



صندوق دراية الخليجي لأسهم النمو والدخل

صندوق استثماري مفتوح

(مُدار من قبل شركة دراية المالية)

التقرير السنوي

2023



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معلومات صندوق الاستثمار

(1) اسم صندوق الاستثمار

صندوق دراية الخليجي لأسهم النمو والدخل

(2) أهداف وسياسات الاستثمار وممارساته

يهدف الصندوق إلى تنمية رأس المال على المدى الطويل وتوزيع أرباح نقدية بشكل دوري من خلال الاستثمار بشكل أساسي في الأوراق المالية للشركات المدرجة في السوق المالية السعودية وفي أسهم الشركات المدرجة في الأسواق المالية الخليجية ويشمل ذلك الطروحات الأولية والثانوية وحقوق الأولوية ووحدات الصناديق العقارية المتداولة ووحدات صناديق مؤشرات أسهم وصكوك المتداولة وأسهم الشركات المدرجة في السوق الموازية. كما يهدف الصندوق الاستثمار في أدوات الدخل الثابت مثل: الصكوك وأدوات أسواق النقد محلياً وخليجياً وعالمياً. ويهدف الصندوق إلى توزيع أرباح نقدية على مالكي الوحدات فيه بشكل نصف سنوي. يجب أن تكون كافة استثمارات الصندوق متوافقة مع المعايير الشرعية المعتمدة من اللجنة الشرعية الخاصة بالصندوق.

(3) سياسة توزيع الدخل والأرباح

يقوم الصندوق بتوزيع أرباح على مالكي وحدات الصندوق والتي هي عبارة عن الأرباح النقدية الموزعة من الاستثمار في الأوراق المالية أو أي أرباح رأسمالية محققة. يتم توزيع الأرباح النقدية على مالكي الوحدات مرتان في السنة (بمعدل كل 6 أشهر ميلادية) خلال عشرة أيام عمل بالمملكة من نهاية شهر أبريل ونهاية شهر أكتوبر. توزيع الأرباح الرأسمالية (إن وجدت) ليس إلزامياً وإنما تخضع لتقدير مدير الصندوق. يقوم مدير الصندوق بإيداع التوزيعات في الحسابات الاستثمارية الخاصة بمالكي الوحدات المسجلة لدى مدير الصندوق.

(4) تقارير الصندوق متاحة عند الطلب وبدون مقابل، ويمكن الحصول على نسخة من التقرير من خلال الموقع

الإلكتروني لشركة دراية المالية www.Derayah.com

أداء الصندوق

(1) أصول الصندوق

السنة	صافي قيمة أصول الصندوق	سعر الوحدة	أعلى سعروحدة خلال السنة	أقل سعروحدة خلال السنة	عدد الوحدات	قيمة الأرباح الموزعة لكل وحدة	نسبة المصروفات
2021	28,800,664	10.8722	11.2073	9.9649	2,649,012	0.149	%0.90
2022	40,711,813	10.7684	13.2110	10.4015	3,780,684	0.378	%2.62
2023	74,754,290	14.6375	14.6375	10.8641	5,107,006	0.670	%2.12

(2) سجل الأداء

(أ) العائد الإجمالي للصندوق

الفترة الزمنية	عائد الصندوق
منذ سنة	% 35.93
منذ ثلاث سنوات	-
منذ خمس سنوات	-
منذ التأسيس	%46.37

(ب) العائد الإجمالي السنوي منذ التأسيس

السنة	عائد الصندوق
2021	%8.72
2022	%0.96-
2023	% 35.93

(ج) مقابل الخدمات والعمولات والأتعاب التي تحملها الصندوق على مدار العام

صافي أصول الصندوق	74,754,290.00
عدد الوحدات الصادرة	5,107,005.10
سعر الوحدة	14.6375
أتعاب الإدارة	990,984.34
ضريبة القيمة المضافة من أتعاب الإدارة	148,647.65
أتعاب المحاسب القانوني	26,000.00
مصاريف إدارية أخرى	51,538.70
مصاريف أمين الحفظ	22,344.74
مصاريف أمين الحفظ المستقل	3,894.06
مصاريف بنكية	928.77
رسم السوق المالية السعودي (تداول)	5,000.00

23,250.00	رسوم أعضاء اللجنة الشرعية
26,250.00	مصاريف المؤشر الإستشاري
16,010.85	ضريبة القيمة المضافة من المصاريف الأخرى
40,000.00	رسوم أعضاء مجلس إدارة الصندوق
7,500.00	رسوم هيئة السوق المالية السنوية
10,249.93	مبالغ التطهير
209,121.09	مصاريف التعامل
2.12 %	نسبة إجمالي المصاريف لصافي الأصول
0.38 %	نسبة مصاريف التعامل لمتوسط صافي أصول الصندوق
2.87 %	نسبة إجمالي المصاريف لمتوسط صافي أصول الصندوق

- يتم احتساب أتعاب الإدارة ورسوم الحفظ كنسب مئوية في كل يوم تقويم ولا يتم خصمها من الصندوق إلا عند نهاية كل شهر ميلادي.
- يتم احتساب الأتعاب والرسوم الأخرى كمبالغ على وحدات الصندوق في كل يوم تقويم ولا يتم خصمها من الصندوق إلا عند نهاية السنة الميلادية.

