

FUND OVERVIEW

Alkhabeer Diversified Income Traded Fund ("the Fund") is a closed-ended Shari'a-compliant investment traded fund established in accordance with the applicable laws and regulations of the Kingdom of Saudi Arabia and regulated by the Capital Market Authority (CMA). The Fund's investment objective is to generate periodic income to investors by investing in Shari'a-compliant income generating assets. The Fund Manager "Alkhabeer Capital" plans to invest in Sukuk, trade finance transactions, leasing transactions, income funds and Murabaha transactions, either directly or through investment funds.

KEY FUND FACTS

TADAWUL SYMBOL	4700
BLOOMBERG SYMBOL	AKDICIF:AB
FUND TYPE	Closed-ended Traded Fund
LISTING DATE	19 January 2021
FUND TERM	99 years, starting as from the Listing Date, renewable
NET ASSET VALUE PER UNIT	SAR 9.7877
FUND ASSETS SIZE*	SAR 510,413,435
FUND'S TOTAL CAPITAL AS AT THE LISTING DATE	SAR 472,814,700
FINANCING AMOUNT*	SAR 45,716,577
RATIO OF LOANS TO FUND'S TOTAL ASSET VALUE*	9.96%
RATIO OF LOANS TO FUND'S NET ASSET VALUE AS AT THE END OF THE REPORTING QUARTER	9.88%
PERCENTAGE OF FUND MANAGER'S INVESTMENT TO FUND'S NET ASSET VALUE AS AT THE END OF THE REPORTING QUARTER	0.0%
RISK LEVEL	High
FUND CURRENCY	Saudi Arabian Riyal (SAR)
INVESTMENT ADVISOR AND FUND SUB-MANAGER	N/A
RATIO OF UNDERLYING FUNDS' MANAGEMENT FEES	0.38%
NUMBER OF DAYS WEIGHTED AVERAGE	90 Days

* As at 31 March 2023 (Unaudited).

FINANCIAL INDICATORS*

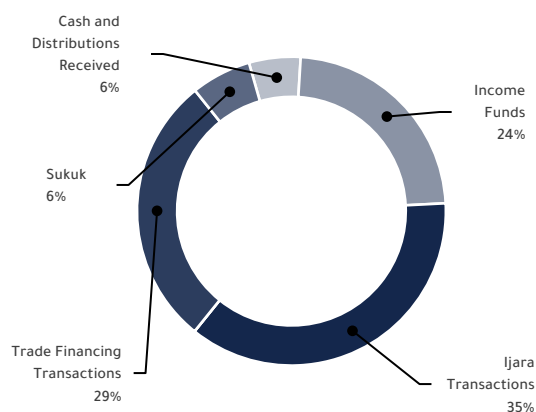
VALUATION FREQUENCY	Quarterly
FUND'S TOTAL ASSET VALUE*	SAR 510,413,435
FUND UNITS' NET ASSET VALUE*	SAR 462,776,898
AMOUNT OF TRANSACTION EXPENSES FOR THE REPORTING QUARTER TO FUND'S AVERAGE NET ASSET VALUE	N/A
RATIO OF TRANSACTION EXPENSES FOR THE REPORTING QUARTER TO FUND'S AVERAGE NET ASSET VALUE**	0.00%
RATIO OF TOTAL EXPENSES AND FEES TO FUND'S TOTAL ASSET VALUE***	0.68%
RATIO OF FUND'S COSTS TO FUND'S TOTAL ASSET VALUE**	0.58%
RATIO OF FUND'S COSTS TO FUND'S AVERAGE NET ASSET VALUE****	0.74%
TOTAL EXPENSES, COSTS AND FEES FOR THE REPORTING QUARTER	SAR 3,464,888

* As at 31 March 2023 (Unaudited).

