

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AND INDEPENDENT AUDITORS' REVIEW REPORT

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

MUSHARAKA MURABAHAT AND SUKUK FUND
(Managed by Musharaka Capital Company)
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED
INTERIM FINANCIAL STATEMENTS**

To the Unitholders

Musharaka Murabahat and Sukuk Fund**Introduction**

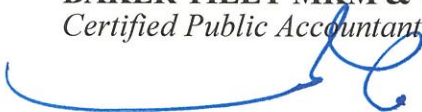
We have reviewed the accompanying condensed interim financial statements of Musharaka Murabahat and Sukuk fund (the "Fund"), managed by Musharaka Capital Company (the "Fund Manager") which comprises of condensed interim statement of financial position as at 30 June 2021, and the related condensed interim statements of profit or loss and other comprehensive income, changes in net assets attributable to unitholders and cash flows for the six month period ended 30 June 2021, and a summary of significant accounting policies and other explanatory notes. The Fund Manager is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as endorsed in the Kingdom of Saudi Arabia and to comply with the Fund's terms and conditions. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

BAKER TILLY MKM & CO.
Certified Public Accountants**Majid Muneer Alnemer**
License No. 381Al-Khobar 9 Muharram 1443H
17 August 2021

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**AS AT 30 JUNE 2021**

	<i>Note</i>	30 June 2021 <i>(Unaudited)</i>	31 December 2020 <i>(Audited)</i>
		SR	SR
ASSETS			
Investments at fair value through profit or loss (FVTPL)	6	9,099,107	9,876,268
Short term murabaha deposits	7	9,073,684	1,014,075
Accrued finance income	7	54,044	11,408
Cash and cash equivalents		290,982	6,713,069
Total assets		18,517,817	17,614,820
LIABILITIES			
Accrued management fees	8,13	16,392	7,298
Accrued expenses	9	26,545	41,237
Total liabilities		42,937	48,535
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		18,474,880	17,566,285
Units in issue (number)		1,759,252	1,682,893
Per unit value (SR)		10.50	10.44

The accompanying notes from 1 to 18 form an integral part of these financial statements

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

		<i>For the six month period ended 30 June 2021 (Unaudited) SR</i>	<i>For the period from 8 March 2020 To 30 June 2020 (Unaudited) SR</i>
Revenue			
Gain on investments at fair value through profit or loss (FVTPL)	6	145,177	23,787
Finance income	11	88,259	86,801
		<u>233,436</u>	<u>110,588</u>
Expenses			
Fund management fees	8, 13	(55,965)	(16,469)
Other expenses	12	(54,837)	(34,259)
Allowance for expected credit losses on investment at fair value through other comprehensive income (FVOCI)		-	(3,628)
		<u>(110,802)</u>	<u>(54,356)</u>
Profit for the period		<u>122,634</u>	<u>56,232</u>
Other comprehensive income			
Net unrealised gain on investment at FVOCI		-	940
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>122,634</u></u>	<u><u>57,172</u></u>

The accompanying notes from 1 to 18 form an integral part of these financial statements

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

**CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(UNAUDITED)****FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021**

	<i>(Unaudited)</i>
	<i>SR</i>
For the six month period ended 30 June 2021	
As at 1 January 2020	<u>17,566,285</u>
Profit for the period	122,634
Other comprehensive income	-
Total comprehensive income for the period	<u>122,634</u>
Proceeds from units issued	22,180,000
Payment for redemption of units	<u>(21,394,039)</u>
Net assets attributable to unitholders at 30 June 2021	<u><u>18,474,880</u></u>
For the period from 8 March 2020 To 30 June 2020	
Proceeds from units issued	<u>11,500,000</u>
Profit for the period	56,232
Other comprehensive income	<u>940</u>
Total comprehensive income for the period	<u>57,172</u>
Net assets attributable to unitholders as at 30 June 2020	<u><u>11,557,172</u></u>

The accompanying notes from 1 to 18 form an integral part of these financial statements

MUSHARAKA MURABAHAT AND SUKUK FUND
(Managed by Musharaka Capital Company)
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