(3) تغيرات جوهرية حدثت خلال الفترة

لم تحدث أي تغييرات جوهرية تؤثر على أداء الصندوق.

(4) ممارسات التصويت السنوية

لم تتم أي ممارسات تصويت خلال العام.

(5) تقرير مجلس إدارة الصندوق

اجتمع مجلس إدارة الصندوق خلال عام 2023 م مرتين وناقش المواضيع التالية:

- مناقشة أداء الصندوق مع مدير الصندوق.
- الاجتماع مع مدير المطابقة و الالتزام لمراجعة إلتزام الصندوق بجميع القوانين والأنظمة واللوائح ذات العلاقة.

مدير الصندوق

(1) اسم وعنوان مدير الصندوق

شركة دراية المالية

الرياض ، طريق التخصصي ، برستيچ سنتر ، الدور الثالث

ص.ب 286546 الرياض 11323 ، المملكة العربية السعودية

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(2) أنشطة الاستثمار خلال الفترة

شهد الاقتصاد السعودي انكماش طفيف في عام 2023 نتيجة لقرار الحكومة الطوعي بخفض الانتاج النفطي بما يقدر ب 1 مليون برميل يوميا ابتداء من شهر يوليو في نفس العام. الانتاج الغير نفطي في المقابل حافظ على مستوى النمو الايجابي، وكانت ذلك حصيلة لتحقيق المستهدفات من رؤيه 2030 واستمرار الاستثمارات في مشاريع الميكا والقيفا التي عكست ايجابا على الاقتصاد بشكل عام. استمر كلا القطاعين العام والخاص بالتوسع. شهدت اسعار النفط استقرارا خلال السنه بعد أن لامست الاسعار اعلى المستويات منذ 2008 في العام السابق، ذلك كان مدعوما بقرار خفض الانتاج الطوعي، الطلب العالي و التوترات الجيوسياسيه.

تشير التقديرات المبدئية الى انكماش الاقتصاد الحقيقي ب 0.8% لسنه 2023 (مقابل نمو 7.5% في عام 2022). القطاع الغير نفط شهد نمو 4.4% خلال العام مقارنة بنمو 5.6% في العام السابق، اما القطاع النفطي فيقدر الانخفاض ب 9.0% خلال العام مقارنة بارتفاع 15% في العام السابق. التضخم في عام 2023 قدر ب 2.3% (مقارنة ب 2.5% لعام 2022)، محافظا على مستويات اقل من الاقتصاديات الكبرى عالميا.

جميع قطاعات الاقتصاد شهدت توسع ونمو باستثناء القطاع النفطي، وقطاع تكرير وتصنيع البترول. بالاضافة الى ذلك فان عمليات نقاط البيع تشير الى ارتفاع انفاق المستهلكين. الارتفاع في انفاق المستهلكين سينعكس ايجابا على النمو في قطاعات الجملة والتجزئه، المطاعم والفندقه، والمواصلات وغيرها من القطاعات. علاوة على ذلك تم الاعلان عن مجموعه من المشاريع الجديده منها مشروع التوسيع في مطار ابها العالمي، مشروع السوده، بالاضافه الى نية طرح رؤيه 2040. المملكة العربية السعوديه فازت بحق استضافه اكسبو 2030 و كأس العالم فيفا 2034، والتي من المتوقع ان تساهم في المحافظه على النمو القوي في القطاع الغير نفطي على المدى البعيد.

خلال عام 2023 موسم الحج اختتم باستضافه 1.8 مليون حاج (وكان الحجاج من خارج السعوديين يمثلون 1.7 مليون) الذين قاموا بزياره مكه المكرمه والمدينه المنوره، وكان هذا الرقم ما يقارب ضعف رقم الحجاج في 2022، على الرغم من ذلك فانه لا زال اقل من 2.5 مليون حاج الذين تم استضافتهم في 2019 قبل الجائحه. الحكومه تسعى الى مبادرات تساهم في زياده اعداد السياح (سواء للسياحه الدينيه أو غيرها) لتحقيق مستهدفات رؤيه 2030.

أعلنت وزارة المالية عن الميزانية العامه للحكومه في 2024 مع توقعات ان تحقق إيرادات بقيميه 1.172 تريليون ريال سعودي. أما المصروفات فمتوقع أن تصل الى 1.251 تريليون، مما يشير الى عجز متوقع مقدر ب 79 مليار ريال سعودي او 1.9% من اجمالي الناتج المحلي.

