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Artal Murabaha Fund

2024 Annual Report

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Investment Fund Information

Fund name

Artal Murabaha Fund

Inception date

Class A: January 24, 2023

Class B: January 24, 2023

Investment objectives and policies

The fund aims to achieve investment returns with low-risk for the fund unit holders with the aim of preserving capital and providing liquidity through investing in Murabaha deposits and other financial instruments transactions that comply with the Sharia law.

The fund manager invests in Murabaha instruments, licensed and regulated Murabaha transactions by the Saudi Central Bank or by similar regulatory bodies to the Saudi Central Bank in the GCC countries, in addition to sukuk instruments and debt instruments compliant with the Sharia law of the fund with financial institutions that have a good reputation and a strong financial position and low risk, taking into account the credit rating and relative weights of the assets in the fund and the return requirements and risk levels associated with the invested securities and market trends and economic and political conditions and their suitability for the fund.

Distribution of income and gain policy

No income shall be distributed. Instead, income payments will be reinvested.

Benchmark

Name: One-month SIBID

All reports are available upon request free of charge.



Fund Performance

Class A	2024	2023	2022
Fund Net Asset Value	112,258,794.90	117,451,168.88	N/A
NAV per unit at the end of the financial year	11.1281	10.5291	N/A
Highest NAV per unit for the financial year	11.1281	10.5291	N/A
Lowest NAV per unit for the financial year	10.5307	10.0000	N/A
No. of Units at the end of the financial year	10,087,801.26	11,154,878.98	N/A
Expense ratio	0.29%	0.20%	N/A
Borrowed assets from the total asset value	0.00%	0.00%	N/A

Class B	2024	2023	2022
Fund Net Asset Value	33,713,784.92	251,357,307.21	N/A
NAV per unit at the end of the financial year	11.1464	10.5342	N/A
Highest NAV per unit for the financial year	11.1464	10.5342	N/A
Lowest NAV per unit for the financial year	10.5359	10.0000	N/A
No. of Units at the end of the financial year	3,024,618.33	23,861,056.74	N/A
Expense ratio	0.16%	0.13%	N/A
Borrowed assets from the total asset value	0.00%	0.00%	N/A

Annualized performance

Class A	1 Year	3 Years	5 Years	Since Inception
Fund	5.67%	N/A	N/A	5.67%
Benchmark	5.78%	N/A	N/A	5.71%
Excess Return	-0.10%	N/A	N/A	-0.04%

* Inception date: January 24, 2023

Class B	1 Year	3 Years	5 Years	Since Inception
Fund	5.80%	N/A	N/A	5.76%
Benchmark	5.78%	N/A	N/A	5.71%
Excess Return	0.02%	N/A	N/A	0.05%

* Inception date: January 24, 2023

Calendar year performance

Class A	2024	2023*
Fund	5.67%	5.52%
Benchmark	5.78%	5.49%
Excess Return	-0.10%	0.03%

* The inception date of the fund was January 24, 2023.



Class B	2024	2023*
Fund	5.80%	5.57%
Benchmark	5.78%	5.49%
Excess Return	0.02%	0.08%

* The inception date of the fund was January 24, 2023.

Fund Fees & Expenses

Fund fees & expenses for 2024	Class A	Class B	Total
Management fee	173,805.25	-	173,805.25
Custodian fee	31,906.62	21,861.34	53,767.96
Administrator & Transfer Agent fees	175,013.57	111,664.78	286,678.34
Auditor fee	21,227.51	13,272.17	34,499.68
Regulatory & Exchange fees	12,307.33	7,457.86	19,765.19
Transaction costs	2,821.70	1,939.30	4,761.00
Other expenses	309.24	3,013.58	4,598.58
Total expenses	417,391.22	159,209.03	576,600.25
Total Expenses Ratio	0.29%	0.16%	0.23%

Disclosures

Material changes

There are no material changes affecting fund performance during the reporting period.

Total expense ratio

The total expense ratio is calculated based on the average NAV over the period and there was no fee rebate paid to the clients.

Basis of performance calculation & assumptions

Performance figures represent changes to the NAV per unit and account for distributions from the fund (if any).

Exercise of Voting Rights

Not applicable



Fund Board Members

Name	Membership type
Rayan Saleh Al Rasheed	Chairman of the Board
Saad Mohammed Al Gheriri	Non-independent member
Nasser Abdulaziz Al Ajroush	Non-independent member
Mohammed Ahmed Al Blawi	Independent member
Khalid Abdullah Al Rubaian	Independent member

Rayan Saleh Al Rasheed

Mr. Ryan Al Rashid is the CEO of Artal Capital. He has over 15 years of experience in asset management. He previously worked as CIO at Awqaf Investments and before that he was the private equity managing director at Jadwa Investment, focusing on healthcare, hospitality, and other industries. He also gained experience in corporate finance at the Capital Market Authority. Mr. Al Rashid holds a Bachelor of Science degree in Finance from King Fahd University of Petroleum and Minerals, and an MBA from Stanford University.

Saad Mohammed Al Gheriri

Mr. Saad Al Gheriri is currently the CEO of Al Rajhi Partners. Before that, he worked as an executive director for direct investments in private equity, venture capital, and business development sectors at Al Rajhi United Company. He also headed direct investments in Saudi Aramco Investment Management Company, which invests in the areas of private equity, real estate, and infrastructure. Mr. Saad has more than 10 years of experience in the field of asset management.

