

Annual Report
SAB Invest US Dollar Murabaha Fund
2024

* All reports are available upon request free of charge.

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(A) Fund Information

1- Fund Name

SAB Invest US Dollar Murabaha Fund

2- Investment Objectives and Policies

This Fund is an open-ended investment fund denominated in US Dollar and the objective of which is to achieve investment returns with low level of risk by investing in Murabaha operations and Sukuk in cooperation with locally renowned financial institutions (in the Kingdom of Saudi Arabia), regionally (GCC countries) or internationally outside the Kingdom of Saudi Arabia and GCC countries (in accordance with the Islamic Sharia standards approved by the Fund Supervisory Committee).

3- Income & Gains Distribution Policy

No income shall be distributed, but rather the investment income and gains shall be added to the Fund's assets so that the income and gains shall be reinvested and reflected on the unit price.

4- Description of the Fund's Benchmark

The fund's performance is measured against an average performance of Overnight SOFR

(a) Fund Performance

	2022	2023	2024
Net Asset Value at the end of the year	17,798,463	23,054,252	12,313,371
Net Asset Value per Unit at the end of the year	15.3689	16.092	16.7927
Highest Net Asset Value per Unit	15.3689	16.092	16.7927
Lowest Net Asset Value per Unit	15.1630	15.370	16.0948
Number of Issued Units at the end of the Year	1,158,306.37	1,432,753	733,610.41
Value of Distributed Dividends per unit (if any)	-	-	-
Expenses Ratio	0.45%	0.48%	1.05%
Percentage of Assets Borrowed from the Asset Value, Exposure Period and Maturity Date	-	-	-

- **Fund Returns**

	One Year	Three Years	Five Years	Since Inception
Fund Returns (Annualized)	4.34%	3.46%	2.27%	2.01%
Benchmark Returns	5.14%	3.93%	2.44%	2.16%

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fund Returns (Annualized)	0.23%	0.57%	0.64%	1.70%	2.20%	0.90%	0.11%	1.36%	4.71%	4.34%

- **Fees and Expenses**

Type of Expenses or Commission (Including VAT, if any)	Value in SAR	Percentage according to Fund Asset Average
Fund Management Fees	147,894	0.75%
Custodian fees	1,025	0.01%
Auditor's Fees	11,040	0.06%
Administrative Services Fees	15,927	0.08%
Board of Directors Fees	4,397	0.02%
CMA Fees	2,000	0.01%
Tadawul Fees	1,533	0.01%
Other Expenses	24,735	0.13%

3- Material changes that affected the Fund performance

There were no material changes during 2024.

4- Annual Voting Practices

None

5- Fund Board of Directors' Annual Report

(a) Names and Types of Membership of the Board Members:

- Khaled Nasser Al-Muammar – Independent Member (Chairman of the Board of Directors of the Funds)
- Ali Omar Al-Gudaihi – Non-Independent Member
- Tariq Saad Al-Tuwaijri – Independent Member
- Abdulaziz Mohammed Al-Qabbani – Independent Member

1- Khalid bin Nasser bin Abdulrahman Al-Muammar - Independent Member (Chairman of the Board of Directors of Funds)

Qualifications

- Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals.

Current Positions

- CEO of the King Abdullah Fund for Giftedness and Creativity (from September 2022 to present)
- Member of the Board of Directors and Audit Committee of Advanced Company (2010)
- Member of the Board of Directors and Chairman of the Remuneration Committee of Takween Company (2016)
- Member of the Board of Directors and Chairman of the Remuneration Committee of Cables Company (2018)
- Member of the Board of Directors of Al-Jazirah Motors Company (2021)
- Member of the Board of Directors and Chairman of the Audit Committee of Riyal Investment Company (2022)
- Member of the Board of Directors of Ataa Educational Company (2023)

2. Ali bin Omar bin Ali Al-Gudaihi - Non-Independent Member

Qualifications

- Bachelor's degree in Financial Management from King Fahd University of Petroleum and Minerals.
-

Current Positions

- Head of Asset Management (Product Management), Member of the Funds Board of Directors, and Secretary of the Funds Board of Directors at Al-Awwal Investment Company. (From 2022 to present)
-

Previous Positions

- Head of Asset Management - Al-Awwal Invest. (From 2018 to 2022)
- Vice President of Asset Management - Al-Awwal Invest. (From 2013 to 2018)

- Senior Manager of Asset Management - Al-Awwal Invest. (From 2009 to 2013)
- Senior Manager of Investment Funds - Al-Awwal Invest. (From 2007 to 2009)
- Assistant Manager of Investment Funds - Al-Awwal Bank. (From 2006 to 2007)

3. Tariq Saad Abdulaziz Al-Tuwaijri (Independent Member)

Qualifications

- Bachelor's degree in Business Administration from the Arab Open University

Current Positions

- Chairman of the Nominations and Remuneration Committee and non-independent member of the Board of Directors of Thobe Al-Aseel Company and member of the Saudi Economic Association (2018 to present)