في ختام 2023، اغلق مؤشر تاسي على مستويات 11,967.39 نقطه مقارنة ب 10,478.46 نقطه، محققا نمو ب 1,488.93 أو 14.2% نمو نسبي. أتى ذلك النمو خلافا الانخفاض العام لربحيه الشركات المدرجه خلال 2023، عاكسا التفاؤل في السوق الى توقعات النمو الايجابي للاقتصاد. كان أداء المؤشر ايجابيا أكثر للقطاعات الصغيره الى المتوسطه التي كانت منكشفه أكثر على تطور القطاع المحلي ومتوقع ان تكون مستفيدة من المبادرات الحكوميه لتحقيق مستهدفات 2030. كانت أفضل القطاعات اداء كالتالي: قطاع التقنيه والخدمات (+91%)، السلع الاستهلاكية (+90%)، الادويه (+69%)، الخدمات التجاريه والمهنيه (+62%)، وقطاع التأمين (+59%).

أما عن أنشطه الاكتتابات الأولية فان مؤشر السوق السعودي العام تاسي شهد اكتتابات أوليه ل 8 شركات خلال العام.

وفيما يلي ملخص للقيمة السوقية لمحفظه الاستثمارات حسب القطاع في نهاية عام 2023م:

القطاع	القيمة السوقية
أسهم قطاع المواد الأساسية	13,584,220.07
أسهم قطاع الرعاية الصحية	5,015,327.20
أسهم الخدمات التجارية والمهنية	7,028,562.60
أسهم قطاع تقنيه المعلومات	2,026,128.00
أسهم قطاع الطاقة	4,629,096.00
أسهم الخدمات الإستهلاكية	17,668,442.73
أسهم قطاع الصناعة	1,452,632.50
أسهم في الاسواق الاماراتية	8,922,049.40
أسهم في السوق الكويتي	1,210,302.31
أسهم في السوق القطري	5,234,794.79
أسهم قطاع المواصلات	2,133,804.80
الصكوك	5,239,547.00

(3) تقرير أداء الصندوق خلال الفترة

أداء الصندوق منذ التأسيس	أداء المؤشر منذ التأسيس
46.37%	-6.75%
أداء الصندوق خلال العام	أداء المؤشر خلال العام
35.93%	7.75%

(4) تغييرات حدثت في شروط وأحكام الصندوق

- تغييرات على جدول نسبة تكاليف الصندوق إلى القيمة الأجمالية لأصول الصندوق وعلى المثال الافتراضي لحساب المصاريف.
- تعليمات الصادرة من هيئة الزكاة والضريبة والجمارك وهيئة السوق المالية.

(5) استثمارات الصندوق في صناديق أخرى

ليس للصندوق أي استثمارات في صناديق أخرى.

(6) العمولات الخاصة

لم يتلق مدير الصندوق أي عمولات خاصة خلال الفترة.

أمين الحفظ

(1) اسم وعنوان أمين الحفظ

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8162 طريق الملك فهد-العليا، الرياض
المملكة العربية السعودية
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(2) واجبات ومسؤوليات أمين الحفظ

هي الجهة التي تكون مسؤولة عن حفظ أصول الصندوق والقيام بالخدمات الإدارية التي تتعلق بحفظ السجلات وإصدار المراكز المالية وتقييم صافي قيمة الأصول وإصدار صافي قيمة الأصول لوحدة الصندوق.

(3) بيان أمين الحفظ

حيث أن شركة البلاد المالية هي أمين الحفظ لصندوق دراية المرن للأسهم السعودية فإنها ترى أن إصدار و نقل و استرداد الوحدات تم بموجب أحكام لائحة صناديق الاستثمار وشروط وأحكام الصندوق ومذكرة المعلومات وكذلك تم تقييم وحساب سعر الوحدات بموجب أحكام لائحة صناديق الاستثمار و شروط وأحكام الصندوق ومذكرة المعلومات، ولم تسجل أي مخالفات لقيود الاستثمار.

المحاسب القانوني

(1) اسم وعنوان المحاسب القانوني

شركة إبراهيم البسام و عبد المحسن النمر محاسبون قانونيون (PKF)
شارع الامير محمد بن عبد العزيز(التحليه)، حي السليمانية.
ص.ب 28355 الرياض 11437
المملكة العربية السعودية
هاتف: +966 (11) 206 5333
www.pkf.com/saudi-arabia

(2) بيان المحاسب القانوني

بيان المحاسب القانوني مرفق مع التقرير السنوي للقوائم المالية للصندوق كما في نهاية 31-12-2023م.



القوائم المالية

تم إعداد القوائم المالية لفترة المحاسبة السنوية لصندوق دراية الخليجي لأسهم النمو والدخل وفقاً للمعايير المحاسبية الصادرة عن الهيئة السعودية للمحاسبين القانونيين. مرفق مع هذا التقرير السنوي القوائم المالية للصندوق كما في نهاية 2023-12-31م.

