

Jadwa Global Sukuk Fund

2024 Annual Report



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Investment Fund Information

Fund Name

Jadwa Global Sukuk Fund

Benchmark

Jadwa IdealRatings Global Sukuk Index (TR)

Inception Date

Unit Class 'A': March 22, 2018G
Unit Class 'B': October 08, 2007G
Unit Class 'C': March 22, 2018G
Unit Class 'D': February 24, 2020G

Investment Objective and Policies

The Fund aims to generate market returns by investing in a diversified portfolio of local, regional and global Sukuks.

The Fund's assets are invested predominantly in a diversified portfolio of sovereign, quasi-sovereign, corporate and convertible Sukuks. The Fund may also invest in Shariah compliant project finance and structured finance transactions. Excess cash which the Fund may have from time to time would be invested in short-term Murabaha deposits. The Fund Manager does not intend to borrow funds for investment but it may at times do so to meet redemption requests.

Distribution of Income and Gain Policy

Dividends and/or income are reinvested in the Fund and not paid out or distributed to investors.

Fund Manager

Jadwa Investment Company
A Saudi Closed Joint Stock Company (registration no. 1010228782, Licensed by the Capital Market Authority under the license number 37-6034

Head Office: P.O. Box 60677, Riyadh 11555, Saudi Arabia. Phone +966 11 279-1111 Fax +966 11 279-1571

Jadwa Investment Company has been managing the Jadwa Global Sukuk Fund since its inception.

Sub Fund Manager or Investment Advisor (if any)

The fund has no sub fund manager or investment advisor.



Fund Custodian

HSBC Saudi Arabia Limited

A Saudi Closed Joint Stock Company (registration no. 1010221555, Licensed by Capital Market Authority under license number 05008-37)

Head Office: 7267 Olaya – AlMurooj, Riyadh 12283-2255, Saudi Arabia. Phone +966 920005920 Fax +966 11 299 2385

The custodian performs all mandatory functions as per the Investment Fund Regulations which specifically include taking custody and protecting fund assets on behalf of all unitholders and for taking all required administrative measures in regards to the custody of the fund's assets.

Fund Auditor

KPMG Professional Services (previously known as KPMG Al Fozan & Partners Certified Public Accountants)

Riyadh Front, Airport Road

P.O. BOX 92876

Al Riyadh 11663

Kingdom of Saudi Arabia

Website: www.kpmg.com

Fund Operator

Jadwa Investment Company

A Saudi Closed Joint Stock Company (registration no. 1010228782, Licensed by Capital Market Authority under license number 37-6034)

Head Office: P.O.Box 60677, Riyadh 11555, Saudi Arabia. Phone +966 11 279-1111 Fax +966 11 279-1571

Jadwa is acting as the Fund Operator of Jadwa Global Sukuk Fund and is responsible to handle all duties and responsibilities as outlined in the IFR, some of which include maintaining the books and records of the fund, records of all units issued and cancelled as well as the outstanding balance in a unit holding register while ensuring that all guidelines related to record keeping are adhered to.



As of December 31 st	Net Asset Value (USD)	Net Asset Value per Unit (USD)			Number of Units	Expense Ratio (%)
		Ending	Highest	Lowest		
2022						
Unit Class 'A'*	52,637,068.35	97.8011	103.5601	95.1513	538,205.3277	0.71
Unit Class 'B'	19,640,590.18	133.1036	141.3449	129.5656	147,558.7196	1.01
Unit Class 'C'	439,500.78	104.3655	110.3532	101.5110	4,211.1708	0.57
Unit Class 'D'	-	-	-	-	-	-
2023						
Unit Class 'A'*	47,992,897.97	102.7457	102.8119	97.6445	467,103.8500	0.74
Unit Class 'B'	21,239,792.87	139.4315	139.5246	132.8872	152,331.4219	1.03
Unit Class 'C'	462.385.28	109.7997	109.8691	104.2819	4,211.1708	0.60
Unit Class 'D'	-	-	-	-	-	-
2024						
Unit Class 'A'*	52,985,636.27	107.1897	109.2005	102.0461	494,316.4900	0.74
Unit Class 'B'	32,233,067.10	145.0446	147.8712	138.4723	222,228.6600	1.02
Unit Class 'C'	483,078.47	114.7136	116.8238	109.0559	4,211.1700	0.59
Unit Class 'D'	-	-	-	-	-	-



Fund Manager's Commentary

The year 2024 saw heightened volatility across global asset markets, driven by geopolitical tensions, economic shifts, and monetary policy changes. The Federal Reserve reversed its tightening stance, delivering four cuts in the second half of the year—from 5.5% to 4.5%—to support slowing growth and moderate inflation. This led to a weaker U.S. dollar, influencing global fixed income markets.

Fixed income markets had mixed performance. The IBOXX USD Liquid Investment Grade Total Return Index posted a modest 1.15% gain, while emerging market bonds outperformed, with the Bloomberg Emerging Markets Hard Currency Aggregate Index returning 6.91%. Sukuk markets followed a similar trend, with DJ Sukuk TR Index gaining 3.43%, supported by strong demand and favorable market conditions.

For 2024, Jadwa Global Sukuk Fund (Class B) delivered a total return of 4.03%, underperforming its benchmark (Jadwa Ideal Ratings Global Sukuk Index (TR)) by -1.01%. Since inception, the fund has achieved an annualized return of 2.18%, with annualized underperformance of -0.89%.

Looking Forward

The fund will continue to focus on high-quality Sukuk investments with attractive valuations, identifying opportunities that offer strong risk-adjusted returns in a shifting global fixed income market.

For more details on performance, please refer to the Fund Performance section.



Turnover

	2024
Fund	15.26%

Allocation

	% of Net Assets 31-Dec-2023		% of Net Assets 31-Dec-2024
Sukuk	99.88%	Sukuk	96.08%
Net Cash	0.12%	Net Cash	3.92%
Total	100.00%	Total	100.00%

Top 3 Geographical Allocations

Country	% of Net Assets 31-Dec-2023	Country	% of Net Assets 31-Dec-2024
Saudi Arabia	43.98%	Saudi Arabia	40.93%
UAE	19.39%	UAE	20.24%
Bahrain	8.11%	Indonesia	10.01%



Fund Performance

Time-weighted net total returns presented below are computed on the unit price of the fund in any given period.