Previous Positions

- Equity Investment Manager at Naseel Holding Company (2010)
- Executive Vice President of Brokerage at Wasata Capital (2008)
- Senior Broker at Aljazira Capital (2004)
- Relationship Manager - Private Banking at Samba Financial Group (1998)

4. Abdulaziz Al-Qabbani (Independent Member)

Qualifications

- Master's in Business Administration from the University of Miami
- Bachelor's in Business Administration from King Saud University

Current Positions

- Chief Executive Officer - Al-Dhulai'a Investment Company (from August 2022 to present)

Previous Positions

- Head of Real Estate Investment - Al-Istithmar Capital Company (from April 2018 to July 2022)
- Director of Real Estate Asset Management - Swicorp (from April 2017 to April 2018)
- Fund Manager - Al Rajhi Capital Company (from October 2008 to March 2017)
- Financial Analyst - Royal Caribbean International, Miami, USA (from May 2007 to October 2007)
- Product Manager - Al Faisaliah Group (from December 2003 to January 2006)

(B) Roles and Responsibilities of the Fund Board of Directors

Responsibilities of the Fund Board Members include without limitation:

- Approving all contracts, decisions and material reports to which the Fund is a party.
- Approving a written policy with regard to the voting rights in respect of Fund assets.
- Supervising and, where appropriate, approving any conflict of interest disclosed by the Fund Manager pursuant to Article (13) of the IFR.
- Holding, twice a year at least, a meeting with the Conformity and Compliance Committee at the Fund Manager, or the officer in charge of Conformity and Compliance at the Fund Manager, in order to review compliance by the Fund with all relevant laws and regulations.
- Recognizing any recommendation raised by the liquidator, in case a liquidator is appointed.
- Ensuring completion and accuracy of the Fund Terms and Conditions and any other document involving disclosures in connection with the Fund and the Fund Manager as well as its management of the Fund and the amended Investment Funds Regulations.
- Ensuring that the Fund Manager is fulfilling its responsibilities in a way realizing the interests of the Unitholders pursuant to the Fund Terms and Conditions, and the amended provisions of the Investment Funds Regulations.
- Working honestly, in good faith, and exerting diligence, skill and care, and in a way realizing the interests of the Unitholders.
- Recording the minutes of meetings showing all the occurrences affecting the meetings and decisions taken by the Board.
- Approving delegating the powers and authorities of the Fund Manager to other financial institutions in order to function as adviser, sub-manager, custodian, agent or mediator after having obtained the approval by CMA.
- Approving the appointment of the Auditor.
- Approving the services authorized by the Manager in respect of keeping the books, subscription, redemption, sale and purchase and financial transfers, confirmation and information affecting the investments in response to the subscribers' inquiries. Assuming the tasks of follow-up and control of the Fund's performance, and ensuring that the Fund Manager carries out its responsibilities in a way realizing the interests of the Unitholders, pursuant to the Terms and Conditions of the Fund, the Information Memorandum, the relevant documentation and the provisions of the Investment Fund Regulations.

(D) Particulars of the Fund Board Members' Remuneration

Remuneration of the Board independent members shall be paid by the Fund. The Fund will pay any expenses of the Fund Board of Directors.

(E) Statement of any real or potential conflict of interest between the interests of a Fund board member and those of the Fund

There is no real or potential conflict between the interest of any Board member and the interests of the Fund.

(f) All Fund Boards of Directors in which the relevant Board Member participates:

Fund Name	Khaled Al-Muammar	Ali Al-Gudaihi	Tariq Al-Tuwaijri	Abdulaziz Al-Qabbani
SAB Invest Saudi Riyal Murabaha Fund	√	√	√	√
SAB Invest US Dollar Murabaha Fund	√	√	√	√
SAB Invest Saudi Equity Fund	√	√	√	√
SAB Invest Saudi Equity Income Fund	√	√	√	√
SAB Invest Saudi Financial Institutions Equity Fund	√	√	√	√
SAB Invest Saudi Companies Equity Fund	√	√	√	√
SAB Invest Saudi Industrial Companies Equity Fund	√	√	√	√
SAB Invest Saudi Construction and Cement Equity Fund	√	√	√	√
SAB Invest Global Equity Index Fund	√	√	√	√
SAB Invest GCC Equity Fund	√	√	√	√
SAB Invest China and India Equity Freestyle Fund	√	√	√	√
SAB Invest Multi-Assets Defensive Fund	√	√	√	√
SAB Invest Multi-Assets Balanced Fund	√	√	√	√
SAB Invest Multi-Assets Growth Fund	√	√	√	√
SAB Invest Saudi Freestyle Equity Fund	√	√	√	√
SAB Invest MSCI Tadawul 30 Saudi ETF	√	√	√	√
SAB Invest Sukuk Fund	√	√	√	√
SAB InvestGCC Equity Income Fund	√	√	√	√
Saudi Riyal Money Market Fund	√	√	√	√
Alyusr Saudi Riyal Murabaha Fund	√	√	√	√
SAB Invest Sukuk & Murabaha Fund	√	√	√	√
SAB Invest GCC Conventional Equity Fund	√	√	√	√
Saudi Financial Institutions Equity Fund	√	√	√	√
Alyusr Saudi Equity Fund	√	√	√	√
SAB Invest Saudi Conventional Freestyle Equity Fund	√	√	√	√

