.1.4	(19)	(43)
Carrying amount at the end of the year		161,261	175,884

4.1.4 The movement of ECL allowance for investments in sukuk is as follows:

	For the year ended 31 December 2023	For the year ended 31 December 2022
Opening balance	43	45
reversal for the year	(24)	(2)
Closing balance	19	43

4.2 Investments held at FVSI

	For the year ended 31 December 2023 2023	For the year ended 31 December 2022 2022
Carrying amount as at the beginning of the year	-	146,023
Purchases during the year	-	23,000
Disposals during the year	-	(169,023)
Carrying amount as the end of the year	-	-

5 RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are in accordance with the Terms and Conditions of the Fund. All the related party transactions are approved by the Fund Board. Related parties comprise the Fund Manager, Fund Board, Bank AlBilad (the Parent Company of the Fund Manager) and entities related to Bank AlBilad and Fund Manager.

Following table summarises the details of transactions with related parties:

Related party	Nature of relationship	Nature of transaction	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
Albilad Investment Company	Fund Manager	Management fee		1,089	2,645
		Administration fee	6	176	445
Bank Albilad	Parent Company of the Fund Manager	Units purchased		291,100	738,700
		Units redeemed		298,100	728,700
Albilad SAR Murabaha Fund	Affiliate	Units purchased		-	17,170
		Units redeemed		-	127,193
Riyad Capital	Custodian of the Fund	Custody fee	6	103	173
Fund Board	Members of the Fund Board	Fund Board fee		4	3

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5 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Following table summarises the details of balances with related parties:

Nature of balance	Related Party	Note	As at 31 December 2023	As at 31 December 2022
Bank balances	Bank Albilad – Parent Company of Fund Manager	3	21	1,080
Accrued management fee	AlBilad Investment Company – Fund Manager		8	10
Custody fee payable	Riyad Capital - Custodian of Fund		9	6
Balance with custodian	Riyad Capital - Custodian of Fund	3	1,744	1,720
Fund Board fee payable	Members of the Fund board		5	4
Investment in the Fund	Albilad Pure Saudi Equity Income Fund		-	20,375

6 OTHER EXPENSES

	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
Administration fee	5	176	445
Custodian fee	5	103	173
Professional fees*		49	49
Other		32	32
		360	699

* Auditor's remuneration for the statutory audit of the Fund's financial statements for the year ended 31 December 2023 amounts to SR 15 thousands (2022: SR 15 thousands). Auditor's remuneration for the review of the Fund's interim condensed financial statements for the period ended 30 June 2023 amounts to SR 10 thousands (2022: SR 10 thousands).

7 FINANCIAL RISK MANAGEMENT

7.1 Financial risk factors

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

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

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

Other than Saudi Riyal some of the Fund's transactions and balances are in USD which is pegged to US Dollar therefore the Fund is exposure to foreign exchange risk is insignificant.

(ii) Commission rate risk

Commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates.

The Fund is exposed to commission rate risk as its investment held at amortised cost in sukuk which are floating rate. Murabaha contracts held at amortised cost are fixed rate and hence does not expose to commission rate risk.

The effect on the equity attributable to unit holders (as a result of the change in the floating commission rate as at 31 December 2023 due to a reasonably possible change in commission rate, with all other variables held constants is as follows:

Financial Instrument subject to floating commission rate	As at 31 December 2023		As at 31 December 2022	
	Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
Sukuk	+/- 5	212	+/- 5	386

Commission rate risk	Within 3 months	3-12 months	Over 1 year	Non commission bearing	Total
As at 31 December 2023					
Financial assets					
Cash and cash equivalents	-	-	-	1,765	1,765
Investments held at amortised cost, net	5,000	5,891	155,375	-	166,266
Total financial assets	5,000	5,891	155,375	1,765	168,031
Financial liabilities					
Accrued management fee	-	-	-	8	8
Accruals and other liabilities	-	-	-	56	56
Total financial liabilities	-	-	-	64	64
Net commission rate sensitivity gap	5,000	5,891	155,375	1,701	167,967

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7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Commission rate risk (continued)

Commission rate risk	Within 3 months	3-12 months	Over 1 year	Non commission bearing	Total
As at 31 December 2022					
Financial assets					
Cash and cash equivalents	-	-	-	2,800	2,800
Investments held at amortised cost, net	-	146,550	64,850	-	211,400
Total financial assets	-	146,550	64,850	2,800	214,200
Financial liabilities					
Accrued management fee	-	-	-	10	10
Accruals and other liabilities	-	-	-	39	39
Total financial liabilities	-	-	-	49	49
Net commission rate sensitivity gap	-	146,550	64,850	2,751	214,151

(iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds. The Fund manages the risk through diversification of its investment portfolio by investing in various industry sectors. Currently the fund is not exposed to price risk as it does not have any financial asset held at fair value.

