

# MEFIC Murabaha SAR Fund Semi Annual Report - 2019

التقرير النصف سنوي لصندوق ميفك للمرابحة بالريال السعودي - 2019



## Article 71(H)

### A Top Ten Holdings\*

Name of Stock*	% Holding in the stock*
i Sukuk Investment 1	19.27%
ii Murabaha Investment 1	15.91%
iii Murabaha Investment 2	10.12%
iv Mutual Fund Investment	6.79%
v Murabaha Investment 3	5.39%
vi Murabaha Investment 4	5.33%
vii Murabaha Investment 5	5.33%
viii Murabaha Investment 6	5.32%
ix Murabaha Investment 7	5.32%
x Murabaha Investment 8	5.32%

### F Standard Measure of Risk

i Standard Deviation – Fund	0.18%
ii Standard Deviation -Benchmark	0.002%

\*the top 10 stock holdings are as at Apr 01, 2019  
The other information are based on Jun 30, 2019.

### B Fee Details

Name	% of Total NAV
i Management Fees with VAT	0.5%
ii Other Fees	0.0%
iii Total Expenses Ratio	0.5%

### C Profit Distribution

	Amount	%
C Profit Distribution	Nil	0.00%
D Dealing Expenses in the Fund	Nil	0.00%
E Fund Manager Investment in the Fund	Nil	0.00%
H Fund Borrowing %	Nil	0.00%

### G Fund & Index Performance (1H 2019)

	YTD	Benchmark	Alpha
	2.21	-0.18	2.39

## Annex 5

### A Investment fund information

i Name of the Fund	MEFIC SAR MURABAHA FUND
ii Investment Objective	To provide capital increase and liquidity through investment in low risk money market instruments which are shariah compliant and provide a return above 3 month SAIBOR
iii Policy & Procedure	Terms & Conditions Available on Tadawul Website
iv Distribution of Income & Gain Policy	No Distribution of Dividend
v Statement of Fund Report	Fund's Semi Annual Financial Report as of June 30, 2019 is available on Tadawul and MEFIC website and available on request to investors at free of charge

### B Fund Performance Table

	1 Year	3 Year	5 Year	Inception
Return	2.14%	2.36%	2.15%	1.80%

  

	2011	2012	2013	2014	2015	2016	2017	2018	1H 2019
Annualized Return	0.33%	1.15%	1.63%	2.3%	1.39%	2.80%	2.38%	2.21%	1.75%

  

	2011	2012	2013	2014	2015	2016	2017	2018	1H 2019
NAV	65,509,562	79,427,441	86,838,046	361,810,636	570,959,702	292,987,318	399,066,956	224,667,433	174,305
Unit Price	100.2743	101.4324	103.0848	105.4707	106.9415	109.9428	112.5602	115.0457	116.0466
NAV High	100.2743	101.4670	103.0848	105.4816	106.9415	109.9428	112.5602	115.0457	116.2612
NAV Low	100.0007	100.2743	101.4324	103.0732	105.4707	106.9415	109.9428	112.5602	115.0457
Number of Units	653,304	783,058	842,395	3,430,437	5,338,989	2,664,906	3,545,365	1,952,854	1,502
Expense Ratio	0.6%	0.8%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Income distribution	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Annual Voting	No voting has been done								

### C Fund Fees and Expenses

	2011	2012	2013	2014	2015	2016	2017	2018	1H 2019
Management Fee with VAT	246,654	355,666	477,495	826,260	2,359,443	2,157,684	2,530,956	1,667,242	389,603
Other Expense	113,010	177,835	-	-	-	-	-	-	-
Total Expense Ratio	0.6%	0.8%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