G- Subjects Discussed and Resolutions passed thereon including the fund Performance and Attainment of its Objectives

No	Discussed Points within Boards' Meetings
1	Mutual fund performance
2	Service providers assessment
3	Risk procedures
4	Mutual fund breaches (if any)
5	Valuation errors (if any)
6	Changes in the terms & conditions of the mutual fund
7	Evaluating the efficiency of the fund's board of directors in supervising the funds
8	Evaluation of the external brokers for mutual fund execution
9	Counterparty limits

C) Fund Manager

SAB Invest

1- Address

King Fahad Branch Rd
Al Yasmeen Dist
Building Number: 7383 - Secondary Number: 2338
Postal Code: 13325, Riyadh, Kingdom of Saudi Arabia,
Unified Number: +966114163133
Fax: +966 112169102
Website: www.sabinvest.com

2- Fund Sub-Manager and/or Investment Advisor (if any)

Not Applicable

3- Investment activities during the period

During 2024, SAB Invest US Dollar Murabaha Fund ('Fund') continued to renew with its counterparties. The Fund continued to have exposure to both Murabaha deposits and Murabaha Fund, during the period.

4- Report on the fund performance during the period

During 2024, the SOFER Overnight rate continued to post a decreasing trend, with the SOFER Overnight rate decreasing from 5.40% at the beginning of the year to 4.49% at the end of the year of 2024. With respect to Murabaha deposits, the Fund continued to have a relatively short-medium-duration exposure. Year-to-date, on an annualized basis, the Fund returned 4.34%; whereas, the benchmark returned 5.14% for the same period.

5- Any Changes made to the terms and conditions of the fund during the period

Changes Details	Effective Date
Update the main office address of the fund manager and the fund operator	1-Dec-24
Fund currency correction	
Correction in the fund information summary	
Modifying the minimum subscription and redemption limits for funds	
Adding a paragraph about the language of the terms and conditions and clarifying that the Arabic text will be taken into account if the customer signs the English version	
Updating information related to the requirements of the Zakat, Tax and Customs Authority	27-Feb-24
Update communication parameters	
Amendment to the fund's objective paragraph in the summary	
Change in the membership of the Funds Board of Directors	
Change in the Sharia Committee paragraph	
Edit wording	

6-Any additional information that may enable unit holders to make informed decisions that are based on sufficient information about the fund activities during the period

None

7- Percentage of management fees calculated on the fund itself and other funds that the fund is investing in (if the fund is substantially investing in other investment funds)

Not Applicable

8- Any special commissions received by fund manager during the period (if any)

Not Applicable

9- Any other data or information that shall be included in this report according to investment fund regulations

None

10- Management term of the person recorded as the fund manager

Four Years

11- Expense ratio of each underlying fund at the end of the year and weighted average expense ratio of all underlying funds

Not Applicable

(D) Custodian

Albilad Capital Company

1- Address

Albilad Capital, Head Office
King Fahd Road, P.O. Box: 140, Riyadh 11411,
Kingdom of Saudi Arabia
Uniform No. 920003636
Fax: +966112906299
Website: www.albilad-capital.com

(2) Concise Description of the Custodian's main roles and responsibilities

- Take custody of the assets of the Investment Fund;
- Open a separate account under its name with a local bank in favor of the Fund;
- Segregate the Fund's assets and register Fund securities under its name for the benefit of the Investment Fund;
- Maintain all necessary documents to support the performance of its contractual responsibilities towards the Fund.
- Deposit all cash belonging to the Fund into the relevant bank account; and
- Manage the Fund cash i.e. deduct the investment amounts and Fund expenses in accordance with the Fund's Terms and Conditions and the Information Memorandum.
- The Custodian shall be liable to the Fund Manager and Unitholders for its obligations pertaining to any losses caused to the Investment Fund due to the Custodian fraud, negligence, willful misconduct or default.
- The Custodian shall be liable for taking custody of, and protecting the Fund's assets on behalf of Unitholders.
- The Custodian shall be liable for taking all necessary administrative measures in relation to the custody of the Fund's assets.

