AL RAJHI AWAEED FUND
An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Financial Statements
For the period from 15 January 2024 (date of commencement of operations) to 31 December 2024
together with the
Independent Auditor's Report

AL RAJHI AWAEED FUND
An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
For the period from 15 January 2024 to 31 December 2024
(Amounts in SAR)

INDEX	**PAGES**

AL RAJHI AWAEED FUND
An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Statement of Financial Position
As at 31 December 2024
(Amounts in SAR)

	Notes	**31 December 2024**
ASSETS		
Cash and cash equivalents	*5*	**4,340,265,425**
Investment measured at amortised cost	*6*	**3,821,046,463**
Total Assets		**8,161,311,888**
LIABILITIES		
Management fee payable	*7, 10*	**1,811,976**
Accrued expenses	*8*	**79,885**
Total Liabilities		**1,891,861**
Net assets (equity) attributable to the Unitholders		**8,159,420,027**
Units in issue *(numbers)*		**7,699,558,296**
Net assets (equity) attributable to each unit *(SAR)* - **IFRS**	*16*	**1.06**
Net assets (equity) attributable to each unit *(SAR)* – **Dealing**	*16*	**1.06**

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

AL RAJHI AWAEED FUND
An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Statement of Comprehensive Income
For the period from 15 January 2024 to 31 December 2024
(Amounts in SAR)

	Notes	**For the period from 15 January 2024 to 31 December 2024**
INCOME		
Special commission income		**215,063,567**
Net foreign exchange loss		**(46,000)**
Total income		**215,017,567**
EXPENSES		
Management fee	*7, 10*	**(9,869,952)**
Other expenses	*9*	**(180,859)**
Total expenses		**(10,050,811)**
Net income for the period		**204,966,756**
Other comprehensive income for the period		**--**
Total comprehensive income for the period		**204,966,756**

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

AL RAJHI AWAEED FUND
An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Statement of changes in net assets (equity) attributable to the Unitholders
For the period from 15 January 2024 to 31 December 2024
(Amounts in SAR)

	For the period from 15 January 2024 to 31 December 2024
Net assets (equity) attributable to the Unitholders at beginning of the period	**--**
Net income for the period	**204,966,756**
Other comprehensive income for the period	**--**
Total comprehensive income for the period	**204,966,756**
Contributions and redemptions by the Unitholders	
Proceeds from issuance of units during the period	**14,830,536,045**
Payments on redemption of units during the period	**(6,876,082,774)**
Net contributions by the Unitholders	**7,954,453,271**
Net assets (equity) attributable to the Unitholders at end of the period	**8,159,420,027**

Transactions in units for the period are summarised as follows:

	For the period from 15 January 2024 to 31 December 2024
Units in issuance at beginning of the period	**--**
Issuance of units during the period	**14,294,850,889**
Redemption of units during the period	**(6,595,292,593)**
Net increase in units	**7,699,558,296**
Units in issuance at end of the period	**7,699,558,296**

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

AL RAJHI AWAEED FUND
An open-ended mutual fund
(Managed by Al Rajhi Capital Company)
Statement of Cash flows
For the period from 15 January 2024 to 31 December 2024
(Amounts in SAR)

	Notes	For the period from 15 January 2024 to 31 December 2024
Cash flows from operating activities		
Net income for the period		**204,966,756**
Adjustments for:		
Special commission income		**(215,063,567)**
Net changes in operating assets and liabilities		
Purchase of investment at amortised cost		**(65,450,827,486)**
Proceeds from sale of investments at amortised cost		**61,691,556,199**
Increase in management fee payable		**1,811,976**
Increase in accrued expenses		**79,885**
Cash used in operations		**(3,767,476,237)**
Special commission received		**153,288,391**
Net cash used in operating activities		**(3,614,187,846)**
Cash flows from financing activities		
Proceeds from issuance of units		**14,830,536,045**
Payments on redemption of units		**(6,876,082,774)**
Net cash flows generated from financing activities		**7,954,453,271**
Net increase in cash and cash equivalents		**4,340,265,425**
Cash and cash equivalents at the beginning of the period		**--**
Cash and cash equivalents at the end of the period	*5*	**4,340,265,425**

