

# Nafaqah Waqf Fund

## Quarterly Statement Q3 2023

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## Investment Objective and Policies

Nafaqah Waqf Fund is a Shariah-compliant, multi-asset investment fund that is supervised by the General Authority for Awqaf and Capital Market Authority. The Fund aims to preserve and grow the fund's capital to support the basic needs of families facing a loss of income due to litigation or instability. (50%) of the net profit is distributed periodically to the endowment banks specified for the fund, which are represented by the beneficiary.

The below summarizes the investment policy.

The Fund aims to invest its assets in any of the following:

- A. Investing in money market deposits and money market funds with banks licensed by the Saudi Arabian Monetary Agency and money market funds licensed by the Capital Market Authority.
- B. Sukuk issued by governmental or semi-governmental agencies or companies, sukuk investment fund units licensed by the Capital Market Authority or from relevant regulatory authorities locally and internationally, classified and unrated, and exchange-traded funds that invest in sukuk.
- C. Shares, including global and local, directly or through the appointment of sub-managers, or through investment funds licensed by the Capital Market Authority or from relevant regulatory bodies locally and globally, initial subscriptions, priority rights, and exchange-traded funds that invest in stocks. The investment in local shares shall be in the main and parallel Saudi stock market.
- D. Alternative investments include investment through Trade Finance Funds and leasing funds.
- E. Private equity funds (locally or internationally).
- F. Real estate includes real estate investment traded funds (REITs) or income-generating real estate funds locally and internationally

## Investment Fund Information

### Contact information:

Jadwa Investment

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Website: [www.jadwa.com](http://www.jadwa.com) Email: [info@jadwa.com](mailto:info@jadwa.com)

|                          | Fund Information                   |
|--------------------------|------------------------------------|
| Inception Date           | January 20 <sup>th</sup> 2021      |
| Currency                 | SAR                                |
| Unit price upon offering | 10 SAR                             |
| Size of the fund (SAR)   | 33,086,714.83 SAR                  |
| Fund type                | Multi-asset Waqf Fund (open ended) |
| Risk level               | High                               |

### Benchmark:

Weighted Average Benchmark based on the Strategic Asset Allocation

- A. **Money Market:** SAIBOR 3M
- B. **Sukuk:** Jadwa IdealRatings Global Sukuk Index
- C. **Local Equities:** S&P Saudi Shariah Domestic Index (TR)
- D. **Global Equities:** MSCI World Islamic M-Series Index
- E. **Alternatives:** SAIBOR 3M + 2%
- F. **Private Equity:** SAIBOR 3M + 5%
- G. **Real Estate:** SAIBOR 3M + 3%

**Distribution of Income and Gain Policy:**

The fund will distribute annual cash returns of 50% of the net profits for the benefit of Nafaqah fund (the beneficiary), and the fund's board of directors will determine the percentage of distributions and the mechanism of disbursement by transferring money to the beneficiary and disposing of it as it deems appropriate. The fund's board of directors has the right to reinvest part of the dividend for the growth of the Waqf asset. The fund's board of directors also has the right to reconsider the specified percentage of distributions if the cash dividends are in excess of the beneficiary's need, in a manner that does not conflict with the licensing instructions for Waqf investment funds, the investment funds regulations, and the relevant regulations and regulations in the Kingdom of Saudi Arabia.

**Investment in Other Funds:**

| Fund Name  | % of AUM | Management fees |
|--|----------|-----------------|
| Jadwa Saudi Equity Fund - Class B                                    | 38.78%   | N/A             |
| Jadwa Global Sukuk Fund - Class B                                    | 17.91%   | N/A             |
| Aljazira Sukuk Fund  | 17.73%   | 0.65%           |
| Jadwa International Multi-Manager Absolute Return Fund - Class A     | 4.15%    | 0.50%           |
| Jadwa International Multi-manager Real Assets Fund - Class A         | 4.15%    | 0.50%           |
| Jadwa International Multi-manager Private Equity Fund - Class A      | 3.21%    | 0.50%           |
| Jadwa International Multi-Manager Absolute Return Fund II - Class A  | 4.38%    | 0.50%           |
| Jadwa International Multi-manager Real Assets Fund II - Class A      | 4.36%    | 0.50%           |
| Jadwa International Multi-manager Private Equity Fund II - Class A   | 1.15%    | 0.50%           |
| Jadwa International Multi-Manager Absolute Return Fund III - Class A | 0.59%    | 0.50%           |
| Jadwa International Multi-manager Real Assets Fund III - Class A     | 0.59%    | 0.50%           |
| Jadwa International Multi-manager Private Equity Fund III - Class A  | 0.30%    | 0.50%           |

