AL RAJHI SAVING AND LIQUIDITY FUND - SAUDI RIYAL
(An open-ended mutual fund)
Managed by
AL RAJHI CAPITAL COMPANY
Financial statements
For the year ended 31 December 2024
together with the
Independent Auditor's Report

AL RAJHI SAVING AND LIQUIDITY FUND - SAUDI RIYAL
(An open-ended mutual fund)
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AL RAJHI CAPITAL COMPANY
For the year ended 31 December 2024

INDEX	**PAGES**

AL RAJHI SAVING AND LIQUIDITY FUND - SAUDI RIYAL
(An open-ended mutual fund)
Managed by
AL RAJHI CAPITAL COMPANY
Statement of Financial Position
For the year ended 31 December 2024
(Amounts in SAR)

	Notes	**31 December 2024**	31 December 2023
ASSETS			
Cash and cash equivalents	*5*	**626,236,216**	1,366,326,584
Investments measured at fair value through profit or loss (“FVTPL”)	*6*	**150,099,174**	--
Investments measured at amortized cost	*7*	**1,240,364,607**	2,281,173,479
Total Assets		**2,016,699,997**	3,647,500,063
LIABILITIES			
Management fee payable	*8, 9*	**1,378,839**	5,373,352
Fund Board fee payable	*9*	**60,000**	52,194
Accrued expenses	*10*	**79,669**	248,585
Total Liabilities		**1,518,508**	5,674,131
Net assets (equity) attributable to the Unitholders		**2,015,181,489**	3,641,825,932
Units in issue *(numbers)*		**11,119,394**	21,009,178
Net assets value attributable to each unit *(SAR)* **- IFRS**	*17*	**181.23**	173.34
Net assets value attributable to each unit *(SAR)* **- Dealing**	*17*	**181.23**	173.34

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

AL RAJHI SAVING AND LIQUIDITY FUND - SAUDI RIYAL
(An open-ended mutual fund)
Managed by
AL RAJHI CAPITAL COMPANY
Statement of Comprehensive Income
For the year ended 31 December 2024
(Amounts in SAR)

	Notes	**2024**	2023
INCOME			
Special commission income		**146,672,438**	257,857,370
Net realized gain on investments		**475,484**	257,162
Net unrealized gain on investments	*6*	**99,174**	--
Other income		**30,914**	618,235
		147,278,010	258,732,767
EXPENSES			
Management fee	*8, 9*	**(23,316,840)**	(45,539,865)
Other expenses	*11*	**(352,823)**	(510,519)
		(23,669,663)	(46,050,384)
Net income for the year		**123,608,347**	212,682,383
Other comprehensive income for the year		**--**	--
Total comprehensive income for the year		**123,608,347**	212,682,383

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

AL RAJHI SAVING AND LIQUIDITY FUND - SAUDI RIYAL
(An open-ended mutual fund)
Managed by
AL RAJHI CAPITAL COMPANY
Statement of changes in net assets (equity) attributable to the Unitholders
For the year ended 31 December 2024
(Amounts in SAR)

	2024	2023
Net assets (equity) attributable to the Unitholders at beginning of the year	**3,641,825,932**	7,642,031,834
Net income for the year	**123,608,347**	212,682,383
Other comprehensive income for the year	--	--
Total comprehensive income for the year	**123,608,347**	212,682,383
Contributions and redemptions by the Unitholders		
Proceeds from issuance of units during the year	**2,768,405,033**	7,256,085,791
Payments on redemption of units during the year	**(4,518,657,823)**	(11,468,974,076)
Net redemption by the Unitholders	**(1,750,252,790)**	(4,212,888,285)
Net assets (equity) attributable to the Unitholders at end of the year	**2,015,181,489**	3,641,825,932

Unit transactions (numbers)

Transactions in units for the year are summarized as follows:

	2024 (In units)	2023 (In units)
Units in issuance at beginning of the year	**21,009,178**	45,919,523
Issuance of units during the year	**15,708,822**	42,879,898
Redemption of units during the year	**(25,598,606)**	(67,790,243)
Net decrease in units	**(9,889,784)**	(24,910,345)
Units in issuance at end of the year	**11,119,394**	21,009,178

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

AL RAJHI SAVING AND LIQUIDITY FUND - SAUDI RIYAL
(An open-ended mutual fund)
Managed by
AL RAJHI CAPITAL COMPANY
Statement of Cash Flows
For the year ended 31 December 2024
(Amounts in SAR)