Class 'A'	1-Year	3-Year	5-Year	Since Inception
Fund	4.33%	3.60%	-	7.19%
Benchmark	5.04%	5.80%	-	10.76%

*Inception: August 27, 2020

Class 'B'	1-Year	3-Year	5-Year	Since Inception
Fund	4.03%	2.71%	5.89%	45.04%
Benchmark	5.04%	5.80%	13.38%	68.53%

*Inception: June 30, 2007

Class 'C'	1-Year	3-Year	5-Year	Since Inception
Fund	4.48%	4.05%	8.20%	14.71%
Benchmark	5.04%	5.80%	13.38%	29.28%

*From Inception: March 22, 2018

Class 'D'	1-Year	3-Year	5-Year	Since Inception
Fund	-	-	-	-
Benchmark	-	-	-	-

*There were no unitholders in Unit Class 'D'

Fund	Class 'A'	Benchmark	Variance
2018*	0.95%	3.06%	-2.11
2019**	1.24%	3.01%	-1.77%
2020***	2.75%	2.91%	-0.16%
2021	0.69%	1.73%	-1.04%
2022	-5.47%	-5.40%	-0.07%
2023	5.06%	6.48%	-1.42%
2024	4.33%	5.04%	-0.71%

*Unit Class A return is from March 21, 2018 till December 31, 2018

**Unit Class A return is from December 31, 2018 till March 19, 2019

***Unit Class A return is from August 27, 2020 till December 31, 2020



Fund	Class 'B'	Benchmark	Variance
2013	0.94%	1.27%	-0.33%
2014	3.95%	1.24%	2.71%
2015	0.92%	1.33%	-0.41%
2016	2.26%	1.77%	0.49%
2017	2.27%	2.29%	-0.02%
2018	0.42%	3.71%	-3.29%
2019	4.26%	10.63%	-6.37%
2020	2.68%	5.35%	-2.67%
2021	0.40%	1.73%	-1.33%
2022	-5.74%	-5.40%	-0.34%
2023	4.75%	6.48%	-1.73%
2024	4.03%	5.04%	-1.01%

Fund	Class 'C'	Benchmark	Variance
2018*	1.15%	3.06%	-1.91%
2019	4.81%	10.63%	-5.82%
2020	3.13%	5.35%	-2.22%
2021	0.83%	1.73%	-0.89%
2022	-5.33%	-5.40%	0.07%
2023	5.21%	6.48%	-1.27%
2024	4.48%	5.04%	-0.56%

*Unit Class C inception date is March 22, 2018



Fund Expenses

	Expenses for 2024 (USD)			
	Class "A"	Class "B"	Class "C"	Class "D"
Management Fees	256,131.84	188,612.12	1,775.3	-
Fund Board	2,174.64	1,013.77	20.63	-
Auditing Fees	5,741.61	2,805.06	53.39	-
Custodian's Fees	15,690.13	7,337.93	148.25	-
Legal Expenses	-	-	-	-
Cost of Sharia-compliant finance (when required)	-	-	-	-
Registration / Fees of Unit Processing	-	-	-	-
Other expenses	99,356.75	51,851.53	800.00	-
Total	379,094.97	251,620.41	2,797.57	-
Total Expenses Ratio	0.74	1.02	0.59	-

The fund manager may elect to waive or rebate all or part of the subscription fee.



Disclosures

Material Changes

There were no material changes that were implemented in the terms and conditions during 2024. For complete details please refer to the Fund's terms & conditions.

Investment in Other Funds

The fund has not invested in any other funds during 2024.

Fund Manager's Investment in the Fund

The fund manager's investment in the fund as of December 31, 2024 was USD 2,045,818.08.

Percentage of borrowed assets from the total asset value, the period of their exposure period and due date (if any)

The fund does not have any borrowed assets during 2024.

Disclosure related to special commissions

The fund manager may receive (brokerage) research from third parties with whom trades are executed for the fund and client portfolios, which is used in managing investments across such portfolios.

Exercise of Voting Rights

The fund manager did not participate in any general assembly on behalf of the fund.

For additional information please refer to the Terms & Conditions available on www.jadwa.com

Kindly refer to Annex A for auditor statement and financial statements.



Fund Board

Members of the fund's board of directors:

- A) Mr. Ghannam Al-Ghannam (Chairman of the Board)
- B) Dr. Mohammed Sultan Al-Sahli (Independent member)
- C) Dr. Walid Addas (Independent member)
- D) Mr. Amer Afiouni (Member)

There is no conflict or potential conflict of interest between the interests of the fund board members and the interest of the fund.

An overview of the qualifications of the members of the fund's board of directors:

A) Mr. Ghannam Al-Ghannam (Chairman of the Board):

Mr. Ghannam Al-Ghannam is the Head of Private and Institutional Client Investments (PICI) at Jadwa Investment Company. Prior to joining Jadwa, he was a Senior Investment Advisor to major clients at HSBC Saudi Arabia. Mr. El-Ghannam has experience in business development and wealth management, and has a distinguished approach to all sales, services, operations, operational procedures and risk management. He has been involved in organizing fundraising campaigns for various investment companies in private equity, asset management, and products real estate. He is a certified financial planner, and holds a Master's degree in Informatics from Ohio State University, USA, in addition to a Bachelor's degree in Business Administration from the University of Toledo, Ohio, USA.

B) Dr. Mohammed Sultan Al-Sahli (Independent member):

Dr. Muhammad Al-Sahli is the Head of the Accounting Department at King Saud University, a member of the Primary Committee for Zakat and Tax, and Director of the Saudi Accounting Association. Dr. Muhammad Al-Sahli has authored and published many scientific papers. He holds a PhD in Accounting from the University of Melbourne, Australia, in addition to a Master's degree in Accounting from Saint Louis University, USA, and a Bachelor's degree in Accounting from King Saud University.

C) Dr. Walid Addas (Independent member):

Dr. Walid Addas is the Deputy Director of Operations Resources Department for Development Effectiveness at the Islamic Development Bank in Jeddah. Among the previous positions held by Dr. Addas, Head of Program and Portfolio Management at the same bank, and Director of Finance and Administration at the International Energy Forum in Riyadh. He holds a Ph.D. in Economics from the International Islamic University in Malaysia, a Master's degree in Economics from the University of Essex, and a Bachelor's degree in Economics from Middlesex University, UK.

