

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
Condensed Interim Financial Statements (Unaudited)
For the six-month period ended 30 June 2024
together with the
Independent Auditor's Review Report to the Unitholders

JADWA GLOBAL SUKUK FUND
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(MANAGED BY JADWA INVESTMENT COMPANY)
Condensed Interim Financial Statements (Unaudited)
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كي بي إم جي للاستشارات المهنية

واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Unitholders of Jadwa Global Sukuk Fund

Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of **Jadwa Global Sukuk Fund** (the "Fund"), managed by Jadwa Investment Company (the "Fund Manager"), which comprises:

- the condensed statement of financial position as at 30 June 2024;
- the condensed statement of comprehensive income for the six-month period ended 30 June 2024;
- the condensed statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2024;
- the condensed statement of cash flows for the six-month period ended 30 June 2024; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority and the Fund's Terms and Conditions. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.


Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed interim financial statements of **Jadwa Global Sukuk Fund** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services


Nasser Ahmed Alshutairy
License No. 454



Date: 25 Muharram 1446H
Corresponding to: 31 July 2024

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024
(Amounts in USD)

	<i>Notes</i>	30 June 2024	31 December 2023
		<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS			
Cash and cash equivalents	7	773,432	200,739
Investments	8	76,208,078	68,949,395
Accrued commission income		<u>883,374</u>	<u>670,101</u>
Total assets		<u>77,864,884</u>	<u>69,820,235</u>
LIABILITIES			
Redemption payable		5,185,000	--
Management fee payable	<i>1(c), 10</i>	213,795	67,251
Accrued expenses and other liabilities		<u>74,544</u>	<u>57,908</u>
Total liabilities		<u>5,473,339</u>	<u>125,159</u>
Net assets (equity) attributable to the Unitholders (USD)		<u>72,391,545</u>	<u>69,695,076</u>
Units in issuance (numbers):			
Class A		<u>469,122.43</u>	<u>467,103.85</u>
Class B		<u>163,001.41</u>	<u>152,331.42</u>
Class C		<u>4,211.17</u>	<u>4,211.17</u>
Net assets (equity) value attributable to each unit (USD):			
Class A		<u>104.2337</u>	<u>102.7457</u>
Class B		<u>141.2487</u>	<u>139.4315</u>
Class C		<u>111.4696</u>	<u>109.7997</u>

The accompanying notes (1) to (14) form an integral part of these condensed interim financial statements.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six-month period ended 30 June 2024
(Amounts in USD)

	<i>Notes</i>	For the six-month period ended 30 June	
		2024	2023
Special commission income		1,732,830	1,332,207
(Loss) / gain on investments, net	9	(349,773)	132,507
Total income		1,383,057	1,464,714
Management fee	<i>1(c),10</i>	(213,795)	(196,349)
Other operating expenses		(88,667)	(81,827)
Fund Board fee		(2,122)	(2,116)
Foreign exchange loss		(621)	(95)
Total operating expenses		(305,205)	(280,387)
Net income for the period		1,077,852	1,184,327
Other comprehensive income for the period		--	--
Total comprehensive income for the period		1,077,852	1,184,327

The accompanying notes (1) to (14) form an integral part of these condensed interim financial statements.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
CONDENSED STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE
TO THE UNITHOLDERS (UNAUDITED)
For the six-month period ended 30 June 2024
(Amounts in USD)

	For the six-month period ended 30 June	
	<u>2024</u>	<u>2023</u>
Net assets (equity) attributable to the Unitholders at beginning of the period	69,695,076	72,717,159
Net income for the period	1,077,852	1,184,327
<i>Contributions and redemptions by the Unitholders</i>		
Proceeds from issuance of units:		
Class A	5,331,201	-
Class B	4,992,225	2,261,895
	10,323,426	2,261,895
Payments against redemption of units:		
Class A	(5,200,000)	(1,904,000)
Class B	(3,504,809)	(3,506,404)
	(8,704,809)	(5,410,404)
Net contributions / (redemptions) by the Unitholders	1,618,617	(3,148,509)
Net assets (equity) attributable to the Unitholders at end of the period	72,391,545	70,752,977

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JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
CONDENSED STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED) (CONTINUED)
For the six-month period ended 30 June 2024

Unit transactions (<i>numbers</i>)	For the six-month period ended 30 June							
	2024				2023			
	Class A	Class B	Class C	Total	Class A	Class B	Class C	Total
Units in issuance at the beginning of the period	467,103.85	152,331.42	4,211.17	623,646.44	538,205.33	147,558.72	4,211.17	689,975.22
Issuance of units during the period	51,968.27	35,638.17	--	87,606.44	-	16,837.74	-	16,837.74
Redemption of units during the period	(49,949.69)	(24,968.18)	--	(74,917.87)	(19,261.70)	(26,027.69)	-	(45,289.39)
Units in issuance at end of the period	469,122.43	163,001.41	4,211.17	636,335.01	518,943.63	138,368.77	4,211.17	661,523.57

