

ALJAZIRA USD MURABAHA FUND
An Open-Ended Mutual Fund
(Managed by Aljazira Capital Company)
Interim condensed financial statements (Unaudited)
For the period from 10 February 2019 to 30 June 2019
together with the
Review report to the unitholders

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE UNITHOLDERS OF
ALJAZIRA USD MURABAHA FUND
RIYADH, KINGDOM OF SAUDI ARABIA**

INTRODUCTION

We have reviewed the accompanying interim statement of financial position of Aljazira USD Murabaha Fund (the "Fund") managed by Aljazira Capital Company (the "Fund Manager") as at 30 June 2019 and the related interim statements of comprehensive income, changes in net assets attributable to the unitholders and cash flows for the period from 10 February 2019 to 30 June 2019 then ended, and significant accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as 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" as endorsed in the Kingdom of Saudi Arabia. A review of these 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 as 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, as endorsed in the Kingdom of Saudi Arabia.

**For Al-Bassam & Co.
(Allied Accountants)**

**Ibrahim A. Al-Bassam
Certified Public Accountant
Registration No. 337**



**25 August 2019G
24 Dhul Hijjah 1440H**

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

(Amounts in United States Dollars)

	<u>Notes</u>	<u>As at 30 June 2019</u> <u>(Unaudited)</u>
<u>ASSETS</u>		
Cash and cash equivalents	4	23,847,770
Investments carried at FVTPL	5	12,538,382
Investments carried at amortized cost	7	<u>45,794,713</u>
TOTAL ASSETS		<u>82,180,865</u>
<u>LIABILITIES</u>		
Management fee payable	8	31,636
Payable to unitholder on account of redemption	9.1	<u>10,096</u>
TOTAL LIABILITIES		<u>41,732</u>
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS		<u>82,139,133</u>
Units in issue (in numbers)	9	<u>812,506</u>
Net Asset Value per unit		<u>101.09</u>

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

	<u>Notes</u>	<u>For the period from 10 February 2019 to 30 June 2019 (Unaudited)</u>
<u>Income</u>		
Net realized and unrealized gain on investments carried at FVTPL	6	93,155
Profit from investments carried at amortized cost		<u>469,090</u>
		562,245
<u>Expenses</u>		
Management fee	8	<u>33,088</u>
Net profit for the period		529,157
Other comprehensive income for the period		<u>-</u>
Total comprehensive income for the period		<u>529,157</u>

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

**For the period from
10 February 2019 to
30 June 2019
(Unaudited)**

Net assets attributable to the Unitholders at beginning of the period	-
Total comprehensive income for the period	529,157
Changes from unit transactions	
Issuance of units	82,275,197
Redemption of units	(665,221)
Net changes from unit transactions	81,609,976
Net assets attributable to the Unitholders at end of the period	82,139,133

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

INTERIM STATEMENT OF CASH FLOWS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

	<u>Notes</u>	<u>For the period from 10 February 2019 to 30 June 2019 (Unaudited)</u>
<u>Cash flows from operating activities:</u>		
Net profit for the period		529,157
Adjustments for:		
- Net unrealized gain on Investments carried at FVTPL	6	<u>(93,142)</u>
		436,015
<u>Net changes in operating assets and liabilities:</u>		
Investments carried at FVTPL		(12,445,240)
Investments carried at amortized cost		(45,794,713)
Management fee payable		31,636
Payable to unitholder on account of redemption		<u>10,096</u>
Net cash used in operating activities		(57,762,206)
<u>Cash flows from financing activities:</u>		
Proceeds from issuance of units		82,275,197
Redemption of units *		<u>(665,221)</u>
Net cash generated from financing activities		81,609,976
Net increase in cash and cash equivalents:		23,847,770
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	4	<u>23,847,770</u>
*Supplementary Information		
Payable to unitholder on account of redemption		<u>10,096</u>

The accompanying notes 1 to 13 form an integral part of these interim condensed financial statements.

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Aljazira USD Murabaha Fund (the “Fund”) is an open-ended, Saudi Investment fund established and managed through an agreement between Aljazira Capital Company – a Saudi Closed Joint Stock Company (the “Fund Manager”) and the investors (the “unitholders”). The Fund Manager is a wholly owned subsidiary of Bank Aljazira (the “Bank”). The fund The Capital Market Authority (“CMA”) approval to issue units to public was granted vide its letter no 495/5 dated 4 Rabi Al-Awwal 1440H (corresponding to 12 November 2018). The Fund commenced its operations on 10 February 2019.