D) Mr. Amer Afiouni (Member):

Mr. Amer Afiouni joined Jadwa Investment in June 2015. His main focus is to drive strategic initiatives to enhance business growth opportunities and build organizational capabilities across the company. He has extensive business strategy and experience in management knowledge gained from serving clients across a variety of industries and functional disciplines. He is an accomplished businessman with an outstanding academic background and international exposure. This is combined with interpersonal skills and a strong team.

Prior to joining Jadwa Investments, Amer held senior positions at McKinsey & Company. He was the managing



partner of CDC Systems Middle East and IT consultant at Compagnie General d'Informatique and IBM.
Amer holds an MBA from INSEAD in France.

Description of the roles and responsibilities of the Fund Board:

The responsibility of the Fund Board shall include the following:

- A) Approving material contracts, decisions and reports involving the Fund, including, but not limited to, contracts for the provision of Fund management services, contracts for the provision of custody services, excluding contracts entered into pursuant to investment decisions regarding underlying investments made or to be made by the Fund;
- B) Approving a written policy with regard to voting rights related to the Fund's Assets;
- C) Overseeing and, where appropriate, approving or ratifying any conflicts of interest which the Fund Manager has disclosed;
- D) Meeting at least twice annually with the Fund Manager's compliance committee or its compliance officer to review the Fund Manager's compliance with all applicable rules, laws and regulations, including (without limitation) the requirements of the Investment Funds Regulations;
- E) Ensuring the completeness and accuracy of the Terms and Conditions, the Information Memorandum and any other document, contractual or otherwise, that includes disclosures relating to the Fund and the Fund Manager and its management of the Fund and ensuring compliance with the Investment Funds Regulations;
- F) Ensuring that the Fund Manager carries out its obligations in the best interests of Unitholders, in accordance with the Investment Funds Regulations, the Terms and Conditions and the Information Memorandum;
- G) Demonstrating a fiduciary duty to Unitholders, including a duty to act in good faith, a duty to act in the best interests of Unitholders and a duty to exercise all reasonable care and skill; and
- H) Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the Fund Board.

Details on the remuneration of fund board members

The Fund shall remunerate members of the Fund Board of Directors for travel expenses and other reasonable expenses incurred with regard to their obligations towards the Fund, provided that such remuneration shall not exceed 0.1% of the Fund's Assets annually.

Remuneration of Fund's independent board members for the services they rendered to the Fund is estimated to reach SAR 30,000 per annum.



All the funds boards that the relevant board member is participating in.

Currently, Board members do not manage any investment fund in the Kingdom of Saudi Arabia except for the following:

Fund Name	Ghannam Al Ghannam	Walid Addas	Muhammad Al-Sahli	Amer Afiouni
Jadwa Saudi Equity Fund	√	√	√	√
Jadwa GCC Equity Fund	√	√	√	√
Jadwa Arab Markets Equity Fund	√	√	√	√
Jadwa Global Sukuk Fund	√	√	√	√
Jadwa Saudi Riyal Murabaha Fund	√	√	√	√
Jadwa Saudi Equity Fund II	√	√	√	√
Jadwa Al-Azizia Real Estate Investment Fund	√	√	-	-
Jadwa REIT Al Haramain Fund	√	-	-	-
Jadwa REIT Saudi Fund	√	-	-	-
Al Dar Investment Fund	√	√	-	-
Al Dar Investment Fund 2	√	√	-	-
Al Nokbah Investment Fund	√	√	-	-
Al Shorfah Investment Fund	√	√	-	-
Diriyah Avenue Investment Fund	√	√	-	-
Jadwa Investment Fund 45	√	-	-	-
Real Estate Growth Fund	√	√	-	-
Zood Investment Fund	√	√	-	-
Jadwa Private Real Estate Investment Fund 10 Al Majdiah Investment Fund	-	√	-	-
Meem Investment Fund	√	-	-	-
Jadwa Private Real Estate Investment Fund 14 Oud Investment Fund	√	√	-	-
Jadwa Private Real Estate Investment Fund 15	√	√	-	-
Jadwa Private Real Estate Investment Fund 16 Osus Investment Fund	-	√	-	-
Al Olaya Investment Fund	√	√	-	-
Al Narjis Investment Fund	√	√	-	-
Al Sulaiman Investment Fund	√	-	-	-
Jadwa Al Mqr Investment Fund	-	√	-	-
Jadwa Private Real Estate Investment Fund 22	√	√	-	-
North Views Investment Fund	√	-	-	-
Al Dar Investment Fund 3	√	√	-	-
HomeInvestment Fund	√	-	-	-
Jadwa Private Real Estate Investment Fund 26	√	√	-	-
Jadwa Private Real Estate Investment Fund 27	√	√	-	-
Jadwa Private Real Estate Investment Fund 28	√	√	-	-



Jadwa Private Real Estate Investment Fund 29	√	√	-	-
Jadwa Private Real Estate Investment Fund 30	√	√	-	-
Capital Avenue Investment Fund	√	√	-	-
Development Landmarks	√	√	-	-
Jadwa Private Real Estate Investment Fund 33	√	√	-	-
Jadwa Private Real Estate Investment Fund 34	√	√	-	-
Thraa Investment Fund 1	√	√	-	-
Thraa Investment Fund 2	√	√	-	-
Park View Investment Fund	√	√	-	-
Jadwa North Oasis Real Estate Fund	√	√	-	-
Jadwa North Gate Real Estate Fund	√	√	-	-
Jadwa Al-Majdiah Real Estate Fund 2	√	√	-	-
Jadwa Private Real Estate Investment Fund 41	√	√	-	-
Jadwa Private Real Estate Investment Fund 42	√	√	-	-
Jadwa Hittin Jewel Real Estate Fund	√	√	-	-
Jadwa Private Real Estate Investment Fund 44	√	√	-	-
Jadwa Private Real Estate Investment Fund 45	√	√	-	-
Jadwa Private Real Estate Investment Fund 46	√	√	-	-
Jadwa Private Real Estate Investment Fund 47	√	√	-	-
Jadwa Private Real Estate Investment Fund 48	√	√	-	-
Jadwa Private Real Estate Investment Fund 49	√	√	-	-
Jadwa Private Real Estate Investment Fund 50	√	√	-	-
Jadwa private fund 52	√	-	-	-
Liwan Investment Fund (1)	√	-	-	-
Jadwa Investment Fund 12	√	-	-	-
Jadwa Investment Fund 13	√	-	-	-
Jadwa Investment Fund 14	√	-	-	-
Jadwa Investment Fund 17	√	-	-	-
Jadwa Investment Fund 20	√	√	√	-

Topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives.

