

**Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital 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

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Interim Condensed Financial Statements (Unaudited)
For the six-month period ended 30 June 2024

Index	Page
Report on review of interim condensed financial statements	1
Interim condensed statement of financial position	2
Interim condensed statement of comprehensive income	3
Interim condensed statement of changes in equity attributable to the Unitholders	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial statements	6 - 13



Report on review of interim condensed financial statements

To the Unitholders and the Fund Manager of
Audi Income Fund

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Audi Income Fund (the "Fund") as of 30 June 2024 and the related interim condensed 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

A blue ink signature, appearing to be 'Khalid A. Mahdhar', written over a horizontal line.

Khalid A. Mahdhar
License Number 368

8 August 2024

Audi Income Fund
Open-Ended Mutual Fundo
(Managed by Audi Capital Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts in United States Dollar unless otherwise stated)

		As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Assets	Note		
Cash and cash equivalents		42,443	1,213
Investments carried at fair value through profit or loss (FVPL)	5	1,692,966	2,789,663
Special commission receivable and other assets		27,394	36,380
Total assets		1,762,803	2,827,256
Liabilities			
Management fee payable	7	1,062	3,439
Custody and administration fee payable		2,623	2,716
Other accrued expenses	8	33,261	34,218
Total liabilities		36,946	40,373
Equity attributable to the Unitholders		1,725,857	2,786,883
Units in issue (number)		212,611.78	332,611.94
Equity per unit in USD Dollars		8.1174	8.3788

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
(All amounts in United States Dollar unless otherwise stated)

		For the six-month period ended 30 June	
	Note	2024	2023
<u>Income</u>			
Net (loss) / gain from investments carried at FVPL	6	(12,817)	11,788
Special commission income		47,730	96,453
Total income		34,913	108,241
<u>Expenses</u>			
Management fee expense	7	(7,831)	(14,726)
Other expenses	9	(37,130)	(38,078)
Total expenses		(44,961)	(52,804)
Net (loss) / income for the period		(10,048)	55,437
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(10,048)	55,437

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

Audi Income Fund**Open-Ended Mutual Fund****(Managed by Audi Capital Company)****INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)**

(All amounts in United States Dollar unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2024	2023
Equity attributable to the Unitholders at the beginning of the period		2,786,883	4,400,231
Changes from operations			
Total comprehensive loss for the period		(10,048)	55,437
Changes from unit transactions			
Issuance of units		-	-
Redemption of units		(988,570)	(1,495,474)
		(988,570)	(1,495,474)
Dividends paid during the period	10	(62,408)	(107,790)
Equity attributable to the Unitholders at the end of the period		1,725,857	2,852,404

Transactions in units for the period ended 30 June are summarised as follows:

	For the six-month period ended 30 June	
	2024	2023
	Units	Units
Units at the beginning of the period	332,611.78	508,927.87
Units issued during the period	-	-
Units redeemed during the period	(120,000)	(174,674.06)
	(120,000)	(174,674.06)
Units at the end of the period	212,611.78	334,253.81

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in United States Dollar unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2024	2023
Cash flows from operating activities			
Net (loss) / income for the period		(10,048)	55,437
Adjustment for:			
Net movement in unrealized gain on investments at FVPL	6	(58,102)	(73,548)
		(68,150)	(18,111)
Net changes in operating assets and liabilities:			
Investments carried at FVPL		1,154,799	1,535,894
Special commission receivables		8,986	17,950
Management fee payable		(2377)	(949)
Custody and administration fees payable		(93)	(85)
Other accrued expenses		(957)	3,599
Net cash generated from operating activities		1,092,208	1,538,298
Cash flows from financing activities:			
Payments against units redeemed		(988,570)	(1,495,474)
Dividends paid	10	(62,408)	(107,790)
Net cash used in financing activities		(1,050,978)	(1,603,264)
Net change in cash and cash equivalents		41,230	(64,966)
Cash and cash equivalents at the beginning of the period		1,213	150,349
Cash and cash equivalents at the end of the period		42,443	85,383
<u>Supplemental information</u>			
Purchases of investments		285,171	53,250
Sales of investments		1,374,288	1,543,309

The accompanying notes from 1 to 16 form an integral part of these interim condensed financial statements.

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2024
(All amounts in United States Dollar unless otherwise stated)

1 GENERAL

Audi Income Fund (the “Fund”) is an open-ended fund created by an agreement between Audi Capital Company (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The Fund was established on 5 Jumada Al-Akhirah 1440H (corresponding to 10 February 2019) as per approval from the Capital Market Authority (“CMA”) and commenced its operations on 6 Sha’ban 1440H (corresponding to 11 April 2019).