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

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Al Rajhi Awaeed Fund, (the "Fund") is an open-ended investment fund created by an agreement between Al Rajhi Capital Company (the "Fund Manager"), a wholly owned subsidiary of Al Rajhi Banking and Investment Corporation (the "Bank") and investors (the "Unitholders") in the Fund. The address of the Fund Manager is as follows:

Al Rajhi Capital, Head Office
8467 King Fahad Road, Al Muruj District
P.O. Box 2743
Riyadh 11263
Kingdom of Saudi Arabia

The fund aims to achieve capital growth in line with the risk level specified for the fund in terms and conditions by investing primarily in shariah compliant debt securities and money market funds. The Fund will not distribute any dividends or cash dividends to investors and will reinvest Dividends distributed in the fund to develop investors' capital and enhance the performance of the fund.

The Fund was established on 19 Jumada Al-Akhirah 1445H (corresponding to 01 January 2024) as per notification to the Capital Market Authority (CMA) and commenced its operations on 03 Rajab 1445H (corresponding to 15 January 2024). Therefore, these financial statements are prepared from 15 January 2024 (date of commencement of operations) to 31 December 2024 and accordingly no comparatives have been presented.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

The Fund has appointed Al Bilad Investment Company (the "Custodian") to act as its custodian.

2. REGULATING AUTHORITY

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority (“CMA”) and the Fund's Terms and Conditions.

3. BASIS OF PREPARATION (CONTINUED)

3.2 Basis of measurement

The financial statements have been prepared on a historical cost basis (except for investments measured at FVTPL which are stated at their fair value) using the accrual basis of accounting.

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 upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

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.

3.3 Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyal ("SAR"), which is also the functional currency of the Fund. All financial information presented has been rounded to the nearest SAR.

3.4 Use of estimates and judgments

The preparation of these financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires the Fund Manager to exercise its judgement in the process of applying the Fund's accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Measurement of the expected credit loss allowance
The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- 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.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. BASIS OF PREPARATION (CONTINUED)

3.5 New standards and regulations

New standards not yet effective

Standard, interpretation, amendments	Description	Effective Date
Amendments to IFRS 10 and IAS 28	Amendments to IFRS 10 consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures— Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	The effective date of the amendments has yet to be set by the IASB.
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Annual periods beginning on or after January 1, 2025
IFRS 18 - Presentation and disclosure in financial statements	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	Annual reporting period beginning on or after 1 January 2027

The Fund Manager anticipates that the application of these new standards and amendments in the future will not have any significant impact on the amounts reported.

4. MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Fund in preparing its financial statements.

A. Cash and cash equivalents

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

B. Financial assets and liabilities

Recognition and initial measurement

Financial assets and liabilities at Fair value through Profit and loss ("FVTPL") are initially recognised at trade date, which is the date on which the Fund becomes party to the contractual provisions of the instruments. Other financial assets and liabilities are recognised on the date on which they are originated.

Financial assets at FVTPL are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets not at FVTPL are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

B. Financial assets and liabilities (continued)

Classification of financial assets

On initial recognition, the Fund classifies financial assets as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL.

A financial asset is measured at amortised 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 profit on the principal amount outstanding.

A financial asset is measured at FVOCI only 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 achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

As at 31 December 2024, the Fund's financial assets are cash and cash equivalent and investments measured at amortised cost.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and the information is provided to the Fund Manager. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund Manager;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

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

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

B. Financial assets and liabilities (continued)

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing the financial assets

Classification of financial liabilities

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

Derecognition

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

Transactions in which the Fund transfers assets recognized on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or portion of them, the transferred assets are not derecognized. Transfer of assets with retention of all or substantially all of the risk and rewards include sale and repurchase transactions.

Transactions in which the Fund neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Fund continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The Fund derecognizes a financial liability when its contractual obligations are either discharged or cancelled or expired.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

B. Financial assets and liabilities (continued)

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 realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia, or for gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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 mid price, because this price provides a 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 recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed in Note 11.

C. Subscription and redemption on units

Units subscribed and redeemed are recorded at net asset (equity) value per unit on the Valuation Day for which the subscription request and redemption applications are received.