Fund Board Meeting

Jadwa Head Office, Riyadh, 5th June 2024:

Discussion Topics

- Approval of minutes of previous fund board meeting held on 27th November 2023
- Compliance Officer's review of funds' compliance with rules and regulations



- MLRO report on anti-money laundering activities
- Changes to the fund T&Cs and proposed new fund custodian and administrator
- Assessment of Fund's Risk Management procedures
- Money Market Funds: stress testing of all risks outlined in T&Cs
- Economic and Market Overview
- Fund Performance Review
- Date of next fund board meeting

Jadwa Head Office, Riyadh, 25th November 2024:

Discussion Topics

- Approval of minutes of previous fund board meeting held on 5th June 2024
- Compliance Officer's review of funds' compliance with rules and regulations
- MLRO report on anti-money laundering activities
- Annual report on complaints and actions taken to resolve them
- Changes to the fund T&Cs including service providers
- Annual assessment for independent board members
- Annual assessment of performance and quality of services provided by third parties
- Launch of Jadwa Saudi Equity Fund II
- Assessment of Fund's Risk Management procedures
- Money Market Funds: stress testing of all risks outlined in T&Cs
- Economic and Market Overview
- Fund Performance Review
- Annual ratification/approval of the fund auditor, custodian, and administrator
- Fund Board's self-review on oversight capabilities
- Date of next fund board meeting

Additional Information to Unitholders

Please refer to the Fund's Terms & Conditions.



Annex A: Audited Annual and Financial Statements

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
Financial Statements
together with the
Independent Auditor's Report to the Unitholders
For the year ended 31 December 2024

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
Financial Statements
For the year ended 31 December 2024

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KPMG Professional Services Company

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

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

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Unitholders of Jadwa Global Sukuk Fund

Opinion

We have audited the financial statements of **Jadwa Global Sukuk Fund** (the "Fund") managed by Jadwa Investment Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in net assets (equity) attributable to the Unitholders and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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").

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

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority ("CMA"), the Fund's terms and conditions, and for such internal control as the 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, the 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 the 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, the Fund Board, are responsible for overseeing the Fund's financial reporting process.

Independent Auditor's Report

To the Unitholders of Jadwa Global Sukuk 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 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 judgement 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 the Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the 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, then 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 of **Jadwa Global Sukuk Fund** ("The Fund").

KPMG Professional Services Company



Nasser Ahmed Alshutairy
License No: 454



Riyadh, 24 Ramadan 1446H
Corresponding to: 24 March 2025

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Amounts in USD)

	<i>Notes</i>	<u>31 December 2024</u>	<u>31 December 2023</u>
ASSETS			
Cash and cash equivalents	7	3,531,253	200,739
Investments	8	81,336,124	68,949,395
Accrued special commission income		<u>1,019,910</u>	<u>670,101</u>
Total assets		<u>85,887,287</u>	<u>69,820,235</u>
LIABILITIES			
Management fee payable	1(c),9	149,302	77,338
Accrued expenses and other liabilities		<u>36,217</u>	<u>47,821</u>
Total liabilities		<u>185,519</u>	<u>125,159</u>
Net assets (equity) attributable to the Unitholders (USD)		<u>85,701,768</u>	<u>69,695,076</u>
Units in issuance (numbers)			
Class A		<u>494,316.49</u>	<u>467,103.85</u>
Class B		<u>222,228.66</u>	<u>152,331.42</u>
Class C		<u>4,211.17</u>	<u>4,211.17</u>
Net asset (equity) value attributable to each unit (USD)			
Class A		<u>107.1897</u>	<u>102.7457</u>
Class B		<u>145.0446</u>	<u>139.4315</u>
Class C		<u>114.7136</u>	<u>109.7997</u>

The accompanying notes (1) to (16) form an integral part of these financial statements

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Amounts in USD)

	<i>Notes</i>	31 December 2024	31 December 2023
(Loss)/Gain on investments, net	8.1	(257,472)	1,279,822
Special commission income		3,565,781	2,744,526
Total income		3,308,309	4,024,348
Management fees	1(c), 9	(513,497)	(458,108)
Other operating expenses		(119,392)	(106,876)
Foreign exchange loss		(827)	(3,803)
Fund Board fees	9	(3,911)	(4,316)
Total operating expenses		(637,627)	(573,103)
Net profit for the year		2,670,682	3,451,245
Other comprehensive income for the year		--	--
Total comprehensive income for the year		2,670,682	3,451,245

The accompanying notes (1) to (16) form an integral part of these financial statements

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE
UNITHOLDERS
For the year ended 31 December 2024
(Amounts in USD)

	31 December <u>2024</u>	31 December <u>2023</u>
Net assets (equity) attributable to the Unitholders at the beginning of the year	69,695,076	72,717,159
Total comprehensive income for the year	2,670,682	3,451,245
<i>Contributions and redemptions by the Unitholders</i>		
Proceeds from issuance of units:		
- Class A	19,476,952	212,262
- Class B	19,553,153	2,620,031
	39,030,105	2,832,293
Payments against redemption of units:		
- Class A	(16,316,772)	(4,951,102)
- Class B	(9,377,323)	(4,354,519)
	(25,694,095)	(9,305,621)
Total contributions and redemptions by the Unitholders	13,336,010	(6,473,328)
Net assets (equity) attributable to the Unitholders at the end of the year	85,701,768	69,695,076

The accompanying notes (1) to (16) form an integral part of these financial statements

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS (CONTINUED)
For the year ended 31 December 2024
(Amounts in USD)

Units transactions (numbers)	31 December 2024				31 December 2023			
	Class A	Class B	Class C	Total	Class A	Class B	Class C	Total
Units in issuance at the beginning of the year	467,103.85	152,331.42	4,211.17	623,646.44	538,205.32	147,558.72	4,211.17	689,975.21
Issuance of units during the year	182,326.47	135,799.04	--	318,125.51	46,612.59	37,050.81	--	83,663.40
Redemption of units during the year	(155,113.83)	(65,901.80)	--	(221,015.63)	(117,714.06)	(32,278.11)	--	(149,992.17)
Units in issuance at the end of the year	<u>494,316.49</u>	<u>222,228.66</u>	<u>4,211.17</u>	<u>720,756.32</u>	<u>467,103.85</u>	<u>152,331.42</u>	<u>4,211.17</u>	<u>623,646.44</u>

