SEDCO CAPITAL IPO FUND
(Managed by SEDCO Capital)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS

FOR THE PERIOD FROM 26 AUGUST 2024 TO 31 DECEMBER 2024

FINANCIAL STATEMENTS
For the period from 26 August 2024 to 31 December 2024

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Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
King's Road Tower, 13th Floor
King Abdul Aziz Road (Malek Road)
P.O. Box 1994
Jeddah 21441
Kingdom of Saudi Arabia
Head Office – Riyadh

C.R. No. 4030276644

Tel: +966 12 221 8400
Fax: +966 12 664 4408

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT
To the Unitholders of SEDCO Capital IPO Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SEDCO Capital IPO Fund (the "Fund"), managed by SEDCO Capital Company (the "Fund Manager"),which comprise the statement of financial position as at 31 December 2024, and the statement of income and comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the period from 26 August 2024 to 31 December 2024, and notes to the financial statements, including material accounting policy 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 period from 26 August 2024 to 31 December 2024 in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

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 is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Fund's 2024 annual report, other than the financial statements and our auditor's report thereon. The Fund Manager is responsible for the other information in the Fund's annual report. The Fund's 2024 annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority and 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.

INDEPENDENT AUDITOR'S REPORT
To the Unitholders of SEDCO Capital IPO Fund (continued)

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements (continued)
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 i.e, the Fund Board, is responsible for overseeing the Fund's financial reporting process.

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 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism 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 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, 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.

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INDEPENDENT AUDITOR'S REPORT
To the Unitholders of SEDCO Capital IPO Fund (continued)

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 Ernst & Young Professional Services

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CR.4030276644
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)

Jeddah 26 Ramadhan 1446H
(26 March 2025G)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	*2024* *⃁*
ASSETS		
Financial assets measured at fair value through income statement (FVTIS)	5	**20,223,335**
Advance against investments	6	**9,063,360**
Cash and cash equivalents	7	**9,873,645**
TOTAL ASSETS		**39,160,340**
LIABILITIES		
Due to related parties	8	**180,257**
Accrued expenses and other payables		**131,699**
TOTAL LIABILITIES		**311,956**
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS		**38,848,384**
UNITS IN ISSUE		**3,624,182.2249**
Net assets value per unit (⃁)		**10.7192**

STATEMENT OF INCOME AND COMPREHENSIVE INCOME
For the period from 26 August 2024 to 31 December 2024

	Notes	*For the period from 26 August 2024 to 31 December 2024* ⃁
INCOME		
Net unrealised gain on revaluation of financial assets measured at FVTIS	5	**2,467,712**
Murabaha income	7 (a)	**156,253**
Dividend income		**87,883**
TOTAL INCOME		**2,711,848**
EXPENSES		
Management and shariah advisory fees	8	**210,165**
Custody and operator fees	8	**7,207**
Operating and other expenses	9	**165,104**
TOTAL EXPENSES		**382,476**
NET INCOME FOR THE PERIOD		**2,329,372**
Other comprehensive income		**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,329,372**

The attached notes from 1 to 14 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
For the period from 26 August 2024 to 31 December 2024

	For the period from 26 August 2024 to 31 December 2024 ⃁
Net assets attributable to the unitholders at the beginning of the period	-
Issuance and redemptions by the unitholders	
Proceeds from issuance of units	**39,948,931**
Payment on redemption of units	**(3,429,919)**
Net changes from unit transactions	**36,519,012**
Total comprehensive income for the period	**2,329,372**
Net assets attributable to the unitholders as at 31 December 2024	**38,848,384**

	Units
Redeemable unit transactions (numbers)	
Units at beginning of the period	-
Issuance of units during the period	**3,943,224.1669**
Redemptions of units during the period	**(319,041.9420)**
Net increase in units	**3,624,182.2249**
Units in issue as at 31 December 2024	**3,624,182.2249**

The attached notes from 1 to 14 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the period from 26 August 2024 to 31 December 2024

	Notes	*For the period from 26 August 2024 to 31 December 2024* ⃁
OPERATING ACTIVITIES		
Net income for the period		**2,329,372**
Adjustments to reconcile net income to net cash from operating activities:		
Net unrealised gain on revaluation of financial assets measured at FVTIS	5	**(2,467,712)**
Net changes in operating assets and liabilities:		
Net movement in financial assets measured at FVTIS	5	**(17,755,623)**
Advance against investment	6	**(9,063,360)**
Due to related parties	8	**180,257**
Accrued expenses and other payable		**131,699**
Net cash used in operating activities		**(26,645,367)**
FINANCING ACTIVITY		
Proceeds from issuance of units		**39,948,931**
Payments on redemption of units		**(3,429,919)**
Net cash from financing activity		**36,519,012**
Net change in cash and cash equivalents		**9,873,645**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		**9,873,645**

1 THE FUND AND ITS ACTIVITIES

SEDCO Capital IPO Fund (the "Fund") is an open-ended public Shariah compliant investment fund established in the Kingdom of Saudi Arabia under the Investment Funds Regulations issued by the Capital Market Authority (the "CMA"), and managed by Saudi Economic and Development Securities Company ("SEDCO Capital" or the "Fund Manager"). The address of the Fund Manager is:

P.O. Box 13396,
King Abdulaziz (Malik) Road,
Jeddah 21493, Kingdom of Saudi Arabia.