(E) Fund Operator

SAB Invest

1- Address

King Fahad Branch Rd
Al Yasmeen Dist
Building Number: 7383 - Secondary Number: 2338
Postal Code: 13325, Riyadh, Kingdom of Saudi Arabia,
Unified Number: +966114163133
Fax: +966 112169102
Website: www.sabinvest.com

(2) Concise Description of the Fund Operator main roles and responsibilities

- The Fund Operator shall be responsible for operating the Fund; the Fund Operator shall:
- Keep the books and records related to the Fund operation;
- Prepare and update the unit subscribers record and maintain it in the Kingdom according to the Investment Fund Regulations;
- Be liable for the distribution of dividends, if any, according to the distribution policy provided for under the Terms and Conditions;
- Conclude the subscription and redemption procedures provided for under these Terms and Conditions; and
- Fully and fairly evaluate the Fund assets and calculate the Fund unit price.

(F) Auditor:

Ernst & Young & Co.
Olaya Street, 14th Floor, Al Faisaliah Office Tower, Riyadh,
P.O. Box 12212,
Kingdom of Saudi Arabia
Telephone: + 9662159898

(G) Financial Statements

Attached

SAB Invest US Dollar Murabaha Fund
(Managed by SAB Invest)

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

31 DECEMBER 2024



ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-up capital (SR 5,500,000 -Five million five hundred thousand Saudi Riyal)
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Al Faisaliah Office Tower, 14th Floor
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**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF SAB INVEST US DOLLAR MURABAHA FUND
(MANAGED BY SAB INVEST)**

Opinion

We have audited the financial statements of SAB Invest US Dollar Murabaha Fund (the "Fund") managed by SAB Invest (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in net assets attributable to the unitholders and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants.

Basis for Opinion

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

Other Information included in the Fund's 2024 Annual Report

Other information consists of the information included in the Fund's 2024 annual report, other than the financial statements and our auditors' report thereon. The Fund manager is responsible for the other information in the Fund's annual report. The Fund's 2024 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Fund's 2024 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF SAB INVEST US DOLLAR MURABAHA FUND
(MANAGED BY SAB INVEST) (continued)**

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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants, the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority, and the Fund's terms and conditions and for such internal control as 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 (i.e. Fund Manager's board of directors) are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

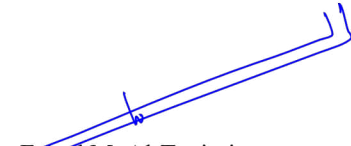
**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF SAB INVEST US DOLLAR MURABAHA FUND
(MANAGED BY SAB INVEST) (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

for Ernst & Young professional services


Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354



Riyadh: 18 Ramadan 1446 H
(18 March 2025)

SAB INVEST US DOLLAR MURABAHA FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Note</i>	<i>31 December 2024 USD</i>	<i>31 December 2023 USD</i>
ASSETS			
Cash and cash equivalents		141,291	796,750
Financial assets at amortised cost	6	11,318,856	21,439,106
Financial assets at fair value through profit or loss (FVTPL)	7	888,163	845,181
TOTAL ASSETS		12,348,310	23,081,037
LIABILITIES			
Management fee payable	8	7,912	4,413
Accrued expenses and other payables		27,027	22,372
TOTAL LIABILITIES		34,939	26,785
EQUITY			
Net assets attributable to unitholders of redeemable units		12,313,371	23,054,252
TOTAL LIABILITY AND EQUITY		12,348,310	23,081,037
Redeemable units in issue		733,610	1,432,754
Net asset value attributable to each per unit		16.78	16.09

The attached notes 1 to 15 form an integral part of these financial statements.

SAB INVEST US DOLLAR MURABAHA FUND

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Note</i>	<i>31 December 2024 USD</i>	<i>31 December 2023 USD</i>
INCOME			
Unrealised gain on financial assets at FVTPL		42,982	43,899
Special commission income from financial assets at amortised cost		1,010,181	958,765
TOTAL INCOME		1,053,163	1,002,664
EXPENSES			
Management fees	8	147,894	56,566
Impairment charge / (reversal of) for expected credit losses	6	3,279	(737)
Other expenses		60,657	37,415
TOTAL EXPENSES		211,830	93,244
NET INCOME FOR THE YEAR		841,333	909,420
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		841,333	909,420

The attached notes 1 to 15 form an integral part of these financial statements.