**Sub Fund Manager or Investment Advisor:**

The fund has no sub fund manager or investment advisor.

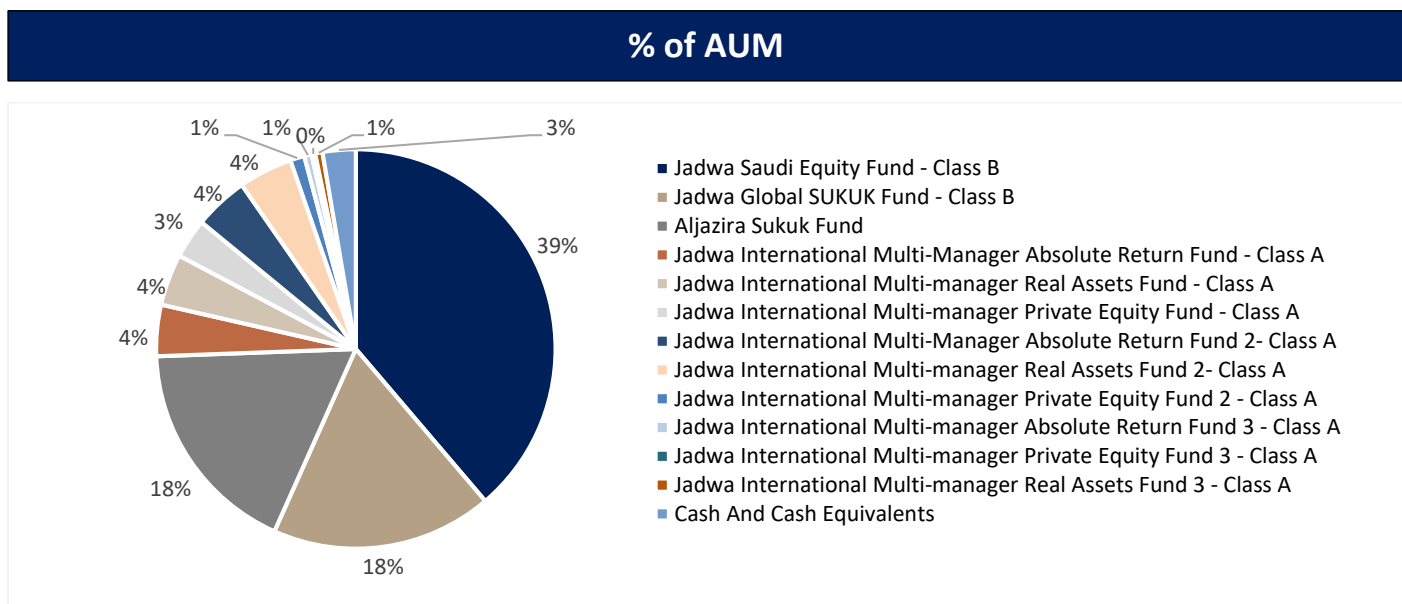
**Fund statistics (weighted average):**

N/A

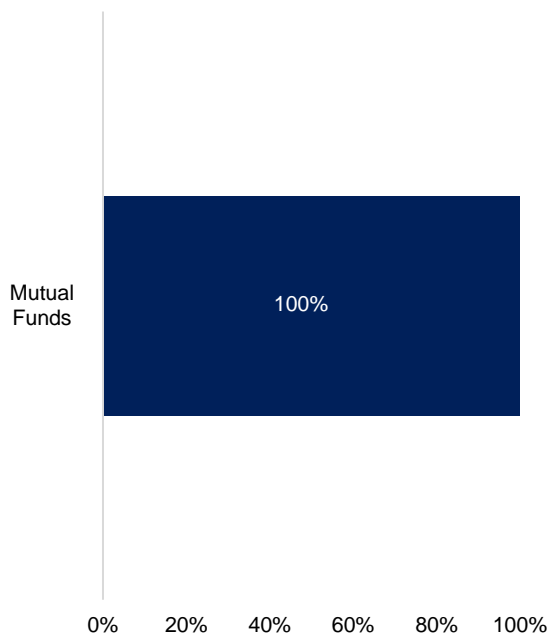
**Price information as of 30 September 2023**

|                          | Fund Price information |
|--------------------------|------------------------|
| Unit price:              | 11.5401 SAR            |
| Quarterly return:        | -2.25%                 |
| Dual unit price:         | N/A                    |
| Total units of the fund: | 2,867,116.075 units    |
| Total net assets:        | 33,086,714.83 SAR      |
| P/E ratio                | N/A                    |

