

التقرير النصف سنوي إلى مالكي الوحدات لسنة 2024 صندوق البلاد المتنوع بالريال السعودي

ج) مدير الصندوق

1) اسم مدير الصندوق وعنوانه:

شركة البلاد للاستثمار " البلاد المالية "

8162 طريق الملك فهد الفرعي - العليا، الرياض 12313-3701

المملكة العربية السعودية

هاتف: +966 920003636

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 للنشطة 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 2.86% حيث حقق الصندوق 0.87% مقارنة بأداء المؤشر الاسترشادي البالغ 3.72% .

5) تفاصيل أي تغيرات حدثت على شروط وأحكام الصندوق خلال الفترة:

لا يوجد.

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.

المقر الرئيسي للبلاد المالية:

هاتف: +966 920003636

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 و أحكام الصندوق.

جميع الحقوق محفوظة لشركة البلاد للاستثمار © 2024 ، سجل تجاري رقم: 1010240489 ، ترخيص هيئة السوق المالية رقم: 08100-37.

التقرير النصف سنوي إلى مالكي الوحدات لسنة 2024

صندوق البلاد المتنوع بالريال السعودي

(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:

لا يوجد.

(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 أوجبّت اللائحة تضمينها بهذا التقرير:

الصندوق	التاريخ	نوع المخالفة	السبب	المدة الزمنية لمعالجة المخالفة
صندوق البلاد المتنوع بالريال السعودي	20/06/2022	قيود الاستثمار	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:

لا يوجد.

و) مراجع الحسابات:

(1) اسم مراجع الحسابات وعنوانه:

برايس ووترهاوس كوبرز "pwc"

ص.ب. 8282 الرياض 11482 المملكة العربية السعودية

هاتف: +966 11 211 0400

موقع الانترنت: www.pwc.com

ز) القوائم المالية:

تم اعداد القوائم المالية لفترة المحاسبة النصف سنوية لصندوق الاستثمار وفقا للمعايير المحاسبية المعتمدة من الهيئة السعودية للمحاسبين القانونيين. (مرفق القوائم المالية).

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فاكس: +966 11 2906299
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**ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED MUTUAL FUND MANAGED BY
ALBILAD INVESTMENT COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS AND THE FUND MANAGER**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

**ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

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Report on review of interim condensed financial statements

To the Unitholders and Fund Manager of
Albilad Diversified SAR Fund

Introduction

We have reviewed the accompanying interim statement of financial position of Albilad Diversified SAR Fund (the "Fund") as at 30 June 2024 and the related interim statements of comprehensive income, changes in equity attributable to the Unitholders and cash flows for the six-month period then ended and other explanatory notes. Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements 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 these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers



Mufaddal A. Ali
License Number 447

11 August 2024
(7 Safar 1446H)



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

		As at 30 June 2024	As at 31 December 2023
	Note	(Unaudited)	(Audited)
Assets			
Cash and cash equivalents		5,384	1,765
Investments held at amortised cost, net	5	154,213	166,266
Prepayments and other receivables		8	6
Total assets		159,605	168,037
Liabilities			
Accrued management fee	6	148	8
Accruals and other liabilities		63	56
Total liabilities		211	64
Equity attributable to the Unitholders		159,394	167,973
Units in issue in thousands		15,050	15,997
Equity per unit in Saudi Riyals		10.5910	10.5003

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

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

		For the six-month period ended	
	Note	30 June	
		2024	2023
Income			
Profit on investments held at amortised cost:			
- Commodity Murabaha		36	579
- Sukuk		1,997	2,242
Total income		2,033	2,821
Expenses			
Management fee	6	(458)	(575)
Other expenses		(175)	(187)
Reversal of Expected credit loss (ECL) on investments held at amortised cost, net		3	10
Total expenses		(630)	(752)
Net income for the period		1,403	2,069
Other comprehensive income for the period		-	-
Total comprehensive income for the period		1,403	2,069