	<i>For the six month period ended 30 June 2021 (Unaudited)</i>	<i>For the period from 8 March 2020 To 30 June 2020 (Unaudited)</i>
	<i>SR</i>	<i>SR</i>
OPERATING ACTIVITIES		
Profit for the period	122,634	56,232
Adjustments for:		
Allowance for expected credit losses	-	3,628
Gain on investments at fair value through profit or loss (FVTPL)	(145,177)	(23,787)
Finance income	(88,259)	(86,801)
<i>Changes in operating assets and liabilities</i>		
Investments at fair value through other comprehensive income (FVOCI)	-	(5,535,113)
Investments at fair value through profit or loss (FVTPL)	922,338	(3,760,000)
Prepayments and other assets	-	(22,210)
Short term murabaha deposits	(8,059,609)	(999,869)
Accrued management fees	9,094	8,794
Accrued expenses	(14,692)	21,862
Finance income received	45,623	30,819
Net cash used in operating activities	(7,208,048)	(10,306,445)
FINANCING ACTIVITIES		
Proceeds from units issued	22,180,000	11,500,000
Payment for redemption of units	(21,394,039)	-
Net cash generated from financing activities	785,961	11,500,000
Net change in cash and cash equivalents	(6,422,087)	1,193,555
Cash and cash equivalents at the beginning of the period	6,713,069	-
CASH AND CASH EQUIVALENTS, AT THE END OF PERIOD	290,982	1,193,555

The accompanying notes from 1 to 18 form an integral part of these financial statements

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

1 - GENERAL

Musharaka Murabahat and Sukuk Fund (the "Fund") is an open-ended investment fund, managed by Musharaka Capital Company (the "Fund Manager") a Saudi Closed Joint Stock Company licenced by Capital Market Authority (CMA) under licence no. 13169-27. The Fund is governed by the Investment Fund Regulations ("the Regulations") published by the (CMA) detailing requirements for all funds within the Kingdom of Saudi Arabia.

The registered address of the Fund Manager is: Musharaka Capital Company P.O.Box 712, Al Khobar 31952, Kingdom of Saudi Arabia.

The primary investment objective of the Fund is to generate returns for the investors in the short and medium term and to sustain the capital investment.

The terms and conditions of the Fund were approved by CMA on 29 Rabi II 1441H (corresponding to 26 December 2019). The Fund commenced its activities on 13 Rajab 1441H (corresponding to 8 March 2020) pursuant to such approval and after concluding the subscription procedures.

In dealing with the unitholders, the Fund Manager considers the Fund as an independent entity. Accordingly, the Fund prepares its own financial statements. Furthermore, unitholders are considered as owners of the assets of the Fund.

2 - BASIS OF PREPARATION

The condensed interim financial statements for the six-month period ended 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 31 December 2020.

The financial statements have been prepared on a historical cost basis except for investments at fair value through profit or loss (FVTPL). The condensed interim financial statements are presented in Saudi Riyals which is also the functional currency of the Fund and all values are rounded to the nearest Saudi Riyal (SR), except when otherwise indicated.

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 liquidity.

3 - ACCOUNTING POLICIES

Accounting policies applied in these condensed interim financial statements are the same as those applied in the last annual financial statements.

4 - SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these 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 at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future years.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The key judgments, estimates and assumptions that have an impact on the condensed interim financial statements of the Fund are discussed below:

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

4 - SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Classification of investments

Management designates at the time of acquisition of investments whether these should be classified as at fair value through profit or loss, fair value through other comprehensive income or amortized cost. In exercising this judgment, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments.

Allowance for expected credit losses

The Fund recognises allowance for expected credit loss (ECL) on its Murabaha deposits and Sukuk instruments that are designated at amortised cost or fair value through other comprehensive income (FVOCI).

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

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets on which credit risk has not increased significantly since their initial recognition.

The Fund considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade' or certain unrated investment with no default in past. 12- month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.

Impact of Covid-19

The existence of novel Coronavirus disease (COVID-19) was confirmed in early 2020 and has spread globally causing disruptions to businesses and economic activity. As the situation is fluid and rapidly evolving, management do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Fund as of the date of issuance of the condensed interim financial statements.

5 - NEW STANDARDS AND AMENDMENTS TO STANDARDS

There are no new standards issued, however, there are number of amendments to the standards which are effective from 1 January 2021 and has been explained in Fund's annual financial statements for the year ended 31 December 2020, but they do not have a significant effect on these condensed interim financial statements for the six month period ended 30 June 2021.

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021****6 - INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

The investment portfolio is allocated among the various economic sectors, the fair values and cost of these investments are as follows :

	<i>Units of open- ended mutual funds (a)</i>	<i>Investment in debt instruments - Sukuks (b)</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
For the six month period ended 30 June 2021			
As at 1 January 2021	5,998,908	3,877,360	9,876,268
Additions	4,000,000	1,046,671	5,046,671
Disposals	(5,316,082)	(572,105)	(5,888,187)
Change in fair value	60,476	3,879	64,355
As at 30 June 2021	<u>4,743,302</u>	<u>4,355,805</u>	<u>9,099,107</u>

For the period from 8 March 2020 to 31 December 2020

Additions	5,910,000	3,874,304	9,784,304
Change in fair value	88,908	3,056	91,964
As at 31 December 2020	<u>5,998,908</u>	<u>3,877,360</u>	<u>9,876,268</u>

For the six month period ended 30 June 2021 the Fund realised gain amounting to SR 80,822 (30 June 2020: SR nil) on sale of these investments.