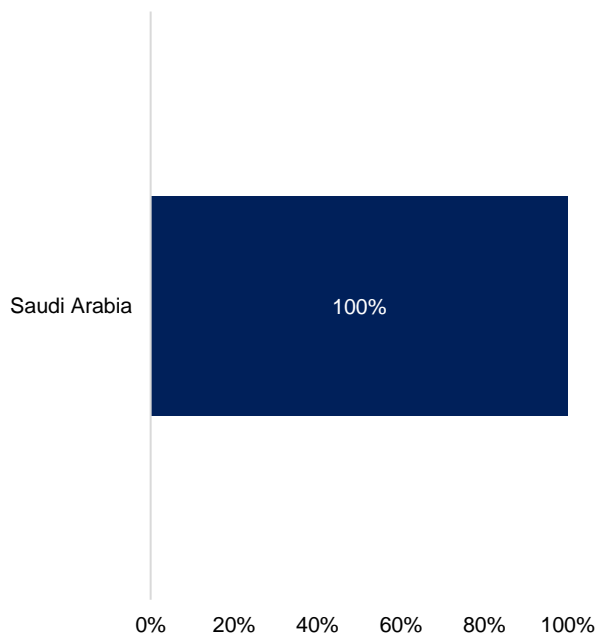
## Fund Holdings



## Sector allocation



## Geographical allocation



## Fund Expenses

Fund information as of 30 September 2023

|                                | Unit Class  |      |
|--------------------------------|-------------|------|
|                                | Value (SAR) | %    |
| Total expense ratio (TER)      | 30,272.34   | 0.09 |
| Borrowing percentage           | n/a         |      |
| Dealing expenses               | -           | -    |
| Investment of the fund manager | -           | -    |
| Distributed profits            | n/a         |      |

Fund ownership:

| Ownership      | %    |
|----------------|------|
| Full Ownership | 100% |
| Usufruct right | 0%   |