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

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

	For the six-month period ended 30 June	
	2024	2023
Equity at the beginning of the period (Audited)	167,973	214,219
Changes from operations		
Total comprehensive income for the period	1,403	2,069
Changes from unit transactions		
Proceeds from issuance of units	630	76,996
Payment against redemption of units	(10,612)	(112,103)
Net change from unit transactions	(9,982)	(35,107)
Equity at the end of the period (Unaudited)	159,394	181,181

	For the six-month period ended 30 June	
	2024 Units '000'	2023 Units '000'
Units at the beginning of the period (Audited)	15,997	20,802
Units issued	60	7,432
Units redeemed	(1,007)	(10,819)
Net change in units	(947)	(3,387)
Units at the end of the period (Unaudited)	15,050	17,415

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

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

	For the six-month period ended	
	30 June	
	2024	2023
Cash flows from operating activities		
Net income for the period	1,403	2,069
Adjustments for:		
Profit on investments held at amortised cost:		
- Commodity Murabaha	(36)	(579)
- Sukuk	(1,997)	(2,242)
Reversal of ECL on investments held at amortised cost, net	(3)	(10)
	(633)	(762)
Net changes in operating assets and liabilities		
Investments held at amortised cost, net	11,949	31,195
Prepayments and other receivables	(2)	2
Accrued management fee	140	181
Accruals and other liabilities	7	30
Net cash generated from operating activities	12,094	31,408
Profit received on investments in Commodity Murabaha	41	925
Profit received on investments in Sukuk	2,099	2,377
Net cash generated from operating activities	13,601	33,948
Cash flows from financing activities		
Proceeds from issuance of units	630	76,996
Payment against redemption of units	(10,612)	(112,103)
Net cash used in financing activities	(9,982)	(35,107)
Net change in cash and cash equivalents	3,619	(1,159)
Cash and cash equivalents at the beginning of the period	1,765	2,800
Cash and cash equivalents at the end of the period	5,384	1,641
<u>Supplemental information</u>		
Purchases of investments held at amortised cost	30,000	243,300
Disposal (maturity) of investments held at amortised cost	41,949	274,495

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

ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(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 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, Fund Manager considers the Fund as an independent accounting unit. Accordingly, Fund Manager prepares separate interim condensed 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 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 BASIS OF PREPARATION

These interim condensed financial statements of the Fund have been prepared in accordance with the International Accounting Standard 34 – "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024, are not necessarily indicative of the actual results for the full year ending on 31 December 2024 and final results may differ.

The interim condensed financial statements have been prepared on a historical cost conventions using accrual basis of accounting.

The principal accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those of the previous financial year except as described in note 3 below.

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

The preparation of these interim condensed 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 period in which the estimates are revised and in any future periods affected.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2023.

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

ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals '000' unless otherwise stated)

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

New standards, interpretations and amendments effective and adopted by the Fund in the current period

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. Several amendments apply for the first time in 2024, but do not have a significant impact on the interim condensed 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 – Non- current 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
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals '000' unless otherwise stated)

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (Continued)

Accounting standards issued but not yet effective and not early adopted

The following accounting standards, amendments, which will become effective from periods on or after 1 January 2025. The Fund has opted not to early adopt these pronouncements. The fund manager is in the process of making adjustment, and it is expected that they do not have a significant impact on the Fund's interim condensed financial statements.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19 - Reducing subsidiaries' 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
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Effective 1 January 2024, however, not yet endorsed by SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Effective 1 January 2024, however, not yet endorsed by SOCPA

ALBILAD DIVERSIFIED SAR FUND
(AN OPEN-ENDED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals '000' unless otherwise stated)

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

The Fund did not have any foreign currency transactions during the six-month period ended 30 June 2024 (2023: Nil).