SAB INVEST US DOLLAR MURABAHA FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

For the year ended 31 December 2024

	<i>2024</i> <i>USD</i>	<i>2023</i> <i>USD</i>
NET ASSETS AT THE BEGINNING OF THE YEAR	23,054,252	17,798,463
Net income for the year	841,333	909,420
Issue of units during the year	24,080,032	4,473,473
Redemption of units during the year	(35,662,246)	(127,104)
Net changes	(11,582,214)	4,346,369
NET ASSETS AT THE END OF THE YEAR	12,313,371	23,054,252
	<u><i>Units</i></u>	<u><i>Units</i></u>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the year are summarised as follows:		
UNITS AT THE BEGINNING OF THE YEAR	1,432,754	1,158,306
Issue of units during the year	1,449,596	282,568
Redemption of units during the year	(2,148,740)	(8,120)
Net change in units	(699,144)	274,448
UNITS AT THE END OF THE YEAR	733,610	1,432,754

The attached notes 1 to 15 form an integral part of these financial statements.

SAB INVEST US DOLLAR MURABAHA FUND

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

		2024 USD	2023 USD
OPERATING ACTIVITIES	Note		
Net income for the year		841,333	909,420
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>			
Movement in unrealized gain on financial assets at FVTPL		(42,982)	(43,899)
Impairment charge / (reversal of) for expected credit losses	6	3,279	(737)
		<u>801,630</u>	<u>864,784</u>
<i>Working capital adjustments:</i>			
Investments measured at amortised cost		6,616,971	(4,201,341)
Investments measured at FVTPL		-	-
Accrued expenses		4,655	(4,254)
Management fee payable		3,499	(347)
		<u>7,426,755</u>	<u>(3,341,158)</u>
Net cash flows from / (used in) operating activities			
FINANCING ACTIVITIES			
Proceeds from issuance of units		24,080,032	4,473,473
Payment on redemption of units		(35,662,246)	(127,104)
		<u>(11,582,214)</u>	<u>4,346,369</u>
Net cash flows (used in) / from financing activities			
(Decrease) / increase in cash and cash equivalents		(2,655,459)	1,005,211
Cash and cash equivalents at the beginning of the year		14,046,750	13,041,539
Cash and cash equivalents at the end of the year	5	9,891,291	14,046,750
<u>Operational cash flows from special commission income:</u>			
Special commission income received		<u>1,177,152</u>	<u>857,423</u>

The attached notes 1 to 15 form an integral part of these financial statements.

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. INCORPORATION AND ACTIVITIES

SAB Invest US Dollar Murabaha Fund (“the Fund”) is an investment fund established through the agreement between SAB Invest (“the Fund Manager”) and the investors (“the Unitholders”). The address of the Fund Manager is as follows:

SAB Invest, Head Office
SAB Invest Building 7383
King Fahad Branch Rd (A1-Yasmeen District)
Riyadh 13325
Kingdom of Saudi Arabia

The objective of the Fund is to seek steady capital appreciation, and preservation of invested capital- through investing in Shariah-compliant money market instruments.

SAB Invest Operations were appointed as Operator – Administrator of the fund in which AMO has appointed a Sub-Admin.

The Fund is managed by the Fund Manager. Albilad Capital is the custodian of the Fund. All income is reinvested in the Fund and is reflected in the unit price.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and effective from 6 Safar 1438H (corresponding 6 November 2016) by the New Investment Fund Regulations (“Amended Regulations”) published by the CMA on 16 Sha’aban 1437H (corresponding to 23 May 2016) detailing requirements for all funds within the Kingdom of Saudi Arabia. The Regulations were further Amended by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12 Rajab 1442H, (Corresponding to 24 February 2021G (the “Amended Regulations”). The amended regulations are effective from 19 Ramadan 1442 (corresponding to 1 May 2021).

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRS as endorsed in the KSA”) and applicable provisions of Investment Fund Regulations issued by the board of Capital Market Authority and the funds terms and conditions.

3.2 Basis of preparation

The financial statements are prepared under the historical cost convention, using the accruals basis of accounting except for investments held at FVTPL that are measured at fair value. These financial statements are presented in US Dollars (“USD”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest USD.

3.3 Material accounting policies

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as “cash and cash equivalents”.

For the purpose of the statement of cash flows, cash and cash equivalents includes bank balances and Murabaha placements with original maturity of less than 90 days.

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

3.3 Material accounting policies (continued)

Financial instruments

(i) Classification

In accordance with IFRS 9, the Fund classifies its financial assets at initial recognition as amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”).

Financial assets at amortised cost

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

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

Financial assets measured at amortised cost are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

Financial assets at FVOCI

Debt Instruments

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

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

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in statement of comprehensive income.

Equity instruments

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

Financial assets at FVTPL

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(ii) Business model assessment

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

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

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

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

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

(iii) Assessment of whether contractual cash flows are solely payments of principal and interest

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

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

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

(iv) Classification of financial liabilities

Upon initial recognition, the Fund classifies its financial liabilities, as measured at amortised cost or as at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss or an entity has opted to measure a liability at fair value through profit or loss as per the requirements of IFRS 9.

All the financial liabilities of the Fund are currently carried at amortised cost.