## Fund Performance

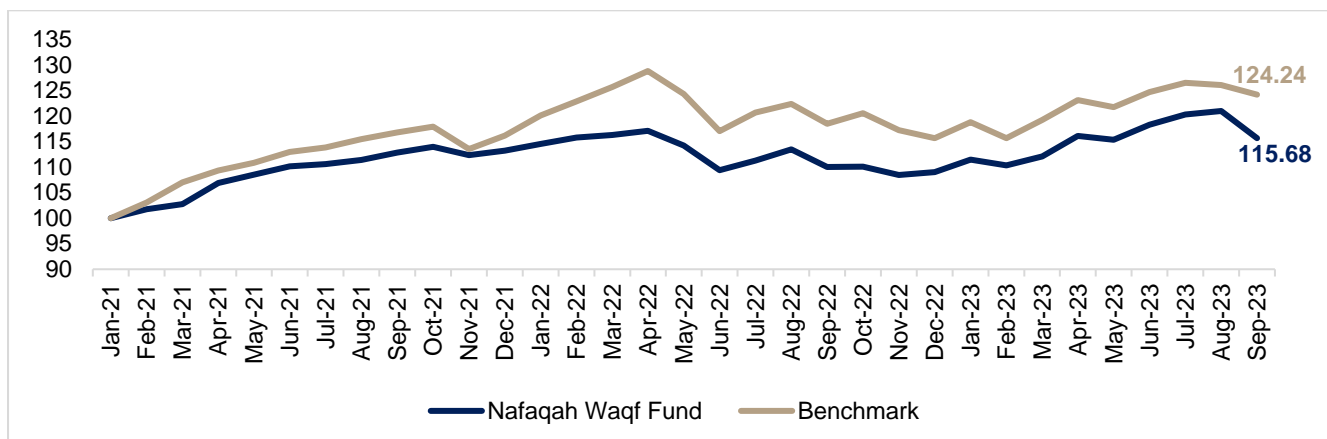
Performance summary

| Fund      | 3-months | Year to date | 1-year | 3-years | 5-years |
|-----------|----------|--------------|--------|---------|---------|
| Fund      | -2.25%   | 6.11%        | 5.13%  | -       | -       |
| Benchmark | -0.37%   | 7.36%        | 4.85%  | -       | -       |
| Variance  | -1.88%   | -1.25%       | 0.28%  | -       | -       |

Risk metrics

| Fund               | 3-months | Year to date | 1-year | 3-years | 5-years |
|--------------------|----------|--------------|--------|---------|---------|
| Standard deviation | 11.23%   | 8.38%        | 7.47%  | -       | -       |
| Tracking error     | 7.39%    | 4.87%        | 5.11%  | -       | -       |
| Beta               | 2.00     | 0.89         | 0.75   | -       | -       |
| Alpha              | -6.86%   | -0.67%       | 1.42%  | -       | -       |
| Information ratio  | -1.06    | -0.40        | 0.02   | -       | -       |
| Sharpe ratio       | -1.28    | 0.37         | 0.06   | -       | -       |

## Performance since inception



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## Material changes

There has been a change in the benchmark for the fund effective 28-Aug-23 to be as follows:

| Asset Class     | Benchmark                             |  |        |
|-----------------|---------------------------------------|--|--------|
|                 | Old                                   | New                                      | Change |
| Money Markets   | SAIBOR 3 Months                       | SAIBOR 3 Months                          | No     |
| Sukuk           | SAIBOR 3M + 2%                        | Jadwa Global Sukuk Active Investor Index | Yes    |
| Local Equities  | S&P Saudi Shariah Domestic Index (TR) | S&P Saudi Shariah Domestic Index (TR)    | No     |
| Global Equities | -                                     | MSCI World Islamic M-Series Index        | Yes    |
| Alternatives    | SAIBOR 3M + 3%                        | SAIBOR 3M + 2%                           | Yes    |
| Private Equity  | TASI + 2%                             | SAIBOR 3M + 5%                           | Yes    |
| Real Estate     | SAIBOR 3M + 4%                        | SAIBOR 3M + 3%                           | Yes    |

## Definitions (risk metrics)

| <b>Metric</b>             | <b>Description</b>   |
|---------------------------|--|
| <b>Standard deviation</b> | Standard deviation quantifies the dispersion of returns relative to their mean.  |
| <b>Tracking error</b>     | Tracking error is the divergence between the price behavior of a position or a fund and the price behavior of a benchmark.           |
| <b>Alpha</b>              | Measures the fund's value added relative to a benchmark.   |
| <b>Beta</b>               | Beta is a measure of a portfolio's volatility in relation to a benchmark.  |
| <b>Information ratio</b>  | A risk-adjusted measure that compares the performance of a fund relative to a benchmark compared to the volatility of those returns. |
| <b>Sharpe</b>             | A risk-adjusted ratio that measures excess return over a risk-free rate relative to the volatility of a given security or fund.      |