

التقرير السنوي لصندوق الوطني للأسهم السعودية 2023م

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(أ) معلومات صندوق الاستثمار:**(1) إسم صندوق الاستثمار:**

صندوق الوطني للأسهم السعودية

(2) أهداف وسياسات الاستثمار وممارساته:

صندوق الوطني للأسهم السعودية هو صندوق استثماري عام مفتوح يهدف الى تنمية رأس المال وتحقيق عائد أعلى من المؤشر الاسترشادي على المدى الطويل.

يستثمر الصندوق بشكل أساسي في أسهم الشركات المدرجة في مؤشر إس أند بي العائد الكلي المحلي للأسهم السعودية بالعملة المحلية (S&P Saudi Arabia Domestic Total Return in Local Currency Index) ، ويعتمد مدير الصندوق على أسلوب إدارة نشطة حيث أن اختلافات الأوزان للأسهم والقطاعات وتركيزها وحجم السيولة النقدية مقارنة بمكونات المؤشر سيكون مبنياً على تقييمات وتقدير مدير الصندوق، حيث يهدف مدير الصندوق من هذه الاختلافات في الأوزان وتركيز الاستثمارات إلى تحقيق عائد أعلى من المؤشر الاسترشادي، علماً بأنه لا يوجد ضمان بتحقيق ذلك العائد .

يحق للصندوق الاستثمار في أي من مكونات المؤشر الاسترشادي، كما يمكن حسب تقدير مدير الصندوق المطلق الاستثمار في صناديق أسواق النقد والمرابحة المطروحة طرماً عاماً في المملكة العربية السعودية والمرخصة من هيئة السوق المالية، والتي من ضمنها صناديق أسواق النقد والمرابحة المدارة من قبل الشركة إن وجدت. كما يمكن للصندوق الاستثمار بالأوراق المالية التي لا تقع ضمن المؤشر الاسترشادي، على ألا يتعدى مجموعها 10% من من صافي قيمة أصوله.

(3) سياسة توزيع الدخل والارباح:

لن يقوم مدير الصندوق بتوزيع أي أرباح على مالكي الوحدات، وسيقوم بإعادة استثمار الأرباح الرأسمالية والأرباح النقدية الموزعة في الصندوق.

(4) بيان يفيد بأن تقارير الصندوق متاحة عند الطلب وبدون اي مقابل:

يحق لمالك الوحدات طلب الحصول على تقارير الصندوق والقوائم المالية السنوية والنصف سنوية من مدير الصندوق بدون مقابل عند طلبها.

(5) وصف المؤشر الاسترشادي للصندوق، والموقع الإلكتروني لمزود الخدمة (إن وجد):

مؤشر إس أند بي العائد الكلي المحلي للأسهم السعودية بالعملة المحلية (S&P Saudi Arabia Domestic Total Return in Local Currency Index) ، وسيتم تزويد خدمة المؤشر وبياناته عن طريق شركة إس أند بي (S&P) ، ويمكن الحصول على بيانات المؤشر عن طريق الموقع الخاص بمزود الخدمة "www.spglobal.com" ، أو عن طريق أحد مزودي البيانات (على سبيل المثال لا الحصر: بلومبيرغ)، ولن يتحمل الصندوق أية رسوم نتيجة استخدام المؤشر.

ب) أداء الصندوق

1) جدول مقارنه يغطي السنوات المالية الثلاث الاخيره (او منذ تأسيس الصندوق)* ويوضح:

2023	2022	السنة
24,703,833.41	20,975,601.92	أ) صافي قيمة أصول الصندوق في نهاية كل سنة مالية
12.3619	10.4233	ب) صافي قيمة أصول الصندوق لكل وحده في نهاية كل سنة مالية
12.7688 10.3084	12.1654 10.0482	ج) أعلى وأقل صافي قيمة أصول الصندوق لكل وحده عن كل سنة مالية
1,998,392.2709	2,012,381.7373	د) عدد الوحدات المصدره في نهاية كل سنة مالية
لا ينطبق	لا ينطبق	هـ) قيمه الأرباح الموزعه لكل وحده (حيثما ينطبق)
2.14%	2.37%	و) نسبة المصروفات
لا ينطبق	لا ينطبق	ز) نسبة الأصول المقترضة من إجمالي قيمة الأصول، ومدته انكشافها وتاريخ استحقاقها(إن وجدت)
تجدونه في سجل الاداء ادناه	تجدونه في سجل الاداء ادناه	ح) نتائج مقارنة أداء المؤشر الاسترشادي للصندوق بأداء الصندوق

*بدأ الصندوق أعماله بتاريخ 2021/12/12م

2) سجل اداء يغطي مايلي:

أ) العائد الاجمالي لسنه واحدة وثلاث سنوات وخمس سنوات ومنذ التأسيس (حيثما ينطبق):

الفترة	سنة واحدة	3 سنوات	5 سنوات	منذ التأسيس
عائد الصندوق %	18.60	N/A	N/A	23.62
عائد المؤشر %	15.95	N/A	N/A	10.33