The objective of the Fund is to distribute income to its Unitholders through investing in local, regional market and international sukuk.

The Fund has appointed HSBC Saudi Arabia to act as its custodian (the “Custodian”) and administrator (the “Administrator”). The fees of the custodian’s and administrator’s services are paid by the Fund.

The address of the Fund Manager is as follows: Audi Capital Company
Centria Building - 3rd Floor - 2908 Prince Muhammad Ibn Abdulaziz Road
Al Olaya - Unit No. 28, Ar Riyadh 12241-6055 Kingdom of Saudi Arabia

2 REGULATING AUTHORITY

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Fund’s last annual financial statement for the year ended 31 December 2023. The results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments held at fair value through profit or loss (FVPL) which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

3.3 Functional and Presentation Currency

Items included in the 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 United States Dollar (“USD”) which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into USD using the exchange rates prevailing at date of the interim condensed statement of financial position. Foreign exchange gains and losses, if any, arising from translation are included in the interim condensed statement of comprehensive income.

4 MATERIAL ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2023. Certain new standards, amendments and interpretations apply for the first time in 2024, as mentioned below, but do not have an impact on the interim condensed financial statements of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund’s interim condensed financial statements. The management believe that these no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable, when effective.

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2024
(All amounts in United States Dollar unless otherwise stated)

4 MATERIAL ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments adopted by the Fund

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024. The management has assessed that the amendments have no significant impact on the Fund's interim condensed financial statements.

Standard, interpretation, amendments	Description	Effective date
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.	Annual periods beginning on or after 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 Group'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.	Annual periods beginning on or after 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.	Annual periods beginning on or after 1 January 2024.

The following standards and interpretations had been issued but were not mandatory for annual reporting periods commencing on or after 1 January 2025.

Standard, interpretation, amendments	Description	Effective date
Amendment to IFRS 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
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.	Available for optional adoption/effective date deferred indefinitely
IFRS 18 – Presentation and disclosure in financial statements	IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 might require system and process changes for many entities.	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

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2024
(All amounts in United States Dollar unless otherwise stated)

5 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)

The composition of the investment's portfolio on the last valuation as at 30 June 2024 is summarised below:

	30 June 2024 (Unaudited)			Cumulative unrealised (loss)
	% of Fair Value	Cost	Fair value	
Investments in Sukuks	100%	1,722,600	1,692,966	(29,634)
	100%	1,722,600	1,692,966	(29,634)

The composition of the investment's portfolio as at 31 December 2023 is summarised below:

	31 December 2023 (Audited)		
	% of Fair Value	Cost	Fair Value
Investments in Sukuks	99%	2,863,907	2,775,398
Murabaha placement	1%	13,639	14,265
	100%	2,877,546	2,789,663

The composition of investments in Sukuks as at 30 June 2024, is summarised below:

Investment name	Maturity date	30 June 2024 (Unaudited)
<i>Sukuk</i>		
Dar AlArkan Sukuk Co Ltd	26 February 2027	247,316
DIB Tier 1 Sukuk 3 Ltd	22 January 2025	199,750
DP World Salaam	1 October 2025	198,611
Nogaholding Sukuk Ltd	8 April 2029	193,250
Emaar Sukuk Ltd	15 September 2026	191,699
MAR Sukuk Ltd	2 September 2025	191,564
QIB Sukuk Ltd	27 October 2025	190,120
Saudi Government International	3 February 2027	280,656
TOTAL		1,692,966

The composition of investments in Sukuks and Murabaha placement as at 31 December 2023, is summarised below:

Investment name	Maturity date	31 December 2023 (Audited)
<i>Sukuk</i>		
Emaar Sukuk Ltd	15 September 2026	191,491
ICD Sukuk Co Ltd	1 February 2027	297,042
Arabian Centres Sukuk Ltd	26 November 2024	291,623
DIB Tier 1 Sukuk 3 Ltd	22 January 2025	199,500
DP World Salaam	1 October 2025	199,397
KIB Tier 1 Sukuk Ltd	10 June 2024	196,555
MAF Sukuk Ltd	14 May 2029	195,570
Nogaholding Sukuk Ltd	8 April 2029	195,750
Dar AlArkan Sukuk Co Ltd	26 February 2027	247,106
Saudi Government International B	2 February 2033	207,332
MAR Sukuk Ltd	2 September 2025	188,825
QIB Sukuk Ltd	27 October 2025	187,914
SA Global Sukuk Ltd	17 June 2031	177,293
		2,775,398
Murabaha placement		
Al Khair Capital SAH0157	30 January 2024	14,265
Total		2,789,663