5 FAIR VALUES OF FINANCIAL INSTRUMENTS

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 sales were 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 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 of the Fund's financial assets and financial liabilities is not considered to be significantly different from their carrying values.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) value at 30 June 2024 and 31 December 2023:

As at 30 June 2024 (Unaudited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	5,384	-	-	5,384	5,384
Investments held at amortised cost, net	154,213	152,715	-	-	152,715
	159,597	152,715	-	5,384	158,099
Financial liabilities not measured at fair value					
Accrued management fee	148	-	-	148	148
Accrual and other liabilities	63	-	-	63	63
	211	-	-	211	211
As at 31 December 2023 (Audited)	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

ALBILAD DIVERSIFIED SAR FUND
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals '000' unless otherwise stated)

6 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 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Expected credit losses on financial assets	16	19
Units in issue in thousands	15,050	17,415
Per unit share in expected credit losses	0.0011	0.0011

ii) The equity attributable to the unit holders, before excluding expected credit losses is set out below:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Equity value per unit after including expected credit losses as per the interim statement of financial position	10.5910	10.5003
Per unit share in expected credit losses	0.0011	0.0011
Equity per unit before expected credit losses	10.5921	10.5014

7 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.

Fund Manager charges the Fund a management fee at the rate of 0.5% (2023: 0.5%) per annum of the Fund's equity value which is calculated on each Valuation Day and deducted on monthly basis. Sharia committee fees are included within the charged management fees in line with the Fund's Terms and Conditions.

Following table summarises the details of transactions with related parties:

Related party	Nature of relationship	Nature of transaction	For the six-month period ended 30 June (Unaudited)	
			2024	2023
Albilad Investment Company	Fund Manager	Management fee	458	575
		Administration fee	78	93
		Murabaha investment placed	30,000	132,500
Bank Albilad	Parent Company of Fund Manager	Murabaha investment matured	39,200	138,500
Albilad Pure Saudi Equity Fund	Affiliate	Units purchased	-	1,743
		Units redeemed	-	1,184
Riyad Capital	Custodian of the Fund	Custody fee	39	54
	Members of the Fund			
Fund Board	Board	Fund Board fee	2	2

Following table summarizes the details of balances with related parties:

Related party	Nature of relationship	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Bank Albilad - Parent company of Fund Manager	Bank balances	45	21
Albilad Investment Company – Fund Manager	Accrued management fee	148	8
Riyad Capital - Custodian of Fund	Custody fee payable	15	9
Riyad Capital - Custodian of Fund	Balance with custodian	5,339	1,744
Members of the Fund Board	Fund Board fee payable	3	5

ALBILAD DIVERSIFIED SAR FUND
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8 FINANCIAL RISK MANAGEMENT

The financial risk management policies are consistent with those disclosed in the Fund's financial statements for the year ended 31 December 2023.

Capital management

The Fund manages its capital to ensure it will be able to continue as a going concern while maximizing the return to unitholders. The Fund's overall strategy remains unchanged from the previous periods.

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.

Foreign currency risk management

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.

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.

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.

Credit risk management

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.

The amount in bank is held with reputable bank, having strong credit rating, and hence, low credit risk. Therefore, ECL is immaterial. The Fund is exposed to credit loss on Sukuk and commodity Murabaha investments carried at amortized cost and recorded an allowance for ECL amount to SR 16 thousands as at 30 June 2024. (31 December 2023: SR 19 thousands).

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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8 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

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

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

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
As at 30 June 2024 (Unaudited)					
Financial assets					
Cash and cash equivalents	5,384	-	-	-	5,384
Investments held at amortised cost, net	-	-	-	154,213	154,213
	5,384	-	-	154,213	159,597
Financial liabilities					
Accrued management fee	-	-	148	-	148
Accruals and other liabilities	-	-	63	-	63
	-	-	211	-	211
Liquidity gap	5,384	-	(211)	154,213	159,386
	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
As at 31 December 2023 (Audited)					
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	3,765	3,000	3,686	157,516	167,967

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9 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and financial liabilities as at 30 June 2024 and 31 December 2023, were classified under amortized cost category except for investments held at FVSI which are classified as and measured at fair value.

10 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments as at 30 June 2024 (2023: Nil)

11 SUBSEQUENT EVENTS

There are no events / transactions that require adjustments to or disclosure to these interim condensed Financial Statements

12 LAST VALUATION DAY

In accordance with the Terms and Conditions of the Fund, the last valuation day for the purpose of preparation of the interim condensed financial statements for the period was 30 June 2024 (31 December 2023).

13 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Fund Board on 7 August 2024 (3 Safar 1446H).