DERAYAH GCC GROWTH AND INCOME EQUITY FUND
Open-Ended Investment Fund
(Managed by Derayah Financial Company)
Financial Statements for The Year ended
31 December 2023
Together with the
Independent Auditor's Report to the Unitholders

DERAYAH GCC GROWTH AND INCOME EQUITY FUND

Open-Ended Investment Fund

Managed by Derayah Financial Company

Financial Statements

For the Year 31 December 2023

Together with the Independent Auditor's Report to the Unitholders

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS
DERAYAH GCC GROWTH AND INCOME EQUITY FUND
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

In our opinion, the financial statements present fairly, in all material respects, the financial position of Derayah Gcc Growth And Income Equity Fund (“the Fund”), being managed by Derayah Financial Company (the “Fund Manager”), as at 31 December 2023, and the related statements of comprehensive income, changes in net assets and cash flows for the year then ended and the notes to the financial statements, including a summary of material accounting policies and other explanatory information.

We have audited the financial statements of the fund, which comprise of the following:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISA”) 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 professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Fund’s Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA, the applicable provisions of the Real Estate Investment funds regulations issued by the Capital Market Authority and the fund’s terms and conditions, and for such internal control as management 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’s management 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the fund’s Board, are responsible for overseeing the Fund’s financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS
DERAYAH GCC GROWTH AND INCOME EQUITY FUND
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 "ISA" that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS
DERAYAH GCC GROWTH AND INCOME EQUITY FUND
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

For Al-Bassam & Co.



Ahmad Mohandis
Certified Public Accountant
License No. 477
Riyadh: 14 Ramadan 1445
Corresponding to: 24 March 2024

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DERAYAH GCC GROWTH AND INCOME EQUITY FUND

Open-Ended Investment Fund

Managed by Derayah Financial Company

STATEMENT OF FINANCIAL POSITION**As at 31 December 2023**

(All Amounts in Saudi Arabian Riyals)

	<u>Note</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
ASSETS			
Cash balances	6	865,474	3,361,681
Investments carried at amortized cost	8	68,905,360	1,010,111
Investments carried at fair value through profit or loss (FVTPL)	7	5,239,547	36,563,405
Other receivables		-	5,538
TOTAL ASSETS		75,010,381	40,940,735
LIABILITIES			
Management fee payable	10	126,541	71,209
Accrued expenses		129,550	157,713
TOTAL LIABILITIES		256,091	228,922
		74,754,290	40,711,813
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS			
Units in issue (number)	8	5,107,006	3,780,684
NET ASSETS (EQUITY) ATTRIBUTABLE TO EACH UNIT		14.64	10.77

The accompanying notes 1 to 17 form an integral part of these financial statements.

DERAYAH GCC GROWTH AND INCOME EQUITY FUND

Open-Ended Investment Fund

Managed by Derayah Financial Company

STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2023**

(All Amounts in Saudi Arabian Riyals)

	Note	<u>31 December 2023</u>	<u>31 December 2022</u>
<u>Investment income</u>			
Realized gain from investments carried at FVPL		8,435,670	1,739,813
Unrealized gain from investments carried at FVPL		10,152,115	(2,369,108)
Dividend income		1,406,898	1,440,863
Other income	8	105,371	40,000
TOTAL INCOME FROM OPERATIONS		<u>20,100,054</u>	<u>851,568</u>
Management fees	10	(1,139,632)	(866,902)
Other expenses		(232,968)	(222,557)
TOTAL EXPENSES		<u>(1,372,600)</u>	<u>(1,089,459)</u>
NET INCOME / (LOSSES) FOR THE YEAR ENDED		<u>18,727,454</u>	<u>(237,891)</u>
Other comprehensive income for the year Ended		-	-
TOTAL COMPREHENSIVE INCOME / (LOSSES) FOR THE YEAR		<u>18,727,454</u>	<u>(237,891)</u>

The accompanying notes 1 to 17 form an integral part of these financial statements.

DERAYAH GCC GROWTH AND INCOME EQUITY FUND

Open-Ended Investment Fund

Managed by Derayah Financial Company

STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS**For the year ended 31 December 2023**

(All Amounts in Saudi Arabian Riyals)

	Note	<u>31 December 2023</u>	<u>31 December 2022</u>
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS AT THE BEGINNING OF THE YEAR		40,711,813	28,800,665
Changes from unit transactions:			
Issuance of units		37,884,516	27,793,052
Redemption of units		(19,648,344)	(14,233,881)
Net changes from unit transactions		18,236,172	13,559,171
Dividends	13	(2,921,149)	(1,410,132)
Total comprehensive income/ (Losses) for the year		18,727,454	(237,891)
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS AT THE END OF THE YEAR		74,754,290	40,711,813

The accompanying notes 1 to 17 form an integral part of these financial statements.