Mr. Al Gheriri holds a bachelor's degree in financial management from California State University. He also holds an MBA from Stanford University.

Nasser Abdulaziz Al Ajroush

Mr. Nasser Al Ajroush is currently the CFO & CIO at Al Rajhi Partners. He previously worked at SABIC as a Senior Manager in Finance. Mr. Al Ajroush is a member of the Audit Committee at Artal Capital and Advanced Education Company (ADEC). He was also a member of the Audit and Risk Committee at Saudi Methanol Company (Ar Razi) from 2018 to 2020. Mr. Al Ajroush has over 10 years of experience in the investment field.

Mr. Al Ajroush holds a Bachelor of Science degree in Finance and Accounting from Carleton University in Canada.



Mohammed Ahmed Al Blawi

Mr. Mohammed Al Blawi is the CEO of Al Blagha Group, General Manager of Al Woroud Real Estate, and Managing Director of Tamasuk Holding for Infrastructure Investments. He has worked with the Saudi Industrial Development Fund and has over 15 years of experience in investment, finance, and industrial activities. He is a member of the Board of Directors of ESPAC, a member of the Board of Directors of AICT Egypt, a member of the Board of Directors of International Ports Services Co. Ltd., Dammam, Saudi Arabia, and a member of the Board of Directors of Al Noor Real Estate Fund.

Mr. Al Blawi holds a Master's degree from ESADE Business School and a Bachelor's degree in Industrial Engineering from King Fahd University of Petroleum and Minerals.

Khalid Abdullah Al Rubaian

Mr. Khalid Al Rubaian is currently the Assistant Undersecretary for Logistics Services at the Ministry of Transport and Logistics Services. He previously held several positions from 2006 to the present, including CEO at Bnon Investment Company, Senior Advisor at the Office of H.E. Ahmed Al Khatib, and Investment Manager at ARASCO Company. Mr. Al Rubaian holds several board memberships. He has over 15 years of experience in business and investment.

Mr. Al Rubaian holds a Bachelor of Science degree in Marketing from King Fahd University of Petroleum and Minerals. He also holds an MBA from Suffolk University.

Description of the roles and responsibilities of the Fund Board

- Approve all material contracts, decisions, and reports to which the Fund is a party.
- Supervise and approve any conflict of interest disclosed by the Fund Manager in accordance with the Investment Funds Regulations.
- Meet at least twice a year with the Fund Manager's Compliance and Compliance Officer (Compliance and Compliance Committee) and the Fund's Anti-Money Laundering and Terrorist Financing Reporting Officer to ensure compliance with all regulations and rules.
- Approve all changes provided for in Articles (62) and (63) of these Regulations before the Fund Manager obtains the approval of the Unit Holders and the Authority or notifies them.
- Review the report including an assessment of the performance and quality of services provided by the parties involved in providing essential services to the Fund referred to in paragraph (l) of Article 9 of the Investment Funds Regulations; This is to ensure that the Fund Manager fulfills his responsibilities in a manner that achieves the best interests of the Unit Holders in accordance with the terms and conditions of the Fund and the provisions of the Investment Funds Regulations.
- Evaluate the Fund Manager's mechanism for dealing with risks related to the Fund's assets in accordance with the Fund Manager's policies and procedures for monitoring risks related to the Fund and how to deal with them.
- Review the report including all complaints and the actions taken thereon referred to in paragraph (m) of Article 9 of the Investment Funds Regulations; This is to ensure that the



Fund Manager fulfills his responsibilities in a manner that achieves the best interests of the Unit Holders in accordance with the terms and conditions of the Fund and the provisions of the Investment Funds Regulations.

- Approve any recommendation submitted by the liquidator in case of his appointment.
- Ensure the completeness and compliance of the terms and conditions of the Fund and other documents related to the Investment Funds Regulations.
- Ensure that the Fund Manager fulfills his responsibilities in a manner that achieves the best interests of the Unit Holders in accordance with the terms and conditions of the Fund, the provisions of the Investment Funds Regulations, and the decisions of the Sharia Supervisory Committee.
- Act in good faith and the best interests of the Investment Fund and its Unit Holders.
- Approve the appointment of the auditor after his nomination by the Fund Manager.
- Record the minutes of meetings that show all the facts of the meetings and the decisions taken by the Board.

Details on the remuneration of fund board members

Independent Board Members shall receive SAR 2,000 per meeting and up to SAR 8,000 per year for each independent Board Member, calculated daily from the Net Asset Value of the Fund and deducted annually.

Conflict of interest

Members of the Board of Directors of the Fund may be members of other investment funds with investment objectives similar to those of the Fund, whether managed by the Fund Manager or by any other Fund Manager. Therefore, it is possible that a member of the Board of Directors of the Fund may find himself, in the course of his work, in a situation that involves a potential conflict of duty or interest with one or more of the funds. In these cases, the Board Member will take into account his obligations to act in the best interests of the relevant Unit Holders in accordance with his role and responsibility as a Board Member of the Fund by acting in good faith and diligence to the extent practically possible, without neglecting his obligations to the clients of other funds when considering any potential conflict of interest. In cases where voting is required, that member shall abstain from voting if the Board of Directors deems it necessary.