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

(v) Derecognition of financial instruments

Financial assets

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

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

Any cumulative gain/loss recognised in OCI in respect of equity investments designated as at FVOCI is not recognized in statement of comprehensive income on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Fund is recognised as a separate asset or liability.

In transactions in which the Fund neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Fund continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

(vi) 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 realise 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.

(vii) Impairment of financial assets

The Fund assesses on a forward-looking basis the Expected Credit Losses (“ECL”) associated with its financial assets, carried at amortised cost, the ECL is based on a 12-month ECL and lifetime ECL. The 12-month ECL is the portion of lifetime the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

3.3 Material accounting policies (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year. The Fund determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies. The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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 market place.

Provisions

Provisions are recognized when the Fund has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance costs.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured.

Accrued expenses

Liabilities are recognized for amounts to be paid in the future for services received, whether billed by the suppliers or not. These are initially recognized at fair value and subsequently at amortised cost using the effective interest rate method.

Redeemable units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the Unitholder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

3.3 Material accounting policies (continued)

Redeemable units (continued)

- 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 Unitholder's rights to a pro rata share of the Fund's net assets
- 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 or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument

In addition to the redeemable shares 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 or the change in the fair value of the recognized and unrecognized net assets of the Fund
- The effect of substantially restricting or fixing the residual return to the redeemable shareholders
- 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 net assets attributable to the Unitholders. 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.

Net assets value per unit

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

Management fees

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

Net gain or loss on financial assets and liabilities at FVTPL

Net gains or losses on financial assets and liabilities at FVTPL are changes in the fair value of financial assets and liabilities fair value classified or designated upon initial recognition as at FVTPL and exclude commission 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 year's unrealized gains and losses for financial instruments, which were realized in the reporting year. 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).

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

3.3 Material accounting policies (continued)

Dividend income

Dividend income 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. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated as at FVTPL is recognized in the statement of comprehensive income in a separate line item.

Foreign currencies

Transactions in foreign currencies are translated into USD at the exchange rate at the dates of the transactions. Foreign exchange gains and losses arising from translation are included in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are retranslated into USD at the exchange rate at the reporting date.

Foreign currency differences arising on retranslation are recognized in the statement of comprehensive income as net foreign exchange losses.

Expenses

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

Zakat and income tax

Zakat and income tax is the obligation of the Unitholders and is not provided for in these financial statements.

3.4 New standards, interpretations and amendments adopted by the Fund

3.4.1 New standards and amendments adopted by the Fund

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements.

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback.	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.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 7 and IFRS 7 on Supplier finance arrangements.	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 1- Non-current liabilities with covenants.	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first time thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

3.4 New standards, interpretations and amendments adopted by the Fund (continued)

3.4.2 Standards issued but not yet effective

Standards, interpretation and amendments.	Description	Effective date
Amendments to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	Annual periods beginning on or after 1 January 2025
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	IASB amended to the requirements related to: setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)- linked features.	Annual periods beginning on or after 1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for the transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxed and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	Annual periods beginning on or after 1 January 2027
IFRS 19 – Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	Annual periods beginning on or after 1 January 2027

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Fund's financial statements in conformity with the International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

Going concern

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

Fair value measurement

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (closing price), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed in Note 3.

5. CASH AND CASH EQUIVALENTS

	<i>31 December 2024 USD</i>	<i>31 December 2023 USD</i>
Cash and cash equivalents	141,291	796,750
Murabaha placements with original maturity of less than 90 days	9,750,000	13,250,000
Total cash and cash equivalents for statement of cash flows	9,891,291	14,046,750

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	<i>31 December 2024 USD</i>	<i>31 December 2023 USD</i>
Murabaha placements with original maturity of less than 90 days	9,750,000	13,250,000
Murabaha placements – maturing between 90 and 360 days	1,500,000	7,950,000
	11,250,000	21,200,000
Accrued special commission income	74,790	241,761
Allowance for expected credit losses	(5,934)	(2,655)
	11,318,856	21,439,106

The methodology and assumptions applied by the Fund in estimating the ECL on the Murabaha placements are based on using the Moody's rating scales which are then adjusted for country specific data based on where the Murabaha placements are, forward looking estimates and macroeconomics variables such as expected GDP growth, to determine the ECL as at the end of the reporting period.

The movement in the allowance for expected credit losses for Murabaha placements is summarized as follows:

	<i>31 December 2024 USD</i>	<i>31 December 2023 USD</i>
Balance at beginning of the year	2,655	3,392
Charge / (reversal of) for the year	3,279	(737)
Balance at the end of the year	5,934	2,655

The above are neither past due nor impaired and are classified in stage 1. There were no movements in staging during the year.