DERAYAH GCC GROWTH AND INCOME EQUITY FUND

Open-Ended Investment Fund

Managed by Derayah Financial Company

Notes to the financial statements**For the year Ended 31 December 2023**

(All Amounts in Saudi Arabian Riyals)

STATEMENT OF CASH FLOWS**For the year ended 31 December 2023**

(All Amounts in Saudi Arabian Riyals)

	<u>31 December 2023</u>	<u>31 December 2022</u>
Cash Flows from Operating Activities:		
Net Income/ losses for the year	18,727,454	(237,891)
Adjustments for:		
Realized gains from investments carried at FVPL	(8,435,670)	(1,739,813)
Unrealized (gains)/ losses from investments carried at FVPL	(10,152,115)	2,369,108
Net Changes in Operating Assets and Liabilities:		
Investments carried at FVTPL	(13,754,170)	(12,632,569)
Investments carried at amortized cost	(4,229,436)	-
other receivables	5,538	310,662
Management fees payable	55,332	19,867
Accrued expenses	(28,163)	24,434
Net Cash Used in Operating Activities	(17,811,230)	(11,886,202)
Cash Flows from Financing Activities:		
Proceeds from issuance of units	37,884,516	27,793,052
Redemptions of the units	(19,648,344)	(14,233,881)
Dividends	(2,921,149)	(1,410,132)
Net Cash Generated from Financing Activities	15,315,023	12,149,039
Net Increase in Cash and Cash Equivalents	(2,496,207)	262,837
Cash and cash equivalents at beginning of the year	3,361,681	3,098,844
Cash and Cash Equivalents at End of the year	865,474	3,361,681

The accompanying notes 1 to 17 form an integral part of these financial statements.

DERAYAH GCC GROWTH AND INCOME EQUITY FUND

Open-Ended Investment Fund

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Notes to the financial statements

For the year Ended 31 December 2023

(All Amounts in Saudi Arabian Riyals)

1. FUND AND ITS ACTIVITIES

Derayah GCC Growth and Income Equity Fund (the “Fund”) is an open-ended, Shariah-compliant public investment fund managed under an agreement between Derayah Financial (the “Fund Manager”) and the fund’s investors (“Unit Holders”). The fund aims to provide long-term capital growth and distribute cash dividends periodically by investing primarily in the securities of companies listed in the Saudi stock market and in shares of companies listed in the Gulf financial markets, and this includes primary and secondary offerings, priority rights and units of real estate traded funds and units of stock index funds, traded sukuk and shares of companies listed in the parallel market. The fund also aims to invest in fixed income instruments such as sukuk and money market instruments locally, in the Gulf and internationally. The fund aims to distribute cash dividends to its unit holders on a semi-annual basis.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund’s Management prepares a separate financial statement for the Fund.

Capital Market Authority (“CMA”) approval for the establishment of the Fund was granted in its letter number (S/3/5/1574/21) dated Rajab 2, 1442 H (corresponding to 14 February 2021).

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by CMA detailing requirements for all funds within the Kingdom of Saudi Arabia.

The Minister of Finance, pursuant to Ministerial Resolution No. (29791) dated 9 Jumada al-Awwal 1444 (corresponding to December 3, 2022), approved the rules for collecting zakat from investors in investment funds permitted by the Capital Market Authority. This decision applies to the fiscal years starting from January 1, 2023, and requires investment funds to register with the Zakat, Tax and Customs Authority (ZATCA). The rules for collecting zakat from investors in the fund also require that they submit an information declaration to the Authority within a period not exceeding 120 days from the end of its fiscal year, provided that it includes the audited financial statements and records of transactions with persons associated with the fund (“related parties”) and any additional data requested by the Authority. Under the rules, investment funds are not subject to the collection of zakat in accordance with the rules for collecting zakat from investors in investment funds, including funds that take the form of a special purpose entity licensed by the Capital Market Authority, provided that they do not carry out economic business or investment activities that are not stipulated in the bylaws or conditions. And special provisions for investment funds. Zakat will be collected from the fund’s unit holders. During the current period, the Fund Manager has completed the registration of the Fund with Zakat and will submit the Zakat information declaration in due course.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (“SOCPA”).

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Managed by Derayah Financial Company

Notes to the financial statements

For the year Ended 31 December 2023

(All Amounts in Saudi Arabian Riyals)

3. BASIS OF PREPARATION (CONTINUED)

3.2 Basis of measurement Functional and presentation currency

These financial statements have been prepared under the historical cost convention, except for the measurement of investments carried at fair value through profit or loss using accrual basis of accounting and the concept of going concern. These financial statements are presented in Saudi riyals, which is the functional currency and presentation currency of the fund.

The fund does not have a specific operating cycle and therefore does not display current and non-current assets and liabilities in the statement of financial position, as the fund displays assets and liabilities in order of liquidity.