Membership relevant to other funds

Name	Membership in other Funds
Mohammed Ahmed Al Blawi	Blom Alnoor Real Estate fund



Fund board meetings during 2024 are as follows:

The first meeting for the fund was held on August 20th, 2024 with the below agenda:

1. General outlook over the financing rate factors
2. Investment restrictions on the fund
3. Performance, and asset allocation of the fund
4. Fines, breaches of the fund investment restrictions, and client complains

The second meeting for the fund was held on December 3rd, 2024 with the below agenda:

1. General outlook over the financing rate factors
2. Performance, and asset allocation of the fund
3. Fines, breaches of the fund investment restrictions, and client complains
4. Evaluating the quality of the service providers

Fund Manager

Fund manager name	Artal Capital
Address	7995 Abi Bakr St. Riyadh 12444-2350 Saudi Arabia
Phone	+966 11 262 6266
Website	www.artalcapital.com

A review of the investment activities during the period

During the period from (01/01/2024) until the date of the report (31/12/2024), the fund invested its assets in cash deposits that are compliant with the shariah principals with Saudi domiciled banks.

Investment fund's performance during the period

Class A performance stood at 5.67% v/s 5.78% for the benchmark. The class underperformed its benchmark by -0.10%

Class B performance stood at 5.80% v/s 5.78% for the benchmark. The class outperformed its benchmark by 0.02%

Details of changes during the period in Fund T&Cs

- Change the fund cover page to add shariah certificate number.
- Change in Shariah Advisory fee.
- Adding Zakat and Tax Annual fee.
- Adding Shariah Approval fee.
- Change in Shariah committee.



- Change in Shariah committee duties and responsibilities.
- Change in fund operator duties and responsibilities.

Other information for unit holders

There were no breaches during the reporting period.

Investments into other funds

Fund Name	Management fee
Alpha Murabaha Fund	0.45%
Al Rajhi Awaheed Fund	0.50%

Expense ratio of each underlying Fund and the weighted average expense ratio of all underlying funds

Fund Name	Fund Expense Ratio
Alpha Murabaha Fund	0.24%
Al Rajhi Awaheed Fund	0.29%

Other data and other information required by the investment funds regulations

There is no other information to be disclosed during the period.

Any special commission received by the fund manager

Not applicable

Period of service of the person registered as a manager for the fund

Since January 24th, 2023



Fund Custodian

Custodian name	Al Bilad Capital
Address	Smart Tower, King Fahad Road, Riyadh 8162 King Fahad Road -Olaya, Riyadh 12313-3701, Saudi Arabia
Phone	920003636
Website	www.albilad-capital.com

Custodian main duties and responsibilities

- The custodian is responsible for fulfilling its obligations according to the provisions of the Investment Funds Regulation, whether it performs its duties directly or assigns them to a third party in accordance with the Investment Funds Regulation and the Capital Market Institutions Regulation.
- The custodian is liable to the fund manager and unitholders for any losses incurred by the fund due to its fraud, negligence, mismanagement, or intentional misconduct.
- The custodian is responsible for the safekeeping and protection of the fund's assets for the benefit of the unitholders, and is also responsible for taking all necessary administrative measures regarding the safekeeping of the fund's assets.
- The custodian must open a separate account with a local bank in its name for each investment fund it acts as custodian for, and the account shall be for the benefit of the relevant investment fund.
- The custodian must segregate the assets of each investment fund from its own assets and from the assets of its other clients. These assets must be identified independently by registering the securities and other assets of each investment fund in the name of the custodian for the benefit of that fund.
- The custodian shall maintain all necessary records and other documents that support the fulfillment of its contractual obligations.
- The custodian must deposit all cash receipts belonging to the investment fund into the fund's dedicated account and must debit that account for the amounts used to finance investments and cover the management fees, and its operations, in accordance with the provisions of the Investment Funds Regulation.
- The custodian or sub-custodian shall not be the manager of the investment fund or a subsidiary of the fund manager.



Fund Operator

Fund operator name	Al Bilad Capital
Address	Smart Tower, King Fahad Road, Riyadh 8162 King Fahad Road -Olaya, Riyadh 12313-3701, Saudi Arabia
Phone	920003636
Website	www.albilad-capital.com

Fund operator main duties and responsibilities

- Maintain books and records related to the operation of the fund.
- Prepare and maintain a record of all units issued and canceled and keep an updated record showing the balance of outstanding units.
- Distribute profits to unitholders.
- Execute subscription and redemption requests.
- Value the fund's assets.
- Prepare preliminary financial statements.
- In the event of a misvaluation of the fund's assets or an incorrect calculation of the unit price, the fund operator must document this and compensate all affected unitholders.
- Tax and VAT services.