The establishment of the Fund has been approved by the CMA on 25 June 2024 (corresponding to 18 Dhu Al-Hijjah 1445H) and the Fund commenced its operations on 26 August 2024. The Shariah Advisor has reviewed the Fund offering document and confirmed compliance with the prescribed Shariah guidelines.

As per the approved terms and conditions, the Fund does not have a specific duration or maturity date, starting as of the date of listing (i.e. 26 August 2024) of the Fund Units on the main market and become available for trading. Further, the accounting period and fiscal year of the Fund is 12 calendar months, ending on 31 December. The end of the Fund's initial accounting period is 31 December 2024. Hence, the first financial statements of the Fund has been prepared for the short period from 26 August 2024 to 31 December 2024.

The Fund aims to achieve capital growth in the medium to long term by investing in Initial Public Offerings (IPOs) and the Right Issues of companies listed on the Saudi Exchange, including the Main Market and the Parallel Market, which comply with the Shariah Guidelines and Controls that are approved by the Funds Shariah Supervisory Committee. The Fund may also invest in Initial Public Offerings (IPOs) of Real Estate Investment Traded Funds (REITs), Money Market Transactions and Sukuk that comply with the Shariah Guidelines and Controls.

The Fund is governed by the Investment Funds Regulations (the "Regulations"), issued by the CMA pursuant to Resolution No. 1/219/2006 dated 03 Dhul Hijjah 1427H (corresponding to 24 December 2006) as amended by the Resolution of the Board of the CMA No. 2/22/2021 dated 12 Rajab 1442 H, corresponding to (24 February 2021G), detailing requirements for investment funds within the Kingdom of Saudi Arabia.

2 BASIS OF PREPERATION

a) Statement of compliance

These financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and to comply with the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority and the Fund's terms and conditions.

The Fund has prepared the financial statements on the basis that it will continue to operate as a going concern.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention using the accrual basis of accounting, except for measurement of financial assets which are measured at fair value through income statement.

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.

c) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These financial statements are presented in Saudi Arabian Riyal ("⃁") which is the Fund's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements
In the process of applying the Fund's accounting policies, the Fund Manager has made the following judgement, which have the most significant effect on the amounts recognised in the financial statements.

Going concern
The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the Fund Manager is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

4.1 Cash and cash equivalents
For the purposes of the statement of cash flows, cash and cash equivalents consists of cash at bank and Murabaha deposits with original maturities of less than three months.

4.2 Financial instruments - Initial recognition and measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through income statement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income statement, transaction costs. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through income statement, irrespective of the business model.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Financial instruments - Initial recognition and measurement (continued)

a) ***Financial assets (continued)***
The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement
Financial assets at amortised cost
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired. The Fund's financial assets at amortised cost includes advance against investment and cash and cash equivalent.

Financial assets at fair value through OCI
Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to income statement. Dividends are recognised as other income in the statement of income when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through income statement
Financial assets at fair value through income statement are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of income. This category includes financial assets at fair value through income statement (FVTIS), which represents investment in local equity instruments.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- 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 either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment
The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through income statement. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

b) Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through income statement. All financial liabilities are recognised initially at fair value.

The Fund's financial liabilities include due to a related party and other payable. Gains or losses on liabilities held for trading are recognised in the statement of income statement. Financial liabilities designated upon initial recognition at fair value through income statement are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Fund has not designated any financial liability as at fair value through income statement.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Financial instruments - Initial recognition and measurement (continued)

b) Financial liabilities (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income.

4.3 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 currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.4 Provisions
Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.5 Zakat and income tax
Taxation/zakat is the obligation of the unitholders and therefore, no provision for such liability is made in these financial statements.