Redeemable units

Redeemable units are as equity instruments as they meet certain criteria. Those criteria include:

- the redeemable units must entitle the holder to a pro-rata share of net assets;
- the redeemable units must be the most subordinated class and class features must be identical;
- there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and
- the total expected cash flows from the redeemable units over its life must be based substantially on the profit or loss of the issuer.

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

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

D. Net assets value per unit

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 outstanding at period end.

E. Revenue recognition

Special commission income

Special commission income including special commission income from non-derivative financial assets measured at amortised cost, are recognized in the statement of comprehensive income, using effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument on initial recognition. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

E. Fee and other expenses

These are measured and recognized as expenses on an accrual basis in the period in which they are incurred.

G. Provisions

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

H. Zakat

The Minister of Finance via Ministerial Resolution No. (29791) dated 9 Jumada-al-Awwal 1444 H (corresponding to 3 December 2022) approved the Zakat Rules for Investment Fund permitted by the CMA.

The Rules require the Investment Funds to register with Zakat, Tax and Customs Authority (ZATCA) and submit a zakat information declaration to ZATCA within 120 days from the end of their fiscal year, including audited financial statements, records of related party transactions and any other data requested by ZATCA. Under the Rules, Investment Funds are not subject to Zakat provided they do not engage in unstipulated economic or investment activities as per their CMA approved Terms and Conditions. Zakat collection will be applied on the Fund's Unitholders.

During the current period, the Fund Manager has completed the registration of the Fund with ZATCA and will be submitting zakat information declaration in due course.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of bank balances with Al Rajhi Banking and Investment Corporation (the "Bank"), the parent entity of the Fund Manager. In addition, these balances also comprise of Murabaha placement with the Banks having original maturity of three months or less and cash placed with Al Bilad Investment Company (the "Custodian") for buying and selling of investment securities.

	Notes	**31 December 2024**
Cash with bank – current account		**5,072**
Cash with custodian		**460,407**
Short-term Murabaha placements	*5.1*	**4,339,799,946**
Total		**4,340,265,425**

5.1 These represents Murabaha placements with local and international banks having original maturity of three months or less. These placements carry profit rates ranging from 5.70% to 6.50% per annum with maturity up till 20 March 2025. The amount includes accrued special commission income amounting to SAR 22.10 million.

6. INVESTMENTS MEASURED AT AMORTISED COST

	Notes	**31 December 2024**
Murabaha placements	*6.1*	**3,445,000,000**
Sukuk	*6.2*	**314,271,287**
Accrued special commission income		**61,775,176**
		3,821,046,463

6.1 Remaining maturity of Murabaha placements having original maturity of more than three months are as follows:

Remaining maturity	**31 December 2024**
Up to 1 month	**895,000,000**
1-3 months	**960,000,000**
3-6 months	**670,000,000**
6-9 months	**760,000,000**
9-12 months	**160,000,000**
	3,445,000,000

Theses Murabaha placements are held with local and international banks. These carry profit rates ranging from 5.65% to 9.60% per annum with maturity up till 12 November 2025.

6. INVESTMENTS MEASURED AT AMORTISED COST (CONTINUED)

6.2 Sukuk investments are comprised of the following:

As at 31 December 2024	*Profit rate per annum*	*Maturity date*	*Amount*
Riyad Tier 1 Sukuk Limited	**5.50%**	**3-Oct-29**	**75,000,000**
Bank Al Jazira Additional Tier 1 Capital Sukuk	**6.00%**	**21-Jun-28**	**50,000,000**
SAB Additional Tier 1 Sukuk	**6.07%**	**12-Dec-29**	**40,000,000**
RHC Sukuk Series 3	**7.65%**	**15-Mar-25**	**40,571,890**
Rawabi Holding Series 14	**8.70%**	**28-Jan-28**	**30,000,000**
SAB Tier 1 Capital Sukuk	**6.94%**	**31-Oct-28**	**25,000,000**
Rawabi Holding Series 8 Sukuk	**8.50%**	**31-Mar-27**	**21,198,749**
SNB Tier 1 Sukuk 2024	**6.00%**	**21-Nov-29**	**20,000,000**
Rawabi Holding Series 4 Sukuk	**8.35%**	**12-Nov-25**	**7,000,000**
RHC Sukuk 2022 - Series 2	**6.40%**	**28-Jul-25**	**3,000,648**
Rawabi Holding Series 11 Sukuk	**8.50%**	**12-May-27**	**2,500,000**
			314,271,287

7. MANAGEMENT FEE

The Fund pays management fee calculated at an annual rate of 0.50% per annum of the Fund's total net asset value at each valuation date along with VAT charges at 15% of the transaction. However, the Fund Manager has provided 50% discount on the management fee for the Fund from the commencement of operations of the Fund. The fee is intended to compensate the Fund Manager for administration of the Fund.