(b) Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund is exposed to credit risk for its investments held at amortised cost and bank balances.

It is Fund's policy to enter into financial instrument contracts with reputable counterparties. The Fund seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Expected credit loss measurement

Under the expected credit loss model, credit losses are recognised prior to a credit event occurring. The impairment model requires more timely and forward-looking information that allows for a more accurate reflection of the credit risk inherent in the exposures.

Under the general approach of IFRS 9 impairment, the financial assets are classified into three stages. Each stage indicates the credit quality of the particular financial asset.

Stage 1: includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses (ECL) are recognised and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

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7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

Stage 2: includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but profit is still calculated on the gross carrying amount of the asset.

Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that are already impaired (defaulted).

One of the key components of IFRS 9 ECL is to determine whether there have been significant increases in credit risk (SICR) of an entity's credit exposures since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL.

Fund has policy to invest with counterparties with credit rating BBB- and above. All the investments are initially classified under stage 1. If at any subsequent reporting date the credit rating of the counterparty deteriorates by 2 notches in Fitch rating scale but still above B+, then the Fund downgrades the investment with such counterparty to Stage 2. In case if the credit rating of the counterparty decreases below B+, then investment with such counterparty is further downgraded to Stage 3.

The Fund has set out the following definition of default:

Definition of default:

The Fund considers a financial asset to be in default when the counterparty makes default in payment of principal or profit.

Probability of Default (PD):

Through the yearly review of investments in debt instruments, the Fund shall draw a yearly transition matrix to compute account-based PD over the one-year horizon for the past 5 years. The Fund Manager reviews credit concentration of the investment portfolio based on counterparties. The credit quality of the financial assets is assessed using the external credit ratings of Fitch.

Loss Given Default (LGD):

Loss given default is defined as the forecasted economic loss in case of default. LGD computation will be based on the Fund's losses on defaulted accounts after the consideration of recovery percentages. IFRS 9 also requires that LGD be estimated in collaboration with the forward-looking valuation of collaterals based on macro-economic factors. LGD computation is independent of the assessment of credit quality and thus applied uniformly across all stages.

For LGD estimation on its non-collateralised portfolio, the Fund shall compute LGD based on actual recoveries on its defaulted portfolio over a period of at least 5 years prior to the assessment date. In absence of history, bench making is performed.

Exposure at Default (EAD):

Exposure at default is an estimation of the extent that the Fund may be exposed to an obligor in the event of default. The estimation of EAD should consider any expected changes in the exposure after the assessment date. This is of importance in the case of Stage 2 assets where the point of default may be several years in the future.

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7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

Discount rate

The Fund computes effective profit rate at a contractual level. If the computation of the effective profit rate (at reporting date) is not feasible, the Fund uses the contractual profit (at reporting date) for discounting purposes.

As at 31 December 2023, the Fund has investments with credit ratings ranging from A+ to BBB-.

The amount in bank is held with reputable bank, having strong credit rating, and hence, low credit risk. Therefore, ECL is immaterial.

Discount rate (Continued)

The table below shows the maximum exposure to credit risk – financial instruments subject to impairment.

	As at 31 December 2023			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Cash and cash equivalents	1,765	-	-	1,765
Investments held at amortised cost, net	166,285	-	-	166,285
	168,050	-	-	168,050
Gross carrying amount				
ECL allowance	(19)	-	-	(19)
Net carrying amount	168,031	-	-	166,031

	As at 31 December 2022			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Cash and cash equivalents	2,800	-	-	2,800
Investments held at amortised cost, net	211,449	-	-	211,449
	214,249	-	-	214,249
Gross carrying amount				
ECL allowance	(49)	-	-	(49)
Net carrying amount	214,200	-	-	214,200

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7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued)

Market concentration of the commodity murabaha investment portfolio of the Fund is disclosed in the table below:

	As at 31 December 2023		As at 31 December 2022	
	% of Total Gross value	Gross value	% of Total Gross value	Gross value
Saudi market	100%	5,005	100%	35,522
Total	100%	5,005	100%	35,522

Market concentration of the sukuk investment portfolio of the Fund, is disclosed in the table below:

	As at 31 December 2023		As at 31 December 2022	
	% of Total Gross value	Gross value	% of Total Gross value	Gross value
Saudi market	100%	161,280	100%	175,927
Total	100%	161,280	100%	175,927

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's terms and conditions provide for subscription and redemption of units on every Valuation Day and it is, therefore, exposed to the liquidity risk of meeting redemptions at any time. The Fund's securities are considered to be readily realisable and they can be liquidated at any time. However, the Fund Manager has established certain liquidity guidelines for the Fund and monitors liquidity requirements on a regular basis to ensure sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by obtaining financing from the related parties of the Fund.