# MEFIC Murabaha SAR Fund Semi Annual Report - 2019

التقرير النصف سنوي لصندوق ميفك للمرابحة بالريال السعودي - 2019



## D Fund Manager Information

Name & Address	MEFIC Capital, 7758 King Fahed Road Olaya Riyadh 12333
Investment Activities	MEFIC Capital is an Authorized Person regulated by CMA with License # 37-060209. MEFIC Capital's investment management business focuses on the management of public-listed funds, private placements, and real estate funds. MEFIC offers broad range of investment products to meet the varying investment needs and risk profiles of both institutional and retail investors. As at 31-Dec-2018, MEFIC had assets under management (AUM) of SAR 3.86bn, and MEFIC funds outperformed benchmarks during the period under review.
Investment Fund Performance	The fund generated an annualized return of 2.21% as compared to benchmark return of -0.18%, Alpha of +2.39
Material Changes	<ul style="list-style-type: none"> <li>• Shariyah fees is changed to 30,000 SAR, mentioned in Article 7 in the T&amp;C, Article 5 in the Information Memorandum, and Article 6B in the Summary.                             <ul style="list-style-type: none"> <li>• Correcting the funds unit limitation to 2,000 SAR in Article 9 in the T&amp;C.</li> <li>• Changing Ibrahim Alhedaithy Job title to CEO in Article 10 in the Information Memorandum.</li> </ul> </li> <li>• Adding MEFIC REIT and removing Local Equity MEFIC Fund from the Fund Board in Article 10 in the Information Memorandum.                             <ul style="list-style-type: none"> <li>• Adding 2017 Revenues and Profit in Article 12 in the Information Memorandum.</li> <li>• General performance information is updated in Article 5A in the Summary.</li> </ul> </li> <li>• Audit fees is changed to 30,000 SAR, mentioned in Article 7 in the T&amp;C, Article 5 in the Information Memorandum, and Article 6B in the Summary.</li> </ul>

## E Custodian Information

Name & Address	Albilad Capital, King Fahd Branch Rd, Riyadh 12313.
Custodian Responsibilities	All necessary measures regarding custody and safe keeping of assets for unit holders.
Custodian Opinion	<p>According to the agreement with the custodian, they are not required to provide a statement of opinion on the following:</p> <ul style="list-style-type: none"> <li>• issued, transferred and redeemed the units in accordance with the provisions of the Investment Funds Regulations and the fund's Terms and Conditions;</li> <li>• valued and calculated the price of units in accordance with the provisions of the Investment Funds Regulations , the fund's Terms and Conditions and the information memorandum;</li> <li>• breached any of the investment restrictions, limitations and borrowing powers applicable to the Investment fund Regulations.</li> </ul>

## F Auditor Information

Name & Address	BDO Dr. Mohamed Al-Amri & Co. P.O. Box 8736, Riyadh 11492, Kingdom of Saudi Arabia
Auditor Opinion	Based on our(BDO Al-Amri) review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present fairly, in all material aspects, the condensed interim financial position of the Fund as at 30 June 2019 and of its financial performance and its cash flows for the six months period then ended in accordance with International Accounting Standard 34 ("IAS 34") - "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia.

**MEFIC SAR MURABAHA FUND**  
**Annual (Fund Board of Directors) Report**  
**As of 30 June 2019**

**FUND OBJECTIVE**

The main objective of the fund is to achieve capital increase and the provision of liquidity through investment in low-risk Murabaha based trade transactions that are compliant with Shariah principles and achieve a return above the benchmark SIBOR 3 months.

**MONEY MARKET REVIEW – 1H19**

With its ambitious plan to issue about US\$31 billion debt in 2019 to plug the budget deficit, Saudi debt market remained in the limelight during 1H19.

Saudi Arabia continued to account for the lion's share of regional total fixed income market with the country remaining the major debt issuer in the GCC market. Within less-than-three-years, the KSA government has managed to build a robust yield curve, supported by strong investor appetite in both primary and secondary market. The KSA curve is indeed now one of the most active sovereign curves in the GCC & EM Saudi.

SAIBOR has started showing the downtrend during 1H19 primarily on the back of higher liquidity in the banking system whereas the expectations of Federal Fund Rate by US Fed are high this time with likely two rate cuts in remaining part of 2019. The same trend is expected to be followed by the Saudi Central Bank SAMA.