8. ACCRUED EXPENSES

	31 December 2024
Fund Board fee	**30,000**
Professional fee	**20,700**
Zakat advisory fee	**16,100**
Others	**13,085**
	79,885

9. OTHER EXPENSES

	For the period from 15 January 2024 to 31 December 2024
Custody fee	**67,628**
Professional fee	**34,500**
Fund Board fee	**30,000**
Zakat advisory fee	**16,100**
Transaction fee	**16,083**
Others	**16,548**
	180,859

10. RELATED PARTY TRANSACTIONS AND BALANCES

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

In addition to transactions disclosed elsewhere in these financial statements, transactions with related parties for the years ended 31 December and related balances as at 31 December are as follows:

Related party	Nature of transaction	Transactions for the period from 15 January 2024 to 31 December 2024	Balance as at 31 December 2024
Al Rajhi Capital Company – The Fund Manager	Management fee	**9,869,952**	**1,811,976**
The Fund Board	Fund Board fee to the members of the Board	**30,000**	**30,000**

Units of the Fund held with other fund managed by the Fund Manager:

Fund	Subscriptions during the period	Redemptions during the period	31 December 2024
Al Rajhi Growth Fund	**564,745,993**	**2,898,551**	**561,847,442**
Al Rajhi Balanced Fund	**167,496,693**	**535,829**	**166,960,864**
Al Rajhi Saving and Liquidity Fund - SAR	**201,219,613**	**59,576,531**	**141,643,082**
Al Rajhi Monthly Distribution Fund 2	**338,139,549**	**222,672,728**	**115,466,821**
Al Rajhi Conservative Fund	**84,833,036**	**600,126**	**84,232,910**
Al Rajhi Petro Chemical Fund	**325,608,121**	**267,964,709**	**57,643,412**
Al Rajhi Sukuk Sustainable Distribution Fund	**127,589,145**	**79,281,653**	**48,307,492**
Al Rajhi Large-Cap Fund	**86,190,385**	**47,824,008**	**38,366,377**
Al Rajhi Sukuk Fund	**32,835,414**	**5,087,060**	**27,748,354**
Al Rajhi Diversified Distribution Fund	**47,015,540**	**20,749,613**	**26,265,927**
Al Rajhi Momentum Fund	**33,518,483**	**9,551,098**	**23,967,385**
Al Rajhi Capital Real Estate Opportunities Fund 1	**22,870,212**	**2,843,602**	**20,026,610**
Al Rajhi Saving and Liquidity Fund - USD	**26,745,279**	**7,260,440**	**19,484,839**
Al Rajhi Advanced Saving Fund	**113,266,699**	**98,757,130**	**14,509,569**
Al Rajhi Capital Real Estate Opportunities Fund 5	**1,989,360**	**--**	**1,989,360**
Al Rajhi Endowment Fund	**3,312,414**	**1,398,070**	**1,914,344**
Orphans Associations Endowment Fund	**15,568,822**	**13,841,291**	**1,727,531**
The Lifestyle Hospital Fund	**1,703,739**	**--**	**1,703,739**
Autism Associations Endowment Fund	**15,597,082**	**14,319,649**	**1,277,433**

10. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Units of the Fund held with other fund managed by the Fund Manager (continued)

ARC Opp Fund 2	**1,235,859**	**--**	**1,235,859**
Shifa Health Endowment Fund	**11,999,454**	**10,912,940**	**1,086,514**
Takaful Endowment Fund	**7,933,338**	**6,898,270**	**1,035,068**
Quran Kareem Associations Endowment Fund	**12,725,011**	**11,862,255**	**862,756**
Al Rajhi Ajyal Private Fund	**28,347,500**	**27,643,227**	**704,273**
Alwalla Technology Fund - Private	**35,408,027**	**34,772,819**	**635,208**
Eastern Region Associations Endowment Fund	**10,714,113**	**10,165,554**	**548,559**
Doyof Al Rahman Associations Endowment Fund	**8,486,750**	**8,074,982**	**411,768**
Trahum Endowment Fund	**4,349,976**	**4,033,542**	**316,434**
Health Awqaf Fund	**2,942,160**	**2,792,636**	**149,524**
Al Suqia Associations Endowment Fund	**3,653,600**	**3,578,721**	**74,879**

The units in issue at 31 December 2024 include 212,703,966 units held by the Fund manager.

11. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Changes in assumptions about these factors could affect the fair value of financial instruments.

Valuation models

The fair values of financial instruments that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

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

11. FAIR VALUE MEASUREMENT (CONTINUED)

Valuation models (continued)

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

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

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value hierarchy – Financial instruments measured at fair value

The table below analyses financial instruments at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized.

	31 December 2024				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments at amortised cost	**3,821,046,463**	**74,763,333**	**239,066,024**	**3,504,182,419**	**3,818,011,776**
Total	**3,821,046,463**	**74,763,333**	**239,066,024**	**3,504,182,419**	**3,818,011,776**

During the year, there has been no transfer in fair value hierarchy.

The Fund determined fair value of securities that are traded on stock exchange at their last reported prices. To the extent that securities are actively traded and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. Therefore, the Fund's investment in listed Sukuk measured at amortised cost have been categorized in level 1 of the fair value hierarchy.

The Fund determined fair value of investments in un-listed Sukuk measured at amortized cost based on the similar security external price. Therefore, the Fund classified them as level 2 of the fair value hierarchy.

Financial instruments such as cash and cash equivalents except short-term Murabaha placements are classified under level 1 and Murabaha placements are classified under level 3. Other financial instruments including Murabaha placements such as management fee payable and accrued expenses are short-term financial assets and financial liabilities whose carrying amounts approximate their fair value due to their short-term nature.

12. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

31 December 2024	**Amortized cost**	**FVTPL**
Financial Assets		
Cash and cash equivalents	**4,340,265,425**	**--**
Investments at amortised cost	**3,821,046,463**	**--**
Total Assets	**8,161,311,888**	**--**
Financial Liabilities		
Management fee payable	**1,811,976**	**--**
Accrued expenses	**79,885**	**--**
Total Liabilities	**1,891,861**	**--**

13. MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Within 12 months	**After 12 months**	**Total**
As at 31 December 2024			
Assets			
Cash and cash equivalents	**4,340,265,425**	**--**	**4,340,265,425**
Investments at amortised cost	**3,557,347,714**	**263,698,749**	**3,821,046,463**
Total assets	**7,897,613,139**	**263,698,749**	**8,161,311,888**
Liability			
Management fee payable	**1,811,976**	**--**	**1,811,976**
Accrued expenses	**79,885**	**--**	**79,885**
Total liability	**1,891,861**	**--**	**1,891,861**

14. RISK MANAGEMENT POLICIES

The Fund has exposure to the following risks from financial instruments:
- credit risk;
- liquidity risk;
- market risks; and
- operational risk

This note presents information about the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

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

The Fund's investment manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio are monitored by the Fund's Board.

14. RISK MANAGEMENT POLICIES (CONTINUED)

In instances where the portfolio has diverged from target asset allocations, the Fund's investment manager is obliged to take actions to rebalance the portfolio in line with the established targets, within the prescribed time limits.

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

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 for its cash and cash equivalents, Murabaha placements, accrued income and Sukuk investments. The Fund Manager seeks to limit its credit risk by monitoring credit exposures and by dealing with only reputable counterparties.

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

Credit risk is monitored on a regular basis by the Fund Manager to ensure it is in line with the investment guidelines of the Fund Board.

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

	31 December 2024
Cash and cash equivalents	**4,340,265,425**
Investments at amortized cost	**3,821,046,463**
Total exposure to credit risk	**8,161,311,888**

The Fund does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risk are generally managed on the basis of external credit ratings of the counterparties.

Allowance for impairment

The Fund has investments in Murabaha placements and Sukuk which are measured at amortised cost and the impact of ECL is not material to the financial statements since investments are with counter parties having "A" credit rating. Hence, no impairment allowance is recorded in these financial statements.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities.