	Notes	**2024**	2023
Cash flows from operating activities			
Net income for the year		**123,608,347**	212,682,383
Adjustments for:			
Special commission income		**(146,672,438)**	(257,857,370)
Net realized gain on investments		**(475,484)**	(257,162)
Net unrealized gain on investments	*6*	**(99,174)**	--
Net changes in operating assets and liabilities			
Purchase of investments measured at FVTPL		**(210,000,000)**	(150,245,791)
Proceeds from sale of investments measured at FVTPL		**61,411,488**	150,502,953
Purchase of investments measured at amortised cost		**(37,574,056,209)**	(80,355,302,744)
Proceeds from redemption / disposal of investments measured at amortised cost		**38,574,317,500**	83,712,228,591
Decrease in other receivables		**--**	216,626
Decrease in management fee payable		**(3,994,513)**	(485,558)
Increase / (decrease) in Fund Board fee payable		**7,806**	(1,219)
(Decrease) / increase in accrued expenses		**(168,916)**	20,129
Cash generated from operations		**823,878,407**	3,311,500,838
Special commission received		**186,284,015**	270,814,412
Net cash generated from operating activities		**1,010,162,422**	3,582,315,250
Cash flows from financing activities			
Proceeds from issuance of units		**2,768,405,033**	7,256,085,791
Payments for redemption of units		**(4,518,657,823)**	(11,468,974,076)
Net cash used in financing activities		**(1,750,252,790)**	(4,212,888,285)
Net decrease in cash and cash equivalents		**(740,090,368)**	(630,573,035)
Cash and cash equivalents at beginning of the year	*5*	**1,366,326,584**	1,996,899,619
Cash and cash equivalents at end of the year	*5*	**626,236,216**	1,366,326,584

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

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Al Rajhi Saving and Liquidity Fund - Saudi Riyal, (the "Fund") is an open-ended investment fund created by an agreement between Al Rajhi Capital (the "Fund Manager"), a wholly owned subsidiary of the 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 is designed for investors seeking current income consistent with the preservation of capital and liquidity. The assets of the Fund are invested in Murabaha funds and in Murabaha transactions executed in accordance with Sharia principles. Murabaha comprises purchases of goods and commodities from approved suppliers against immediate payment and selling them to reputed organisations on deferred payment terms, thereby generating a profit. All the trading profits are reinvested in the Fund. The Fund was established on 28 June 1999.

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

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, registrar or other administrative services on behalf of the Fund.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the Capital Market Authority ("CMA") on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and effective from 6 Safar 1438H (corresponding 6 November 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.

3.2 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. BASIS OF PREPARATION (CONTINUED)

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.

3.5 New standards and regulations

Amendments to existing standards

The following new standards, amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (IASB) have been effective from 1 January 2024 and accordingly adopted by the Fund, as applicable:

Standard, interpretation, amendments	Description	Effective Date
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities as current or non-current	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	Annual periods beginning on or after January 1, 2024

3. BASIS OF PREPARATION (CONTINUED)

3.5 New standards and regulations (continued)

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	It requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains	Annual periods beginning on or after January 1, 2024
Amendments to IAS 7 & IFRS 7 Supplier Finance	These amendments require disclosures to enhance the transparency of supplier finance arrangements & their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concern that some companies' supplier finance arrangement is not sufficiently visible, hindering investors analysis. No material impact is expected for the Company.	Annual periods beginning on or after January 1, 2024 (with transitional reliefs in the first year)

The adoption of the new and amended standards and interpretations applicable to the Fund did not have any significant impact on these financial statements.

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. These policies have been consistently applied to all the year presented, unless otherwise stated.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

B. Financial assets and liabilities

Recognition and initial measurement

Financial assets and liabilities at Fair value through Profit and loss (“FVTPL”) are initially recognized 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 recognized on the date on which they are originated.

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

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 interest on the principal amount outstanding.

A debt instrument 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 interest on the principal amount outstanding.

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

As at 31 December 2024, the Fund’s financial assets are cash and cash equivalent, investments measured at FVTPL and investments measured at amortized cost.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

B. Financial assets and liabilities (continued)

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.

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.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

B. Financial assets and liabilities (continued)

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.

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, or for gains and losses arising from similar investment 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 ongoing 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 12.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 recognized in the statement of comprehensive income on the purchase, issuance or cancellation of the Fund’s own equity instruments.

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 year end.

E. Revenue recognition

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

Unrealized gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior year’s unrealized gains and losses for financial instruments, which were realized in the reporting period. Realized gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the weighted average cost method. They represent the difference between an instrument’s initial carrying amount and disposal amount.