Cost and fair value of the investment portfolio as at 30 June 2021 and 31 December 2020 is distributed as follows.

<i>Investee</i>	<u>As at 30 June 2021</u>		<u>As at 31 December 2020</u>	
	<i>Cost</i>	<i>Market Value</i>	<i>Cost</i>	<i>Market Value</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
(a) Units of open-ended mutual funds				
Itqan Fund For Murabahat and Sukuk	2,376,725	2,415,282	3,295,000	3,361,459
Alkhair capital Murabaha fund	2,306,101	2,328,020	900,000	901,053
Muscat Capital Money Market Fund	-	-	1,115,000	1,134,064
FALCOM SAR Murabaha Fund	-	-	600,000	602,332
	<u>4,682,826</u>	<u>4,743,302</u>	<u>5,910,000</u>	<u>5,998,908</u>
(b) Investment in debt instruments - Sukuks				
Riyad Sukuk Limited	879,877	890,130	888,647	889,730
MAF Sukuk Ltd	1,973,556	1,996,567	1,986,735	1,987,434
Saudi Telecom Co	995,325	964,746	998,922	1,000,196
Bahrain Sukuk Al-SA	503,168	504,362	-	-
	<u>4,351,926</u>	<u>4,355,805</u>	<u>3,874,304</u>	<u>3,877,360</u>
Total investment at FVTPL	<u>9,034,752</u>	<u>9,099,107</u>	<u>9,784,304</u>	<u>9,876,268</u>

7 - SHORT TERM MURABAHA DEPOSITS

Short term deposits represent the amount invested by the Fund in Murabaha deposit with a commercial bank that has an original maturity of more than 3 months for the purpose of yielding finance income at commercial rates ranging from 1.65% to 4.5% (30 June 2020: 2.75%) per annum. As at period / year end, accrued finance income on short term deposits amounting to SR 54,044 (31 December 2020: SR 11,408).

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021****8 - FUND MANAGEMENT FEES**

The Fund is managed and administered by the Fund Manager. For these services, the Fund calculates the management fee, as set out in the Fund's terms and conditions, at an annual rate of 0.45% of the Funds net assets.

9 - ACCRUED EXPENSES

	<i>30 June 2021</i> <i>(Unaudited)</i>	<i>31 December 2020</i> <i>(Audited)</i>
	<i>SR</i>	<i>SR</i>
Professional fee	17,155	23,000
Custody fee	8,692	12,237
Board of Directors' fee	-	6,000
Others	698	-
	<u>26,545</u>	<u>41,237</u>

10 - DIVIDEND

The Fund does not distribute dividend to unitholders. Returns are reinvested in the Fund.

11 - FINANCE INCOME

	<i>Note</i>	<i>For the six month</i> <i>period ended 30</i> <i>June 2021</i> <i>(Unaudited)</i>	<i>For the period from 8</i> <i>March 2020 To 30</i> <i>June 2020</i> <i>(Unaudited)</i>
		<i>SR</i>	<i>SR</i>
Finance income on short term murabaha deposits	7	88,259	14,206
Finance income on investments at fair value through other comprehensive income (FVOCI)		-	72,595
		<u>88,259</u>	<u>86,801</u>

12 - OTHER EXPENSES

	<i>For the six month</i> <i>period ended 30</i> <i>June 2021</i> <i>(Unaudited)</i>	<i>For the period from 8</i> <i>March 2020 To 30</i> <i>June 2020</i> <i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Professional fees	11,406	-
Custody fees	14,257	12,507
Shariah Committee fees	8,926	6,371
Board of Directors' fees	5,951	3,770
Capital Market Authority (CMA) fees	3,719	2,357
Tadawul fees	2,851	1,650
Others	7,727	7,604
	<u>54,837</u>	<u>34,259</u>

13 - RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the Fund Manager, two funds managed by the fund manager (Musharaka REIT Fund and Arsh real estate fund) and the Fund Board.