** Fund expenses and fees are all Fund expenses during the reporting quarter, excluding financing costs.

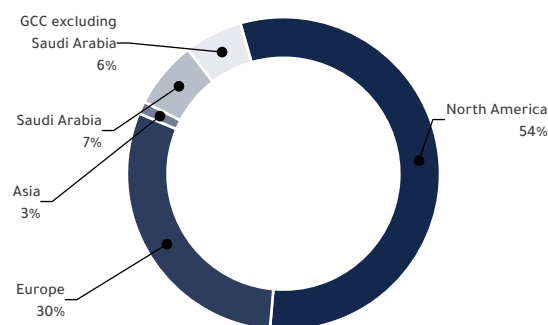
*** Fund costs are all Fund fees and expenses, including financing costs.

FUND PORTFOLIO INVESTMENT CONCENTRATION RATIOS *



*The chart shows the fund's 10 largest investments. The average term of Fund investments are 3.4 years.

DISTRIBUTION OF INVESTMENTS BY GEOGRAPHY



FUND ASSETS INFORMATION

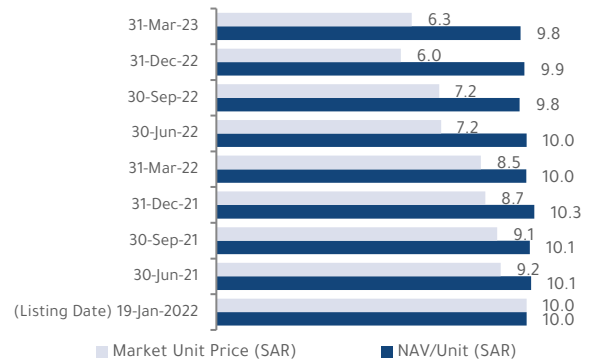
TRADE FINANCE PORTFOLIO TOTAL VALUE	SAR 148,210,653
LEASING PORTFOLIO TOTAL VALUE	SAR 178,684,868
SUKUK PORTFOLIO TOTAL VALUE	SAR 32,592,278
INCOME FUNDS PORTFOLIO TOTAL VALUE	SAR 121,010,436
TOTAL CASH AND CASH EQUIVALENT	SAR 29,915,201

FUND MARKET VALUE INFORMATION*

AS AT THE LISTING DATE	SAR 472,814,700
AS AT 31 MARCH 2021	SAR 428,370,118
AS AT 30 JUNE 2021	SAR 433,098,265
AS AT 30 SEPTEMBER 2021	SAR 427,897,304
AS AT 31 DECEMBER 2021	SAR 409,930,345
AS AT 31 MARCH 2022	SAR 402,838,124
AS AT 30 JUNE 2022	SAR 342,317,843
AS AT 30 SEPTEMBER 2022	SAR 339,480,955
AS AT 31 DECEMBER 2022	SAR 281,324,747
AS AT 31 MARCH 2023	SAR 97,873,261

* Based on the Unit Price.

NET ASSET VALUE AND UNIT PRICE PERFORMANCE*



FUND UNITS INFORMATION

UNIT PRICE AS AT THE END OF Q1 (31 MARCH 2023)	SAR 6.30
CHANGE IN UNIT PRICE COMPARED TO THE PREVIOUS QUARTER (FROM 29 DECEMBER 2022 TO 30 MARCH 2023)*	5.88%
UNIT PRICE PERFORMANCE SINCE THE LISTING DATE (FROM THE LISTING DATE TO END Q1 2023)	-37.00%
52-WEEK HIGH	SAR 8.54
52-WEEK LOW	SAR 5.91
NUMBER OF OUTSTANDING UNITS	47,281,470 Units

* Unit Price as at 29 December 2022 = SAR 5.95.