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2024
(All amounts in United States Dollar unless otherwise stated)

6 NET (LOSS) / GAIN FROM INVESTMENTS CARRIED AT FVPL

	For the six-month period ended	
	30 June 2024	30 June 2023
Realized loss from sale of investments carried at FVPL	(70,919)	(61,760)
Change in fair value of investments carried at FVPL	58,102	73,548
	(12,817)	11,788

7 TRANSACTIONS WITH RELATED PARTIES

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties of the Fund comprise Audi Capital Company (being the Fund Manager), the Fund Board and administrator of the Fund and mutual funds managed by the Fund Manager.

In the ordinary course of its activities, the Fund transacts business with Fund Manager and related parties. Related party transactions are governed by limits set by the regulations issued by CMA. All the related party transactions are undertaken at mutually agreed prices and approved by the Fund Manager. These transactions were carried out on the basis of approved Terms and Conditions of the Fund.

During the period, the Fund entered into the following transaction with related parties in the ordinary course of business:

Related Party	Relationship	Nature of transaction	Amount of transaction for the six-month period ended		Closing balance payable As at	
			30 June 2024	30 June 2023	30 June 2024 (Unaudited)	31 December 2023 (Audited)
		Fund management fee	7,831	14,726	1,062	3,439
Audi Capital	Fund Manager	Investment in Fund's units	-	(40,000)	65,000	65,000
Bank Audi Suisse	Shareholder of Fund Manager	Investment in Fund's units	-	(130,000)	34,889	34,889
Fund Board	Fund Board	Board fee	1,327	1,319	-	-

Management fee and other transactions

The Fund pays a management fee calculated at an annual rate of 0.75 % (2023: 0.75%) of the net asset value. The calculation of the management fee is done on a daily basis and the payment is made on the first valuation day of the following month.

Expenses paid by the Fund Manager on behalf of the Fund are reimbursed from the Fund.

Management fee expenses are disclosed in the inteirm condensed statement of comprehensive income while board compensation is disclosed in note 9 to the interim condensed financial statements. Management fee payable is disclosed on the interim condensed statement of financial position.

Trade transactions on the Saudi Exchange are executed through the Fund Manager.

Units held by related parties

The Unitholders' account as at 30 June 2024 included 99,889 units (31 December 2023: 99,889 units), held by affiliates of the Fund Manager.

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2024
(All amounts in United States Dollar unless otherwise stated)

8 OTHER ACCRUED EXPENSES

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Shariah fee	22,133	26,721
Professional fees	8,634	3,467
Standard and Poor Index benchmark fee	2,494	4,030
	33,261	34,218

9 OTHER EXPENSES

	For the six-month period ended 30 June 2024	30 June 2023
Administrative fee	7,957	7,935
Custody fee	7,957	7,935
VAT expense	4,574	5,601
Professional fees*	6,000	6,000
Shariah fee	3,978	3,967
Benchmark fee	3,491	3,471
Board fee	1,327	1,319
Other	1,846	1,850
	37,130	38,078

* This includes auditor's remuneration for the statutory audit and interim review of the Fund's financial statements and interim condensed financial statements for the year ending 31 December 2024 amounting to USD 8,000 and USD 4,000 respectively. (2023: USD 8,000 and USD 4,000 respectively).

10 DIVIDENDS

The Fund distributed the following dividends during the period ended 30 June 2024:

Date of distribution	Total amount of dividend
14 January 2024	28,219
4 April 2024	34,189
	62,408

The Fund distributed the following dividends during the period ended 30 June 2023:

Date of distribution	Total amount of dividend
10 January 2023	48,095
6 April 2023	59,695
	107,790

11 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 2 of the fair value hierarchy. Investments classified at level 2 include bonds and sukuk for which market quotes are not available. These are fair valued using simple discounted cash flow techniques that use observable market data inputs for yield curves and credit spreads. Management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. There were no transfers between various levels of fair value hierarchy during the current year or prior period.

