

**Al Yusr SAR Morabaha Fund**  
**Open-Ended Fund**  
**(Managed by SAB Invest (previously known as Alawwal Invest Company))**  
**Interim Condensed Financial Statements (Unaudited)**  
**For the six-month period ended 30 June 2023**  
**Together with the**  
**Independent Auditor's Review Report to the Unitholders**

**Al Yusr SAR Morabaha Fund**  
**Open-Ended Fund**  
**(Managed by SAB Invest (previously known as Alawwal Invest Company))**

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**INTERIM CONDENSED FINANCIAL STATEMENTS (Un-audited)**  
**For the six-month period ended 30 June 2023**

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**PKF****Ibrahim Ahmed Al-Bassam  
& Co. Certified Public Accountants**

## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

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### TO THE UNITHOLDERS OF AL YUSR SAR MURABAHA FUND

#### INTRODUCTION

We have reviewed the accompanying interim statement of financial position of **AL YUSR SAR MURABAHA FUND** (the "Fund") as at 30 June 2023 and the related interim statement of comprehensive income for the six-month period then ended, and the interim statements of changes in net assets and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

#### SCOPE OF REVIEW

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

#### CONCLUSION

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

For Al-Bassam & Co.

Ahmed A. Mohandis  
Certified Public Accountant  
License No. 477  
Riyadh: 21 Muharram 1445H  
Corresponding to: 8 August 2023



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**Al Yusr SAR Morabaha Fund****Open-Ended Fund**

(Managed by SAB Invest (previously known as Alawwal Invest Company))

**INTERIM STATEMENT OF FINANCIAL POSITION****As at 30 June 2023****(Amounts in Saudi Arabian Riyals)**

	<b>Note</b>	<b>30 June 2023 (Un-audited)</b>	<b>31 December 2022 (Audited)</b>
<b>ASSETS</b>			
Cash and cash equivalents	6	<b>32,252,330</b>	31,847,817
Investments designated at fair value through profit or loss. (FVTPL)	7	-	22,933,139
Investments measured at amortized cost – Sukuk	8	<b>8,059,601</b>	17,021,562
Investments measured at amortized cost – Morabaha	9	<b>55,592,975</b>	46,385,852
Other receivables		-	9,200
<b>TOTAL ASSETS</b>		<b>95,904,906</b>	118,197,570
<b>LIABILITIES</b>			
Accrued expenses and other liabilities		<b>67,127</b>	103,721
<b>TOTAL LIABILITIES</b>		<b>67,127</b>	103,721
<b>NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS</b>		<b>95,837,779</b>	118,093,849
<b>Units in issue (in numbers)</b>		<b>6,406,250</b>	8,075,607
<b>Net Asset (Equity) Value per unit</b>		<b>14.96</b>	14.62

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

**Al Yusr SAR Morabaha Fund****Open-Ended Fund**

(Managed by SAB Invest (previously known as Alawwal Invest Company))

**INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****For the six-month period ended 30 June****(Amounts in Saudi Arabian Riyals)**

	<b>Note</b>	<b>30 June 2023</b> <b>(Un-audited)</b>	<b>30 June 2022</b> <b>(Un-audited)</b>
<b><u>Income</u></b>			
Net gain from investments designated at FVTPL	10	<b>259,950</b>	406,421
Income from Islamic Placements		<b>2,250,873</b>	831,520
		<b>2,510,823</b>	1,237,941
<b><u>Expenses</u></b>			
Management fees	12	<b>(241,050)</b>	(386,321)
Other expenses	11	<b>(64,426)</b>	(134,180)
		<b>(305,476)</b>	(520,501)
<b>Net income for the period</b>		<b>2,205,347</b>	717,440
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>2,205,347</b>	717,440

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

**Al Yusr SAR Morabaha Fund****Open-Ended Fund**

(Managed by SAB Invest (previously known as Alawwal Invest Company))

**INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS (UN-AUDITED)****For the six-month period ended 30 June****(Amounts in Saudi Arabian Riyals)**