4.6 Trade date accounting
All regular way purchases and sales of financial assets are recognized and derecognized on the trade date, i.e. the date on which the Fund commits to purchase or sell the financial asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

4.7 Fees and expenses paid by the Fund
In accordance with the Fund’s approved terms and conditions, the Fund pays the following fees:

a) Management Fees
The Fund Manager is entitled to a management fee of 1.75% of the Fund’s Net Asset Value (NAV), calculated daily on a yearly basis, to be paid at the end of each Gregorian month.

b) Custodian Fees
The Fund pays a fee to the Fund custodian of 0.02% of the Net Asset Value (NAV) under custody annually, with a minimum of ⃁14,000. The Fund custodian is Saudi Fransi Capital Company.

c) Fund Operator Fees
The Fund pays an operator fee of 0.05% of the Net Asset Value (NAV) under custody annually, with a minimum of ⃁36,000. The Fund operator is Saudi Fransi Capital Company.

d) Auditor fees
The Fund pays the external auditor a fee of ⃁65,000 payable on a semi-annual basis.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Fees and expenses paid by the Fund (continued)

e) ***Fees for independent Board Members***
The Fund pays ⃁5,000 on annual basis for each meeting for each independent director and a maximum of ⃁20,000 per year for each independent director.

f) ***Annual Regulatory Fees imposed by the Authority***
The Fund pays ⃁7,500 for the regulatory fees imposed by the CMA annually.

g) ***Annual Publication Fees (Tadawul)***
The Fund pays ⃁5,000 for the publishing fees to the market annually.

h) ***Shariah Compliance Officer Fees***
The Fund pays Shariah compliance monitoring fees, which are a lump sum amount of ⃁30,000 annually. The fees are paid to the Shariah compliance officer, who is responsible for disbursing the amounts to the Shariah compliance committee and any other relevant entity regarding Shariah standards and controls.

4.8 Standards issued but not yet effective

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments and revisions which are effective from periods on or after 1 January 2025. The Fund has opted not to early adopt these pronouncements and the management does not expect these to have a significant impact on the financial statements of the Fund.

Standard, interpretation, amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. The amendments are not expected to have a material impact on the Fund's financial statements	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

5 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH INCOME STATEMENT (FVTIS)

The composition of the financial assets at fair value through income statement on the last valuation day of the year end is summarised below:

	2024 ⃁
Cost of equity investments during the period	**17,755,623**
Net unrealised gain for the period	**2,467,712**
Market Value at the end of the period	**20,223,335**

	31 December 2024			
	% of Market Value	***Cost*** ⃁	***Market value*** ⃁	***Unrealised gain (loss)*** ⃁
<u>Investments in local quoted equities (by industry)</u>				
Commercial & Professional Services	**23.3%**	**4,670,913**	**4,710,047**	**39,134**
Food & Beverages	**21.0%**	**3,472,351**	**4,237,481**	**765,130**
Materials	**18.2%**	**3,807,972**	**3,687,084**	**(120,888)**
Consumer Durables & Apparel	**10.7%**	**2,210,682**	**2,170,153**	**(40,529)**
Software & Services	**10.6%**	**813,136**	**2,134,482**	**1,321,346**
Financial Services	**6.8%**	**1,012,704**	**1,380,960**	**368,256**
Media and Entertainment	**5.2%**	**1,141,679**	**1,052,717**	**(88,962)**
Consumer Services	**1.6%**	**261,440**	**316,588**	**55,148**
Household & Personal Products	**1.4%**	**183,864**	**285,576**	**101,712**
Real Estate Management and Development	**0.8%**	**111,822**	**163,073**	**51,251**
Health Care Equipment & Services	**0.4%**	**69,060**	**85,174**	**16,114**
Total	**100.00%**	**17,755,623**	**20,223,335**	**2,467,712**

The above equity investments are listed on the Saudi Stock Exchange (“Tadawul”). The Fund Manager seeks to limit risk for the Fund by monitoring exposures in each investment sector and individual securities.

6. ADVANCE AGAINST INVESTMENT

During the period, the Fund subscribed to invest in shares of two companies undergoing initial public offering. Subsequent to yearend and upon completion of the subscription period, the shares were allocated to the Fund and the investment amount of ⃁9 million was recognized as financial assets measured at fair value through income statement.

7 CASH AND CASH EQUIVALENTS

	31 December 2024 ⃁
Bank balances	**372,397**
Murabaha deposits with original maturities of less than three months (note (a) below)	**9,501,248**
	9,873,645

a) During the period, the Fund earned finance income of ⃁156,253 at the rate of return ranging from 4.35% to 5.60%.

At each reporting date, all bank balances including short-term Murabaha are assessed to have low credit risk as they are held with reputable and high credit rating domestic banking institutions and there has been no history of default with any of the Fund's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

8 RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions comprise of transactions with the Fund Manager, and Fund Custodian and other affiliates of the Fund Manager in the ordinary course of business, undertaken on mutually agreed terms. These transactions were carried out on the basis of approved term and conditions of the Fund.