DIVIDEND DISTRIBUTION

DIVIDEND DISTRIBUTION POLICY	The Fund Manager will distribute 100% of the semi-annual profits received from the returns on the Fund's investments after deducting the expenses from the Unitholders twice a year, provided distributions are made during the months of August and February annually.
TOTAL DIVIDENDS DISTRIBUTED IN THE REPORTING QUARTER*	SAR 0.00
TOTAL DIVIDENDS DISTRIBUTED FOR THE LAST SEMI-ANNUAL PERIOD**	SAR 13,238,812
DIVIDENDS DISTRIBUTED FOR THE LAST SEMI-ANNUAL PERIOD PER UNIT	SAR 0.28
RATIO OF DIVIDENDS DISTRIBUTED IN THE REPORTING QUARTER TO THE INITIAL UNIT PRICE	2.80%
DIVIDENDS DISTRIBUTED ON UNIT PRICE***	4.42%
TOTAL INCOME FOR THE REPORTING QUARTER*	SAR 9,242,815
RATIO OF TOTAL INCOME FOR THE REPORTING QUARTER TO THE UNIT PRICE (30 MARCH 2023)	3.10%

* From 1 January 2023 to 31 March 2023.

** From 1 July 2022 to 31 December 2022.

*** Unit Price as at the distribution date of 19 February 2023 = SAR 6.34.

FUND PERFORMANCE CRITERIA AND INDICATORS

BENCHMARK	12M LIBOR + 300 bps
INITIAL UNIT PRICE (AT THE INITIAL OFFERING)	SAR 10
UNIT PRICE PERFORMANCE SINCE THE PREVIOUS PERIOD*	5.88%
UNIT PRICE PERFORMANCE SINCE THE DATE OF INCEPTION**	-37.00%
TOTAL RETURN SINCE THE DATE OF INCEPTION***	-28.42%

* Unit Price as at 31 December 2022 = SAR 5.95.

** From the Fund's Date of Inception to end Q4 2022.

*** Total Return = Unit Price Performance + Total Dividend Distributions (if any).

Note: It should be noted that the Unit Price on the Exchange may increase or decrease based on market factors.

DESCRIPTION OF THE FUND'S BENCHMARK

The Fund's Benchmark is 12-month LIBOR plus 300 bps.

PERFORMANCE ASSESSMENT CRITERIA AND INDICATORS*

	ALKHABEER INCOME FUND	12M LIBOR + 300 BPS
NET ASSET VALUE PER UNIT AS AT THE BEGINNING OF THE PERIOD*	9.9455	N/A
NET ASSET VALUE PER UNIT AS AT THE END OF THE PERIOD**	9.7877	N/A
UNIT PERFORMANCE	-1.59%	2.11%***

* As at 30 September 2022G.

** As at 31 December 2022G.

*** Benchmark average return is 8.41% per annum, or a return of 2.05% for the reporting quarter.

OWNERSHIP OF FUND INVESTMENTS

OWNERSHIP	PERCENTAGE (%)
FREEHOLD	100%
LEASEHOLD	0%

RETURNS

ITEM	3 MONTHS	ONE YEAR UP TO 30 MARCH 2023	ONE YEAR	3 YEARS	5 YEARS
TOTAL RETURN/NAV PER UNIT "FUND PERFORMANCE"	1.23%*	1.23%**	3.48%***	N/A	N/A
BENCHMARK PERFORMANCE	2.11%	2.11%	7.58%	N/A	N/A
PERFORMANCE SPREAD	-0.88%	-0.88%	-4.10%	N/A	N/A

* For the period from 31 December 2022 to 30 March 2023, including cash distributions of 2.8%.

** For the period from 31 December 2022 to 30 March 2023, including cash distributions of 2.8%.

*** For the period from 30 March 2022 to 30 March 2023, including cash distributions of 5.4%.

PERFORMANCE AND RISKS

PERFORMANCE AND RISKS CRITERIA	3 MONTHS ¹	ONE YEAR UP TO 30 MARCH 2023 ²	ONE YEAR ³	3 YEARS	5 YEARS
STANDARD DEVIATION ⁴	28.87	28.87	19.85	N/A	N/A
SHARPE RATIO ⁵	1.61	1.61	-1.22	N/A	N/A
TRACKING ERROR ⁶	28.86	28.86	19.84	N/A	N/A
BETA ⁷	2.41	2.41	2.65	N/A	N/A
ALPHA ⁸	0.33	0.33	-0.29	N/A	N/A
INFORMATION RATIO ⁹	1.16	1.16	-1.49	N/A	N/A

1. For the period from 31 December 2022 to 30 March 2023.

2. For the period from 31 December 2022 to 30 March 2023.

3. For the period from 30 March 2022 to 30 March 2023.

4. Standard Deviation is a measure of risk. It is calculated as any volatility in returns over a period of time. The lower the volatility, the more homogeneous the set of returns.