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2024
(All amounts in United States Dollar unless otherwise stated)

12 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

	Within 12 months	After 12 months	Total
As at 30 June 2024 (Unaudited)			
Assets			
Cash and cash equivalents	42,443	-	42,443
Investments carried at FVPL	199,750	1,493,216	1,692,966
Special commission receivable and other assets	27,394	-	27,394
Total assets	269,587	1,493,216	1,762,803
Liabilities			
Management fee payable	1,062	-	1,062
Custody and administration fee payable	2,623	-	2,623
Other accrued expenses	33,261	-	33,261
Total liabilities	36,946	-	36,946
As at 31 December 2023 (Audited)			
Assets			
Cash and cash equivalents	1,213	-	1,213
Investments at FVPL	2,789,663	-	2,789,633
Special commission receivable and other assets	36,380	-	36,380
Total assets	2,827,256	-	2,827,256
Liabilities			
Management fee payable	3,439	-	3,439
Custody and administration fee payable	2,716	-	2,716
Other accrued expenses	34,218	-	34,218
Total liabilities	40,373	-	40,373

13 FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risks are generally managed on the basis of external credit ratings of the counterparties. The Fund Manager seeks to limit its credit risk by monitoring credit exposure and by dealing with reputed counterparties.

The table below shows the Fund's maximum exposure to credit risk for the components of the statement of financial position at each reporting date.

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Cash and cash equivalents	42,443	1,213
Special commission receivable and other assets	27,394	36,380
	69,837	37,593

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2024
(All amounts in United States Dollar unless otherwise stated)

13 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

All accrued special commission are expected to be received in six months or less. The management has conducted a review for allowance for impairment as required under IFRS 9 and based on such assessment, the management believes that there is no significant impairment allowance is required.

Credit risk on bank balances is limited as these are held with banks with sound credit ratings.

Management believes that receivable from investment sold does not pose any significant credit risk for the Fund.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities that are settled by delivering cash or another financial asset.

The Fund's terms and conditions provide for the terms of subscriptions and redemptions of units and it is, therefore, exposed to the liquidity risk of meeting Unitholder redemptions. The Fund's investments are considered to be readily realizable. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise.

The undiscounted value of the financial liabilities of the Fund at the reporting date approximate their carrying values and are all settled within one year from the reporting date.

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and special commission rates will affect the Fund's income or the fair value of its holdings in financial instruments.

The following table demonstrates the sensitivity of the Fund's statement of comprehensive income for the period to a reasonably possible change in market values, with all other variables held constant. The Fund's strategy for the management of market risk is driven by the Fund's investment objective as per Fund's terms and conditions. The Fund's market risk is managed on a timely basis by the Fund Manager in accordance with the policies and procedures in place. The Fund's market positions are monitored on a timely basis by the Fund Manager.

	Impact on interim condensed statement of comprehensive income
Change in market value	
For the period ended 30 June 2024	
Increase by 5%	84,648
Decrease by 5%	(84,648)
For the period ended 30 June 2023	
Increase by 5%	138,367
Decrease by 5%	(138,367)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund invests in financial instruments and enters into transactions that are denominated in USD Dollar, which is the Fund's functional currency, and therefore management believes that the Fund is not exposed to any significant currency risk.

The Fund's currency risk is managed on a timely basis by the Fund Manager in accordance with the policies and procedures in place.

Audi Income Fund
Open-Ended Mutual Fund
(Managed by Audi Capital Company)
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2024
(All amounts in United States Dollar unless otherwise stated)

13 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Special commission rate risk

Special commission rate risk is the risk that the financial instruments will fluctuate due to changes in the market special commission rates. The Fund is subject to special commission rate risk or future risks on its special commission bearing assets including its investments in Sukuk.

The following table demonstrates the sensitivity of the Fund's statement of comprehensive income for the period to a reasonably possible change in interest rates, with all other variables held constant. There is no sensitivity effect on other comprehensive income (OCI) as the Fund has no assets designated as fair value through other comprehensive income or hedging instruments. In practice, the actual trading results may differ from the below sensitivity analysis and the difference could be significant.

	Impact on interim condensed statement of comprehensive income
Change in profit rate	
For the period ended 30 June 2024	
Increase by 1%	16,930
Decrease by 1%	(16,930)
For the period ended 30 June 2023	
Increase by 1%	23,748
Decrease by 1%	(23,748)

14 SUBSEQUENT EVENTS

As of the date of approval of these interim condensed financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these interim condensed financial statements.

15 LAST VALUATION DAY

The last valuation day of the period was 30 June 2024 (31 December 2023).

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements was approved and authorized for issue by the Fund's Board on 6 August 2024 (corresponding to 2 Safar 1446H).