ب) العائد الإجمالي السنوي لكل سنة من السنوات المالية العشره الماضية، (او منذ التأسيس):

السنة	2022	2023
عائد الصندوق %	4.11	18.60
عائد المؤشر %	-7.52	15.95

ج) جدول يوضح مقابل الخدمات والعمولات والأتعاب التي تحملها صندوق الاستثمار على مدار العام. ويجب أيضا الإفصاح بشكل واضح عن اجمالي نسبة المصروفات، ويجب الإفصاح عما إذا كانت هناك اي ظروف يقرر فيها مدير الصندوق الاعفاء من اي رسوم او تخفيضها:

المبلغ بالريال السعودي	النسبة المئوية %	الرسوم والمصروفات
229,499.31	0.93%	أتعاب الإدارة
34,424.89	0.14%	ضريبة القيمة المضافة على أتعاب الإدارة
153,604.86	0.62%	رسوم مشغل الصندوق
7,761.93	0.03%	رسوم أمين حفظ

6,521.74	0.03%	رسوم رقابية
5,000.00	0.02%	رسوم تداول
45,000.00	0.18%	رسوم مراجع الحسابات
4,980.00	0.02%	مصروفات التعامل
6,900.98	0.03%	المصروفات الأخرى
34,465.43	0.14%	ضريبة القيمة المضافة على الرسوم الأخرى
528,159.14	2.14%	مجموع الرسوم والمصاريف

علماً بأنه لم يكن هناك أي ظرف يقرر فيها مدير الصندوق الاعفاء من أي رسوم أو تخفيضها منذ تأسيس الصندوق حتى تاريخ 2023/12/31م.

(3) تغييرات جوهرية خلال الفتره واثرت على اداء الصندوق:

لم يكن هناك أي تغييرات جوهرية خلال الفترة أثرت على أداء الصندوق.

(4) الافصاح عن ممارسات التصويت السنوية على ان تحتوي على اسم المصدر وتاريخ الجمعية العمومية وموضوع التصويت وقرار التصويت (موافق/ غير موافق/ الامتناع عن التصويت)

م.	المصدر	تاريخ الجمعية العمومية	الموضوع	قرار التصويت
1	بنك الرياض	26 مارس 2023م	جدول الأعمال	الموافقة على بند رقم (6، 11، 12، 13، 14) والامتناع عن التصويت على باقي بنود جدول الأعمال
2	شركة مرافق الكهرباء والمياه بالجبيل وينبع (مرافق)	17 مايو 2023م	جدول الأعمال	الموافقة على بند رقم (5) والامتناع عن التصويت على باقي بنود جدول الأعمال
3	مجموعة سيراف القابضة	11 يونيو 2023م	جدول الأعمال	الامتناع عن التصويت على بنود جدول الأعمال كافة
4	شركة مرافق الكهرباء والمياه بالجبيل وينبع (مرافق)	23 أكتوبر 2023م	جدول الأعمال	الامتناع عن التصويت على بنود جدول الأعمال كافة

(5) تقرير مجلس إدارة الصندوق السنوي:

(أ) أسماء أعضاء مجلس إدارة الصندوق، مع بيان نوع العضوية:

- مساعد بن فهد السديري "رئيس مجلس إدارة الصندوق - غير مستقل".
- يزيد بن سليمان أبانمي "عضو مستقل"
- منصور بن حمد الحمودي "عضو مستقل"

(ب) ذكر نبذه عن مؤهلات أعضاء مجلس إدارة الصندوق:

• مساعد بن فهد السديري (غير مستقل)
يشغل الأستاذ مساعد بن فهد السديري منصب الرئيس التنفيذي لشركة الوطني لإدارة الثروات، وقبل ذلك كان يعمل في شركة إنفيستكروب السعودية للاستثمارات المالية، وقبل ذلك عدة مناصب في شركة عوده كابيتال بما في ذلك مدير إدارة الاستثمار المصرفي، وقبل ذلك نائب رئيس إدارة الثروات والاستثمار، كما عمل مدير علاقة أول لإدارة تمويل الشركات في بنك ساب، وهو حاصل على درجة الماجستير في إدارة الأعمال من جامعة مانشستر، و يحمل شهادة البكالوريوس في الإدارة المالية من جامعة الملك فهد للبترول والمعادن.

• يزيد بن سليمان أبانمي (مستقل)
يشغل الأستاذ يزيد بن سليمان أبانمي عضوية مجلس إدارة شركة تركين العربية السعودية وشركة سعودي بايو، كما شغل سابقا عضوية مجلس إدارة شركة القلعة القابضة في جمهورية مصر العربية، كما يمتلك خبرة 15 عام في الأسواق المالية بصفته مستثمر، ويحمل شهادة البكالوريوس في الإدارة المالية من جامعة Bentley.

• منصور بن حمد الحمودي (مستقل)
يشغل الأستاذ منصور بن حمد الحمودي رئيس مجلس إدارة شركة بوان للتجارة المحدودة، كما يشغل عضو مجلس إدارة شركة المكتبة للتسويق وشركة اتحاد الخالدية وشركة الحمودي القابضة، وهو حاصل على درجة الماجستير في إدارة الأعمال من The University of Northampton، ويحمل شهادة البكالوريوس في الهندسة الصناعية من جامعة الملك سعود.