	<b>30 June 2023</b> <b>(Un-audited)</b>	30 June 2022 (Un-audited)
<b>Net assets (Equity) attributable to the Unitholders at beginning of the period</b>	<b>118,093,849</b>	170,159,835
<b>Total comprehensive income for the period</b>	<b>2,205,347</b>	717,440
<b>Net assets (Equity) attributable to the Unitholders before changes in unit transactions</b>	<b>120,299,196</b>	170,877,275
Issuance of units	<b>518,000</b>	650,000
Redemption of units	<b>(24,979,417)</b>	(32,236,035)
Net changes from unit transactions	<b>(24,461,417)</b>	(31,586,035)
<b>Net assets (Equity) attributable to the Unitholders at end of the period</b>	<b>95,837,779</b>	139,291,240

**UNIT TRANSACTIONS**

Transactions in units for the period ended 30 June are summarized as follows:

	<b>30 June 2023</b> <b>Units</b>	30 June 2022 Units
<b>Units at the beginning of the period</b>	<b>8,075,607</b>	11,840,289
Issuance of units	<b>35,069</b>	45,156
Redemption of units	<b>(1,704,426)</b>	(2,238,458)
<b>Net decrease in unit transactions</b>	<b>1,669,357</b>	(2,193,302)
<b>Units at end of the period</b>	<b>6,406,250</b>	9,646,987

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**Al Yusr SAR Morabaha Fund****Open-Ended Fund**

(Managed by SAB Invest (previously known as Alawwal Invest Company))

**INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)****For the six-month period ended 30 June****(Amounts in Saudi Arabian Riyals)**

	<b>Note</b>	<b>30 June 2023</b> <b>(Un-audited)</b>	<b>30 June 2022</b> <b>(Un-audited)</b>
<b><u>Cash flows from operating activities:</u></b>			
Net income for the period		2,205,347	717,440
Adjustments for:			
Unrealized loss / (gain) from investments designated at FVTPL	10	-	(41,276)
Decrease in investments designated at FVTPL		22,933,139	36,981,549
Decrease / (increase) in investments measured at amortized cost		8,961,961	(1,755,141)
(Increase) / decrease Morabaha placements measured at amortized cost		(9,207,123)	42,058,259
Decrease / (increase) in other receivables		9,200	(5,750)
(Decrease) in accrued expenses and other liabilities		(36,594)	(36,679)
<b>Net cash generated from operating activities</b>		<b>24,865,930</b>	<b>77,918,402</b>
<b><u>Cash flows from financing activities:</u></b>			
Proceeds from issuance of units		518,000	650,000
Redemption of units		(24,979,417)	(32,236,035)
<b>Net cash used in financing activities</b>		<b>(24,461,417)</b>	<b>(31,586,035)</b>
<b>Net change in cash and cash equivalents</b>		<b>404,513</b>	<b>46,332,367</b>
Cash and cash equivalents at beginning of the period		31,847,817	31,752,454
<b>Cash and cash equivalents at end of the period</b>		<b>32,252,330</b>	<b>78,084,821</b>

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

## **Al Yusr SAR Morabaha Fund**

### **Open-Ended Fund**

(Managed by SAB Invest (previously known as Alawwal Invest Company))

## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

**For the six-month period ended 30 June 2023**

**(Amounts in Saudi Arabian Riyals)**

### **1 INCORPORATION AND PRINCIPAL ACTIVITIES**

Al Yusr SAR Morabaha Fund (the “Fund”) is an open-ended fund domiciled in the Kingdom of Saudi Arabia, created by an agreement between SAB Invest (the “Fund Manager”), a subsidiary of The Saudi Al-Awal Bank Invest (formerly a subsidiary of the Saudi British Bank) (the “Bank”) and investors in the Fund (the “Unitholders”).

The Fund’s Manager registered office is at P.O. Box 1467, Riyadh 11431, Kingdom of Saudi Arabia.

Al Yusr SAR Morabaha Fund	
Commencement Date	26 December 2001
Latest Governing Terms and Condition Date	28 February 2022
Category	Sharia’ah compliant
Objective	Steady appreciation & preservation of invested capital
Allowed Investment Channels	Morabaha deposits
	Sukuk
	Structured investment products
	Morabaha funds

The Fund has appointed Riyadh Capital (the “Custodian”) to act as its custodian. The fees for the custodian services are paid by the Fund.

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

### **2 REGULATING AUTHORITY**

The Fund is governed by the Investment Fund Regulations (the “Regulations”) detailing requirements for all investments funds operating within the Kingdom of Saudi Arabia and published by the Capital Market Authority (the “CMA”) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were further amended on 12 07 (Rajab) 1442H (corresponding to 22 February 2021) (the “Amended Regulations”). The Fund Manager believes that the Amended Regulations was effective since 19 09 (Ramadan) 1442H (corresponding to 01 May 2021).