The following table provides the total amount of transactions that have been entered into with related parties during the period:

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021****13 - RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

Related party	Nature of transaction	<i>For the six month</i>	<i>For the period from</i>
		<i>period ended 30 June</i>	<i>8 March 2020 To 30</i>
		2021	June 2020
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		SR	SR
Fund Manager	Management fee	55,965	16,469
	Units subscribed	-	6,000,000
Arsh real estate fund	Units subscribed	1,000,000	-
	Units redeemed	4,200,000	-
Musharaka REIT Fund	Units subscribed	-	5,000,000
Fund Board	Board of Directors remuneration	5,951	3,770

The Fund Manager investment in the Fund at 30 June 2021 is 450,000 units (31 December 2020: 600,000 units).

The investment of Arsh real estate fund and Musharika REIT fund in the Fund at 30 June 2021 is 554,738 units and 500,000 units, respectively (31 December 2020: nil and 500,000 units, respectively).

Balances with related parties are as follows:

	<i>30 June 2021</i>	<i>31 December 2020</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	SR	SR
Fund Manager (a)	16,392	7,298
Fund Board (b)	-	6,000

(a) Presented under accrued management fee

(b) Presented under accrued expenses

Type of fee	Basis and rate	Payment term
Management fees	0.45% of the net assets calculated on a daily basis.	Monthly
Board of Directors' remunerations	SR 3,000 per meeting only payable to the independent members, maximum up to SR 6,000 per annum per member.	After the meeting of the Board of Directors

14 - FAIR VALUES OF FINANCIAL INSTRUMENTS

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

When available, the Fund measures the fair value of an instrument using the quoted price 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 at a market price, because this price reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise 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 transfer between levels of fair value at the end of the reporting period during which the change has occurred.

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

14 - FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

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 following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 June 2021						
	Carrying amount			Fair value			
	Amortised			Level 1	Level 2	Level 3	Total
	Fair value	cost	Total				
SR	SR	SR	SR	SR	SR	SR	
Financial assets							
Investments at fair value through profit or loss (FVTPL)	9,099,107	-	9,099,107	4,743,302	4,355,805	-	9,099,107
Short term murabaha deposits	-	9,073,684	9,073,684	-	-	-	-
Accrued finance income	-	54,044	54,044	-	-	-	-
Cash and cash equivalents	-	290,982	290,982	-	-	-	-
	<u>9,099,107</u>	<u>9,418,710</u>	<u>18,517,817</u>	<u>4,743,302</u>	<u>4,355,805</u>	<u>-</u>	<u>9,099,107</u>
Financial liabilities							
Accrued management fees	-	16,392	16,392	-	-	-	-
Accrued expenses	-	26,545	26,545	-	-	-	-
	<u>-</u>	<u>42,937</u>	<u>42,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2020							
	Carrying amount			Fair value			
	Amortised			Level 1	Level 2	Level 3	Total
	Fair value	cost	Total				
	SR	SR	SR	SR	SR	SR	SR
Financial assets							
Investments at fair value through profit or loss (FVTPL)	9,876,268	-	9,876,268	5,998,908	3,877,360	-	9,876,268
Short term murabaha deposits	-	1,014,075	1,014,075	-	-	-	-
Accrued finance income	-	11,408	11,408	-	-	-	-
Cash and cash equivalents	-	6,713,069	6,713,069	-	-	-	-
	<u>9,876,268</u>	<u>7,738,552</u>	<u>17,614,820</u>	<u>5,998,908</u>	<u>3,877,360</u>	<u>-</u>	<u>9,876,268</u>
Financial liabilities							
Accrued management fees	-	7,298	7,298	-	-	-	-
Accrued expenses	-	41,237	41,237	-	-	-	-
	<u>-</u>	<u>48,535</u>	<u>48,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

MUSHARAKA MURABAHAT AND SUKUK FUND

(Managed by Musharaka Capital Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) (Continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021****15 - EARNINGS PER UNIT**

The calculation of basic earnings per unit is based on the profit attributable to unitholders and the weighted average number of units outstanding.

	<i>For the six month period ended 30 June 2021 (Unaudited)</i>	<i>For the period from 8 March 2020 To 30 June 2020 (Unaudited)</i>
	<i>SR</i>	<i>SR</i>
Profit for the period attributable to the unitholders	122,634	57,172
Weighted average number of units	2,002,552	1,149,779
Earnings per unit	0.06	0.05

16 - VALUATION DAY

The Fund's units are valued daily from Sunday to Thursday, and unit price is announced on the following business day. The last valuation day for the purpose of preparation of these financial statements was 30 June 2021.

17 - COMPARITIVE FIURES

The comparative figures represent results of the Fund's operation for the period from 8 March 2020 to 30 June 2020, therefore construed as comparative figures.

18 - APPROVAL OF THE FINANCIAL STATEMENTS

The condensed interim financial statements were approved by the management on 17 August 2021.