Following are the details of related party transactions and amounts, excluding value added tax, during the period:

Related party	*Nature of transaction*	*For the period from 26 August 2024 to 31 December 2024* ⃁
SEDCO Capital (Fund Manager)	Management fees	**180,165**
	Sharia supervising fees	**30,000**
Saudi Fransi Capital (Fund Custodian)	Custody fees	**2,059**
	Operator fees	**5,148**

The balance due to related parties as at 31 December 2024 comprise the following:

	31 December 2024 ⃁
Fund manager	**173,050**
Fund custodian and operator	**7,207**
	180,257

9. OPERATING AND OTHER EXPENSES

	For the period from 26 August 2024 to 31 December 2024 ⃁
Professional fees	**80,000**
VAT expenses	**46,745**
CMA fees	**17,500**
Tadawul fees	**6,762**
Other expenses	**14,097**
	165,104

10 FAIR VALUE MEASUREMENT 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 takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability.

The Fund's financial assets consist of cash and cash equivalents, financial assets measured at FVTIS and advance against investments. Its financial liabilities consist of due to a related party and accrued expenses and other payables. All financial assets and financial liabilities as at 31 December 2024 were classified under amortised cost category except for financial assets measured at FVTIS which are classified as and measured at fair value under level 1 of fair value hierarchy.

Fair values of financial instruments

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The estimated fair values of the Fund's financial assets and liabilities not measured at fair value is not considered to be significantly different from their carrying amounts, as they are having short term maturities. The fair value of financial assets measured at FVTIS is based on quoted market prices and therefore classified within level 1 of the fair value hierarchy as at 31 December 2024.

11 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Manager is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Manager. The Fund has its terms and conditions that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

Commission rate risk
Commission rate risks is the risk that the fair value or future cash flows of a financial instrument would fluctuate as a result of changes in commission rate. The Fund manages the commission rate risk by regularly monitoring the interest rate profiles of its interest bearing financial instruments.

Currency risk
Currency risk arises from the possibility that changes in foreign exchange rates will affect the value of the financial assets and liabilities denominated in foreign currencies, in case the Fund does not hedge its currency exposure by means of hedging instruments. As the Fund did not undertake significant transactions in currencies other than Saudi Riyals, hence, the Fund is not exposed to any significant currency risk.

Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk).

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund closely monitors the price movement of its investments in financial instruments. As of the statement of financial position date, Fund has only one investment in mutual fund that is subject to price risk.

The effect on the net assets of the Fund due to a reasonably possible change in fair value of the financial assets, with all other variables held constant is as follows:

		Effect on NAV
	Potential reasonable change %	**31 December 2024** **⃁**
Financial asset at FVTIS	± 10%	**2,022,334**

11 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's principal financial assets subject to credit risk are its cash and cash equivalents, financial assets measured at FVTIS, and advance against investment.

It is Fund policy to enter into financial instrument contracts with reputable counterparties. The Fund seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. In accordance with the Fund's policy, the Fund Manager monitors the Fund's credit position on a daily basis. The Custodian of the Fund is Saudi Fransi Capital. The portfolio securities where applicable may be held by one or more internationally recognised securities custodians appointed by the Fund Manager.

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 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 due to a related party and other 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 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 providers 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.

12 ZAKAT

As per Zakat, Tax and Customs Authority ("ZATCA") regulations, all Investment Funds are required to register and submit informative returns, and the responsibility of paying zakat will be at the unitholder level. The Fund has registered with ZATCA and will file its first informative return for the period ended 31 December 2024.

The Fund has no liability to pay the Zakat and is only required to file the information only return. Zakat is the obligation of the unitholders and therefore, no provision for such liability is made in these financial statements.

12 ZAKAT (Continued)

The zakat base is based on the following:

	For the period from 26 August 2024 to 31 December 2024 ⃁
Net Profit/Loss after Zakat	**(2,329,372)**
Total Adjustments	-
Amended net income	(2,329,372)
Owners equity and equivalents:	
Net assets attributable to the unitholders	38,848,384
Due to related parties	180,257
Total owners' equity and equivalents	**39,028,641**
Additional current liabilities resulting from deductions of current assets	68,013
Liabilities and equivalents up to the limit of deductions	**68,013**
Total additions including adjustments	**39,096,654**
Financial assets measures at fair value through income statement	20,223,335
Total deduction	**(20,223,335)**
Zakat Base	**18,873,319**
Zakat base or minimum or maximum zakat cap	**18,873,319**
Zakat due @366/354	**170,606**
Minimum Zakat cap calculation as per Art.27	**2,329,372**
Minimum Zakat cap calculation as per Art.28	**39,028,641**
Deductible items listed under Current Assets	
Financial assets measures at fair value through income statement	20,223,335
Current Liabilities	**131,699**
Current assets	**39,160,340**
Percentage	**51.64%**
Additional current liabilities resulting from deduction of current assets	**68,013**
Number of Unit	**3,624,182**
Zakat per unit	**0.04707**

13 LAST VALUATION DAY

The last valuation day of the period was 31 December 2024.

14 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Fund Board on 26 March 2025G (corresponding to 26 Ramadan 1446H).