(ج) وصف أوار مجلس إدارة الصندوق ومسؤولياته:

- الموافقة على جميع العقود والقرارات والتقارير الجوهرية التي يكون الصندوق طرفاً فيها (على سبيل المثال لا الحصر: الموافقة على عقود تقديم خدمات الإدارة للصندوق وعقود تقديم خدمات الحفظ)، ولا يشمل ذلك العقود المبرمة وفقاً للقرارات الاستثمارية في شأن أي استثمارات قام بها الصندوق أو سيقوم بها في المستقبل.
- اعتماد سياسة مكتوبة فيما يتعلق بحقوق التصويت المتعلقة بأصول الصندوق.
- الإشراف، ومتى كان مناسباً، المصادقة على أي تضارب مصالح يفصح عنه مدير الصندوق وفقاً لائحة صناديق الاستثمار.
- الاجتماع مرتين سنوياً على الأقل مع مسؤول المطابقة والالتزام لدى مدير الصندوق، للتأكد من التزام مدير الصندوق بجميع القوانين والأنظمة واللوائح ذات العلاقة (على سبيل المثال لا الحصر: المتطلبات المنصوص عليها في لائحة صناديق الاستثمار).
- الموافقة على جميع التغييرات المنصوص عليها في المادتين الثانية والستين والثالثة والستين من لائحة صناديق الاستثمار وذلك قبل حصول مدير الصندوق على موافقة مالكي الوحدات وهيئة السوق المالية أو إشعارهم (حيثما ينطبق).
- التأكد من اكتمال ودقة شروط وأحكام الصندوق وأي مستند آخر (سواء أكان عقداً أم غيره) يتضمن إفاصحات تتعلق بالصندوق ومدير الصندوق وإدارته للصندوق، بالإضافة إلى التأكد من مدى توافقها مع الأحكام المنصوص عليها في لائحة صناديق الاستثمار.
- التأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لأحكام لائحة صناديق الاستثمار وشروط وأحكام الصندوق.
- الإطلاع على التقرير المتضمن تقييم أداء وجودة الخدمات المقدمة من الأطراف المعنية بتقديم الخدمات الجوهرية للصندوق المشار إليها في الفقرة (ل) من المادة التاسعة من لائحة صناديق الاستثمار، وذلك للتأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لشروط وأحكام الصندوق وما ورد في لائحة صناديق الاستثمار.
- تقييم آلية تعامل مدير الصندوق مع المخاطر المتعلقة بأصول الصندوق وفقاً لسياسات وإجراءات مدير الصندوق حيال رصد المخاطر المتعلقة بالصندوق وكيفية التعامل معها.
- العمل بأمانة وحسن نية واهتمام ومهارة وعناية وحرص وبما يحقق مالكي الوحدات.
- تدوين محاضر الاجتماعات التي تبين جميع وقائع الاجتماعات والقرارات التي اتخذها مجلس إدارة الصندوق.
- الإطلاع على التقرير المشار إليه في الفقرة (م) من المادة التاسعة من لائحة صناديق الاستثمار المتضمن جميع الشكاوى والإجراءات المتخذة حيالها، وذلك للتأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً للشروط والأحكام وما ورد في لائحة صناديق الاستثمار.

(د) تفاصيل مكافآت أعضاء مجلس إدارة الصندوق:

لن يتقاضى جميع أعضاء مجلس الإدارة المستقلين أية مبالغ أو مكافآت.

هـ) بيان بأي تعارض متحقق او محتمل بين مصالح عضو مجلس إدارة الصندوق ومصالح الصندوق:

لا يوجد في الوقت الحاضر تضارب بين مصالح أعضاء مجلس إدارة الصندوق ومصالح الصندوق. وفي كل الأحوال يسعى مدير الصندوق إلى تجنب أي تضارب مصالح محتمل، وذلك بالعمل على وضع مصالح مالكي الوحدات بالصندوق فوق أية مصالح أخرى. يلتزم عضو مجلس الإدارة في حال وجود تضارب مصالح بالإفصاح عنها إلى مدير الصندوق.

و) بيان يوضح جميع مجالس إدارة الصناديق التي يشارك فيها عضو مجلس الصندوق ذي العلاقة:

لا يوجد

ز) الموضوعات التي تمت مناقشتها والقرارات الصادرة بشأنها بما في ذلك اداء الصندوق وتحقيق الصندوق لاهدافه:

مواضيع عرضت بشكل دوري على مجلس إدارة الصندوق خلال العام 2023م:

- مناقشة أداء الصندوق عن كل ربع
- مناقشة تقرير مخاطر الصندوق
- مناقشة تقرير رقابة الالتزام للصندوق

قرارات تم إتخاذها من قبل أعضاء مجلس إدارة الصندوق خلال العام 2023م:

تاريخ 28 مارس 2023م:

1. الموافقة على القوائم المالية المدققة عن العام المالي 2022م.
2. الموافقة على التقرير السنوي الخاص بصندوق الوطني للأسهم السعودية عن العام 2022م.
3. الموافقة على تعيين شركة ديلويت كمراجع خارجي للعام المالي 2023م.
4. الموافقة على التعديلات المقترحة على لائحة شروط وأحكام صندوق الوطني للأسهم السعودية.
5. الموافقة على تحديث لائحة المخولون بالتوقيع فيما يتعلق بصندوق الوطني للأسهم السعودية.