The accompanying notes (1) to (16) form an integral part of these financial statements

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(Amounts in USD)

	<i>Notes</i>	31 December 2024	31 December 2023
Cash flows from operating activities			
Net profit for the year		2,670,682	3,451,245
<i>Adjustments for:</i>			
Special commission income		(3,565,781)	(2,744,526)
Loss/(Gain) on investments, net	8.1	257,472	(1,279,822)
		<u>(637,627)</u>	<u>(573,103)</u>
<i>Net changes in operating assets and liabilities</i>			
Purchase of investments		(31,288,191)	(17,613,322)
Proceeds from sale of investments		18,643,990	21,765,584
Management fee payable		71,964	(76,535)
Accrued expenses and other liabilities		(11,604)	(5,735)
<i>Net cash (used in) generated from operations</i>		<u>(13,221,468)</u>	3,496,889
Special commission income received		3,215,972	2,762,626
Net cash (used in)/generated from operating activities		<u>(10,005,496)</u>	<u>6,259,515</u>
Cash flows from financing activities			
Proceeds from issuance of units		39,030,105	2,832,293
Payment made against redemption of units		(25,694,095)	(9,305,621)
Net cash generated from/(used in) financing activities		<u>13,336,010</u>	<u>(6,473,328)</u>
Net Increase/(decrease) in cash and cash equivalents		3,330,514	(213,813)
Cash and cash equivalents at beginning of the year	7	200,739	414,552
Cash and cash equivalents at end of year	7	<u>3,531,253</u>	<u>200,739</u>

The accompanying notes (1) to (16) form an integral part of these financial statements

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024
(Amounts in USD)

1. GENERAL INFORMATION

- a) Jadwa Global Sukuk Fund (the “Fund”) is a fixed income fund established and managed as per terms and conditions between Jadwa Investment Company (the “Fund Manager”) and the Fund investors (the “Unitholders”). The Capital Market Authority’s (“CMA”) approval for the establishment of the Fund was granted in its letter number 859 dated Shawal 16, 1428 H (corresponding to 3 October 2007). The Fund commenced its operations on 8 October 2007.

The Fund diversifies its investments in a Shariah compliant portfolio of sovereign, quasi-sovereign and corporate sukuk. Excess cash which the Fund may have from time to time is invested in short-term Murabaha deposits.

- b) In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements of the Fund. The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by CMA on 3 Dhul Al-Hijja 1427 H (corresponding to 24 December 2006) thereafter amended (the “amended regulations”) on 16 Sha’ban 1437 H (corresponding to 23 May 2016) and 17 Rajab 1442 H (corresponding to 1 March 2023), detailing requirements for all funds within the Kingdom of Saudi Arabia.
- c) The management of the Fund is the responsibility of the Fund Manager. However, in accordance with the Fund’s terms and conditions, the Fund Manager can delegate or assign its duties to one or more of the financial institutions in the Kingdom of Saudi Arabia and overseas. The Fund Manager of the Fund is Jadwa Investment Company, and administrator and custodian of the Fund is HSBC Saudi Arabia.

The Fund Manager may charge investor a subscription fee at a percentage not exceeding 3% of the subscribed amount. Subscription fee is not included in these financial statements. The Fund Manager charges the Fund a management fee at 0.50%, 0.75%, 0.375%, and 0.75% of the equity value of Class A, Class B, Class C and Class D units respectively at each valuation day along with VAT charges at 15% of transaction.

In addition, the Fund Manager has the right to collectively charge the Fund all other expenses related to the management of the Fund, including but not limited to audit fee and legal charges subject to limits as set out in the Fund’s terms and conditions.

2. BASIS OF ACCOUNTING

These financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting 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”) and comply with the applicable provisions of the Investment Funds Regulations issued by the CMA and the Fund’s terms and conditions.

3. BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost convention using the accrual basis of accounting and going concern concept except for investments measured at fair value through profit or loss (“FVTPL”) which are recorded at fair value.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

4. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in USD, which is the Fund’s functional currency. All amounts have been rounded to the nearest USD, unless otherwise indicated.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024
(Amounts in USD)

5. USE OF JUDGMENTS AND ESTIMATES

The preparation of the financial statements requires the Fund Manager 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

6. MATERIAL ACCOUNTING POLICIES

The Fund has consistently applied the following accounting policies to all periods presented unless otherwise stated and the material accounting policies applied in the preparation of these financial statements are set out below.

a) *Functional currency*

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Fund's investments and transactions are denominated in USD. Investor subscriptions and redemptions are determined based on equity value, and received and paid in USD. The expenses (including management fees, custodian fees and administration fees) are denominated and paid in USD. Accordingly, management has determined that the functional currency of the Fund is USD.

b) *Foreign currency*

Transactions in foreign currencies are translated into USD at the spot exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into USD at the closing spot exchange rate at the reporting date. Foreign currency differences arising on translation are recognized in 'foreign exchange gain/loss' in the statement of profit or loss and other comprehensive income, except for those arising on financial instruments at fair value through profit or loss ("FVTPL") which are recognized as a component of 'gain/loss on investments, net'.

c) *Net gain or loss on financial assets and liabilities at FVTPL*

Net gains or losses on investments includes all realised and unrealised fair value changes and foreign exchange differences.

d) *Provisions*

Provisions are recognized whenever there is present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

e) *Management fee*

Management fee is recognized in the statement of comprehensive income as the related services are performed.

f) *Cash and cash equivalents*

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024
(Amounts in USD)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) *Financial assets and liabilities*

Classification of financial assets

On initial recognition, a financial asset is classified and measured at amortized cost, fair value through other comprehensive income (“FVOCI”) or FVTPL.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at FVOCI

A financial asset is measured at fair value through FVOCI only if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund Manager may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets measured at FVTPL

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice;
- how the performance of the portfolio is evaluated and reported to the Fund Manager;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024
(Amounts in USD)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) *Financial assets and liabilities (continued)*

Business model assessment (continued)

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Profit’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. In assessing whether the contractual cash flows are solely payments of principal and profit, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Classification of financial liabilities

Financial liabilities are classified as measured at amortised cost unless it has designated liabilities at FVTPL

Recognition and initial measurement

The Fund initially recognizes regular-way transactions in financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition issue.