Financial assets measured at amortised cost are composed of the following:

<u><i>31 December 2024</i></u> Remaining maturity	<i>% of Value</i>	<i>Cost USD</i>
Up to 1 month	43%	4,800,000
1-3 months	57%	6,450,000
	100%	11,250,000

<u><i>31 December 2023</i></u> Remaining maturity	<i>% of Value</i>	<i>Cost USD</i>
Up to 1 month	28%	5,950,000
1-3 months	34%	7,300,000
3-6 months	38%	7,950,000
	100%	21,200,000

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The composition of the financial assets at fair value through profit or loss in investment funds at the year-end is summarised below:

	31 December 2024			31 December 2023		
	Cost USD	Market Value USD	Unrealised gain USD	Cost USD	Market Value USD	Unrealised gain USD
SAB Invest Saudi Riyal Murabaha Fund	797,924	888,163	90,239	797,924	845,181	47,257
Total	797,924	888,163	90,239	797,924	845,181	47,257

8. TRANSACTIONS WITH RELATED PARTIES

A. Transactions and balances with Fund Manager and board of directors

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties of the Fund comprise SAB Invest (being the Fund Manager, the Fund's Manager Board and administrator of the Fund), mutual funds managed by the Fund Manager and The Saudi Awwal Bank ("SAB") (being significant shareholder of the Fund Manager).

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are governed by limits set by the regulations issued by CMA. All the related party transactions are undertaken at mutually agreed prices and approved by the Fund Manager. These transactions were carried out on the basis of approved Terms and Conditions of the Fund.

During the year, the Fund entered into the following transactions with related parties in the ordinary course of business:

Related party	Nature of transactions	Amount of transactions		Balance	
		31 Dec 2024 USD	31 Dec 2023 USD	31 Dec 2024 USD	31 Dec 2023 USD
SAB INVEST (Fund Manager)	Management fee	147,894	56,566	7,912	4,413
Fund Administrator	Administration fee	15,928	11,978	(31)	1,659
Board of Directors	Board of Director Fee	4,397	4,309	4,812	4,309
Saudi Awwal Bank (Parent of the Fund Manager)	Cash and cash equivalents	-	-	7,992	29

The Fund pays the Fund Manager a management fee calculated at an annual rate of 0.65% per annum and administrator fee of 0.10% calculated on the net asset value at each valuation date. The Fund pays to the Custodian for Murabaha operations 0.005% per annum of the net value of the reserved assets due on each calendar day deducted at the end of each month in addition to the amount of USD 8 for every trade made by the Fund. The fund pays to the Custodian to invest in Sukuk 0.02% annually of the net asset value Saved is due on each calendar day deducted at the end of each month plus USD 12 for every trade made by the Fund.

B. Transactions and balances with Funds managed by the Fund Manager

Following mutual funds managed by the Fund Manager had transactions in units of the Fund:

Related party	Nature of transactions	Amount of transactions		Balance	
		2024 USD	2023 USD	2024 USD	2023 USD
SAB Invest Multi-Assets Defensive Fund	Issuance / redemption, net	-	886,266	5,845,456	5,601,789

SAB INVEST US DOLLAR MURABAHA FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has investments at fair value through profit or loss which is measured at fair values and are classified within level 2 of the fair value hierarchy. All other financial assets and liabilities are classified as amortised cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. There were no transfers between various levels of fair value hierarchy during the current year or prior year.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Fund's financial assets as at 31 December 2024 and 31 December 2023. There are no other financial assets and financial liabilities measured at fair value.

	Carrying Value	As at 31 December 2024			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	888,163	-	888,163	-	888,163
Total	888,163	-	888,163	-	888,163

	Carrying Value	As at 31 December 2023			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL	845,181	-	845,181	-	845,181
Total	845,181	-	845,181	-	845,181

There were no transfers between Level 1 and Level 2 fair value measurements during the year, and no transfers into or out of Level 3 fair value measurements during the year.

10. MATURITY ANALYSIS OF ASSETS AND LIABILITY

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

	<i>Less than 1 month USD</i>	<i>1 to 3 Months USD</i>	<i>3 months to 1 year USD</i>	<i>No Fixed Maturity USD</i>	<i>Total USD</i>
As at 31 December 2024					
ASSETS					
Cash and cash equivalents	-	-	141,291	-	141,291
Financial assets measured at amortised cost	4,848,084	6,470,772	-	-	11,318,856
Financial assets measured at FVTPL	-	-	-	888,163	888,163
TOTAL ASSETS	4,848,084	6,470,772	141,291	888,163	12,348,310
LIABILITY					
Management fee payable	-	-	7,912	-	7,912
Accrued expenses	-	-	27,027	-	27,027
TOTAL LIABILITIES	-	-	34,939	-	34,939

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10. MATURITY ANALYSIS OF ASSETS AND LIABILITY (continued)