**FUND PERFORMANCE TABLE (June 2019)**

Performance	3M	6M	YTD	1Y	Since Inception
Fund	1.05%	1.75%	1.75%	2.14%	16.05%
Benchmark	0.98%	1.68%	1.68%	1.93%	8.62%
<b>Fund Performance</b>					
Annualized Return					1.92%
Standard Deviation					0.05%

## **FUND FINANCIAL STATEMENTS**

The audited financial statements for the fund have been prepared & uploaded on the Tadawul Website, within the specified time frame, in compliance with the IFR.

## **BOARD MEETING DISCUSSION – KEY TAKEAWAYS**

- MEFIC SAR Murabaha Fund breaches were discussed with the Fund Board Members.
- Reference to the CMA letter dated 28/04/2019, Fund Board discussed MEFIC SAR Murabaha Fund Breach in Article 58 (a) from IFR and the Corrective actions.
- CMA inspection was discussed along with all the observations.
- Fund Board Members were informed with the last update in T&C, Information Memorandum and Summary.
- 2018 Shariyah Audit report was discussed and reviewed.
- 2018 MEFIC SAR Murabaha Fund Financial Statement was discussed.
- It is confirmed to the Fund Board, in accordance with the Article 13 of IFR, that the Fund has no conflict of interest.

## **APPROVALS**

- No major approval was considered.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
Managed by  
**MIDDLE EAST FINANCIAL INVESTMENT COMPANY**  
**UNAUDITED CONDENSED INTERIM FINANCIAL**  
**STATEMENTS FOR THE SIX MONTHS PERIOD ENDED**  
**30 JUNE 2019**  
together with the  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**MEFIC SAUDI RIYAL MURABAHA FUND**  
Managed By Middle East Financial Investment Company  
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
For the six months period ended 30 June 2019

---

<b>INDEX</b>	<b>PAGE</b>
Independent auditor's review report	2
Condensed interim statement of financial position	3
Condensed interim statement of comprehensive income	4
Condensed interim statement of changes in net assets attributable to Unitholders	5
Condensed interim statement of cash flows	6
Notes to the condensed interim financial statements	7-10

**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM  
FINANCIAL STATEMENTS**

To: **The Unitholders of  
MEFIC Saudi Riyal Murabaha Fund  
Riyadh, Kingdom of Saudi Arabia**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **MEFIC Saudi Riyal Murabaha Fund** ("the Fund") as at 30 June 2019 and the related condensed interim statements of comprehensive income, changes in net assets attributable to unit holders and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 ("IAS 34") - "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia.

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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", 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 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.

**Emphasis of matter**

We draw attention to Note 1 of the financial statements. The Fund's net asset value has declined significantly during the period. This indicates the existence of a material uncertainty that may cast significant doubt about the Fund's ability to continue as a going concern.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present fairly, in all material aspects, the condensed interim financial position of the Fund as at 30 June 2019 and of its financial performance and its cash flows for the six months period then ended in accordance with International Accounting Standard 34 ("IAS 34") - "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia.

**For Dr. Mohamed Al-Amri**



Gihad M. Al-Amri  
Certified Public Accountant  
Registration No. 362



Riyadh, on: 18 Dhul Qa'adah 1440 (H)  
Corresponding to: 21 July 2019 (G)

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
 As at 30 June 2019  
 (Saudi Riyals)

	Notes	<b>30 June 2019 Unaudited</b>	31 December 2018 Audited
<b>ASSETS</b>			
Cash and cash equivalents	7	<b>206,695</b>	183,560,616
Murabaha placements	8	-	950,569
Investments	9	-	40,263,410
<b>Total assets</b>		<b>206,695</b>	224,774,595
<b>LIABILITIES</b>			
Management fee payable	11&12	<b>30,847</b>	102,058
Other payable		<b>1,542</b>	5,103
<b>Total liabilities</b>		<b>32,389</b>	107,161
<b>Net assets attributable to the Unitholders</b>		<b>174,306</b>	224,667,434
<b>Units in issue (numbers)</b>		<b>1,502</b>	1,952,854
<b>Net assets value – per unit</b>		<b>116.0466</b>	115.0457
<b>Contingencies and commitments</b>	10		