5. Sharpe Ratio is a risk-adjusted performance measure. It is calculated as the difference as the Fund Manager excess return over the risk-free rate, divided by the Standard Deviation. The greater a portfolio's Sharpe Ratio, the better its risk-adjusted performance.

6. Tracking Error is a measure of risks. It is calculated as the Standard Deviation between the Fund Manager's return and the Benchmark's return. The lower the Tracking Error, the lower the Fund Manager deviates from the Benchmark.

7. Beta is a measure of the average historical sensitivity of the Fund's returns compared to market returns. It is calculated by using the covariance of the Fund and the market on the variance of the market.

8. Alpha measures any excess return achieved by the Fund compared to the performance of the index.

9. Information Ratio is a risk-adjusted performance measure. It is calculated as the active return of the Fund Manager, divided by its tracking error. The higher the Information ratio, the higher the Fund Manager ability to generate excess returns per Unit of excess risk. Knowing that the performance and risk parameters were calculated based on the Unit's trading prices in the market.

FUND HIGHLIGHTS AND ANY FUNDAMENTAL OR NON FUNDAMENTAL CHANGES AFFECTING THE PERFORMANCE OF THE FUND

There were no fundamental or non-fundamental developments or changes affecting the performance of the Fund.

OVERVIEW OF THE LEASING, TRADE FINANCE AND SUKUK INDUSTRIES

LEASING INDUSTRY OVERVIEW

- The steady rise in short-term interest rates and stubborn inflationary pressures do not seem to have suppressed demand for productive equipment by US businesses.
- According to the 2023 equipment outlook from US Equipment Leasing and Finance Association (ELFA), the top five hottest equipment sectors in 2023 include: construction, machine tools, medical equipment, trucks/trailers, and hi-tech/computers. Notably, construction equipment was the big winner of the survey, ranking first for the 10th consecutive year. The outlook for construction remains good based on pent-up demand for highway, commercial and civil projects.
- The Equipment Leasing and Finance Association's (ELFA) Monthly Leasing and Finance Index (MLFI-25), which reports economic activity from 25 companies representing a cross section of the USD 1 trillion equipment finance sector, showed their overall new business volume for February was USD 7.9 billion, up 11% year-over-year from new business volume in February 2022