	<i>Less than 1 month USD</i>	<i>1 to 3 Months USD</i>	<i>3 months to 1 year USD</i>	<i>No Fixed Maturity USD</i>	<i>Total USD</i>
<i>As at 31 December 2023</i>					
ASSETS					
Cash and cash equivalents	-	-	796,750	-	796,750
Financial assets measured at amortised cost	6,031,976	7,407,740	7,999,390	-	21,439,106
Financial assets measured at FVTPL	-	-	-	845,181	845,181
TOTAL ASSETS	<u>6,031,976</u>	<u>7,407,740</u>	<u>8,796,140</u>	<u>845,181</u>	<u>23,081,037</u>
LIABILITY					
Management fee payable	-	-	4,413	-	4,413
Accrued expenses	-	-	22,372	-	22,372
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>26,785</u>	<u>-</u>	<u>26,785</u>

11. FINANCIAL RISK MANAGEMENT

Introduction

The Fund's objective in managing risk is the creation and protection of unitholder's value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing risk identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which includes foreign currency risk and special commission rate risk), credit risk and liquidity risk arising from the financial instruments it holds.

Risk management framework

The Fund maintains positions in non-derivative financial instruments in accordance with its investment management strategy. The Fund's investment portfolio comprises of murabaha placements and investment in funds.

The Fund's investment manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio are monitored by the Investment Committee of the Fund. In instances where the portfolio has diverged from target asset allocations, the Fund Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

Risk management

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

Risk measurement and reporting system

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of Directors. These limits reflect the business strategy, including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risks type and activities.

Risk mitigation

The Fund's terms and conditions has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

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NOTES TO THE FINANCIAL STATEMENTS

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11. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risks are generally managed on the basis of external credit ratings of the counterparties. The Fund Manager seeks to limit its credit risk by monitoring credit exposure and by dealing with reputed counterparties.

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position.

	<i>31 December 2024 USD</i>	<i>31 December 2023 USD</i>
Cash and cash equivalents	141,291	796,750
Financial assets at amortised cost	11,318,856	21,439,106
	11,460,147	22,235,856

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

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities that are settled by delivering cash or another financial assets.

The Fund's terms and conditions provide for the terms of subscriptions and redemptions of units and it is, therefore, exposed to the liquidity risk of meeting Unitholder redemptions. The Fund's investments are considered to be readily realizable. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise.

The undiscounted value of all financial liabilities of the Fund at the reporting date approximate to their carrying values and all are to be settled within one year from the reporting date.

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, special commission rates and mutual fund prices will affect the Fund's income or the fair value of its holdings in financial instruments.

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

Special commission rate risk

Commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of financial instruments. The Fund Manager monitors positions daily to ensure maintenance of positions within established gap limits, if any.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

11. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis

The Fund's financial assets at FVTPL are subject to equity price risk. According to the Fund's management, the effect on the statement of comprehensive income as a result of a change in fair value of equity instruments due to a reasonable possible change in equity indices, with all other variables held constant is as follows:

	<i>Change in equity price 2024 %</i>	<i>Effect on statement of comprehensive income 2024 USD</i>	<i>Change in equity price 2023 %</i>	<i>Effect on statement of comprehensive income 2023 USD</i>
Net gain impact on financial assets at FVTPL	5%	44,408	5%	42,259

Special commission rate risk

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

Management has determined that a fluctuation in commission rates of 10 basis points is reasonably possible, considering the economic environment in which the Fund operates. The table below sets out the effect on the Fund's net assets (equity) attributable to the Unitholders of a reasonably possible increase of 10 basis points in commission rates at 31 December. The impact of such an increase or reduction has been estimated by calculating the fair value changes of the fixed-interest debt securities and other fixed-interest-bearing assets, less liabilities. The impact is primarily from the decrease in the fair value of fixed income securities. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect on net assets (equity)	2024 USD	2023 USD
Net assets (equity) attributable to the Unitholders	1,218	4,303

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Fund views the USD as its functional currency. The Fund's financial assets and liabilities are denominated in USD and the Fund is not exposed to significant currency risk.

12. LAST VALUATION DAY

The last valuation day of the year was 31 December 2024 (2023: 31 December 2023).

13. ZAKAT

On 22 March 2024, Minister of Finance's issued its decision No. (1007) approving the new Zakat regulations (ZR), which will be applied to the fiscal years starting on or after 1/1/2024. According to Article Seventy-Six of the new Zakat regulations Funds required to register with the Zakat, Tax, and Customs Authority (ZATCA) before the end of the first fiscal year and mandate Investment Funds to submit a Zakat information declaration to ZATCA within 120 days after the end of their fiscal year, which should include audited financial statements, records of related party transactions, and any other data requested by ZATCA. The Fund is obliged to provide the unit owner with the necessary information to calculate their Zakat liability. Funds are not subject to the collection of Zakat in accordance with the regulations.

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14. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

15. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund's Manager board of Directors on 18 Ramadan 1446 H (corresponding to 18 March 2025).