The accompanying notes (1) to (14) form an integral part of these condensed interim financial statements.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2024
(Amounts in USD)

	For the six-month period ended 30 June	
<i>Notes</i>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Net income for the period	1,077,852	1,184,327
<i>Adjustments for:</i>		
Special commission income	(1,732,830)	(1,332,207)
Loss / (gain) on investments, net	9 349,773	(132,507)
	(305,205)	(280,387)
Net changes in operating assets and liabilities		
Purchase of investments	(14,009,302)	(3,690,165)
Proceeds from sale of investments	6,349,711	6,577,359
Increase in redemption payable	5,185,000	--
Decrease in management fee payable	146,544	(77,446)
Decrease in accrued expenses and other liabilities	16,636	(32,183)
Cash (used in) / generated from operations	(2,616,616)	2,497,178
Special commission income received	1,570,692	1,434,970
Net cash (used in) / generated from operating activities	(1,045,924)	3,932,148
Cash flows from financing activities		
Proceeds from issuance of units	10,323,426	2,261,895
Payment made against redemption of the units	(8,704,809)	(5,410,404)
Net cash generated from / (used in) financing activities	1,618,617	(3,148,509)
Net increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	7 200,739	414,552
Cash and cash equivalents at the end of the period	773,432	1,198,191

The accompanying notes (1) to (14) form an integral part of these condensed interim financial statements.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
(MANAGED BY JADWA INVESTMENT COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2024
(Amounts in USD)

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

- a) Jadwa Global Sukuk Fund (the “Fund”) is a fixed income fund established and managed as per terms and conditions between Jadwa Investment Company (the “Fund Manager”) and the Fund investors (the “Unitholders”). The Capital Market Authority (“CMA”) approval for the establishment of the Fund was granted in its letter number 859 dated Shawal 16, 1428 H (corresponding to 3 October 2007).

The Fund diversifies its investments in a Shariah compliant portfolio of sovereign, quasi-sovereign and corporate sukuk. Excess cash which the Fund may have from time to time is invested in short-term Murabaha deposits.

- b) In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund. The Fund is governed by Investment Fund Regulations (the “Regulations”) published by Capital Market Authority (“CMA”) on 3 Dhul Al-Hijja 1427 H (corresponding to 24 December 2006) thereafter amended (the “amended regulations”) on 16 Sha’ban 1437 H (corresponding to 23 May 2016) and 17 Rajab 1442 H (corresponding to 1 March 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Fund commenced its operations on 8 October 2007.
- c) The management of the Fund is the responsibility of the Fund Manager. However, in accordance with the Fund’s terms and conditions, the Fund Manager can delegate or assign its duties to one or more of the financial institutions in the Kingdom of Saudi Arabia and overseas. The Fund Manager of the Fund is Jadwa Investment Company and administrator and custodian of the Fund is HSBC Saudi Arabia.

The Fund Manager may charge investor a subscription fee at a percentage not exceeding 3% of the subscribed amount. Subscription fee is not included in these financial statements. The Fund Manager charges the Fund a management fee at 0.50%, 0.75% and 0.375% of the equity value of Class A, Class B and Class C respectively at each valuation day.

In addition, the Fund Manager has the right to collectively charge the Fund all other expenses related to the management of the Fund, including but not limited to audit fee and legal charges subject to limits as set out in the Fund’s terms and conditions.

2. BASIS OF ACCOUNTING

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by the CMA and the Fund’s terms and conditions.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Fund’s annual audited financial statements for the year ended 31 December 2023.

JADWA GLOBAL SUKUK FUND
An open-ended mutual fund
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2024
(Amounts in USD)

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on a historical cost convention, except for investments which are carried at fair value, using accrual basis of accounting and the going concern concept.

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.

4. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in USD, which is the Fund's functional currency. All amounts have been rounded to the nearest USD, unless otherwise indicated.

5. USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed interim financial statements, management has made 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 estimates are recognized prospectively.

6. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended 31 December 2023.

a) *New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Fund*

The following new standards, amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (IASB) have been effective from 1 January 2024 and accordingly adopted by the Fund, as applicable:

- Amendments to IAS 1 and IFRS practice statement 2 – *Disclosure of accounting policies*
- Amendments to IFRS 16 – *Leaseback Lease liability in a sale and*
- Amendments to IAS 7 and IFRS 7 – *Supplier finance agreements*

The adoption of the amended standards and interpretations applicable to the Fund did not have any significant impact on these condensed interim financial statements.