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.

F. Fee and other expenses

Fee and other expenses 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.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 year, the Fund Manager 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 placements 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**	31 December 2023
Cash with bank – current account		**73,992**	576,417
Cash with custodian		**213,106**	394,562
Short-term Murabaha placements	*5.1*	**625,949,118**	1,365,355,605
		626,236,216	1,366,326,584

5.1 These represent Murabaha placements with local and international banks having original maturity of three months or less. These placements carry profit rates ranging from 5.47% to 6.25% per annum (31 December 2023: 5.75% to 6.40% per annum) with maturity up till 11 February 2024 (31 December 2023: 05 February 2024). The amount includes accrued special commission income amounting to SAR 3.65 million (31 December 2023: 4.36 million).

6. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The composition of the Fund's investment portfolio in units of mutual funds is as follows.

	31 December 2024			
	Cost (SAR)	**Fair value (SAR)**	**% of Fair value**	**Unrealised gain (SAR)**
Investments				
Al Rajhi Awaeed Fund*	**150,000,000**	**150,099,174**	**100.00**	**99,174**
Total	**150,000,000**	**150,099,174**	**100.00**	**99,174**

*** A fund managed by the Fund Manager.**

7. INVESTMENTS MEASURED AT AMORTISED COST

	Notes	**31 December 2024**	31 December 2023
Murabaha placements	*7.1*	**375,000,000**	1,325,000,000
Sukuk	*7.2*	**847,250,000**	898,447,295
Accrued special commission income		**18,114,607**	57,726,184
		1,240,364,607	2,281,173,479

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

Remaining maturity	**31 December 2024**	31 December 2023
Up to 1 month	**200,000,000**	250,000,000
1-3 months	**--**	300,000,000
3-6 months	**175,000,000**	575,000,000
6-9 months	**--**	100,000,000
9-12 months	**--**	100,000,000
	375,000,000	1,325,000,000

Murabaha placements are held with local and international banks. These carry profit rates ranging from 5.47% to 6.25% per annum (31 December 2023: 5.50% to 6.60% per annum) with maturity up till 30 April 2025 (31 December 2023: 24 December 2024).

7.2 Sukuk investments are comprised of the following:

As at 31 December 2024	***Profit rate per annum***	***Maturity date***	***Amount***
Al Rajhi Bank Additional Tier 1 Sukuk *	**3.50%**	**23 Jan 27**	**340,000,000**
Alinma Sukuk	**4.00%**	**01 Jul 26**	**332,000,000**
Riyad Bank Sukuk	**5.25%**	**5 Oct 27**	**125,250,000**
SNB Tier 1 Sukuk	**5.00%**	**15 Sept 27**	**50,000,000**
			847,250,000

As at 31 December 2023	*Profit rate per annum*	*Maturity date*	*Amount*
Al Rajhi Bank Additional Tier 1 Sukuk *	3.50%	23 Jan 27	340,000,000
Alinma Sukuk	4.00%	01 Jul 26	332,000,000
Riyad Bank Sukuk	5.25%	5 Oct 27	125,250,000
Saudi Government SAR Sukuk	3.88%	24 Oct 25	22,915,605
SNB Tier 1 Sukuk	5.00%	15 Sep 27	55,000,000
Saudi Government Sukuk	3.25%	20 Sep 24	23,281,690
			898,447,295

* Sukuk issued by Al Rajhi Banking and Investment Corporation (the “Bank”), the parent entity of the Fund Manager.

8. MANAGEMENT FEE

As per the terms and conditions of the Fund, the Fund pays a management fee at a maximum rate of 16% per annum (2023: maximum rate of 16% per annum) calculated on the Fund's net profit. However, the Fund Manager charge a management fee of 14% per annum on the Fund's net profit (2023: maximum rate of 14% per annum). The fee is intended to compensate the Fund Manager for administration of the Fund.