تاريخ 10 مايو 2023م:

1. الموافقة على التعديلات المقترحة على لائحة شروط وأحكام صندوق الوطني للأسهم السعودية.

تاريخ 18 يونيو 2023م:

1. الموافقة على تعيين شركة بيكر تيلي كمقدم لخدمات الزكوية والضريبية عن العام 2023م.

تاريخ 8 أغسطس 2023م:

1. الموافقة على القوائم الأولية (نصف سنوية) حتى نهاية 30 يونيو 2023م.

تاريخ 17 أكتوبر 2023م:

1. الموافقة على التعديلات المقترحة على لائحة شروط وأحكام صندوق الوطني للأسهم السعودية.

ج) مدير الصندوق

1) اسم مدير الصندوق ، وعنوانه:

شركة الوطني لإدارة الثروات.

7720 طريق الملك فهد – حي المحمدية - وحدة رقم 15 ص.ب 12363 الرياض 4590 المملكة العربية السعودية.

2) اسم وعنوان مدير الصندوق من الباطن و/او مستشار الاستثمار(ان وجد):

لا يوجد

3) مراجعه لأنشطة الاستثمار خلال الفترة:

يستثمر الصندوق بشكل أساسي في أسهم الشركات ووحدات الصناديق العقارية المتداولة المدرجة في المؤشر الاسترشادي وهو مؤشر إس أند بي العائد الكلي المحلي للأسهم السعودية بالعملة المحلية (S&P Saudi Arabia Domestic Total Return in Local Currency Index)، ويتكون المؤشر الاسترشادي من الشركات المدرجة في السوق الرئيسية (تداول) والسوق الموازية (نمو) بالإضافة إلى الصناديق العقارية المتداولة، كما يحق للصندوق الاستثمار والمشاركة في الطروحات العامة الأولية والثانوية المحلية وحقوق الأولوية في السوقين الرئيسية والموازية. هذا، وسوف يلتزم مدير الصندوق بنسب تركيز الاستثمارات المذكورة في الفقرة 3-د من الشروط والأحكام. تتم مراجعة أنشطة استثمار الصندوق بشكل دوري من قبل مجلس إدارة الصندوق.

4) تقرير عن أداء صندوق الاستثمار خلال الفترة:

لقد حقق الصندوق خلال عام 2023م أداء إيجابيا بلغ 18.60%، في الوقت الذي ارتفع فيه المؤشر الإرشادي بنسبة 15.95%. وفيما يخص أداء الصندوق منذ إنشائه، فقد بلغ 23.62%، في حين ارتفع المؤشر الإرشادي بنسبة 10.33%، مما أدى إلى تحقيق الصندوق أداء أفضل من أداء المؤشر الإرشادي بنسبة 13.28%.

5) تفاصيل اي تغييرات حدثت على شروط واحكام الصندوق:

التغيير الاول:

- تغييرات غير اساسية وتفصيل التغييرات هي:
 - البند رقم 3: سياسة الاستثمار وممارساته الفقرة (ج).
 - البند رقم 3: سياسة الاستثمار وممارساته الفقرة (د).
 - البند رقم 24: أعضاء مجلس إدارة الصندوق.
 - البند 31:المعلومات الاخرى.
 - البند و:المعلومات المالية لمدير الصندوق.
 - البند 28: مراجع الحسابات.
 - ملخص الصندوق.

التغيير الثاني:

- تغييرات غير اساسية وتفصيل التغييرات هي:
 - البند رقم 3: سياسة الاستثمار وممارساته الفقرة (ج).
 - البند رقم 3: سياسة الاستثمار وممارساته الفقرة (د).

التغيير الثالث:

- تغييرات غير اساسية وتفصيل التغييرات هي:
 - البند 31:المعلومات الاخرى.
 - البند رقم 5: آلية تقييم المخاطر.

6) اي معلومه اخرى من شأنها ان تمكن مالكي الوحدات من اتخاذ قرار مدروس ومبني على معلومات كافيته بشأن أنشطة الصندوق خلال الفتره:

لا يوجد

7) إذا كان صندوق الاستثمار يستثمر بشكل كبير في صناديق استثمار اخرى، يجب الإفصاح عن نسبة رسوم الإدارة المحسبة على الصندوق نفسة والصناديق التي يستثمر فيها الصندوق:

لا يوجد

8) بيان حول العمولات الخاصه التي حصل عليها مدير الصندوق خلال الفتره، مبيناً بشكل واضح ماهيتها وطريقة الاستفادة منها (إن وجدت):

لا يوجد

9) اي بيانات ومعلومات اخرى أوجبت هذه اللائحة تضمينها بهذا التقرير:

لا يوجد

10) مدة إدارة الشخص المسجل كمدير للصندوق:

منذ تأسيس الصندوق.