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



**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
 For the six months period ended 30 June 2019  
 (Saudi Riyals)

---

	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<b>INCOME</b>			
Profit on Murabaha placements at amortized cost		<b>1,497,194</b>	3,279,244
Commission income on investments at amortized cost		<b>382,967</b>	1,916,859
Unrealized gain on investments at FVTPL		-	135,968
Realized loss on investments at amortized cost		<b>(69,685)</b>	(561,953)
Realized (loss) / gain on investments at FVTPL		<b>92,095</b>	-
Other investment related expenses		-	(242,158)
<b>Total income</b>		<b>1,902,571</b>	<b>4,527,960</b>
<b>EXPENSES</b>			
Management fee	11&12	<b>371,051</b>	990,228
Other investment related expenses		<b>21,001</b>	-
Bank charges		-	664
<b>Total expenses</b>		<b>392,052</b>	<b>990,892</b>
<b>Operating profit for the period</b>		<b>1,510,519</b>	3,537,068
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive income for the period</b>		<b>1,510,519</b>	<b>3,537,068</b>

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

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS**  
**ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)**  
 For the six months period ended 30 June 2019  
 (Saudi Riyals)

	<u>2019</u>	<u>2018</u>
<b>Net assets value at 1 January</b>	<b>224,667,434</b>	399,066,957
<b>Net income for the period</b>	<b>1,510,519</b>	3,537,068
<b>Changes from unit transactions</b>		
Proceeds from issuance of units	<b>134,553,335</b>	249,623,417
Payment against units redeemed	<b>(360,556,982)</b>	(376,930,696)
<b>Net change from unit transactions</b>	<b>(226,003,647)</b>	(127,307,279)
<b>Net assets value at 30 June</b>	<b><u>174,306</u></b>	<b><u>275,296,746</u></b>

**UNIT TRANSACTIONS**

	<u>2019</u>	<u>2018</u>
	<b>UNITS</b>	
<b>Units at 1 January</b>	<b>1,952,854</b>	3,545,365
Units issued during the period	<b>1,162,455</b>	2,211,155
Units redeemed during the period	<b>(3,113,807)</b>	(3,333,515)
<b>Units at 30 June</b>	<b><u>1,502</u></b>	<b><u>2,423,005</u></b>

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

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
 For the six months period ended 30 June 2019  
 (Saudi Riyals)

	<u>2019</u>	<u>2018</u>
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>Net income for the period</b>	<b>1,510,519</b>	3,537,068
<i>Adjustments:</i>		
Amortization of premium at amortized cost	-	168,344
Unrealized gain on investments at fair value through profit or loss	-	(135,968)
Realized gain on investments at amortized cost	<u>(92,095)</u>	<u>561,953</u>
<i>Changes in operating assets and liabilities:</i>		
Murabaha placements, net	<b>950,569</b>	92,999,986
Redemption money payable	-	(143,265,917)
Management fee payable	<b>(71,211)</b>	(108,177)
VAT payable	<b>(3,561)</b>	6,184
Proceed from redemption of investments at amortized cost	<b>32,383,066</b>	55,977,104
Proceed from redemption of investments at FVTPL	<u><b>7,972,439</b></u>	-
<b>Net cash generated from operating activities</b>	<u><b>42,649,726</b></u>	<u>9,740,577</u>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from subscription of units	<b>134,553,335</b>	249,623,417
Payments against redemption of units	<u><b>(360,556,982)</b></u>	<u>(376,930,696)</u>
<b>Net cash used in financing activities</b>	<u><b>(226,003,647)</b></u>	<u>(127,307,279)</u>
<b>Net decrease in cash and cash equivalent</b>	<b>(183,353,921)</b>	(117,566,702)
<b>Cash and cash equivalent at the beginning of the period</b>	<b>183,560,616</b>	307,619,372
<b>Cash and cash equivalent at the end of the period</b>	<u><b>206,695</b></u>	<u>190,052,670</u>

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

**MEFIC SAUDI RIYAL MURABAHA FUND**  
Managed by Middle East Financial Investment Company  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
For the six month period ended 30 June 2019  
*(Saudi Riyals)*

---

**1. THE FUND AND ITS ACTIVITIES**

MEFIC Saudi Riyal Murabaha Fund (“the Fund”) is an open-ended investment fund established and managed through an agreement between the Middle East Financial Investment Company (the “Fund Manager”) and the investors (the “Unitholders”).