### **3 BASIS OF PREPARATION**

#### **3.1. Statement of compliance**

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants (“SOCPA”).

Assets and liabilities in the interim statement of financial position are presented in the order of liquidity.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund’s annual financial statements as at 31 December 2022. The results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

#### **3.2. Basis of measurement**

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments carried at fair value through profit or loss which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

#### **3.3. Functional and presentation currency**

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

## Al Yusr SAR Morabaha Fund

### Open-Ended Fund

(Managed by SAB Invest (previously known as Alawwal Invest Company))

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2023

(Amounts in Saudi Arabian Riyals)

### 3 BASIS OF PREPARATION (CONTINUED)

#### 3.3. Functional and presentation currency (Continued)

##### *Transactions and balances*

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates prevailing at date of the interim statement of financial position. Foreign exchange gains and losses arising from translation are included in the interim statement of comprehensive income.

#### 3.4. Critical accounting judgments, estimates and assumptions.

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. The Fund based its assumptions and estimates on parameters available when the interim condensed financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

#### 3.5. Going concern

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2022. Certain new standards, amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed financial statements of the Fund.

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

### 5. MANAGEMENT FEE, AND OTHER CHARGES

Fund management fees are recognized on an accrual basis and charged to the interim statement of comprehensive income at rates agreed with the Fund Manager and as stated in the terms and conditions of the Fund.

### 6. CASH AND CASH EQUIVALENTS

	<u>Notes</u>	<u>30 June 2023</u> <u>(Un-audited)</u>	<u>31 December 2022</u> <u>(Audited)</u>
Bank balances		155,112	12,802,229
Short-term deposits with maturity of three months or less	6.1	32,097,218	19,045,588
		<u>32,252,330</u>	<u>31,847,817</u>

6.1. Short-term bank deposits represent money market placements at prevailing special commission rates, with local banks having original maturities of less than three months

**Al Yusr SAR Morabaha Fund****Open-Ended Fund**

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2023

(Amounts in Saudi Arabian Riyals)

**7. INVESTMENT DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

As at the interim statement of financial position date, investments designated at FVTPL comprise the following:

	30 June 2023 (Un-audited)			31 December 2022 (Audited)		
	<i>Cost</i>	<i>Market value</i>	<i>Unrealized gain</i>	<i>Cost</i>	<i>Market value</i>	<i>Unrealized gain</i>
<b>Mutual Funds</b>						
Al-Rajhi Commodity Fund	-	-	-	22,369,926	22,933,139	563,213
<b>Total</b>	-	-	-	22,369,926	22,933,139	563,213

All investments are made in the Kingdom of Saudi Arabia.

**8. INVESTMENTS MEASURED AT AMORTIZED COST - SUKUK**

	30 June 2023 (Un-audited)	31 December 2022 (Audited)
<b>Debt securities</b>		
Alinma Bank Tier I Sukuk - SAR	3,029,667	3,030,333
Bank AlJazira Tier II Sukuk - SAR	2,010,392	2,009,744
Al Rajhi Bank Tier I Sukuk – SAR	3,019,542	3,020,125
Satorp Sukuk - SAR	-	8,961,360
	<b>8,059,601</b>	<b>17,021,562</b>

**9. INVESTMENTS MEASURED AT AMORTISED COST – MORABAHA**

	30 June 2023 (Un-audited)	31 December 2022 (Audited)
<b>Morabaha Placement</b>		
Gulf International Bank	23,306,558	-
Ahli United Bank	14,054,600	-
Arab National Bank	10,142,306	-
Saudi National Bank	8,089,511	-
Bank ABC Bahrain	-	20,137,317
National Bank of Kuwait	-	13,123,934
Al Rajhi Bank	-	13,124,601
	<b>55,592,975</b>	<b>46,385,852</b>

**10. NET GAIN FROM INVESTMENTS DESIGNATED AT FVTPL**

	30 June 2023 (Un-audited)	30 June 2022 (Un-audited)
Realized gain	259,950	365,145
Unrealized gain	-	41,276
	<b>259,950</b>	<b>406,421</b>

**Al Yusr SAR Morabaha Fund****Open-Ended Fund**

(Managed by SAB Invest (previously known as Alawwal Invest Company))