3.3 Critical accounting judgments, estimates and assumption

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

While applying the Fund's accounting policies, management has made the following estimates and judgments that are significant to these financial statements:

A- Judgments

3.3.1 Going concern

The Fund Manager of the Fund has assessed the Fund's ability to continue as a going concern and is satisfied that the Fund has the necessary resources to continue in operating in the future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Therefore, these financial statements have been prepared on the going concern basis.

B- Unconfirmed assumptions and estimates

3.3.2 expected credit losses

In the preparation of these financial statements, management has made a number of significant judgments required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

DERAYAH GCC GROWTH AND INCOME EQUITY FUND

Open-Ended Investment Fund

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For the year Ended 31 December 2023

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4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are Explained below:

Cash and cash equivalents

Cash and cash equivalents consist of cash in current accounts held with a local bank. Cash and cash equivalents are measured at amortized cost in the statement of financial position.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the instrument.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income. Immediately after initial recognition, an expected credit loss allowance (ECL), if any, is recognized for financial assets measured at amortized cost, as described in Note 3.2, which results in an accounting loss being recognized in the statement of comprehensive income when an asset is newly originated.

Classification and measurement of financial assets

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 fair value through profit or loss ("FVTPL").

Financial asset 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 asset at fair value through other comprehensive income ("FVOCI")

A financial asset is measured at 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 principal and interest on the principal 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 asset at fair value through profit or loss ("FVTPL")

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

The Fund classifies its financial assets either as subsequently measured at amortized cost or measured at fair value through profit or loss.

The classification requirements for debt instruments are described below.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Fund classifies its equity instruments at fair value through profit or loss (FVTPL). The Fund subsequently measures all equity investments at fair value through profit or loss, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to the statement of comprehensive income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of comprehensive income when the Fund's right to receive payments is established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- Transferred substantially all of the risks and rewards of the asset or
- Neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained. The Fund derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Fund recognizes loss allowances for ECL on financial assets measured at amortized cost and debt investments measured at FVOCI.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e., the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

Financial liabilities

The Fund classifies its financial liabilities at amortized cost unless it has designated liabilities at FVTPL.

Trade date accounting

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e., the date that the fund commits to purchase or sell the assets). Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace.

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Notes to the financial statements

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(All Amounts in Saudi Arabian Riyals)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting of financial instruments

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

This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Redeemable Units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the holder to a pro rata share of the Fund's net assets (equity) in the event of the Fund's liquidation
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets (equity).
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets (equity) or the change in the fair value of the recognized and unrecognized net assets (equity) of the Fund over the life of the instrument.

In addition to the redeemable units having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets (equity) or the change in the fair value of the recognized and unrecognized net assets (equity) of the Fund.
- The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

No gain or loss is recognized in the statement of comprehensive income on the purchase, issuance or cancellation of the Fund's own equity instruments.

Accrued expenses and other payables

Accrued expenses and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective commission rate method.

investment transactions

Investment transactions are recognized on a trade date basis.

Management fees and Other expenses

Management fees and other expenses are charged at rates / amounts within limits mentioned in terms and conditions of the Fund. Management fees are calculated daily and deducted at the end of each calendar month.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Zakat

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

Net asset value

The net asset value per unit as disclosed in the statement of financial position is calculated by dividing the net assets of the Fund by the number of units at the end of the period.

Dividend income

Dividend income, if any is recognized in the statement of comprehensive income on the date on which the right to receive the payment for dividend is established. For quoted equity securities, this is usually the ex-dividend date. Dividend income from equity securities designated as at FVTPL, is recognized in the statement of comprehensive income in a separate line item

Revenue recognition

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

Provision

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

Net gain or loss on financial assets and liabilities at Fair Value through Profit or Loss (“FVTPL”)

Net gains or losses on financial assets and liabilities at FVTPL are changes in the fair value of financial assets held for trading or designated upon initial recognition as at FVTPL and exclude interest and dividend income and expenses.

Unrealized gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of the prior period’s unrealized gains and losses for financial instruments which were realized in the reporting period. Realized gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the weighted average cost method. They represent the difference between an instrument’s initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

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5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

Amendments

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Fund's Financial Statements, except for were referenced below.

New standards, amendments and revised IFRS issued but not yet effective

The Fund has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 17	Insurance Contracts	January 1, 2023	This is comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005.
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements
IAS 8	Amendment to definition of accounting estimate	January 1, 2023	This amendments regarding the definition of accounting estimates to help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Income taxes	January 1, 2023	This amendment deals with clarification regarding accounting of deferred tax on transactions such as leases and decommissioning obligations
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary.

Management anticipates that these new standards interpretations and amendments will be adopted in the Fund's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Fund in the period of initial application.