The objective of the Fund is to achieve capital increase and the provision of liquidity through investment in low-risk Murabaha based trade transactions that are compliant with Shariah principles and to achieve a return above the benchmark return, which is three months SAIBOR.

The Fund commenced its operations on 26 Rabi’ Awwal 1432 H (corresponding to 1 March 2011 G). The approval from Capital Market Authority (“CMA”) for the establishment of the Fund was granted in its letter number 7481/5 dated 21 Ramadan 1431 H (corresponding to 31 August, 2010 G).

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’s net asset value has declined by almost 99% during the period. However, it is the intention of the Fund Manager to continue the Fund as a going concern,

**2. REGULATORY AUTHORITY**

The Fund is governed by the Investment Funds Regulations (the “Regulations”) issued by CMA as amended up to 16 Sha’ban 1437 H (corresponding to 23 May 2016 G) detailing requirements for the investment funds operating in the Kingdom of Saudi Arabia.

**3. SUBSCRIPTION / REDEMPTION**

Subscription / redemption requests are accepted on all days on which Tadawul is open. The value of the Fund’s portfolio is determined daily. The net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the net assets (fair value of the Fund’s assets minus fund’s liabilities) of the fund by the total number of outstanding fund units on that day.

**4. BASIS OF PREPARATION**

**4.1 *Statement of compliance***

These condensed interim financial statements have been prepared in accordance with “IAS 34 Interim Financial Reporting” as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants (“SOCPA”) and the requirements of the Investment Funds Regulations as published by CMA and the Fund’s terms and conditions, so far as they relate to the preparation and presentation of the financial statements.

This condensed interim financial information is unaudited. The disclosures made in this condensed interim financial information have been limited in accordance with the requirements of “IAS 34 Interim Financial Reporting”. This does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended 31 December 2018.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Fund for the year ended 31 December 2018, whereas the comparative condensed interim statement of comprehensive income, condensed interim statement of changes in net assets attributable to unitholders, and condensed interim statement of cash flows are extracted from the unaudited condensed interim financial information of the Fund for the six months period ended 30 June 2018.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
 For the six month period ended 30 June 2019  
 (Saudi Riyals)

**BASIS OF PREPARATION (CONTINUED)**

**4.2 Basis of measurement**

These financial statements have been prepared under the going concern concept and the historical cost convention using the accrual basis of accounting.

**4.3 Functional and presentation currency**

These financial statements have been presented in Saudi Riyals (SR), which is the functional currency of the Fund. All financial information has been rounded to the nearest SR.

**5. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Fund for the year ended 31 December 2018.

The Fund has adopted all the new standards and amendments to existing standards, including any consequential amendments to other standards which are applicable for the financial year beginning on or after 1 January 2019. The adoption of these new and amended standards do not have any material effect on this condensed interim financial information.

**6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements of the Fund for the year ended 31 December 2018.

**7. CASH AND CASH EQUIVALENTS**

	Notes	30 June 2019 <u>Unaudited</u>	31 December 2018 <u>Audited</u>
Cash held with custodian		206,695	15,461,269
Cash at banks		-	-
Short-term Murabaha placements		-	168,099,347
		<u>206,695</u>	<u>183,560,616</u>

**8. MURABAHA PLACEMENTS**

	Notes	30 June 2019 <u>Unaudited</u>	31 December 2018 <u>Audited</u>
Murabaha placements		-	-
Accrued profit		-	950,569
		<u>-</u>	<u>950,569</u>