11) يجب الإفصاح عن نسبة مصروفات كل صندوق بنهاية العام والمتوسط المرجح لنسبة مصروفات كل الصناديق الرئيسية المستثمر فيها (حيثما ينطبق):

لا ينطبق

د) أمين الحفظ

1) اسم أمين الحفظ، وعنوانه:

شركة البلاد المالية، 8162 طريق الملك فهد، حي العليا، الرياض 12313 – 3701.

2) وصف موجز لواجباته ومسؤولياته:

يُعد أمين الحفظ مسؤولاً عن التزاماته وفقاً لأحكام لائحة صناديق الاستثمار، سواء أدى مسؤولياته بشكل مباشر أم كلف بها طرفاً ثالثاً بموجب أحكام لائحة صناديق الاستثمار ولائحة مؤسسات السوق المالية. ويُعد أمين الحفظ مسؤولاً تجاه مدير الصندوق ومالكي الوحدات عن خسائر الصندوق الناجمة بسبب احتياله أو إهماله أو سوء تصرفه أو تقصيره المتعمد.

هـ) مشغل الصندوق

1) اسم مشغل الصندوق، وعنوانه:

شركة البلاد المالية، 8162 طريق الملك فهد، حي العليا، الرياض 12313 – 3701.

2) وصف موجز لواجباته ومسؤولياته:

1. الاحتفاظ بالدفاتر والسجلات ذات الصلة.
2. الاحتفاظ في جميع الأوقات بسجل لجميع الوحدات الصادرة والمغاة، والاحتفاظ بسجل محدث يوضح رصيد الوحدات القائمة.

3. تقييم أصول الصندوق تقييماً كاملاً وعادلاً.
4. حساب سعر وحدات الصندوق.
5. إعداد القوائم المالية وتوفيرها لمراجع الحسابات.

و) مراجع الحسابات

1) اسم مراجع الحسابات، وعنوانه

ديلويت، شارع الأمير تركي بن عبدالله آل سعود، السليمانية، الرياض ص.ب 12234.

ز) القوائم المالية

أن القوائم المالية لفترة المحاسبة السنوية للصندوق تعد وفقاً للمعايير المحاسبية المعتمدة من الهيئة السعودية للمحاسبين القانونيين.

ALWATANI SAUDI EQUITY FUND
(An open-ended mutual fund)
Managed by
Watani Wealth Management
Financial statements
For the year ended 31 December 2023
together with the
Independent auditor's report

ALWATANI SAUDI EQUITY FUND
(An open-ended mutual fund)
Managed by
Watani Wealth Management
Financial statements and independent auditor's report
For the year ended 31 December 2023

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INDEPENDENT AUDITOR'S REPORT

**To the unitholders of AlWatani Saudi Equity Fund
(An open-ended mutual fund)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **AlWatani Saudi Equity Fund** ("the Fund"), managed by Watani Wealth Management ("the Fund Manager"), which comprise the statement of financial position as at December 31, 2023, the statement of comprehensive income, statement of changes in net assets (equity) attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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 December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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) ("the Code") as endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Fund for the year ended December 31, 2022, were audited by another auditor who expressed unmodified opinion on those statements on March 29, 2023.

Responsibilities of Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA, and compliance with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority, the Fund's Terms and Conditions, and for such internal control as the Fund Manager 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, Fund Manager 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 Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report**To the unitholders of AlWatani Saudi Equity Fund (continued)****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 judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 the Fund Manager.
- Conclude on the appropriateness of Fund Manager'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 disclosure is 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.

Deloitte and Touche & Co.
Chartered Accountants

Waleed Bin Moh'd Sobahi
Certified Public Accountant
License No. 378
Ramadan 17, 1445H
March 27, 2024



ALWATANI SAUDI EQUITY FUND**(An open-ended mutual fund)**

Managed by

Watani Wealth Management**Statement of financial position**

As at 31 December 2023

(Amount in SAR '000)

	Note	31 December 2023	31 December 2022
ASSETS			
Cash and cash equivalents	8	3,408	2,525
Investments measured at fair value through profit and loss ("FVTPL")	9	21,388	18,336
Other assets		-	188
Total assets		24,796	21,049
LIABILITIES			
Other payables	10	92	73
Total liabilities		92	73
Net assets (equity) attributable to the unitholders		24,704	20,976
Units in issue (numbers in thousands)		1,998	2,012
Net assets (equity) per unit (SAR) – IFRS		12.36	10.43
Net assets (equity) per unit (SAR) – Dealing		12.36	10.43

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

ALWATANI SAUDI EQUITY FUND
(An open-ended mutual fund)
 Managed by
Watani Wealth Management
Statement of comprehensive income
 For the year ended 31 December 2023
 (Amount in SAR ‘000)