Fund Auditor

Auditor name	PKF Al Bassam & Co.
Address	Prince Abdulaziz Ibn Musaid Ibn Jalawi St, As Sulimaniyah, Riyadh 12223
Phone	+966 11 206 5333
Website	www.pkfalbassam.com



Annex A: Audited Annual Financial Statements



Artal Murabaha Fund
(Money Markets Instrument Fund - Public Fund - Open ended)
(Managed by Artal Capital Company)
Financial Statements
For the year ended 31 December 2024
Together with the
Independent Auditor's Report to the Unitholders

Artal Murabaha Fund
Money Markets Instrument Fund - Public Fund - Open ended
(Managed by Artal Capital Company)

FINANCIAL STATEMENTS

For the year ended 31 December 2024

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INDEPENDENT AUDITOR'S REPORT

**TO THE UNTHOLDERS OF ARTAL MURABAHA FUND
MANAGED BY ARTAL CAPITAL COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

(1 /3)

OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Artal Murabaha Fund (the "Fund") managed by Artal capital company (the "Fund Manager") as at 31 December 2024 and its statements of comprehensive income, changes in net equity, and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

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

- ▣ The statement of financial position as at 31 December 2024;
- ▣ The statement of comprehensive income for the year then ended;
- ▣ The statement of Changes in net assets (Equity) attributable to the unitsholders for the year then ended;
- ▣ The statement of cash flows for the year then ended, and;
- ▣ The notes to the financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the code of professional conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Fund's financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and the Fund's Term's and conditions and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

Those charged with governance, are responsible for overseeing the Fund's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT

**TO THE UNITHOLDERS OF ARTAL MURABAHA FUND
MANAGED BY ARTAL CAPITAL COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

(2 /3)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▀ Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▀ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- ▀ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the management;
- ▀ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists, related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern; and
- ▀ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT

**TO THE UNTHOLDERS OF ARTAL MURABAHA FUND
MANAGED BY ARTAL CAPITAL COMPANY
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**For PKF Al-Bassam
Chartered Accountants**



Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh: 26 Ramadan 1446 H
Corresponding to: 26 March 2025 G



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Artal Murabaha Fund
Money Markets Instrument Fund - Public Fund - Open ended
(Managed by Artal Capital Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	5	76,120,799	70,182,838
Investment carried at amortized cost Murabaha Deposits	6	19,529,226	298,779,487
Investment carried at amortized cost Sukuk	6	15,290,000	-
Investments held at fair value through Profit or loss (FVTPL)	7	21,632,396	-
Investment in advance	8	18,630,000	-
Prepayments and other assets		1,103	-
Total assets		151,203,524	368,962,325
Liabilities			
Subscription received in advance		5,117,503	-
Management fees payable		14,696	11,740
Accrued expenses and other liabilities	12	98,745	143,526
Total liabilities		5,230,944	155,266
Net assets (equity) attributable to the Unit holders		145,972,580	368,807,059
Units in issue (in numbers)			
Class A	9	10,087,802	11,154,879
Class B	9	3,024,618	23,861,057
Net assets (Equity) value per unit			
Class A		11.1282	10.5291
Class B		11.1465	10.5342

The accompanying notes from 1 to 16 form an integral part of these financial statements.

Artal Murabaha Fund
Money Markets Instrument Fund - Public Fund - Open ended
(Managed by Artal Capital Company)

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	For the year ended 31 December 2024	For the period from 24 January 2023 to 31 December 2023
Income			
Special Commission income from investments carried at amortized cost			
– Murabaha	6	11,238,188	21,789,174
– Sukuk	6	290,000	-
Realized gain on disposal of investments carried at FVTPL	7	2,545,789	-
Unrealized gain on disposal of investments carried at FVTPL	7	422,088	-
		14,496,065	21,789,174
Expenses			
Management fee	10	(173,805)	(47,053)
Other expenses	11	(402,795)	(547,569)
Total expenses		(576,600)	(594,622)
Net income for the year/period		13,919,465	21,194,552
Other comprehensive income for the year/period		-	-
Total comprehensive income for the year/period		13,919,465	21,194,552

The accompanying notes from 1 to 16 form an integral part of these financial statements.

Artal Murabaha Fund
 Money Markets Instrument Fund - Public Fund - Open ended
 (Managed by Artal Capital Company)

STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE
 UNITHOLDERS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

	For the year ended 31 December 2024	For the period from 24 January 2023 to 31 December 2023
Net assets (Equity) attributable to the Unit holders at the beginning of the year/period	368,807,059	-
Total comprehensive income for the year/period	13,919,465	21,194,552
Contributions and redemptions by the unitholders		
Issuance of units	329,538,285	1,216,293,472
Redemption of units	(566,292,229)	(868,680,965)
Net changes from unit transactions	(236,753,944)	347,612,507
Net assets (Equity) attributable to the Unit holders at the end of the year/period	145,972,580	368,807,059

The accompanying notes from 1 to 16 form an integral part of these financial statements.