The Fund operates under the terms and conditions contained in its prospectus with the prime objective of providing the investors with the opportunities to achieve higher profits from Murabaha placements and deposits with a low risk. The Fund’s net income is reinvested in the Fund, which is reflected in the net assets attributable to each unit.

The Fund's Manager and administrator is Aljazira Capital Company. The Fund’s assets are held in the custody of Northern Trust Securities (the “Custodian”).

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published CMA on 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended (the “amended regulation”) on 16 Sha’ban 1437 H (corresponding to 23 May 2016), detailing requirements for all funds within the Kingdom of Saudi Arabia. The amended regulation came into effect from 6 Safar 1438 H (corresponding to 6 November 2016).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim condensed financial statements are set out below.

2.1 Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International accounting standard (IAS) 34 Interim Financial Reporting as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Certified Public Accountants (SOCPA).

The results for the period from 10 February 2019 to 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

2.2 Basis of measurement

These interim condensed financial statements have been prepared on a historical cost convention, except for certain Investments that are measured at fair value.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

2.3 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 United States Dollars (USD) which is the Fund’s functional and presentation currency.

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Functional and presentation currency (continued)

Transactions and balances

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

2.4 Cash and cash equivalents

Cash and cash equivalents of the Fund comprise balances held with a bank and murabaha placement with original maturity of 3 months or less. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

2.5 Receivables

Receivables are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortized cost using effective profit method. Loss allowance for receivables is always measured at an amount equal to lifetime expected credit losses.

2.6 Financial instruments

2.6.1 Measurement methods

Effective profit rate

The effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective profit rate, such as origination fees.

When the Fund revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective profit rate. Any changes are recognized in the statement of comprehensive income.

2.6.2 Classification and measurement of financial assets

The Fund classifies its financial assets in the following two measurement categories:

- Amortized cost
- Fair value through profit or loss (FVTPL)

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as Murabaha contracts.

Classification and subsequent measurement of debt instruments depend on:

- The Fund's business model for managing the asset; and
- The cash flow characteristics of the asset.

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

2.6.2 Classification and measurement of financial assets (continued)

Based on these factors, the Fund classifies its debt instruments into one of the following two measurement categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit (SPPP), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in Note 2.6.4. Profit earned from these financial assets is recognized in the statement of comprehensive income using the effective profit rate method.

Fair value through profit or loss (FVTPL): If debt instrument's cash flows do not represent SPPP or if it is not held within the held to collect or the held to collect and sell business model, or if it is designated at FVTPL at initial recognition, then it is measured at FVTPL. A gain or loss on a debt investment measured at FVTPL is recognized in the statement of comprehensive income, within "Net gain / (loss) in investments mandatorily measured at FVTPL", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value or which are not held for trading are presented separately from debt investments that are mandatorily measured at fair value through profit or loss, within "Net gain / (loss) in investments designated at FVTPL". Commission income earned from these financial assets is recognized in the statement of comprehensive using the effective profit rate method.

Business model: The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the Fund in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is internally evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVTPL.

SPPP: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPP" test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

2.6.2 Classification and measurement of financial assets (continued)

Equity instruments

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

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

2.6.3 Derecognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Fund transfers substantially all the risks and rewards of ownership, or (ii) the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control.

2.6.4 Impairment of financial assets

The Fund assesses on a forward-looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortized cost. The Fund recognizes a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2.6.5 Financial liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost unless the Fund has designated any financial liabilities at FVTPL. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2.7 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of assets and liabilities when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.8 Accrued expenses and other payables

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

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Provisions

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

2.10 Redeemable units

The Fund is open for subscriptions / redemptions with a “cutoff” from Sunday to Thursday (each day a “Dealing Day”). The net asset value of the Fund’s portfolio is determined on Sunday to Wednesday (each a “Valuation Day”). The value of net asset of the Fund for the purpose of subscription / redemption of units is determined by dividing the net assets attributable to unitholders of the Fund (fair value of the Fund’s assets minus the Fund’s liabilities) by the total number of the Fund’s units outstanding on the relevant valuation day.

2.10 Zakat

Zakat is the obligation of the unitholders and therefore, no provision for such liability is made in these financial statements.

2.11 Income recognition

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

Profit on Murabaha is recognized on time-proportion basis over the period of the contract based on the principle amounts outstanding and agreed rate of profit.

Dividend income is recognized when the Fund’s right to receive dividends is established.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

In the process of applying the Fund’s accounting policies, management has made the following estimates and judgments which are significant to these interim condensed financial statements:

3.1 Going concern

The Fund's management 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. Accordingly, these interim condensed financial statements have been prepared on a going concern basis.