Subsequent measurement

Financial assets measured at FVTPL are subsequently measured at fair value. Net gains or losses including any foreign exchange gains and losses, are recognized in profit or loss in ‘gain/loss on investments, net’ in the statement of profit or loss and other comprehensive income.

Financial assets measured at amortized cost are subsequently measured at amortized cost using effective interest method. Special commission income is recognised in ‘special commission income’, foreign exchange gains/losses are recognised in ‘foreign exchange gain/loss’ and impairment is recognised in ‘impairment losses on financial instruments’ in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities measured at amortised cost are subsequently measured at amortised cost using effective interest method. Special commission expense and foreign exchange gains and losses are recognised in the statement of profit or loss and other comprehensive income.

The ‘amortized cost’ of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principle repayments, plus or minus the cumulative amortizing using effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024
(Amounts in USD)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) *Financial assets and liabilities (continued)*

Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in statement of comprehensive income. Any interest in such transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risk and rewards are retained, then the transferred assets are not derecognized.

The Fund derecognize a financial liability when its contractual obligations are discharged or cancelled, or expire.

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 has legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle them liability simultaneously.

Income and expenses are presented on a net basis for gain and losses from financial instruments at FVTPL and foreign exchange gains and losses.

h) *Fair value measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or, in its absence, the most advantageous market to which the Fund has access at that date.

When available, the Fund measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market as per the official closing price in the related stock exchange where the instrument is traded.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

i) *Distributions to the Unitholders*

Distribution to the Unitholders is accounted for as a deduction from net assets (equity) attributable to the Unitholders. An interim dividend is recognized as a liability in the period in which it is irrevocably declared by the Fund Board. A final dividend is recognized as a liability in the period in which it is approved by the Fund Board.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024
(Amounts in USD)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

j) Redeemable Units

The Fund classified financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has redeemable units in issue. On liquidation of the Fund, they entitle the holders to the residual net assets. They rank pari passu in all respects and have identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund net assets at each redemption date and also in the event of the Fund's liquidation.

Redeemable units are classified as equity as it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it 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 other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

k) Standards, interpretations and amendments thereof, adopted by the Fund

Below amendments to accounting standards and interpretations became applicable for annual reporting periods commencing on or after 1 January 2024. The Fund Manager has assessed that the amendments have no significant impact on the Fund's financial statements.

Amendments to IAS 1 - *Classification of liabilities as current or non-current and non-current liabilities with covenants*

Amendments to IAS 7 and IFRS 7 - *Supplier finance arrangements*

Amendments to IFRS 16 - *Lease liability in a sale and leaseback transaction*

l) Standards, interpretations and amendments issued but not yet effective

Standards issued but not yet effective are listed below. The Fund intends to adopt these standards when they become effective.

<i>Standards / Amendments</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IAS 21	Lack of exchangeability	1 January 2025
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture	Effective date deferred indefinitely

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024
(Amounts in USD)

7. CASH AND CASH EQUIVALENTS

It represents balances held with local bank that have short-term and long-term rating of 'F2' and 'BBB+' respectively.

8. INVESTMENTS

	<i>Note</i>	31 December 2024	31 December <u>2023</u>
Investment measured at FVTPL:			
- Sukuk	<i>11(a)</i>	<u>81,336,124</u>	<u>68,949,395</u>

8.1 Below are the details of (loss)/gain on investments measured at FVTPL:

	31 December 2024	31 December <u>2023</u>
Realized loss on investments measured at FVTPL, net	(781,000)	(2,787,410)
Unrealized gain on investments measured at FVTPL, net	<u>523,528</u>	<u>4,067,232</u>
	<u>(257,472)</u>	<u>1,279,822</u>

9. RELATED PARTY TRANSACTIONS AND BALANCES

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

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

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of transactions</u>	31 December 2024	31 December <u>2023</u>
Jadwa Investment Company	The Fund Manager	Management fee	<u>513,497</u>	<u>458,108</u>
The Fund Board	The Fund Board	Meeting Fee (Independent members)	<u>3,911</u>	<u>4,316</u>
Nafaqah Waqf Fund	A fund managed by the Fund Manager	Subscriptions	<u>6,397,767</u>	<u>504,559</u>

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

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of balances</u>	31 December 2024	31 December <u>2023</u>
Jadwa Investment Company	The Fund Manager	Management fee payable	<u>149,302</u>	<u>77,339</u>

9.1 The units in issue as at 31 December 2024 includes units 14,104.75 (31 December 2023: 14,104.75 units) held by the Fund Manager and 32,648.0344 units (31 December 2023: 12,083.90 units) held by the Nafaqah Waqf Fund (a fund managed by the Fund Manager).

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2024
(Amounts in USD)

10. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below sets out the classification of the carrying amounts of the Fund's financial assets and financial liabilities into categories of financial instruments:

<u>31 December 2024</u>	<u>Amortized cost</u>	<u>FVTPL</u>
<i>Financial assets</i>		
Cash and cash equivalents	3,531,253	-
Investments	-	81,336,124
Accrued commission income	<u>1,019,910</u>	<u>-</u>
Total financial assets	<u>4,551,163</u>	<u>81,336,124</u>
<i>Financial liabilities</i>		
Management fee payable	149,302	--
Accrued expenses and other liabilities	<u>36,217</u>	<u>--</u>
Total financial liabilities	<u>185,519</u>	<u>--</u>
<u>31 December 2023</u>	<u>Amortized cost</u>	<u>FVTPL</u>
<i>Financial assets</i>		
Cash and cash equivalents	200,739	--
Investments	--	68,949,395
Accrued commission income	<u>670,101</u>	<u>--</u>
Total financial assets	<u>870,840</u>	<u>68,949,395</u>
<i>Financial liabilities</i>		
Management fee payable	77,339	--
Accrued expenses and other liabilities	<u>47,820</u>	<u>--</u>
Total financial liabilities	<u>125,159</u>	<u>--</u>

11. FINANCIAL RISK MANAGEMENT

The Fund has exposure to the following risks from financial instruments:

- a) market risks;
- b) liquidity risk;
- c) credit risk; and
- d) operational risk.