Artal Murabaha Fund
Money Markets Instrument Fund - Public Fund - Open ended
(Managed by Artal Capital Co.)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	For the year ended 31 December 2024	For the period from 24 January 2023 to 31 December 2023
Cash flows from operating activities:			
Net income for the year/period		13,919,465	21,194,552
<i>Adjustment for:</i>			
Murabaha Deposits Profit Income	6	(11,238,188)	(21,785,264)
Sukuk Profit Income	6	(290,000)	-
Unrealized loss from investments carried at FVTPL	7	(422,088)	-
		1,969,189	(590,712)
Net changes in operating assets and liabilities:			
Investment carried at amortized cost – Murabaha Deposits	6	269,801,703	(359,101,704)
Investment carried at amortized cost – Sukuk	6	(15,000,000)	-
Investments held at fair value through profit or loss (FVTPL)	7	(21,210,308)	-
Investment in advance	8	(18,630,000)	-
Prepayments and other assets		(1,103)	-
Subscription received in advance		5,117,503	-
Management fees payable		2,956	11,740
Accrued expenses and other liabilities		(44,781)	143,526
Cash generated from/ (used in) operating activities		222,005,159	(359,537,150)
Profit received on Murabaha Deposits		19,829,984	12,000,384
Profit received on Sukuk		-	-
Net cash generated from/ (used in) operating activity		241,835,143	(347,536,766)
Cash flows from financing activities:			
Issuance of units		329,538,285	1,216,293,472
Redemption of units		(566,292,229)	(868,680,965)
Net cash (used in)/from financing activities		(236,753,944)	347,612,507
Net increase in cash and cash equivalents		5,081,199	75,741
Cash and cash equivalents at the beginning of the year/period		75,741	-
Cash and cash equivalents at the end of the year/period		5,156,940	75,741

The accompanying notes from 1 to 16 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

1. FUND AND ITS ACTIVITIES

Artal Murabaha Fund (the “Fund”) a Money Markets Instrument Fund - Public Fund - Open ended established in the Kingdom of Saudi Arabia under the Investment Funds Regulations and is compliant with Shari’a principles. The Fund commenced its operations on 24 January 2023.

The Fund is managed by Artal Capital Company (the “Fund Manager”), a closed Joint Stock Company organised and existing under the laws of the Kingdom of Saudi Arabia, with commercial registration number 1010501601, and licensed as a Capital Market Institution by the Saudi Arabian Capital Market Authority under license no. 18195-02.

The main investment objective of the Fund to achieve investment returns with low risks for the Fund’s unit holders in order to preserve capital and provide liquidity through investing in money markets and other transactions in financial instruments that are compatible with the Sharia controls approved by the Sharia Supervisory Committee.

The Fund has appointed Albilad Capital (the “Custodian”), a Joint stock company organized and existing under the laws of the Kingdom of Saudi Arabia with commercial registration number 1010240489, dated 11/11/1428H, and licensed as a Capital Market Institution by the Saudi Arabia Capital Market Authority under license no. 08100-37 dated 2/4/1429H.

The terms and conditions of the Fund were approved by CMA on 14 Jumada Al Awwal 1444 H (corresponding to 8 December 2022).

On February 28, 2023, the name of the fund was changed from VCP Murabaha Fund to Artal Murabaha Fund.

2. REGULATORY AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the Capital Market Authority (“CMA”).

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Basis of measurement

These financial statements have been prepared on a historical cost basis. Using the accrual basis of accounting except for investments held at FVTPL.

3.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These financial statements are presented in Saudi Arabian Riyals (SAR) which is the Fund’s functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

3. BASIS OF PREPARATION (CONTINUED)

3.4 Critical accounting judgments, estimates and assumption

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Fund's accounting policies, management has made the following estimate and judgment which is significant to these financial statements.

3.5 Going Concern

The Fund Manager has assessed 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 management is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Accordingly, these financial statements have been prepared on a going concern basis.

4. MATERIAL ACCOUNTING POLICIES

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

Cash and cash equivalents

Cash and cash equivalents consist of cash in current accounts held with a local bank and Murabaha placements with original maturity of 3 months or less, if any. Cash and cash equivalents are measured at amortized cost in the statement of financial position.

Investments in advance

The Fund may subscribe for shares of entities which are to be settled after the reporting date. Subscribers in entities are required to pay in advance prior to settlement. The investments in advance represent the amounts paid in advance to the entities.

Financial instruments

Initial recognition and measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Classification and measurement of financial assets

Classification of financial assets

On initial recognition, a financial asset is classified and measured at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”).

Financial asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial asset at fair value through profit or loss (“FVTPL”)

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

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

The classification requirements for debt instruments are described below.

Equity instruments

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Classification and measurement of financial assets (Continued)

Financial asset at fair value through profit or loss (“FVTPL”) (Continued)

Equity instruments (Continued)

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

Derecognition

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

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

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

Impairment of financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

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

Trade date accounting

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

Offsetting of financial instruments

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

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

Redeemable Units

Redeemable units are classified as equity as it meets all of the following conditions:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accrued expenses and other payables

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

Investment transactions

Investment transactions are recognized on a trade date basis.

Management fees and Other expenses

Management fees and other expenses are charged at rates / amounts within limits mentioned in terms and conditions of the Fund. Management fees are calculated on a daily basis based on the net asset value of the fund and are deducted monthly as below:

Class	Percentage
A	0.5%
B	0.0%

(1) The fund manager has been charging a management fee for less than 0.50%.

Zakat

The Minister of Finance, pursuant to Ministerial Resolution No. 29791, dated 9 Jumada Al-Awwal 1444 AH (corresponding to 3 December 2023 AD), approved the rules for levying zakat on investors in investment funds authorized by the Capital Market Authority. This resolution applies to fiscal years beginning on 1 January 2024 AD, and requires investment funds to register with the Zakat, Tax and Customs Authority. The zakat collection rules also require investors in the fund to submit an information declaration to the Authority within a period not exceeding 120 days from the end of its fiscal year. The declaration must include audited financial statements, records of transactions with persons associated with the fund ("related parties"), and any additional data requested by the Authority. Under the rules, investment funds, including funds that take the form of a special purpose entity licensed by the Capital Market Authority, are not subject to zakat collection, provided they do not engage in economic activities or investment activities not stipulated in the bylaws or terms and conditions of those investment funds. Zakat will be collected from the fund's unit holders. During the current period, the Fund Manager has completed the Fund's registration with Zakat and will submit the Zakat Information Declaration in due course.