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

4 CASH AND CASH EQUIVALENTS

	Note	30 June 2019 (Unaudited)
Bank balances	4.1	69
Murabaha placements with original maturity of 3 months or less		23,847,701
		<u>23,847,770</u>

4.1 Bank balances are held with Bank Aljazira, a related party (Also see Note 1). The Fund does not earn profit on these current accounts.

5 INVESTMENTS CARRIED AT FVTPL

As at 30 June 2019 (Unaudited)	Cost	Fair value	% of Fair Value
AlAhli International Trade Fund	12,426,428	12,519,517	99.85%
International Trade Finance Fund (Sunbullah USD)	18,812	18,865	0.15%
	<u>12,445,240</u>	<u>12,538,382</u>	<u>100.00%</u>

6 NET REALIZED AND UNREALIZED GAIN FROM INVESTMENTS CARRIED AT FVTPL

	For the period from 10 February 2019 to 30 June 2019 (Unaudited)
Unrealized gain on revaluation of investments	93,142
Realized gain on disposal of investments	13
	<u>93,155</u>

7 INVESTMENTS CARRIED AT AMORTIZED COST

	30 June 2019 (Unaudited)
MURABAHA PLACEMENTS	
Ajman Bank	19,150,172
United Arab Bank	11,537,904
Commercial Bank of Dubai	8,241,675
National Bank of Fujairah	6,306,204
The Saudi Investment Bank (SAIB)	558,758
	<u>45,794,713</u>

ALJAZIRA USD MURABAHA FUND

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

7 INVESTMENTS CARRIED AT AMORTIZED COST (continued)

The following table represents the movement of investments in Murabaha placements measured at amortized cost during the period.

	For the period from 10 February 2019 to 30 June 2019 (Unaudited)
Carrying amount as at 10 February	-
Additions during the period	57,233,924
Matured during the period	(11,772,738)
Murabaha profit recognized in the profit or loss	400,365
Murabaha profit received during the period	(66,838)
Carrying amount at the end of the period	45,794,713

8 RELATED PARTY TRANSACTIONS AND BALANCES

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.

Management fee

For management services, the Fund pays on quarterly basis, the management fees at an annual rate of 15% of investment return, which does not exceed 0.75% of the annual net asset value of the Fund.

The Fund is not required to pay administration and custody fee as the Fund Manager has waived the fees for the benefit of the unitholders. The Fund Manager will bear all other operational expenses such as audit fees, board compensation, Shariah supervisory board compensation and other similar charges.

Transactions with related parties

Related party	Nature of relationship	Nature of transaction	For the period from 10 February 2019 to 30 June 2019 (Unaudited)
Aljazira Capital Company	Fund Manager	Management fee	33,088
		Placements made during the period	19,036,965
Aljazira Bank	Affiliate	Matured during the period	5,310,512
		Profit for the period	80,488

ALJAZIRA USD MURABAHA FUND

(Managed by Aljazira Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

(Amounts in United States Dollars)

8 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Balances with related parties

Related party	Nature of relationship	Nature of balance	30 June 2019 (Unaudited)
		Bank Balance	69
Aljazira Bank	Affiliate	Murabaha placement	13,806,941
Aljazira Capital Company	Fund Manager	Management fee payable	31,636

9 UNIT TRANSACTIONS

Transactions in units for the period are summarized as follows:

	Note	For the period from 10 February 2019 to 30 June 2019 (Unaudited)
		<i>(Unit in numbers)</i>
Units at beginning of the period		-
Units issued during the period		819,107
Units redeemed during the period	9.1	(6,601)
Net change in units		812,506
Units at end of the period		812,506

9.1 As per Fund's terms and conditions, any redemption of units is to be settled by the Fund to the unit holder within 4 working days from the date of redemption ("settlement period"). On 26th June 2019, 100 units amounting to USD 10,096 were redeemed by a unit holder. The payable amounting to USD 10,096 as of 30 June 2019 was cleared by the Fund subsequently within the settlement period.

10 FAIR VALUE ESTIMATION

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

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

The fair value hierarchy has the following levels:

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

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include units of mutual funds. The Fund does not adjust the quoted price for these investments.

Fund classifies all of its financial assets, except for those carried at amortized cost, at fair value as level 1.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period from 10 February 2019 to 30 June 2019

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11 EVENTS AFTER THE END OF THE REPORTING PERIOD

There has been no significant event after the statement of financial position date, which in the opinion of the management requires recognition or disclosure in the interim condensed financial statements.

12 LAST VALUATION DAY

The last valuation date for the purpose of preparation of these interim condensed financial statements was 30 June 2019.

13 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue by the Fund's Board on August 25, 2019G corresponding Dhul Hijjah 24, 1440H.