

Derayah Nomu Market Fund
open-ended public equity fund
(Managed by Derayah Financial Company)
Interim condensed financial statements (Un-audited)
For the period from 25 March 2025 to 30 June 2025
Together with the
Independent Auditor's Review Report to the Unitholders

Derayah Nomu Market Fund
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For the period from 25 March 2025 to 30 June 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE UNITHOLDERS OF DERAYAH NOMU MARKET FUND
MANAGED BY DERAYAH FINANCIAL COMPANY**

(1 /1)

Riyadh – Kingdom of Saudi Arabia**INTRODUCTION**

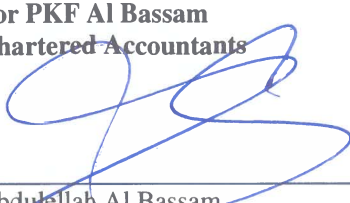
We have reviewed the accompanying interim condensed statement of financial position of Derayah Nomu Market Fund (the "Fund") as at 30 June 2025 and the related interim condensed statement of comprehensive income, interim condensed statements of changes in net assets (equity) attributable to the unitholders and interim condensed statement of cash flows for the for the period from 25 March 2025 to 30 June 2025, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**For PKF Al Bassam
Chartered Accountants**
Abdullah Al Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
16 Safar 1447
Corresponding to: 10 August 2025

Derayah Nomu Market Fund
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INTERIM CONDENSED OF FINANCIAL POSITION (UN-AUDITED)

As at 30 June 2025

(Amounts in Saudi Riyal)

	<u>Note</u>	30 June 2025 (Un-audited)
ASSETS		
Cash and cash equivalents	7	8,215,450
Investments carried at fair value through profit or loss (FVTPL)	8	57,190,597
Dividends receivable		47,577
Other prepayment		4,521
Total assets		65,458,145
LIABILITIES		
Accrued expenses		40,114
Management fees payable	10	107,115
Total liabilities		147,229
Net assets (equity) attributable to the Unitholders		65,310,916
Units in issue (number)	9	6,499,854
NET ASSETS (EQUITY) ATTRIBUTABLE TO EACH UNIT		10.05

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

Derayah Nomu Market Fund
open-ended public equity fund
(Managed by Derayah Financial Company)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period from 25 March 2025 to 30 June 2025

(Amounts in Saudi Riyal)

		For the period from 25 March 2025 to 30 June 2025 (Un-audited)
	<u>Note</u>	
<u>Income</u>		
Realized loss investments carried at (FVTPL)		(495,792)
Unrealized gain investments carried at (FVTPL)		782,462
Dividend income		340,959
Other income		383
		<u>628,012</u>
<u>Expenses</u>		
Other expenses		(43,735)
Management fees	10	(304,184)
		<u>(347,919)</u>
Net income for the period		<u>280,093</u>
Other comprehensive income for the period		-
Total comprehensive income for the period		<u>280,093</u>

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

Derayah Nomu Market Fund
open-ended public equity fund
(Managed by Derayah Financial Company)

INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS (UN-AUDITED)

For the period from 25 March 2025 to 30 June 2025

(Amounts in Saudi Riyal)

	For the period from 25 March 2025 to 30 June 2025 (Un-audited)
<u>Note</u>	
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS AT THE BEGINNING OF THE PERIOD	-
Changes from unit transactions:	
Issuance of units	67,652,989
Redemption of units	(2,622,166)
Net changes from unit transactions	65,030,823
Total comprehensive income for the period	280,093
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS AT THE END OF THE PERIOD	65,310,916

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

Derayah Nomu Market Fund
open-ended public equity fund
(Managed by Derayah Financial Company)

INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the period from 25 March 2025 to 30 June 2025

(Amounts in Saudi Riyal)