Net asset value

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

Special commission income

Special commission income presented in the statement of comprehensive income comprise commission on financial assets measured at amortized cost calculated on an effective yield basis.

The 'effective yield rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument:

- to the carrying amount of the financial assets; or
- the amortized cost of the financial liability.

In calculating special commission income, the effective yield rate is applied to the gross carrying amount of the asset (when the assets are not credit impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, special commission income is calculated by applying the effective profit rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of special commission income reverts to the gross basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Dividend income

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

Revenue recognition

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

Provision

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

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

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

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

4.1 New standards, interpretations and amendments

There are new standards, amendments and interpretations apply for the first time in 2024, but do not have an impact on the financial statements of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund’s financial statements. In the opinion of the Fund’s Board, these will have no significant impact on the financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments

4.1.1 New standards, amendments to standards and interpretations

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

New amendments to standards issued and applied effective 1 January 2024.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified <ul style="list-style-type: none"> ○ what is meant by a right to defer settlement, ○ that a right to defer must exist at the end of the reporting period, ○ that classification is unaffected by the likelihood that an entity will exercise its deferral right, and ○ that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments (Continued)

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

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 21	Lack of Exchange ability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments (Continued)

4.1.2 New standards, amendments and revised IFRS issued but not yet effective (Continued)

IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.
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Management anticipates that these new standards interpretations and amendments will be adopted in the Fund's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Fund in the period of initial application.

Artal Murabaha Fund
Money Markets Instrument Fund - Public Fund - Open ended
(Managed by Artal Capital Co.)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

5. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash at bank	5,156,940	75,741
Deposits Murabaha - Maturity within 3 months (Disclose No. 6) *	70,963,859	70,107,097
	76,120,799	70,182,838

* These Deposits Murabaha have an original maturity of 3 months or less from the date of placements and carry profit rates ranging from 5.45% to 5.90% per annum.

6. INVESTMENTS CARRIED AT AMORTIZED COST

	2024	2023
Murabaha Placement	19,529,226	298,779,487
Sukuk	15,290,000	-
Gross Carrying amount	34,819,226	298,779,487
Expected credit Loss	-	-
Net carrying amount as at the year end	34,819,226	298,779,487

6.1 INVESTMENTS CARRIED AT AMORTIZED COST –MURABAHA DEPOSITS

	31 December 2024	31 December 2023
Qatar National Bank	39,890,226	80,920,995
Saudi investment bank	25,396,440	23,819,357
Al Rajhi Bank	25,206,419	29,328,884
Bank ABC-Bahrain	-	88,694,058
Riyadh Bank	-	66,376,878
Gulf International Bank	-	31,571,236
Al Jazeera Bank	-	30,034,125
Arab National Bank	-	8,108,644
NBK Wealth Management	-	10,032,410
	90,493,085	368,886,587
	31 December 2024	31 December 2023
Maturity within 3 months (Disclose No. 5)*	70,963,859	70,107,097
Maturity within 3 – 12 months	19,529,226	298,779,487
	90,493,085	368,886,584

* Murabaha deposits due within a period of less than three months have been classified in cash and cash equivalents on the statement of financial position.

6.1.1 The rate of profit on Murabaha deposits ranges from 5.45% to 5.90% per annum and all the Murabaha deposits will be matured within a period of less than 12 months.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

6. INVESTMENTS CARRIED AT AMORTIZED COST (CONTINUED)

6.1 INVESTMENTS CARRIED AT AMORTIZED COST –MURABAHA DEPOSIT (CONTINUED)

6.1.2 The following table represents the movement of investments in Murabaha placements measured at amortized cost during the year:

	31 December 2024	31 December 2023
Carrying amount	368,886,584	-
Additions during the year/period	891,562,070	3,530,019,683
Matured during the year/period	(1,161,363,775)	(3,170,917,979)
Murabaha profit recognized during the year/period	861,562,070	(21,780,134)
Murabaha profit received during the year/period	(1,131,363,775)	11,995,277
Accrual profit during the year/period (Disclosure No. 7)	(8,591,794)	9,784,880
Carrying amount as at the year/period end	90,493,085	368,886,584

6.2 INVESTMENTS CARRIED AT AMORTIZED COST –SUKUK

	31 December 2024	31 December 2023
Banque Saudi Fransi	15,290,000	-
	15,290,000	-

6.2.1 The following table represents the movement of investments in Sukuk measured at amortized cost during the year:

	31 December 2024	31 December 2023
Carrying amount	-	-
Additions during the year/period	15,000,000	-
Accrual profit during the year/period	290,000	-
Carrying amount as at the year/period end	15,290,000	-

7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table represents the details of investments held at FVSI:

INVESTMENT	31 December 2024		
	Cost	Fair Value	%
Al Rajhi Awaheed Fund	10,133,493	10,341,779	48%
Alpha Murabaha Fund	11,076,815	11,290,617	52%
	21,210,308	21,632,396	100%
INVESTMENT	31 December 2023		
	Cost	Fair Value	%
Mutual funds	-	-	-
	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(Amounts in Saudi Arabian Riyals)

7. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

7.1 The following table represents the investments held at FVTPL during the year:

	31 December 2024	31 December 2023
Carrying amount	-	-
Purchases during the year/period	315,216,000	-
Disposals during the year/period	(296,551,481)	-
Realized gain on disposal of investments carried at FVTPL	2,545,789	-
Unrealized FV gain on re-measurement of investments held at FVTPL, net	422,088	-
Carrying amount as at the year/period end	21,632,396	-

8. INVESTMENTS IN ADVANCE

During the financial year ended 31 December 2024, the Fund subscribed for units of funds, which were to be settled after the reporting date. Subscribers in funds are required to pay in advance prior to settlement. The investments in advance represent the amounts paid in advance.

	31 December 2024	31 December 2023
Investments in advance	18,630,000	-
	18,630,000	-

9. UNIT TRANSACTIONS

The following represents the subscriptions paid and committed as at:

	31 December 2024	31 December 2023
	<i>(Units in numbers)</i>	<i>(Units in numbers)</i>
Units at the beginning of the year/period	35,015,936	-
Units issued during the year/period	30,544,119	118,815,383
Units redeemed during the year/period	(52,447,635)	(83,799,447)
Net change in units	13,112,420	35,015,936
Units at the end of the year/period	13,112,420	35,015,936

The fund manager may issue an unlimited number of units in the fund in accordance with the terms and conditions of the fund. Each unit represents a common share in the Fund's assets.

1. Class A for public unitholders.
2. Class B are the portfolios/funds managed by the fund manager and the employees of the fund manager.

Artal Murabaha Fund
(Managed by Artal Capital Co.)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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9. UNIT TRANSACTIONS (CONTINUED)

	31 December 2024		31 December 2023	
	(Units in numbers)	Amounts	(Units in numbers)	Amounts
Class A				
Subscription	20,117,110	217,254,585	15,987,903	163,148,441
Redemption	(21,184,188)	(230,511,827)	(4,833,024)	(49,699,318)
	(1,067,078)	(13,257,242)	11,154,879	113,449,123
Class B				
Subscription	10,427,009	112,283,700	102,827,480	1,053,145,031
Redemption	(31,263,448)	(335,780,402)	(78,966,423)	(818,981,647)
	(20,836,439)	(223,496,702)	23,861,057	234,163,384
	(21,903,517)	(236,753,944)	35,015,936	347,612,507

10. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Fund include the Fund Manager and other funds managed by the Fund Manager. In the ordinary course of its activities, the Fund transacts business with the Fund Manager. In addition to transactions disclosed elsewhere in these financial statements, the Fund entered into the following transactions with the related parties during the period.

These transactions were carried out on the basis of approved terms and conditions of the Fund:

Related party	Nature of relationship	Nature of transactions	For the year ended 31 December 2024	For the period from 24 January 2023 to 31 December 2023
Artal Capital	The Fund Manager	Management fees	173,805	47,053
Artal Capital	Board of Directors	Director's fees	16,342	18,400

Balances arising from above transaction with related party is as follows:

Related party	Nature of relationship	Nature of balances	Balance as of	
			31 December 2024	31 December 2023
Artal Capital	The Fund Manager	Management fees payable	14,696	11,740
Board of Directors	Board of Directors	Director's fees payable*	16,001	18,400

* Those Balances were mapped to "ACCRUED EXPENSES AND OTHER LIABILITIES" Accounts.

Artal Murabaha Fund
(Managed by Artal Capital Co.)

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11. OTHER EXPENSES

		For the year ended 31 December 2024	For the period from 24 January 2023 to 31 December 2023
	Note		
Administration fee*	10	182,272	269,834
Director's fee	10	16,342	18,400
Audit fee		34,500	34,500
Custodian fee**		53,768	63,781
Shariah Board fee		5,147	11,500
Accounting fee		44,053	21,563
Zakat and Tax Consultant fee		11,422	-
Other expenses		55,291	127,991
		402,795	547,569

*Amounts paid to AlBilad Capital as administrator fees.

**Amounts paid to AlBilad Capital as Custodian fees.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

		As at 31 December 2024	As at 31 December 2023
	Note		
Administration fees payable	10	33,246	65,023
Audit fee payable		20,700	20,700
Directors fee payable	10	16,001	18,400
Zakat and Tax Consultant fee payable		11,500	-
Custodian fees payable		7,587	15,258
Shariah Advisory Fee payable		-	11,500
Accounting Fee Payable		6,011	9,051
Other liabilities		3,700	3,594
		98,745	143,526

13. FINANCIAL INSTRUMENTS BY CATEGORY

31 December 2024	Amortized cost	FVPTL
As per statement of financial position		
Assets		
Cash and cash equivalent	76,120,799	-
Investments carried at amortized cost – Murabaha	19,529,226	-
Investments carried at amortized cost – Sukuk	15,290,000	
Investments held at FVTPL	-	21,632,396
Investment in advance	18,630,000	-
Total	129,570,025	21,632,396

NOTES TO THE FINANCIAL STATEMENTS

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13. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

31 December 2023	Amortized cost	FVPTL
As per statement of financial position		
Assets		
Cash and cash equivalent	70,182,838	-
Investments carried at amortized cost – Murabaha	298,779,487	-
Total	368,962,325	-

All financial liabilities as at 31 December 2024 and 31 December 2023 were classified as financial liabilities carried at amortized cost.