	Note	31 December 2023	For the period from 12 December 2021 to 31 December 2022
INCOME			
Dividend income		745	488
Realised gain from investments measured at FVTPL		1,677	572
Unrealised gain / (loss) from investments measured at FVTPL		2,010	(1,391)
Total Income / (loss)		4,432	(331)
EXPENSES			
Management fees	11	(264)	(224)
Other expenses		(265)	(262)
Total expenses		(529)	(486)
Net Income / (loss) for the year / period		3,903	(817)
Other comprehensive income for the year /period		-	-
Total comprehensive income / (loss) for the year/period		3,903	(817)

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

ALWATANI SAUDI EQUITY FUND**(An open-ended mutual fund)**

Managed by

Watani Wealth Management**Statement of changes in net assets (equity) attributable to unitholders**

As at 31 December 2023

(Amount in SAR '000)

	31 December 2023	For the period from 12 December 2021 to 31 December 2022
Net assets (equity) attributable to the unitholders at the beginning of the year	20,976	-
Total comprehensive income / loss for the year /period	3,903	(817)
Increase in equity from unit transactions during the year/period		
Proceeds from issuance of units during the year/period	396	21,793
Value of units redeemed during the year/period	(571)	-
Net assets (equity) attributable to the unitholders at the end of the year/period	24,704	20,976

UNITS TRANSACTIONS

Transactions in units are summarised as follows:

	31 December 2023	For the period from 12 December 2021 to 31 December 2022
Units in issuance at beginning of the period (numbers in thousands)	2,012	-
Issuance of units during the year/ period (numbers in thousands)	34	2,012
Redemption of units during the year/period (number in thousands)	(48)	
Units in issuance at end of the year/ period (numbers in thousands)	1,998	2,012

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

ALWATANI SAUDI EQUITY FUND
(An open-ended mutual fund)
Managed by
Watani Wealth Management
Statement of cash flows
For the year ended 31 December 2023
(Amount in SAR ‘000)

	31 December 2023	For the period from 12 December 2021 to 31 December 2022
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Income / loss for the year/period	3,903	(817)
<i>Adjustments to reconcile net income to net cash used in operating activities:</i>		
Unrealized (gain) /loss on investments measured at FVTPL	(2,010)	1,391
	1,893	574
Net change in operating assets:		
Change in investments measured at FVTPL	(1,042)	(19,727)
Change in other assets	188	(188)
Net increase in operating liabilities:		
Change in other payables	19	73
Net cash generated from / (used in) operating activities	1,058	(19,268)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from units issued	396	21,793
Payments on redemptions of units	(571)	-
Net cash (used in) / generated from financing activities	(175)	21,793
Net increase in cash and cash equivalents	883	2,525
Cash and cash equivalents at the beginning of the year/ period	2,525	-
Cash and cash equivalents at the end of the year/period	3,408	2,525

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

ALWATANI SAUDI EQUITY FUND

(An open-ended mutual fund)

Managed by

Watani Wealth Management

Notes to the financial statements

For the year ended 31 December 2023

(Amount in SAR '000)

1. THE FUND AND ITS ACTIVITIES

AlWatani Saudi Equity Fund (“the Fund”) is a public, open-ended investment fund, managed by Watani Wealth Management (“the Fund Manager”, Registrar), a subsidiary of National Bank of Kuwait (“the Bank”), for the benefit of the Fund's Unitholders. The Fund is established under article 31 of the Investment Fund Regulations (“the Regulations”) issued by the Capital Market Authority (“CMA”).

The Capital Market Authority (“CMA”) approval for the establishment of the Fund was granted in its letter dated 19 Dhul Qadah 1442H (corresponding to 29 June 2021). The terms and conditions of the Fund were approved by the CMA on 1 Muharram 1443H (corresponding to 9 August 2021). The Fund commenced its operations on 8 Jumada al-Ula 1443H (corresponding to 12 December 2021). Therefore, the Fund's first financial period ran from 12 December 2021 to 31 December 2022, and as a result, comparative figures are presented for the entire period.

The Fund’s investment objective is to achieve capital growth by investing in a diversified portfolio of equities of companies listed on the Saudi Stock Exchange. The Fund benchmarks its performance to the S&P Saudi Arabia Domestic Total Return Local Currency Index and aims to outperform its benchmark. The Fund does not intend to make any distributions to Unitholders, and instead, intends to reinvest any capital gains and dividends earned.

The Fund is governed by the Investment Fund Regulations (“the Regulations”) published by the CMA.

The Fund has appointed Al Bilad Investment Company to act as its custodian and administrator.

2. STATEMENT OF COMPLIANCE

These financial statements of the Fund for the year ended 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (“SOCPA”), and to comply with the applicable provisions of the Investment Funds Regulations issued by the CMA and the Fund’s terms and conditions.

3. SUBSCRIPTION / REDEMPTION OF UNITS (DEALING DAY AND VALUATION DAY)

The Fund is open for subscriptions / redemptions every business day (each a “Dealing Day”) and performs valuations every Monday and Thursday (each a “Valuation Day”). The “cut off” time for subscriptions / redemptions is 12:00pm of every Valuation Day. In case the Valuation and Dealing Day happen to fall on a day which is a public holiday in the Kingdom of Saudi Arabia, the Valuation, Dealing and Redemption Day will be on the immediate next Valuation and Dealing Day. The unit price on subscription or the unit price on redemption is represented in the Net Assets (Equity) Value (“NAV”) per unit calculated by the administrator on the next Valuation Day on which the units were subscribed or redeemed for.