The Fund's Terms and Conditions provide for the subscriptions and redemptions of units throughout the week, and it is, therefore, exposed to the liquidity risk of meeting the Unitholders redemptions at any time. As at 31 December 2024, the Fund's cash and cash equivalents and investments measured at amortised are considered to be short-term in nature and realisable. The Fund Manager monitors liquidity requirements on a regular basis and seek to ensure that funds are available to meet commitments as they arise.

14. RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk (continued)

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

	Within 12 months	*After 12 months*	*No fixed maturity*	*Total*
As at 31 December 2024				
Cash and cash equivalents	**4,339,799,946**	**--**	**465,479**	**4,340,265,425**
Investments at amortized cost	**3,557,347,714**	**263,698,749**	**--**	**3,821,046,463**
Total financial assets	**7,897,147,660**	**263,698,749**	**465,479**	**8,161,311,888**
Management fee payable	**1,811,976**	**--**	**--**	**1,811,976**
Accrued expenses	**79,885**	**--**	**--**	**79,885**
Total financial liabilities	**1,891,861**	**--**	**--**	**1,891,861**

Market risk

Market risk is the risk that changes in market prices – such as foreign currency risk, special commission rate risk and equity price risk – will affect the Fund's income or the fair value of its holdings in financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective as per the Fund's Terms and Conditions. The Fund's market risk is managed on a timely basis by the investment manager in accordance with the policies and procedures in place. The Fund's market positions are monitored on a timely basis by the Fund Manager.

Cash flow and fair value commission rate risk

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

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

The portfolio management team of the Fund Manager monitors risk exposures on a daily basis.

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

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

	31 December 2024		
	Cost	**Market value**	**%**
Fixed rate	**291,565,297**	**287,840,610**	**91.72**
Floating rate	**25,298,747**	**25,988,747**	**8.28**
	316,864,044	**313,829,357**	**100.00**

14. RISK MANAGEMENT POLICIES (CONTINUED)

Market risk (continued)

Sensitivity analysis

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

Fair value sensitivity analysis for fixed rate instruments

Management has determined that a fluctuation in commission rates of 10% is reasonably possible, considering the economic environment in which the Fund operates. The table below sets out the effect on the Fund's net assets (equity) attributable to the Unitholders of a reasonably possible change of 10% in commission rate as at reporting date. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the fixed commission rate sukuk and other fixed commission rate bearing assets. The impact is primarily from the decrease in the fair value of fixed-income sukuk. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The total sensitivity of equity is based on the assumption that there are parallel shifts in the yield curve.

	2024	
Effect on net assets (equity) attributable to the Unitholders	**+ 0.35%**	**28,554,660**
	- 0.35%	**(28,554,660)**

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity of the income to a reasonably possible change of 10% in commission rate, with all other variables held constant. The sensitivity of the income is the effect of the assumed changes in special commission rates on the Fund's net assets (equity) attributable to the Unitholders, based on the floating rate financial assets held as at the year-end.

	2024	
Effect on net assets (equity) attributable to the Unitholders	**+ 0.00%**	**26,139**
	- 0.00%	**(26,139)**

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments, either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior.

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 the Unitholders.

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

14. RISK MANAGEMENT POLICIES (CONTINUED)

Operational risk (continued)

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

15. EVENTS OCCURING AFTER REPORTING DATE

There are no events subsequent to the reporting date which require adjustments of or disclosure in the financial statements or notes thereto.

16. LAST VALUATION DAY

The Capital Market Authority (CMA), through its circular dated 10 Rabi Al Thani 1439H (corresponding to 28 December 2017), has approved the Dual NAV approach for investment funds. In accordance with the circular, IFRS 9 will be applied for accounting and reporting purposes and dealing NAV will remain unaffected until further notice.

The last valuation day of the period was 31 December 2024 and in lieu of the above circular from CMA, the dealing net assets (equity) value on this day was SAR 1.06 per unit. The IFRS net assets (equity) value per unit on 31 December 2024 was SAR 1.06 per unit. Net assets (equity) per unit as per IFRS and dealing net assets (equity) value per unit remained the same due to immaterial ECL provisions under IFRS 9.

17. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund's Board of Directors on 14 Ramadan 1445H (corresponding to 24 March 2024).