14. FINANCIAL RISK MANAGEMENT

14.1 Financial risk factors

The objective of the Funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its Unit Holders and to ensure reasonable safety to the Unit Holders.

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

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

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

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

a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

The Fund does not have any foreign exchange risk since all of its transactions are carried out in SAR.

NOTES TO THE FINANCIAL STATEMENTS

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.1 Financial risk factors (Continued)

a) Market risk (Continued)

(ii) Commission rate risk

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's investments in Murabaha are fixed rate financial instruments, hence, the Fund is expose to commission rate risk, however the Murabaha placements are of short term and significant portfolio will be matured within a period of one year. Accordingly, the Fund is not exposed to material commission rate risk.

(iii) Price risk

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

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

(b) Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

It is the Fund's policy to enter into financial instrument contracts with reputable counterparties. The Fund seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Fund is exposed to credit risk for its cash and cash equivalents and investments carried at amortized cost. Bank balances are placed with reputable financial institutions; hence the credit risk is minimal.

The credit quality of the Fund's bank balance and investments carried at amortized cost is assessed with reference to external credit ratings which, in all cases, are above investment-grade rating. The bank balances and investments carried at amortized cost along with credit ratings are tabulated below:

NOTES TO THE FINANCIAL STATEMENTS

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Expected credit loss measurement

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

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

Stage 1: includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognized and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but profit is still calculated on the gross carrying amount of the asset.

Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted).

One of the key components of IFRS 9 ECL is to determine whether there have been significant increases in credit risk (SICR) of an entity's credit exposures since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL.

Discount rate

The Fund will compute effective profit rate at a contractual level. If the computation of the effective profit rate (at reporting date) is not feasible, the Fund will use the contractual profit (at reporting date) for discounting purposes.

The Fund Manager has performed an ECL assessment for the financial assets carried at amortized cost. An allowance for impairment over these financial assets was not recognized in these financial statements as the amount was not material.

NOTES TO THE FINANCIAL STATEMENTS

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Credit ratings

The Fund Manager reviews credit concentration of the investment portfolio based on counterparties. The credit quality of the financial assets is managed using the ratings from reputable credit ratings agencies. As at 31 December 2024, the Fund has investments measured at amortized cost with the following credit quality:

Rating of financial institution	31 December 2024	31 December 2023
Cash at Bank		
A3 (Moody's)	5,156,940	75,741
	5,156,940	75,741
Murabaha placements		
A1(Moody's)	-	39,361,293
A2(Moody's)	25,396,440	74,485,494
A3(Moody's)	-	23,819,356
Aa3(Moody's)	65,096,645	80,920,995
Baa1(Moody's)	-	61,605,388
BBB- (S&P)	-	88,694,058
	90,493,085	368,886,584
Sukuk Investment		
A1(Moody's)	15,290,000	-
	15,290,000	-

(c) Liquidity risk

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

The Fund's terms and conditions provide for subscription and redemption of units on every business day and it is, therefore, exposed to the liquidity risk of meeting Unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short term loans from the Fund Manager.

The contractual and expected maturity of all liabilities outstanding at the reporting date are within 12 months (2023: due within 12 months).

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(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

(e) Capital risk Management

The capital of the Fund is represented by the equity attributable to holders of redeemable units. The amount of equity attributable to holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other units holder and maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund Manager monitor capital on the basis of the value of equity attributable to unitholders.

Fair value estimation

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

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Money Markets Instrument Fund - Public Fund - Open ended
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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation (Continued)

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

The fair value hierarchy has the following levels:

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

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equity instruments. The Fund does not adjust the quoted price for these instruments.

Fund classifies all of its financial assets, except for those carried at amortized cost, at fair value accordingly to below levels.

2024	Fair value Level			Total
	1	2	3	
FINANCIAL ASSET				
Investments carried at fair value through profit or loss (FVTPL)	-	21,632,396		21,632,396
2023	Fair value Level			Total
	1	2	3	
FINANCIAL ASSET				
Investments carried at fair value through profit or loss (FVTPL)	-	-	-	-

The following table analyses within the fair value hierarchy the Fund's investment in measured at amortized cost at 31 December;

As at 31 December 2024	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Investment carried at amortized cost – Sukuk	15,290,000	-	15,290,000	-	15,290,000
	15,290,000	-	15,290,000	-	15,290,000

Other financial instruments such as, cash and cash equivalents, Investment in advance and Murabaha placements are short-term financial asset whose carrying amount approximate their fair value, because of their short-term nature and high credit quality of counterparty. For all other financial assets and liabilities, the carrying value approximates fair value.

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15. SUBSEQUENT EVENTS

There are no significant adjusting events subsequent to the statement of financial position date that requires disclosures and / or adjustments in the financial statements.

16. APPROVAL OF FINANCIAL STATEMENT

These financial statements were approved and authorized for issue by the Fund's Board on 26 Ramadan 1446H corresponding to 26 March 2025.