	For the period from 25 March 2025 to 30 June 2025 (Un-audited)
Cash flows from operating activities:	
Net loss / income for the period	280,093
Adjustments for:	
Realized losses from investments carried at (FVTPL)	495,792
Unrealized gain from investments carried at (FVTPL)	(782,463)
Net changes in operating assets and liabilities:	
Investments carried at fair value through profit or loss	(56,903,926)
Dividends receivable	(47,576)
Other prepayment	(4,522)
Management fees payable	107,115
Accrued expenses	40,114
Net cash generated used in operating activities	(56,815,373)
Cash flows from financing activities:	
Issuance of units	67,652,989
Redemption of units	(2,622,166)
Net cash generated from financing activities	65,030,823
Net increase in cash and cash equivalents	8,215,450
Cash and cash equivalents at end of the period	8,215,450

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

Notes to the financial statements

For the period from 25 March 2025 to 30 June 2025

(All Amounts in Saudi Arabian Riyals)

1 FUND AND ITS ACTIVITIES

Derayah Nomu Market Fund (the “Fund”) is open-ended public equity fund managed under an agreement between Derayah Financial company (the “Fund Manager”) and the fund’s investors (“Unit Holders”) for the purpose of capital growth by investing in shares of companies listed on the parallel market (Nomu) and shares of companies listed on the main market (Tadawul). The Fund will not distribute any dividends or cash dividends to unit holders, and will reinvest the profits to enhance the Fund’s performance, as it is a mutual fund

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund’s Management prepares a separate financial statement for the Fund.

Capital Market Authority (“CMA”) approval for the establishment of the Fund was granted in its letter number dated 12 Ramadan 1446 (corresponding to 12 March 2025).

The Fund's first fiscal year begins on the Fund's operational date of march 25, 2025, and ends on December 31, 2025. Therefore, these financial statements represent the Fund's first period, and therefore comparative figures are not presented.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by CMA detailing requirements for all funds within the Kingdom of Saudi Arabia.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

3.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments carried at fair value through profit or loss which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

The fund does not have a specific operating cycle and therefore does not display current and non-current assets and liabilities in the statement of financial position, as the fund displays assets and liabilities in order of liquidity.

3.3 Critical accounting judgments, estimates and assumption

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

While applying the Fund's accounting policies, management has made the following estimates and judgments that are significant to these financial statements:

A- Judgments

3.3.4 Going concern

The Fund Manager of the Fund has assessed the Fund’s ability to continue as a going concern and is satisfied that the Fund has the necessary resources to continue in operating in the future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund’s ability to continue as a going concern. Therefore, these financial statements have been prepared on the going concern basis.

Notes to the financial statements

For the period from 25 March 2025 to 30 June 2025

(All Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are explained below:

Cash and cash equivalents

Cash and cash equivalents consist of cash in current accounts held with a local bank. Cash and cash equivalents are measured at amortized cost in the statement of financial position.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the instrument.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income. Immediately after initial recognition, an expected credit loss allowance (ECL), if any, is recognized for financial assets measured at amortized cost, as described in Note 3.2, which results in an accounting loss being recognized in the statement of comprehensive income when an asset is newly originated.

Classification and measurement of financial assets

Classification of financial assets

On initial recognition, a financial asset is classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

Financial asset at amortized cost

A financial asset is measured at amortized 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.

Financial asset at fair value through other comprehensive income ("FVOCI")

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms 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 fair value in OCI. This election is made on an investment-by-investment basis.

Financial asset at fair value through profit or loss ("FVTPL")

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL.

The Fund classifies its financial assets either as subsequently measured at amortized cost or measured at fair value through profit or loss.

The classification requirements for debt instruments are described below.

Equity instruments

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

The Fund classifies its equity instruments at fair value through profit or loss (FVTPL). The Fund subsequently measures all equity investments at fair value through profit or loss, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to the statement of comprehensive income, including on disposal. Impairment losses (and reversal of impairment losses) are not

Notes to the financial statements

For the period from 25 March 2025 to 30 June 2025

(All Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Equity instruments (CONTINUED)

reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of comprehensive income when the Fund's right to receive payments is established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- Transferred substantially all of the risks and rewards of the asset or
- Neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognizing to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained. The Fund derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Fund recognizes loss allowances for ECL on financial assets measured at amortized cost and debt investments measured at FVOCI.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e., the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

Financial liabilities

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

Trade date accounting

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e., the date that the fund commits to purchase or sell the assets). Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Redeemable Units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the holder to a pro rata share of the Fund's net assets (equity) in the event of the Fund's liquidation
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets (equity).