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For the six-month period ended 30 June 2024
(Amounts in USD)

6. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective

The following new standards, amendments and revisions to existing standards, which were issued by IASB but not yet effective up to the date of issuance of the Fund's condensed interim financial statements. The Fund intends to adopt these standards when they become effective.

<u>Standards / Amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 21	Lack of exchangeability	1 January 2025
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Reducing subsidiaries' disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption / effective date deferred indefinitely

7. CASH AND CASH EQUIVALENTS

It represents balances held with local banks that have short-term and long-term ratings ranging from 'F-1+' to 'F2' and 'BBB+' to 'AA-', respectively.

8. INVESTMENTS

This represents investments in sovereign, quasi-sovereign and corporate Sukuk carried at fair value through profit or loss.

The economic sector-wise breakdown of the investments is as follows:

<u>Economic Sectors</u>	<u>30 June 2024</u>		
	<u>Cost</u>	<u>Fair value</u>	<u>% of fair value</u>
Sovereign	33,491,039	31,523,940	41.37
Banks	27,594,393	26,311,161	34.53
Utilities	6,221,680	6,024,430	7.91
Islamic Bonds	4,316,232	4,129,219	5.42
Energy	4,291,750	3,928,141	5.15
Real Estate management	1,900,567	1,751,545	2.30
Chemical	967,068	966,681	1.27
Health Care Equipment	746,547	746,348	0.98
Transportation	533,319	533,738	0.70
Food and Beverages	200,000	200,500	0.26
Airlines	92,375	92,375	0.11
Total	80,354,970	76,208,078	100

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For the six-month period ended 30 June 2024
(Amounts in USD)

8. INVESTMENTS (CONTINUED)

<u>Economic Sectors</u>	31 December 2023		
	(Audited)		
	Cost	Fair value	% of fair value
Sovereign	41,363,684	38,821,132	56.30
Banks	22,457,040	21,429,072	31.08
Real Estate management	3,788,805	3,569,173	5.18
Energy	3,564,750	3,333,160	4.83
Chemical	966,852	967,093	1.40
Transportation	532,694	534,527	0.78
Food and Beverages	200,000	202,863	0.29
Airlines	92,375	92,375	0.13
Total	72,966,200	68,949,395	100

9. (LOSS) / GAIN ON INVESTMENTS, NET

	For the six-month period ended 30 June	
	<u>2024</u>	<u>2023</u>
Unrealized (loss) / gain, net	(130,087)	505,887
Realized loss, net	(219,686)	(373,380)
	(349,773)	132,507

10. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Fund include the Fund Manager, the Fund Board, and other funds managed by the Fund Manager. In the ordinary course of its activities, the Fund transacts business with the related parties.

In addition to transactions disclosed elsewhere in these condensed interim financial statements, the Fund entered into the following transactions with related parties during the period. These transactions were carried out on the basis of approved terms and conditions of the Fund.

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	For the six-month period ended 30 June	
			<u>2024</u>	<u>2023</u>
Jadwa Investment Company	The Fund Manager	Management fee	213,795	196,349
The Fund Board	The Fund Board	Fund Board fee to members of the Board	2,122	2,116

Balances arising from the above transactions with related parties are as follows:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>	30 June	31 December
			<u>2024</u>	2023
			(Unaudited)	(Audited)
Jadwa Investment Company	The Fund Manager	Management fee payable	213,795	67,251

JADWA GLOBAL SUKUK FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2024
(Amounts in USD)

11. FAIR VALUE MEASUREMENT

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Fund calculates fair values of sukuk that are actively traded on debt markets at their average of last reported bid and ask prices. To the extent that sukuk securities are actively traded and valuation adjustment are not applied, they are categorized in Level 1 of their fair value hierarchy.

The fair value of investments in unlisted sukuk measured at FVTPL is determined based on the similar security's external price. Accordingly, the Fund classified them as level 2 of the fair value hierarchy.

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the condensed interim statement of financial position. All fair value measurements below are recurring.

	30 June 2024 (Unaudited)				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Investments	76,208,078	60,841,156	15,366,922	--	76,208,078
	31 December 2023 (Audited)				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Investments	68,949,395	53,951,716	14,997,679	--	68,949,395

For the period / year ended 30 June 2024 and 31 December 2023 respectively, there were no transfers between levels.

The Fund has classified cash and cash equivalents as level 1 as per the fair value hierarchy. For other financial assets and financial liabilities carried at amortized cost, their carrying values are a reasonable approximation of fair value and are classified as level 3.

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For the six-month period ended 30 June 2024
(Amounts in USD)

12. LAST VALUATION DAY

The Fund's units are valued on every business day and unit price is announced on the following business day. The last valuation day for the purpose of preparation of these condensed interim financial statements was 30 June 2024 (2023: 31 December 2023)

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

14. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were authorized for issue by the Fund Board on 25 Muharram 1446H (corresponding to 31 July 2024).