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Notes to the financial statements**For the year Ended 31 December 2023**

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6. CASH AND CASH EQUIVALENTS

	Note	31 December 2023	31 December 2022
Balances at banks	6-1	<u>865,474</u>	<u>3,361,681</u>
		<u>865,474</u>	<u>3,361,681</u>

6.1 Bank balances are held in investment accounts with local banks. The Fund does not earn profit on these investment accounts.

7. INVESTMENTS CARRIED AT FVPL

	31 December 2023		31 December 2022	
	Cost	Fair Value	Cost	Fair Value
Real estate management and development	-	-	3,590,635	2,931,550
Shares in the UAE market	8,552,104	8,922,049	1,693,825	1,813,129
Shares in the Kuwaiti market	894,408	1,210,302	791,793	803,015
Shares in the Qatari market	5,780,350	5,234,795	2,212,125	1,621,003
Industries	1,136,609	1,452,633	1,304,772	1,199,324
Telecommunication services	1,747,612	2,026,128	880,435	2,215,768
Consumer services	14,317,537	17,668,443	4,125,078	3,980,205
Commercial and professional services	5,767,449	7,028,563	2,989,002	2,658,682
Health care equipment and services	3,866,162	5,015,327	1,717,938	1,835,010
Capital goods sector	-	-	1,210,132	1,134,730
Energy	2,702,731	4,629,095	583,388	642,072
Public utility	-	-	1,441,719	1,524,069
Materials	13,771,119	13,584,220	9,777,517	8,677,098
Transportation	1,868,064	2,133,805	868,866	832,747
Food & Staples Retailing	-	-	1,302,166	1,481,943
Retailing	-	-	4,395,137	3,213,060
	<u>60,404,145</u>	<u>68,905,360</u>	<u>38,884,528</u>	<u>36,563,405</u>

8. Investments listed at amortized cost – Sukuk

	31 December 2023	31 December 2022
SUKUK		
Alinma Bank Sukuks	1,010,000	1,010,111
Public Investment Fund Sukuks	2,129,356	-
Saudi Electricity Company Sukuks	2,100,191	-
	<u>5,239,547</u>	<u>1,010,111</u>

The rate of return on Alinma Bank Fund Sukuks is 4% annually, and these Sukuks are renewed annually.

The rate of return on Public Investment Fund Sukuks is 6.250% annually, and these Sukuks mature on May 10, 2033.

The rate of return on the Saudi Electricity Company's sukuk is 5.684% annually, and these sukuk mature on April 11, 2053.

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(All Amounts in Saudi Arabian Riyals)

9. UNIT TRANSACTIONS

Transactions in units for the year are summarized as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Units at the beginning of the Year	3,780,684	2,649,012
Units issued	<u>2,800,352</u>	<u>2,339,791</u>
Units redeemed	<u>(1,474,030)</u>	<u>(1,208,119)</u>
Net change in units	<u>1,326,322</u>	<u>3,780,684</u>
Units at the end of the Year	<u>5,107,006</u>	<u>3,780,684</u>

10. MANAGEMENT FEE, ADMINISTRATION AND OTHER EXPENSES

Management fees and other expenses

The fund manager charges a management fee of 1.8% of the fund's net asset value. The management fee is calculated daily and deducted at the end of each calendar month.

The fund manager recovers from the fund any expenses incurred on behalf of the fund such as audit fees, legal fees and other similar expenses. These fees are not expected to exceed 0.25% per annum of the fund's net asset value.

11. TRANSACTIONS AND BALANCE WITH RELATED PARTIES

Related parties of the Fund include Derayah Financial Company (the fund manager), and Albilad Capital (the custodian). In the ordinary course of its activities, the Fund transacts business with related parties. The related parties' transactions are governed by limits set by the regulations issued by the CMA. All related party transactions are approved by the Fund's Board of directors.

The following are the significant transactions with related parties that the fund entered into during the year and the balances resulting therefrom:

Related Party	Nature of transactions	Amount of transaction		Closing balance receivable / (Payable)	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
Derayah Financial Company	Management Fees	1,139,632	866,902	(71,209)	(71,209)
Albilad Capital	Custody Fees	22,345	39,924	(2,439)	(21,962)
Fund Board	rewards	40,000	40,000	(40,000)	(40,000)

12. FINANCIAL INSTRUMENTS BY CATEGORY

<u>31 December 2023</u>	<u>Amortized cost</u>	<u>FVPL</u>
Assets as per statement of financial position		
Cash balances	865,474	-
Investments carried at amortized cost	5,239,547	-
Investments carried at (FVTPL)	-	68,905,360
Total	<u>6,105,021</u>	<u>68,905,360</u>

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12. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

31 December 2022	Amortized cost	FVPL
Assets as per statement of financial position		
Cash balances	3,361,681	-
Investments carried at amortized cost	1,010,111	-
Investments carried at (FVTPL)	-	36,563,405
Other receivables	5,538	-
Total	4,377,330	36,563,405

All financial liabilities as at 31 December 2023 and 31 December 2022 were classified as financial liabilities measured at amortized cost.