9. TRANSACTIONS WITH RELATED PARTIES

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

		Transactions for the year ended 31 December		**Balance as at 31 December**	
Related party	**Nature of transaction/ balance**	**2024**	2023	**2024**	2023
Al Rajhi Capital Company – The Fund Manager	Management fee	**23,316,840**	45,539,865	**1,378,839**	5,373,352
The Fund Board	Fund Board fee to the members of the Board	**7,806**	52,194	**60,000**	52,194

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

Funds	**Subscriptions during the year**		**Redemptions during the year**		**Balance as at 31 December**	
	2024	2023	**2024**	2023	**2024**	2023
Al Rajhi Growth Fund	**857,956**	427,550	**477,995**	188,605	**848,891**	468,930
Al Rajhi Balanced Fund	**49,778**	158,227	**406,225**	40,667	**181,552**	537,829
Al Rajhi Saving and Liquidity Fund - USD	**--**	377,033	**326,926**	169,152	**134,518**	461,444
Al Rajhi Conservative Fund	**24,916**	122,359	**207,379**	29,141	**124,294**	306,757
Al Rajhi Diversified Distribution Fund	**--**	1,083,789	**228,927**	1,219,871	**--**	228,927
Al Rajhi Ajyal Private Fund	**--**	117,309	**117,309**	--	**--**	117,309
Al Rajhi Sukuk Fund	**--**	98,727	**54,674**	125,788	**--**	54,674
Holy Quran Endowment Associations Fund	**4,872**	35,928	**30,051**	10,749	**--**	25,179
Eastern Region Associations Fund	**--**	27,756	**18,424**	9,332	**--**	18,424
Autism Endowment Societies Fund	**12,685**	33,257	**29,247**	16,695	**--**	16,562
Health Associations Endowment Fund	**1,269**	14,651	**7,615**	8,305	**--**	6,346
Shifa Health Endowment Fund	**10,379**	45,458	**16,623**	39,214	**--**	6,244
Health Awqaf Fund	**1,038**	8,740	**2,195**	16,960	**--**	1,157
Al Rajhi Advanced Saving Fund	**1,171,239**	4,461,321	**1,120,082**	6,692,797	**51,657**	--

9. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The units in issue at 31 December 2024 include NIL units held by the Fund manager (31 December 2023: 1,022,954 units).

10. ACCRUED EXPENSES

	31 December 2024	31 December 2023
Custody fee	**25,367**	211,156
Professional fee	**20,700**	20,700
Zakat advisory fee	**16,100**	--
Tadawul fee	**11,500**	5,750
Others	**6,002**	10,979
	79,669	248,585

11. OTHER EXPENSES

	2024	2023
Custody fee	**272,897**	364,994
Professional fee	**34,500**	34,500
Zakat advisory fee	**16,100**	--
Transaction fee	**8,970**	36,775
Fund Board fee	**7,806**	52,194
Others	**12,550**	22,056
	352,823	510,519

12. FAIR VALUE 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.

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, maximising the use of relevant observable inputs and minimising 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:

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (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 FVTPL	**150,099,174**	**--**	**150,099,174**	**--**	**150,099,174**
Investments at amortized cost	**1,240,364,607**	**--**	**827,095,709**	**385,822,473**	**1,212,918,182**
Total	**1,390,463,781**	**--**	**977,194,883**	**385,822,473**	**1,363,017,356**

	31 December 2023				
	Carrying value	Level 1	Level 2	Level 3	Total
Investments at amortised cost	2,281,173,479	44,601,325	859,555,014	1,375,048,847	2,279,205,186
Total	2,281,173,479	44,601,325	859,555,014	1,375,048,847	2,279,205,186

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 open-ended mutual funds measured at FVTPL using unadjusted net assets value. Moreover, the fair value of investments in un-listed Sukuk measured at amortized cost is determined 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, accrued expenses and Fund Board fee payable are short-term financial assets and financial liabilities whose carrying amounts approximate their fair value due to their short-term nature.

13. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities 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	**626,236,216**	**--**	**626,236,216**
Investments at FVTPL	**150,099,174**		**150,099,174**
Investments measured at amortized cost	**393,114,607**	**847,250,000**	**1,240,364,607**
TOTAL ASSETS	**1,169,449,997**	**847,250,000**	**2,016,699,997**
LIABILITIES			
Management fee payable	**1,378,839**	**--**	**1,378,839**
Fund Board fee payable	**60,000**	**--**	**60,000**
Accrued expenses	**79,669**	**--**	**79,669**
TOTAL LIABILITIES	**1,518,508**	**--**	**1,518,508**

	Within 12 months	*After 12 months*	*Total*
As at 31 December 2023			
ASSETS			
Cash and cash equivalents	1,366,326,584	--	1,366,326,584
Investments measured at amortized cost	1,406,007,874	875,165,605	2,281,173,479
TOTAL ASSETS	2,772,334,458	875,165,605	3,647,500,063
LIABILITIES			
Management fee payable	5,373,352	--	5,373,352
Fund Board fee payable	52,194	--	52,194
Accrued expenses	248,585	--	248,585
TOTAL LIABILITIES	5,674,131	--	5,674,131