Fund settles its financial liabilities relating to accrued management fee and other expenses on quarterly basis.

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7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The maturity profile of financial assets and financial liabilities is as follows:

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
As at 31 December 2023					
Financial assets					
Cash and cash equivalents	1,765	-	-	-	1,765
Investments held at amortised cost, net	2,000	3,000	3,750	157,516	166,266
	3,765	3,000	3,750	157,516	168,031
Financial liabilities					
Accrued management fee	-	-	8	-	8
Accruals and other liabilities	-	-	56	-	56
	-	-	64	-	64
Liquidity gap	1,765	-	166,202	-	167,976
As at 31 December 2022					
Financial assets					
Cash and cash equivalents	2,800	-	-	-	2,800
Investments held at amortised cost, net	-	-	211,400	-	211,400
	2,800	-	211,400	-	214,200
Financial liabilities					
Accrued management fee	-	-	10	-	10
Accruals and other liabilities	-	-	39	-	39
	-	-	49	-	49
Liquidity gap	2,800	-	211,351	-	214,151

7.2 Capital risk management

The capital of the Fund is represented by the equity attributable to the holders of redeemable units. The amount of equity attributable to holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of Unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to monitor the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate and adjust the amount of distributions which the Fund may pay to the Unitholders. The Fund Board and Investment Manager monitor capital on the basis of the value of equity attributable to redeemable Unitholders.

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8 FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 December 2023	Amortised cost
Financial assets as per statement of financial position	
Cash and cash equivalents	1,765
Investments held at amortised cost, net	166,266
Total	168,031
Financial liabilities as per statement of financial position	
Accrued management fee	8
Accruals and other liabilities	56
Total	64
As at 31 December 2022	Amortised cost
Financial assets as per statement of financial position	
Cash and cash equivalents	2,800
Investments held at amortised cost, net	211,400
Total	214,200
Financial liabilities as per statement of financial position	
Accrued management fee	10
Accruals and other liabilities	39
Total	49

9 FAIR VALUE ESTIMATION

The fair value of financial instruments traded in active markets is based on quoted market prices at the close of trading on the reporting date. Instruments for which no sale was reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

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

The estimated fair value financial liabilities is not considered to be significantly different from their carrying values.

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9 FAIR VALUE ESTIMATION (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) measured at fair value at 31 December;

As at 31 December 2023	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	1,765	-	-	1,765	1,765
Investments held at amortised cost, net	166,266	166,266	-	-	166,266
	168,031	166,266	-	1,765	168,031
Financial liabilities not measured at fair value					
Accrued management fee	8	-	-	8	8
Accrual and other liabilities	56	-	-	56	56
	64	-	-	64	64

As at 31 December 2022	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	2,800	-	-	2,800	2,800
Investments held at amortised cost, net	211,400	211,400	-	-	211,400
	214,200	211,400	-	2,800	214,200
Financial liabilities not measured at fair value					
Accrued management fee	10	-	-	10	10
Accrual and other liabilities	39	-	-	39	39
	49	-	-	49	49

10 EFFECT ON EQUITY ATTRIBUTABLE TO UNITHOLDERS IF EXPECTED CREDIT LOSSES ARE NOT RECOGNISED

i) Expected credit losses on financial assets is set out below:

	As at 31 December 2023	As at 31 December 2022
ECL on financial assets	19	49
Units in issue in thousands	15,997	20,802
Per unit share in ECL allowance	0.0012	0.0024

ii) The equity attributable to the Unitholders, before expected credit losses is set out below

	As at 31 December 2023	As at 31 December 2022
Equity value per unit after considering expected credit losses as per these financial statements	10.5003	10.2980
Per unit share in ECL allowance	0.0012	0.0024
Equity per unit before ECL allowance	10.5015	10.3004

ALBILAD DIVERSIFIED SAR FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Saudi Riyals '000' unless otherwise stated)

11 LAST VALUATION DAY

In accordance with the Terms and Conditions of the Fund, the last valuation day for the purpose of preparation of the financial statements was 31 December 2023 (31 December 2022).

12. INFORMATIVE ZAKAT RETURN SUBMISSION

In accordance with article 3 of Zakat Collection Rules for Investing in Investment Funds, stipulates that all investment funds or real estate investment funds approved to be established by the CMA after the effective date of the resolution (1 January 2023), must register with ZATCA for Zakat purposes before the end of the first fiscal year from the date of the approval on their establishment and submit an informative zakat return within 120 days of fiscal year end. The Fund received its registration certificate no. 030-23-1-0581 from ZATCA on 16 March 2021. The Fund will submit the informative zakat return in due course.

The responsibility of paying zakat on investment in the Fund's units remains with the unitholders and the Fund does not have the zakat obligation.

13 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund Board on 26 March 2024.