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
 For the six month period ended 30 June 2019  
 (Saudi Riyals)

**9. INVESTMENTS**

	Notes	30 June 2019 Unaudited	31 December 2018 Audited
Financial assets at fair value through profit or loss	9(a)	-	7,880,344
Financial assets at amortized cost	9(b)	-	32,383,066
		-	40,263,410

**a) Financial assets at fair value through profit or loss**

Investment held at fair value through profit or loss is as follows:

	No. of Units	Carrying value	Fair value	Unrealized gain
<b>MEFIC Murabaha Plus Fund</b>				
as at 30 June 2019	-	-	-	-
as at 31 December 2018	6,995.38	7,669,469	7,880,344	210,875

**b) Financial assets at amortized cost**

	Maturity date	Coupon rate	30 June 2019 Unaudited	31 December 2018 Audited
Turfin 3.95 Sukuk	5/2/2018	3.95%	-	-
Tufika 5.375 Sukuk	24/4/2019	5.38%	-	24,841,306
Darala 5.75 Sukuk	24/5/2018	5.75%	-	-
Darala 6.5 Sukuk	28/5/2019	6.50%	-	7,541,760
Turksk 4.489 Sukuk	25/11/2024	4.49%	-	-
EIB Sukuk	18/1/2017	4.72%	-	-
			-	32,383,066

**10. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at the reporting date

**11. MANAGEMENT FEE AND OTHER CHARGES**

The Fund Manager charges the following fees as per the terms and conditions of the Fund;

**Management fee**

The Fund Manager charges the Fund a management fee at the rate of 0.5% per annum (2018: 0.5% per annum) of the net asset value of the Fund, which is calculated on daily basis and payable monthly.

**Other expenses**

The Fund Manager can also charge other expenses at specified rate per annum of the net asset value of the Fund. The Fund Manager has waived its fee towards other expenses of the Fund.

**MEFIC SAUDI RIYAL MURABAHA FUND**  
 Managed by Middle East Financial Investment Company  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
 For the six month period ended 30 June 2019  
 (Saudi Riyals)

**12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties of the Fund include the Unitholders, the Fund Manager and other funds managed by the Fund manager. In the ordinary course of its activities, the Fund transacts business with the Fund Manager. Related party transactions are in accordance with the terms and conditions of the Fund. All transactions with related parties are carried out based on mutually agreed prices under formal agreement.

The transactions with related parties for the period are as follows:

<b><u>Related Party</u></b>	<b><u>Nature of transaction</u></b>	<b><u>30 June 2019</u></b>	<b><u>30 June 2018</u></b>
Middle East Financial Investment Company ( <i>Fund Manager</i> )	Management fee	<b>371,051</b>	990,228
MEFIC Murabaha Plus Fund (Fund managed by the fund Manager)	Redemption of units (1,352 units only)	<b>1,530,287</b>	-

The above transactions resulted in the following balance due to related party:

<b><u>Related Party</u></b>	<b><u>Balance</u></b>	<b><u>30 June 2019 Unaudited</u></b>	<b><u>31 December 2018 Audited</u></b>
Middle East Financial Investment Company ( <i>Fund Manager</i> )	Management fee payable	<b>30,847</b>	123,675

During the period, the Fund redeemed its total investment of 6,995 units (31 December 2018: 6,995 units) in MEFIC Murabaha Plus Fund, a fund managed by the Fund Manager. 1,352 units were redeemed by MEFIC Murabaha Plus Fund while 5,643 units were switched with existing unit holder.

**13. DIVIDEND**

The Fund Board has not declared any dividend for the current period (2018: Nil).

**14. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**

The Fund's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

This condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's audited annual financial statements for the year ended 31 December 2018.

There have been no significant changes in the risk management policies since the year end.

**15. LAST VALUATION DAY**

The last valuation date of the period was 30 June 2019 (2018: 31 December 2018).

**16. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved by the Fund Board on 18 Dhul Qa'adah 1440 H corresponding to 21 July 2019 G.