14. 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	**626,236,216**	**--**
Investments	**1,240,364,607**	**150,099,174**
Total Financial Assets	**1,866,600,823**	**150,099,174**
FINANCIAL LIABILITIES		
Management fee payable	**1,378,839**	--
Fund Board fee payable	**60,000**	--
Accrued expenses	**79,669**	--
Total Financial Liabilities	**1,518,508**	--

14. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

31 December 2023	Amortized cost	FVTPL
FINANCIAL ASSETS		
Cash and cash equivalents	1,366,326,584	--
Investments	2,281,173,479	--
Total Financial Assets	3,647,500,063	--
FINANCIAL LIABILITIES		
Management fee payable	5,373,352	--
Fund Board fee payable	52,194	--
Accrued expenses	248,585	--
Total Financial Liabilities	5,674,131	--

15. 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, mutual funds 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.

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 special commission 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.

15. RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (continued)

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

	31 December 2024	31 December 2023
Cash and cash equivalents	**626,236,216**	1,366,326,584
Investments measured at amortised cost	**1,240,364,607**	2,281,173,479
Total exposure to credit risk	**1,866,600,823**	3,647,500,063

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

Allowance for impairment

The Fund has investments in units of a mutual fund classified as FVTPL, therefore, no impairment allowance is recorded in these financial statements related to these investments. Moreover, cash and cash equivalents and investments in Murabaha placements and Sukuk measured at amortized cost are mainly with counterparties having “A” credit rating, thus, impact of ECL is not material to the financial statements. 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 and 31 December 2023, the Fund’s cash and cash equivalents, investments measured at FVTPL and investments measured at amortised cost 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.

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	**625,949,118**	**--**	**287,098**	**626,236,216**
Investments at FVTPL	**--**	**--**	**150,099,174**	**150,099,174**
Investments measured at amortized cost	**393,114,607**	**847,250,000**	**--**	**1,240,364,607**
Total financial assets	**1,019,063,725**	**847,250,000**	**150,386,272**	**2,016,699,997**
Management fee payable	**1,378,839**	**--**	**--**	**1,378,839**
Fund Board fee payable	**60,000**	**--**	**--**	**60,000**
Accrued expenses	**79,669**	**--**	**--**	**79,669**
Total financial liabilities	**1,518,508**	**--**	**--**	**1,518,508**

15. RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk (continued)

	Within 12 months	*After 12 months*	*No fixed maturity*	*Total*
As at 31 December 2023				
Cash and cash equivalents	1,365,355,605	--	970,979	1,366,326,584
Investments measured at amortized cost	1,406,007,874	875,165,605	--	2,281,173,479
Total financial assets	2,771,363,479	875,165,605	970,979	3,647,500,063
Management fee payable	5,373,352	--	--	5,373,352
Fund Board fee payable	52,194	--	--	52,194
Accrued expenses	248,585	--	--	248,585
Total financial liabilities	5,674,131	--	--	5,674,131

Market risk

Market risk is the risk that changes in market prices – such as currency risk, special commission rate risk and 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.

Special commission rate risk

Special commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates. The Fund do not subject to any special commission rate risk as at 31 December 2024 and 31 December 2023, as all investments measured at amortized cost are at fixed rate.

Currency risk

Currency risk is the risk that the value of financial instruments may fluctuate due to changes in foreign exchange rates. The Fund has transactions only in Saudi Arabian Riyal, hence, Fund is not exposed to this risk.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate because of changes in market prices.

The Fund is susceptible to other price risk arising from uncertainties about future prices.

The table below sets out the effect on net assets (equity) attributable to the unitholders of a reasonably possible weakening / strengthening in the individual market prices of 10% at reporting date. The analysis assumes that all other variables, in particular commission, remain constant.

	2024		2023	
Effect on net assets (equity) attributable to the Unitholders	**+ 0.74%**	**15,009,917**	--	--
	- 0.74%	**(15,009,917)**	--	--

15. RISK MANAGEMENT POLICIES (CONTINUED)

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. This responsibility is supported by the development of overall standard for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

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

16. 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.

17. 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 year was 31 December 2024 (2023: 31 December 2023) and in lieu of the above circular from CMA, the dealing net assets (equity) value on this day was SAR 181.23 per unit (31 December 2023: SAR 173.34 per unit). The IFRS net assets (equity) value per unit on 31 December 2024 was SAR 181.23 per unit (31 December 2023: SAR 173.34 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.

18. 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).