Notes to the financial statements

For the period from 25 March 2025 to 30 June 2025

(All Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Redeemable Units (CONTINUED)

- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets (equity) or the change in the fair value of the recognized and unrecognized net assets (equity) of the Fund over the life of the instrument.

In addition to the redeemable units having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognized net assets (equity) or the change in the fair value of the recognized and unrecognized net assets (equity) of the Fund.

- The effect of substantially restricting or fixing the residual return to the redeemable unitholders.

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognized in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

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

Accrued expenses and other payables

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

Investment transactions

Investment transactions are recognized on a trade date basis.

Management fees and Other expenses

Management fees and other expenses are charged at rates / amounts within limits mentioned in terms and conditions of the Fund. Management fees are calculated daily and deducted at the end of each calendar month.

Zakat

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

Net asset value

The net asset 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 at the end of the period.

Dividend income

Dividend income, if any is recognized 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 recognized in the statement of comprehensive income in a separate line item

Revenue recognition

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

Notes to the financial statements

For the period from 25 March 2025 to 30 June 2025

(All Amounts in Saudi Arabian Riyals)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Provision

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

Net gain or loss on financial assets and liabilities at Fair Value through Profit or Loss (“FVTPL”)

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

Unrealized gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of the prior period’s unrealized gains and losses for financial instruments which were realized in the reporting period. Realized 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).

5. NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS

The Fund has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 21	Lack of exchangeability	1 January 2025	<p>The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.</p>
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	<p>These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.</p> <p>They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features.</p> <p>Additionally, these amendments introduce new disclosure requirements and update others.</p>

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For the period start fund 25 Mar 2025 to 30 June 2025
(All amounts in Saudi Riyal unless otherwise stated)

5. NEW STANDARDS, AMENDMENTS, AND INTERPRETATIONS (CONTINUED)

5.2 New standards, amendments and revised IFRS issued but not yet effective (Continued)

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	<p>IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.</p> <p>Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.</p> <p>IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.</p>

Management anticipates that these new standards interpretations and amendments will be adopted in the Fund's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Fund in the period of initial application.

Derayah Nomu Market Fund
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Notes to the interim condensed financial statements (Un-audited)

For the period start fund 25 Mar 2025 to 30 June 2025

(All amounts in Saudi Riyal unless otherwise stated)

6. MANAGEMENT FEE, AND OTHER CHARGES

The fund manager charges a management fee of 1.8% of the fund's net asset value. The management fee is calculated daily and deducted at the end of each calendar month.

The custodian fees for international markets are calculated at an annual rate of 0.03% per year. For transactions in international markets, the custodian is also entitled to a transaction fee of SAR 20 per transaction for the Saudi market.

The other fees of maximum 0.25% of the fund's net assets

7. CASH AND CASH EQUIVALENTS

	Note	30 June 2025 (Un-audited)
Cash in investment account	7.1	8,215,450

7.1 Cash in investment account is held in an investment account with Albilad Investment Company, The Fund does not earn profit on these investment accounts.

8. INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	30 June 2025 (Un-audited)	
	Cost	Fair Value
information technology	9,943,444	10,447,187
health care	9,552,461	9,801,066
capital goods	7,532,050	7,519,810
commercial	6,244,618	6,170,923
real estate	5,096,866	5,547,530
materials	4,208,887	4,221,604
industrials	4,579,935	4,859,838
consumer discretionary	3,490,290	3,200,217
financials	2,621,262	2,605,493
energy	1,239,566	1,248,902
household & personal products	1,256,343	917,857
consumer staples	642,413	650,170
	56,408,135	57,190,597

9. Unit transactions

Transactions in units for the period / year are summarized as follows:

	30 June 2025 (Un-audited)
Units at the beginning of the period	-
Units issued during the period	6,765,417
Units redeemed during the period	(265,562)
Net change in units	6,499,854
Units at the end of the period	6,499,854

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Notes to the interim condensed financial statements (Un-audited)

For the period start fund 25 Mar 2025 to 30 June 2025

(All amounts in Saudi Riyal unless otherwise stated)

10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include Derayah Financial Company (the fund manager), and Albilad Capital (the custodian). In the ordinary course of its activities, the Fund transacts business with related parties. The related parties' transactions are governed by limits set by the regulations issued by the CMA. All related party transactions are approved by the Fund's Board of directors.

The following are the significant transactions with related parties that the fund entered into during the year and the balances resulting therefrom:

Related party	Nature of transactions	Amount of transaction during the period	Closing balance (payable)
		30 June 2025 (Un-audited)	30 June 2025 (Un-audited)
Derayah Financial Company	Management Fees	(304,184)	(107,115)
Albilad Capital	Custody Fees	(3,713)	(2,991)
Fund Board	Rewards	(10,630)	(10,630)

11. FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2025 (Un-audited)

Assets as per interim condensed of financial position

	Amortized cost	FVTPL
Cash balances	8,215,450	-
Investments carried at (FVTPL)	-	57,190,597
Total	8,215,450	57,190,597

12. FINANCIAL RISK MANAGEMENT

12.1 Financial risk factors

The Fund's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Fund's comprehensive risk management program focuses on the unpredictability of financial markets and seeks to minimize potential negative effects on the Fund's financial performance.

The financial instruments included in these financial statements principally include cash and cash equivalents, investments at fair value through profit or loss, investments at fair value through other comprehensive income, other receivable balances, accrued expenses and management fees payable. The specific identification methods adopted are disclosed in the individual policy statements associated with each item. Financial assets and liabilities, net of amounts reported in the financial statements, are offset when the Fund has a legally enforceable right to cash the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

(i) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund Manager diversifies the investment portfolio and closely monitors the price movement of its investments in financial instruments. As of the interim statement of financial position date, the Fund has equity investments.

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(All amounts in Saudi Riyal unless otherwise stated)

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

12.1 Financial risk factors (continued)

The effect on the net assets value (as a result of the change in the fair value of investments as at 30 June 2025 (Un-audited) and 31 December 2024 (Audited) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

	30 June 2025	
	(Un-audited)	
	Potential reasonable change %	Effect on NAV
Saudi Market		
Equity investments	+/-1%	571,906

(b) 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 in its cash, cash equivalents and other receivable balances. Bank balances are deposited with a Saudi bank with a good financial rating.

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position.

	30 June 2025
	(Un-audited)
Cash and cash equivalents	8,215,450

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's Terms and Conditions provide for subscription and redemption of units on Sunday and Tuesday; therefore, it is exposed to the liquidity risk of meeting Unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the interim statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short term loans from the Fund Manager.

The expected maturity of the assets and liabilities of the Fund is less than 12 months.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

Derayah Nomu Market Fund
Open-Ended Investment Fund
(Managed by Derayah Financial Company)

Notes to the interim condensed financial statements (Un-audited)

For the period start fund 25 Mar 2025 to 30 June 2025

(All amounts in Saudi Riyal unless otherwise stated)

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

13. Fair value estimation

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

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying values of the Fund's financial instruments carried at amortized cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

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

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equity and debt instruments. The Fund does not adjust the quoted price for these instruments.

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

14. SUBSEQUENT EVENTS

As of the date of approval of these interim condensed financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these interim condensed financial statements.

15. LAST VALUATION DAY

The last valuation day for the period was 30 June 2025.

16. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue by the Fund's Board of Directors on 7 August 2025 (corresponding to 13 safar 1447)