13. ZAKAT

According to the zakat rules for investment funds, investment funds are not subject to the collection of zakat in accordance with the rules for collecting zakat from investors in investment funds, provided that they do not carry out economic activities or investment activities that are not stipulated in the terms and conditions of those investment funds. The fund manager must submit an information declaration to the Authority within a period not exceeding 120 days from the end of the financial year. The fund manager has registered the fund and will submit the annual zakat information return to the Authority.

14. FINANCIAL INSTRUMENTS FINANCIAL RISK MANAGEMENT

The Fund's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Fund's comprehensive risk management program focuses on the unpredictability of financial markets and seeks to minimize potential negative effects on the Fund's financial performance.

The financial instruments included in these financial statements principally include cash and cash equivalents, investments at fair value through profit or loss, investments at fair value through other comprehensive income, other receivable balances, accrued expenses and management fees payable. The specific identification methods adopted are disclosed in the individual policy statements associated with each item. Financial assets and liabilities, net of amounts reported in the financial statements, are offset when the Fund has a legally enforceable right to cash the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Market risk

(i) Price risk

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

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund Manager diversifies the investment portfolio and closely monitors the price movement of its investments in financial instruments. As of the statement of financial position date, Fund has equity investments in mutual funds.

The following is the impact on the net asset value (equity) as a result of the change in the fair value of investments as of December 31, 2023 and December 31, 2022.

Nature of transactions	31 December 2023		31 December 2022	
	Reasonable possible change %	impact on fair value	Reasonable possible change %	impact on fair value
Equity investments	%1 -/+	689,054	%1 -/+	365,634

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14. FINANCIAL INSTRUMENTS FINANCIAL RISK MANAGEMENT (CONTINUED)

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 is exposed to credit risk in its cash, cash equivalents and other receivable balances. Bank balances are deposited with a Saudi bank with a good financial rating.

The following table shows the maximum exposure to credit risk for the components of the statement of financial position

	<u>31 December 2023</u>	<u>31 December 2022</u>
Cash balances	865,474	3,361,681
Investments carried at amortized cost	5,239,547	1,010,111
Other receivables	-	5,538

Expected credit loss measurement

The Fund does not have a formal internal grading mechanism. Credit risks are generally managed on the basis of external credit ratings of counterparties.

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

The fund manager has performed an ECL assessment of financial assets carried at amortized cost. No provision for impairment of these financial assets was recognized in these financial statements because the amount was not material.

The Fund's maximum undiscounted exposure to credit risk for the components of the statement of financial position and the respective expected credit loss is as follows:

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	<u>Exposure</u>	<u>ECL</u>	<u>Exposure</u>	<u>ECL</u>
Cash balances	865,474	-	3,361,681	-
Investments carried at amortized cost	5,239,547	-	1,010,111	-
Other receivables	-	-	5,538	-

Liquidity risk

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

The Fund's terms and conditions provide for subscription and redemption of units on every business day and it is, therefore, exposed to the liquidity risk of meeting 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 from the Fund Manager.

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.

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14. FINANCIAL INSTRUMENTS FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation

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

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

The fair value hierarchy has the following levels:

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

The table below presents the financial instruments at their fair value as at December 31, based on the fair value hierarchy:

	31 December 2023			
	Level 1	Level 2	Level 3	Total
Investment carried at FVPL	68,905,360	-	-	68,905,360
Total	68,905,360	-	-	68,905,360

	31 December 2022			
	Level 1	Level 2	Level 3	Total
Investment carried at FVPL	36,563,405	-	-	36,563,405
Total	36,563,405	-	-	36,563,405

15. DIVIDENDS

On May 9, 2023, the fund manager approved the distribution of dividends to shareholders for the period from November 1, 2022 to April 31, 2023 in the amount of 0.40 Saudi riyals per unit, with a total amount of 1,525,841 Saudi riyals for its unit holders.

On November 2, 2023, the fund manager approved the distribution of dividends to shareholders for the period from May 1, 2023 to October 31, 2023 in the amount of 0.27 Saudi riyals per unit, with a total amount of 1,395,308 Saudi riyals for its unit holders.

On May 8, 2022, the fund manager approved the distribution of dividends to shareholders for the period from 1 November 2021 to April 30, 2022 in the amount of 0.1783 Saudi riyals per unit, with a total amount of 651,138 Saudi riyals for its unit holders.

On November 2, 2022, the fund manager approved the distribution of dividends to shareholders for the period from May 1, 2022 to October 31, 2021 in the amount of 0.20 Saudi riyals per unit, with a total amount of 758,995 Saudi riyals for its unit holders.

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16. LAST VALUATION DAY

The last valuation day of the Year was 31 December 2023 (31 December 2022)

17. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Fund Board of Directors on 1 Ramadan 1445 H (11 March 2024).