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****For the six-month period ended 30 June 2023****(Amounts in Saudi Arabian Riyals)****11. OTHER EXPENSES**

	<b>30 June 2023</b> <b>(Un-audited)</b>	30 June 2022 <b>(Un-audited)</b>
Custody fee	<b>6,486</b>	48,193
Value added tax	<b>38,990</b>	67,037
Audit fees	<b>9,918</b>	9,917
Board members' fees (note 12)	<b>2,834</b>	2,834
CMA monitoring fee	<b>3,719</b>	3,719
Tadawul fees	<b>2,479</b>	2,480
	<b>64,426</b>	134,180

**12. TRANSACTIONS WITH RELATED PARTIES*****Management fee and other transactions***

The Fund is managed and administered by the Fund Manager. For this service, the Fund pays a management fee calculated on every valuation day, at an annual rate of 0.5% of the Fund's daily net assets. Total management fees for the period amounted to SAR 241,050 (30 June 2022: SAR 386,321).

Other expenses paid by the Fund Manager on behalf of the Fund are charged to the Fund.

***Board of Directors***

The independent directors are entitled to remuneration for their services at rates determined by the Fund's terms and conditions in respect of attending meetings of the board of directors or meetings of the Fund. Independent director's fees are currently SAR 3,000 per meeting up to a maximum of 2 meetings per annum per director which is paid equally by all funds supervised by the board. In addition, SAR 2,000 are paid to each independent director by the Fund per annum. The director's total remuneration during the period amounted to SAR 2,834 (2022: SAR 2,834) while the fees payable to directors at the period-end were SAR 2,834 (31 December 2022: SAR 5,714).

***Units held by related parties.***

<b>Related party and nature of relationship</b>	<b>Nature of transactions</b>	<b>30 June 2023</b>	31 December 2022
		<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>Units</b>	Units
SAB Invest (Fund Manager)	Units held	-	-

**Al Yusr SAR Morabaha Fund****Open-Ended Fund**

(Managed by SAB Invest (previously known as Alawwal Invest Company))

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****For the six-month period ended 30 June 2023****(Amounts in Saudi Arabian Riyals)****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:

	<b>30 June 2023 (Un-audited)</b>		
	<b>Within 12 months</b>	<b>After 12 months</b>	<b>Total</b>
Cash and cash equivalents	<b>32,252,330</b>	-	<b>32,252,330</b>
Investments measured at amortized cost – sukuk	-	<b>8,059,601</b>	<b>8,059,601</b>
Investment measured at amortized cost	<b>55,592,975</b>	-	<b>55,592,975</b>
<b>TOTAL ASSETS</b>	<b>87,845,305</b>	<b>8,059,601</b>	<b>95,904,906</b>
Accrued expenses and other liabilities	<b>67,127</b>	-	<b>67,127</b>
<b>TOTAL LIABILITIES</b>	<b>67,127</b>	-	<b>67,127</b>
<b>MATURITY GAP</b>	<b>87,778,178</b>	<b>8,059,601</b>	<b>95,837,779</b>
	<b>31 December 2022 (Audited)</b>		
	<b>Within 12 months</b>	<b>After 12 months</b>	<b>Total</b>
Cash and cash equivalents	31,847,817	-	31,847,817
Investments designated at FVTPL	22,933,139	-	22,933,139
Sukuk Investments at amortized cost	-	17,021,562	17,021,562
Investments measured at amortized cost.	46,385,852	-	46,385,852
Other receivables	9,200	-	9,200
<b>TOTAL ASSETS</b>	<b>101,176,008</b>	<b>17,021,562</b>	<b>118,197,570</b>
Accrued expenses and other liabilities	103,721	-	103,721
<b>TOTAL LIABILITIES</b>	<b>103,721</b>	-	<b>103,721</b>
<b>MATURITY GAP</b>	<b>101,072,287</b>	<b>17,021,562</b>	<b>118,093,849</b>

**14. SUBSEQUENT EVENTS**

In the opinion of management, no events have occurred after the reporting date and before the issuance of these interim condensed financial statements which requires adjustment to, or disclosure, these interim condensed financial statements.

**15. LAST VALUATION DAY**

The last valuation day for the period was 30 June 2023 (2022: 31 December 2022)

**16. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 20 Muharram 1445H corresponding to 20 August 2023G.