The NAV of the Fund for the purpose of purchase or redemption of units is calculated by subtracting from the value of the Fund’s total assets to the value of the Fund’s total liabilities. The unit price is determined by dividing such resulting figure by the total number of outstanding units on the relevant Valuation Day.

ALWATANI SAUDI EQUITY FUND

(An open-ended mutual fund)

Managed by

Watani Wealth Management

Notes to the financial statements

For the year ended 31 December 2023

(Amount in SAR '000)

4. BASIS OF MEASUREMENT

These financial statements have been prepared on a historical cost basis using accrual basis of accounting except for investments measured at FVTPL which are stated at their fair value.

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

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

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These financial statements are presented in Saudi Arabian Riyal ("SAR") which is the Fund's functional and presentation currency.

5. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires the Fund Manager to exercise its judgement in the process of applying the Fund's accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. There were no significant judgements/estimates made for these financial statements.

ALWATANI SAUDI EQUITY FUND

(An open-ended mutual fund)

Managed by

Watani Wealth Management

Notes to the financial statements

For the year ended 31 December 2023

(Amount in SAR '000)

6. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of annual financial statements for the period ended 31 December 2022.

The following are the material accounting policy information applied by the Fund Manager in preparing its financial statements.

A. Cash and cash equivalents

Cash and cash equivalents comprise cash held with a custodian in an investment account.

B. Financial assets and liabilities

Recognition and initial measurement

Financial assets and liabilities at Fair value through Profit and loss ("FVTPL") are initially recognised at trade date, which is the date on which the Fund becomes party to the contractual provisions of the instruments. Other financial assets and liabilities are recognised on the date on which they are originated.

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

Classification of financial assets

On initial recognition, the Fund Manager classifies financial assets as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL.

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

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

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

Business model assessment

The Fund Manager 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.

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

ALWATANI SAUDI EQUITY FUND

(An open-ended mutual fund)

Managed by

Watani Wealth Management

Notes to the financial statements

For the year ended 31 December 2023

(Amount in SAR '000)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

B. Financial assets and liabilities (continued)

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

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

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

Reclassification

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

Classification of financial liabilities

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

Derecognition

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

Offsetting

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

C. Subscription and redemption on units

Units subscribed and redeemed are recorded at net asset (equity) value per unit on the Valuation Day for which the subscription request and redemption applications are received.

ALWATANI SAUDI EQUITY FUND

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Managed by

Watani Wealth Management

Notes to the financial statements

For the year ended 31 December 2023

(Amount in SAR '000)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

C. Subscription and redemption on units (continued)

Redeemable units

Redeemable units are as equity instruments as they meet certain criteria. Those criteria include:

- the redeemable units must entitle the holder to a pro-rata share of net assets;
- the redeemable units must be the most subordinated class and class features must be identical;
- there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and
- the total expected cash flows from the redeemable units over its life must be based substantially on the profit or loss of the issuer.

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

D. Net assets (equity) value per unit

The net asset (equity) 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 period end.

E. Revenue recognition

Net gain or loss on financial assets and liabilities at FVTPL

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

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period. Realised 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).

Dividend income

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

ALWATANI SAUDI EQUITY FUND

(An open-ended mutual fund)

Managed by

Watani Wealth Management

Notes to the financial statements

For the year ended 31 December 2023

(Amount in SAR '000)

6. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

F. Fee and other expenses

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

G. Zakat and taxation

The Fund does not pay any zakat and income tax. Zakat and income tax are considered to be the obligation of the unitholders and are not provided in these financial statements.

The value added tax ("VAT") applicable for fees and expenses are recognized in the statement of comprehensive income.

H. Provisions

Provisions are recognized whenever there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

7. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS

New IFRS Standards, interpretations and amendments adopted by the Fund

The following standards, amendments, or interpretations effective for annual periods beginning on or after January 1, 2023, did not have a significant impact on the Fund's financial statements:

Standard, interpretation, amendments	Description	Effective date
IFRS 17, 'Insurance contracts'	This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts.	Annual periods beginning on or after January 01, 2023.
Narrow scope amendments to IAS 1	Practice statement 2 and IAS 8 - The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after January 01, 2023.
Amendment to IAS 12 - deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after January 01, 2023.
Amendment to IAS 12 - International tax reform - pillar two model rules	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.	Annual periods beginning on or after January 01, 2023.
Amendments to IAS 8	Definition of accounting estimates	Annual periods beginning on or after January 01, 2023.

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7. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)***Prospective changes to the International Financial Reporting Framework***

The Fund has chosen not to early adopt the following new standards and amendments to IFRS which have been issued but not yet effective for the Fund's accounting year beginning on or after January 1, 2024.

Standard, interpretation, amendments	Description	Effective date
Amendments 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 fund'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.	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.	1 January 2024

The Fund Manager anticipates that the application of the above new standards and amendments in the future will not have a significant impact on the amounts reported.