Risk management framework

Financial instruments and associated risks

The Fund primarily aims to invest in a diversified portfolio consisting of Sukuk in local and international markets. The nature and extent of the financial instruments outstanding at the statement of financial position date and the risk management policies employed by the Fund are discussed below.

The Portfolio Management team of the Fund Manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with target asset allocations as per the terms and conditions is monitored by the portfolio management team on a regular basis.

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

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

The Fund's market risk is managed by the Fund Manager in accordance with the policies and procedures in place. The Fund's market positions are monitored on a daily basis by the portfolio management team of the Fund Manager.

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11. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Market risk (continued)

i) Foreign currency risk

Foreign currency risk arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Consequently, the Fund is exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of the Fund's financial assets or financial liabilities denominated in currencies other than USD.

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

The Fund invests in financial instruments and enters into transactions that are denominated primarily in USD therefore not exposed to any material currency risk.

ii) Cash flow and fair value commission rate risk

Commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of financial instruments. The Fund holds fixed commission securities (Sukuk) that exposes that Fund to fair value commission rate risk.

The Fund also holds variable commission Sukuk that exposes the Fund to cash flow commission rate risk. The Fund Manager manages the Fund's risk exposures in order to optimize long term returns.

The portfolio management team of the Fund Manager monitors risk exposures on a daily basis. If the commission rate risk is not in accordance with the Fund's terms and conditions, then the Fund Manager is required to rebalance the portfolio within a reasonable period of time of each determination of such occurrence.

A breakdown of the investments based on the type of commission rate on Sukuk is as follows:

	31 December 2024			31 December 2023		
	Cost	Market Value	%	Cost	Market Value	%
Fixed rate	73,015,468	68,173,751	83.82	58,677,055	55,160,456	80.00
Floating rate	13,244,534	13,162,373	16.18	14,289,144	13,788,939	20.00
	86,260,002	81,336,124	100.00	72,966,199	68,949,395	100.00

Sensitivity analysis

The sensitivity analysis reflects how net assets (equity) attributable to the Unitholders would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date.

Fair value sensitivity analysis for fixed rate instruments

Management has determined that a fluctuation in commission rates of 100 basis points is reasonably possible, considering the economic environment in which the Fund operates. The table below sets out the effect on the Fund's net assets (equity) attributable to the Unitholders of a reasonably possible increase of 100 basis points in commission rate as at reporting date. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the fixed commission rate sukuk and other fixed commission rate bearing assets. The impact is primarily from the decrease in the fair value of fixed-income sukuk. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The total sensitivity of equity is based on the assumption that there are parallel shifts in the yield curve.

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11. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Market risk (continued)

Effect in amounts of USD (decrease)

	31 December <u>2024</u>	31 December <u>2023</u>
Net assets (equity) attributable to the Unitholders (reduction)	<u>(3,524,241)</u>	<u>(2,851,519)</u>

Effect in % of net assets (equity) attributable to the Unitholders (decrease)

	31 December <u>2024</u> %	31 December <u>2023</u> %
Net assets (equity) attributable to the Unitholders (reduction)	<u>(4.11)</u>	<u>(4.09)</u>

A reduction in commission rates of the same amount would have resulted in an opposite effect to the amounts shown.

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity of the income to a reasonably possible decrease of 100 basis points in commission rate, with all other variables held constant. The sensitivity of the income is the effect of the assumed changes in special commission rates on the Fund's income for one year, based on the floating rate financial assets held as at the year-end.

Effect in amounts of USD (decrease)

	31 December <u>2024</u>	31 December <u>2023</u>
Net assets (equity) attributable to the Unitholders (reduction)	<u>(32,151)</u>	<u>(33,682)</u>

Effect in % of net assets (equity) attributable to the Unitholders (decrease)

	31 December <u>2024</u> %	31 December <u>2023</u> %
Net assets (equity) attributable to the Unitholders (reduction)	<u>(0.04)</u>	<u>(0.04)</u>

An increase in commission rates of the same amount would have resulted in an opposite effect to the amounts shown.

iii) Other price risk

Other price risk' is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from commission rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. As at 31 December 2024, the Fund is not exposed to this risk.

b) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from sukuk held and cash and cash equivalents.

For risk management reporting purposes, the Fund considers and aggregates all elements of credit risk exposure such as individual obligor default risk, counter party risk and sector risk etc.

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11. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

The Fund's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the certain credit standards.

The Fund's credit risk is monitored on a regular basis by portfolio management team to ensure it is in line with the investment guidelines of the Fund.

The Fund's activities may give rise to settlement risk. "Settlement risk" as the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Fund mitigates this risk by conducting settlements through an independent global clearing system to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. The table below shows the maximum exposure to credit risk for the component of the statement of financial position:

	31 December 2024	31 December 2023
Cash and cash equivalents	3,531,253	200,739
Investments	81,336,124	68,949,395
Accrued commission income	1,019,910	670,101
Total exposure to credit risk	<u>85,887,287</u>	<u>69,820,235</u>

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. Cash and cash equivalents are maintained with local banks that have credit ratings, as disclosed in Note 7. The Fund considers these to have low credit risk. Accordingly, the expected credit loss allowance has no material impact on these balances.

The Fund Manager reviews the credit concentration of debt securities held based on counterparties, economic sector and geographic location. The Fund's Sukuk investments are concentrated in the following economic sectors:

	31 December 2024		
<u>Economic sectors</u>	<u>Cost</u>	<u>Fair value</u>	<u>% of Fair value to total Sukuk investment</u>
Banks	32,177,577	31,581,980	38.83
Sovereign	28,278,782	26,339,140	32.38
Real Estate	9,272,516	8,909,161	10.95
Utilities	9,265,461	8,964,740	11.02
Transportation	4,579,764	2,934,904	3.61
Energy	2,285,602	2,201,127	2.71
Food and Beverage	400,300	405,072	0.50
Total	<u>86,260,002</u>	<u>81,336,124</u>	<u>100</u>

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11. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

	31 December 2023		
	Cost	Fair value	% of Fair value to total Sukuk investment
<u>Economic sectors</u>			
Banks	41,363,684	38,821,132	56.30
Sovereign	22,457,040	21,429,072	31.08
Real Estate management	3,788,805	3,569,173	5.18
Energy	3,564,750	3,333,160	4.83
Electric	966,852	967,093	1.40
Chemical	532,694	534,527	0.78
Transportation	200,000	202,862	0.29
Utilities	92,375	92,375	0.13
Total	72,966,200	68,949,395	100.00