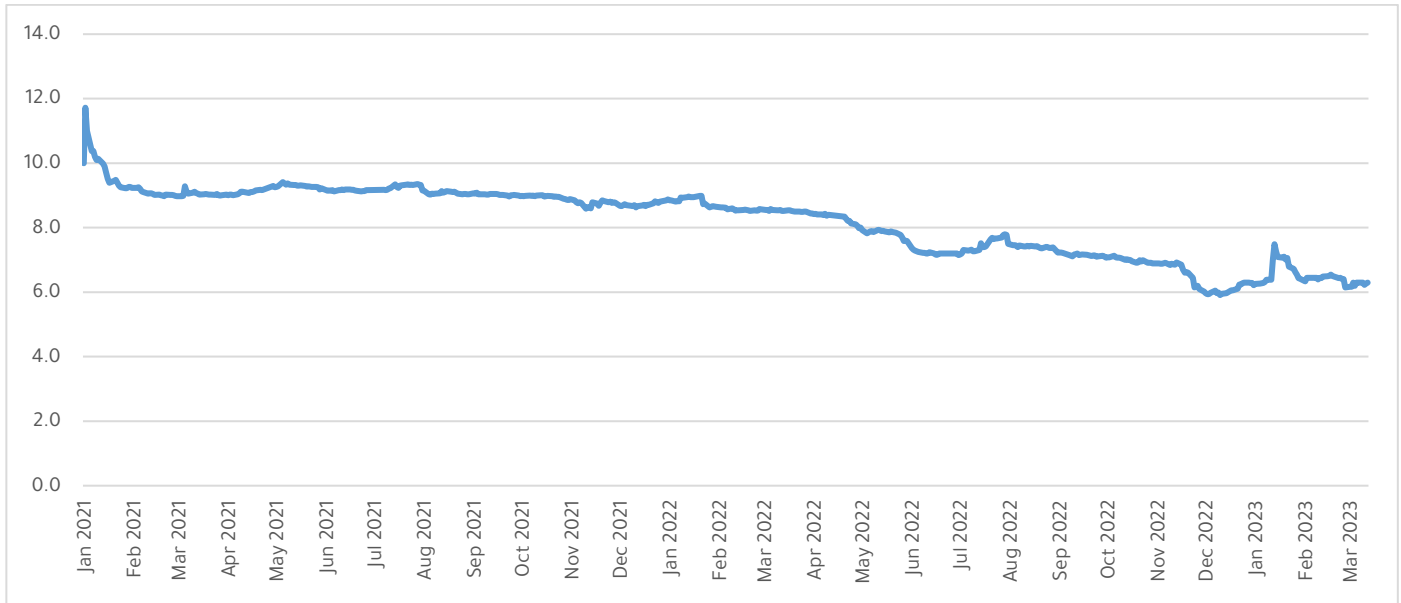
TRADE FINANCE INDUSTRY OVERVIEW

- According to United Nations Conference on Trade and Development (UNCTAD), the global trade reached a record USD 32 trillion in 2022 - trade in goods was about USD 25 trillion (an increase of about 10 % from 2021) and trade in services totaled ~USD 7 trillion (an increase of ~15% YoY).
- The record levels are largely due to robust growth in the first half of 2022, however due to deteriorating economic conditions and rising uncertainties, growth turned negative in H2 2022 and is expected to stagnate in H1 2023.
- The World Bank pegs the global trade finance gap and the amount of money available versus the optimal amount needed by businesses, stood at USD 1.5 trillion in 2020 for developing countries. However, the shortfall expanded with the pandemic and Asian Development Bank forecasts that the gap in trade finance transactions will increase to at least US\$ 2 trillion in 2022

SUKUK INDUSTRY OVERVIEW

- As per Fitch Ratings, global outstanding Sukuk reached USD 765.3 billion in 2022, 7.6% higher than a year ago. The main issuers remain the Sovereigns and multilaterals.
- According to the Refinitiv, global Sukuk issuance exceeded market expectations reaching USD 193.9 billion in 2022 (USD 144.4 bn in new issuance and the rest was new issuances), despite a record number of consecutive rate hikes during 2022. The year was the second highest year on record after reaching USD 196.5 billion in 2021.
- In terms of performance, further to the worst year in decades in global Sukuk markets in 2022, the Sukuk market has slightly recovered until March 2023, Dow Jones Sukuk Index (ex-reinvestment) gained ~2.1% YTD, while DJ Sukuk index gained 1.2% YTD, and S&P GCC Sukuk Index was up 1.2% YTD.

PERFORMANCE OF THE UNIT PRICE TRADED ON THE EXCHANGE SINCE THE INCEPTION OF THE FUND *



* Prices as at 30 March 2023

FOR FURTHER INFORMATION

Alkhabeer Capital
 PO Box 128289, Jeddah 21362
 Kingdom of Saudi Arabia
 Tel: +966 12 658 8888
 Fax: +966 12 658 6663
 Email: info@alkhabeer.com
 CR No: 4030177445
 CMA License No: 07074-37
alkhabeer.com

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