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8. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash and cash equivalents	3,408	2,525

This comprises of balance held with the custodian in an investment account.

9. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

The composition of investments measured at fair value through profit or loss by industry sector is summarized below:

	31 December 2023		
<i>Industry Sector</i>	<u>% of Total Investment</u>	<u>Cost</u>	<u>Fair Value</u>
Financials	57.81%	12,356	12,364
Real estate	7.22%	1,324	1,545
Utilities	11.63%	2,023	2,487
Materials	13.64%	3,068	2,917
Energy	9.70%	1,998	2,075
	<u>100.00%</u>	<u>20,769</u>	<u>21,388</u>

	31 December 2022		
<i>Industry Sector</i>	<u>% of Total Investment</u>	<u>Cost</u>	<u>Fair Value</u>
Financials	34.82%	7,507	6,384
Consumer staples	14.02%	2,190	2,571
Real estate	13.65%	2,948	2,503
Communication services	9.44%	1,811	1,731
Utilities	8.89%	1,646	1,630
Materials	8.17%	1,571	1,498
Consumer discretionary	5.57%	918	1,021
Energy	5.44%	1,136	998
	<u>100.00%</u>	<u>19,727</u>	<u>18,336</u>

10. OTHER PAYABLES

	31 December 2023	31 December 2022
Management fee payable	23	21
Others	69	52
	<u>92</u>	<u>73</u>

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11. 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. The related party of the Fund includes Fund Manager, affiliates of the Fund Manager, funds managed by the Fund Manager, and the Bank, being major shareholder of the Fund Manager. Affiliates are defined as the related parties of the Fund Manager.

Management fee and other expenses

The Fund is managed and administered by the Fund Manager. For these services, the Fund accrues a management fee on a daily basis, as determined by the Fund Manager, which should not be more than the maximum annual rate of 1% per annum of the Fund's daily NAV as set out in the Fund's terms and conditions.

Transactions with related parties

During the year, the Fund entered into the following transactions, other than those disclosed elsewhere in the financial statements, with related parties in the ordinary course of business. These transactions were carried out on the basis of approved terms and conditions of the Fund. All related party transactions are approved by the Fund Board.

<u>Related party</u>	<u>Nature of transaction</u>	<u>Transactions</u>	<u>Balance</u>
		31 December 2023	31 December 2023
The Fund Manager	Management fee	<u>264</u>	<u>23</u>
		<u>Transactions</u>	<u>Balance</u>
		For the period from 12 December 2021 to 31 December 2022	31 December 2022
<u>Related party</u>	<u>Nature of transaction</u>		
The Fund Manager	Management fee	<u>224</u>	<u>21</u>

As at 31 December 2023, an affiliate of the Fund Manager holds 1,125,000 units of the Fund (31 December 2022: 1,125,000).

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12. RISK MANAGEMENT POLICIES

The Fund has exposure to the following risks from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Fund is exposed to credit risk for its cash and cash equivalents. The Fund Manager seeks to limit its credit risk by monitoring credit exposures and by dealing with only reputable counterparties.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities.

The Fund's Terms and Conditions provide for the subscriptions and redemptions of units on a daily basis and it is, therefore, exposed to the liquidity risk of meeting unitholders redemptions. As at 31 December 2023, the Fund's cash and cash equivalents and investments measured at FVTPL are considered to be short-term in nature and readily realisable. The Fund Manager monitors liquidity requirements on a regular basis and seeks to ensure that funds are available to meet commitments as they arise.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, will affect the Fund's income or the fair value of its holdings in financial instruments. The Fund Manager's strategy for the management of market risk is driven by the Fund's objective as per the 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.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. Financial instruments comprise financial assets and financial liabilities. The Fund's financial assets consist of listed equity investments held at FVTPL and financial assets measured at amortized cost. The Fund's financial liabilities consist of financial liabilities measured at amortized cost.

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13. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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.

The table below presents the investments measured at their fair values as of reporting date based on the fair value hierarchy:

	31 December 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
Investments measured at FVTPL	<u>21,388</u>	<u>21,388</u>	<u>-</u>	<u>-</u>	<u>21,388</u>
	<u>21,388</u>	<u>21,388</u>	<u>-</u>	<u>-</u>	<u>21,388</u>

	31 December 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
Investments measured at FVTPL	<u>18,336</u>	<u>18,336</u>	<u>-</u>	<u>-</u>	<u>18,336</u>
	<u>18,336</u>	<u>18,336</u>	<u>-</u>	<u>-</u>	<u>18,336</u>

During the period, there were no transfers between the fair value levels. The carrying amounts of the financial assets such as cash and cash equivalents and other receivables approximate fair value because of their short-term nature and the high credit quality of counterparties. The carrying amount of other payables approximate fair value because of its short-term nature.

14. LAST VALUATION DAY

The last valuation day of the year was 31 December 2023.

15. SUBSEQUENT EVENTS

There were no significant events after the reporting period that require disclosure or adjustment in these financial statements.

16. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Fund Board on 15 Ramadan 1445H corresponding to 25 March 2024.