A breakdown of the investments based on the type of issuer of those instruments is as follows:

Type of Issuers	31 December 2024		31 December 2023	
	Fair Value USD	% of fair value	Fair Value USD	% of fair value
Government	26,339,140	32.38	38,821,132	56.30
Corporate	54,996,984	67.62	30,128,262	43.70
	81,336,124	100.00	68,949,394	100.00

The Fund's Sukuk investments are concentrated in the following geographical locations:

Country of domicile	31 December 2024		
	Cost	Fair value	% of Fair value to total sukuk investment
Cayman Islands	51,878,480	48,408,073	59.52
Indonesia	8,756,425	8,055,709	9.90
Saudi Arabia	7,629,682	7,667,425	9.43
Oman	4,808,649	4,733,591	5.82
Bahrain	4,187,850	4,054,684	4.99
Turkey	2,525,000	2,585,520	3.18
Malaysia	2,598,500	2,123,048	2.61
Egypt	1,078,850	1,134,139	1.39
Pakistan	1,194,250	1,103,782	1.36
Hong Kong	1,049,450	932,188	1.15
UAE Dirham	552,866	537,965	0.66
Total	86,260,002	81,336,124	100.00

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11. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

<u>Country of domicile</u>	31 December 2023		
	Cost	Fair value	% of Fair value to total sukuk investment
Saudi Arabia	31,384,121	30,322,129	43.98
UAE	14,443,586	13,371,798	19.39
Indonesia	6,033,865	5,589,693	8.11
Bahrain	5,319,938	4,999,317	7.25
Oman	4,653,039	4,499,930	6.53
Turkey	2,376,640	2,440,571	3.54
Kuwait	2,021,337	1,882,486	2.73
Qatar	2,007,352	1,863,799	2.70
Egypt	1,078,850	1,078,132	1.56
Malaysia	1,208,500	931,260	1.35
Hongkong	1,049,450	920,550	1.34
Pakistan	1,194,250	886,500	1.29
Maldives	195,272	163,230	0.23
Total	72,966,200	68,949,395	100

Allowance for impairment

The Fund has investments in securities classified as FVTPL. Hence, no impairment allowance is recorded in these financial statements as per IFRS 9. The Fund's Cash and cash equivalents are maintained with banks which is in line with globally understood definition of investment grade. Accordingly, there is no material impact of expected credit loss allowance on this balance.

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 policy and the Fund Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, including estimated redemptions of units, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's terms and conditions provide for subscription and redemption of units on every Saudi business day and it is, therefore, exposed to the liquidity risk of meeting the Unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short term loans.

The Fund manages its liquidity risk by investing predominantly in securities which are expected to be liquidated within short period of time.

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11. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk (continued)

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

	<i>Within 12 months</i>	<i>After 12 months</i>	<i>No fixed maturity</i>	<i>Total</i>
<i>As at 31 December 2024</i>				
Cash and cash equivalents	--	--	3,531,253	3,531,253
Investments measured at FVTPL	2,338,273	78,997,851	--	81,336,124
Accrued special commission income	1,019,910	--	--	1,019,910
Total financial assets	3,358,183	78,997,851	3,531,253	85,887,287
Management fee payable	129,828	--	--	129,828
Accrued expenses and other liabilities	55,691	--	--	55,691
Total financial liabilities	185,519	--	--	185,519
<i>As at 31 December 2023</i>				
Cash and cash equivalents	--	--	200,739	200,739
Investments measured at FVTPL	4,351,994	64,597,401	--	68,949,395
Accrued special commission income	670,101	--	--	670,101
Total financial assets	5,022,095	64,597,401	200,739	69,820,235
Management fee payable	67,251	--	--	67,251
Accrued expenses and other liabilities	57,908	--	--	57,908
Total financial liabilities	125,159	--	--	125,159

d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to unitholders

The primary responsibility for the development and implementation of control over operational risks rests with the Risk Management team. This responsibility is supported by the development of overall standard for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- documentation of controls and procedures;
- requirements for:
 - appropriate segregation of duties between various functions, roles and responsibilities;
 - reconciliation and monitoring of transactions; and
 - periodic assessment of operational risks faced
- the adequacy of controls and procedures to address the risks identified;
- compliance with regulatory and other legal requirements;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance if this is effective.

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12. FAIR VALUE MEASUREMENT

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

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

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

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable, and the unobservable inputs have a significant effect on the instrument's valuation.

The Fund determines fair values of sukuk that are actively traded on debt markets at their average of last reported bid and ask prices. To the extent that sukuk securities are actively traded and valuation adjustment are not applied, they are categorized in level 1 of their fair value hierarchy. Hence the Fund's investment measured at FVTPL have been categorized in level 1 of the fair value hierarchy.

The Fund determined fair value of investments in unlisted sukuk measured at FVTPL is determined based on the similar security external price. Therefore, the Fund classified them as level 2 of the fair value hierarchy.

Carrying amounts and fair value

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

	31 December 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value					
Investments	81,336,124	74,860,653	6,475,471	--	81,336,124
	31 December 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value					
Investments	68,949,395	53,951,716	14,997,679	--	68,949,395

During the year, there were no transfers between the fair value hierarchy level.

Other financial instruments such as cash and cash equivalents, accrued special commission income, management fees payable, accrued expenses and other liabilities are short-term financial assets and financial liabilities whose carrying amounts are approximate to their fair value due to their short-term nature. Cash and cash equivalents are classified under level 1, while the remaining financial assets and liabilities are classified under level 3.

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

There is no event subsequent to the statement of financial position date which require adjustment of or disclosure in the financial statement or notes thereto.

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14. CHANGE IN CLASSIFICATION

During the year, the Fund reclassified the value added tax payable on the management fee from accrued expenses and other liabilities to Management Fee Payable for better presentation. Comparative amounts in the statement of financial position and statement of profit or loss and other comprehensive income have been reclassified accordingly to ensure consistency with the current year presentation.

15. LAST VALUATION DAY

The last valuation day for the purpose of preparation of these financial statements was 31 December 2024 (2023: 31 December 2023).

16. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Fund Board on 23 Ramadan 1446H (corresponding to 23 March 2025).