



C) Fund Manager

1) Name and address of the fund manager

Al-Bilad Investment Company "Al-Bilad Capital".

8162 King Fahd Road Olaya- Riyadh 12313-3701.

Kingdom of Saudi Arabia.

Phone: 8001160002

Fax: (966+) 112906299

Al-Bilad Investment Company website: www.albilad-capital.com

2) Names and addresses of sub-manager and/or investment advisor (if any):

Not applicable.

3) Review of the investment activities during the period:

During the year the fund mainly invested in Saudi sovereign sukuk denominated in Saudi riyals and listed on the Saudi market (Tadawul), and approved by the Shariah Board of the fund manager.

4) A report of investment fund performance during the period:

The fund's performance during the period was better than the benchmark's performance by 1.20% Where the fund achieved 1.50% in comparison with the benchmark's performance which achieved 0.30%

5) Details of any material changes to the Fund's Terms and Conditions:

Not applicable.

6) Any other information that would enable unitholders to make an informed judgement about the fund's activities during the period:

Not applicable.

For more information contact us at:

Asset Management
Telephone: +966 11 2039888
Fax: +966 11 2039899
Website: <http://www.albilad-capital.com/En/AssetManagement>

Albilad Capital Headquarters:

Telephone: +966 920003636
Fax: +966 11 2906299
PO Box: Riyadh 12312– 3701, Saudi Arabia



Disclaimer: Past performance of the fund is no guide to future performance and the value of investments and income from them can fall as well as rise. Where included, benchmark and index data included in this document are provided for illustrative purposes only To ensure proper understanding of the product and its suitability to the investor's risk profile, it is strongly recommend that the investor read the agreement and the terms and conditions of the fund. All rights reserved to Albilad Investment Company 2025©. (Commercial Registration No. 1010240489) dated 10/07/2017 G, 10/16/1438 H, and is regulated by Saudi Arabia's Capital Market Authority (license No. 08100-37) dated 01/08/1428H 14/08/2007



Semi Annual Report to Unitholders 2025

Albilad Saudi Sovereign Sukuk ETF

7) Any other information that would enable unitholders to make an informed judgment about the fund's activities during the period:

Not applicable.

8) A statement on any special commission received by the fund manager during the period, clearly identifying what they are and the manner in which they were utilized:

Not applicable.

9) Any other data and other information required by these Regulations to be included in this report:

Not applicable.

10) Period for the management of the person registered as fund manager:

Since August - 2019.

11) A disclosure of the expense ratio of each underlying fund at the end of year and the weighted average ratio of all underlying funds that invested in:

Not applicable.

E) Auditor

1) Name and address of auditor:

PricewaterhouseCoopers

Kingdom of Saudi Arabia P.O. B. 8282 Riyadh 11482

Phone: +966112110400

Fax: +966112110401

Website: www.pwc.com

F) Financial Statements

Financial statements for the semi annual accounting period of the investment fund has been prepared in accordance with SOCPA standards. (Financial Statements attached).

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**ALBILAD SAUDI SOVEREIGN SUKUK ETF
(AN OPEN-ENDED EXCHANGE TRADED INVESTMENT FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)**

**INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
AND INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS AND FUND MANAGER**

**ALBILAD SAUDI SOVEREIGN SUKUK ETF
(AN OPEN-ENDED EXCHANGE TRADED INVESTMENT FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

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Report on review of interim condensed financial information

To the Unitholders and Fund Manager of
Albilad Saudi Sovereign Sukuk ETF

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Albilad Saudi Sovereign Sukuk ETF (the "Fund") as of 30 June 2025 and the related interim condensed statements of comprehensive income, changes in net assets attributable to the Unitholders and cash flows for the six-month period then ended and explanatory notes. Fund Manager is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information 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, as 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 information is not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

Mufaddal A.Ali
License Number 447

10 August 2025
(16 Safar 1447H)



ALBILAD SAUDI SOVEREIGN SUKUK ETF
(AN OPEN-ENDED EXCHANGE TRADED INVESTMENT FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

		As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Assets			
Cash and cash equivalents		465,329	862,457
Investments held at fair value through statement of income (FVSI)		64,657,492	75,722,563
Prepayments		36,085	29
Total assets		65,158,906	76,585,049
Liabilities			
Accrued management fee	5	162,467	97,119
Accrual and other liabilities		144,671	147,248
Total liabilities excluding net assets attributable to the Unitholders		307,138	244,367
Net assets attributable to the Unitholders		64,851,768	76,340,682
Units in issue		7,700,000	9,200,000
Net assets per unit in Saudi Riyals		8.4223	8.2979

The accompanying notes from 1 to 15 form an integral part of this interim condensed financial information.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
(AN OPEN-ENDED EXCHANGE TRADED INVESTMENT FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2025	2024
Income / (loss)			
Special commission income on investments held at FVSI		1,258,677	1,561,573
Net gains / (losses) from investments held at FVSI*		1,203,760	(3,272,678)
Total Income / (loss)		2,462,437	(1,711,105)
Expenses			
Management fee	5	(65,348)	(25,705)
Custody fee		(19,887)	(21,384)
Other expenses		(65,373)	(100,464)
Total expenses		(150,608)	(147,553)
Change in net assets attributable to Unitholders*		2,311,829	(1,858,658)
Earnings per unit			
Weighted average number of units in issue		8,272,928	10,529,670
Earnings per unit in Saudi Riyals (basic and diluted)		0.2794	(0.1765)

*Refer to note 9 - regarding changes to presentation of comparative information.

The accompanying notes from 1 to 15 form an integral part of this interim condensed financial information.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
(AN OPEN-ENDED EXCHANGE TRADED INVESTMENT FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS
(UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2025	2024
Net assets attributable to the Unitholders at the beginning of the period* (Audited)		76,340,682	92,248,503
Change in net assets attributable to Unitholders*		2,311,829	(1,858,658)
Changes from units transactions			
Proceeds from issuances of units		-	-
Payment against redemption of units		(12,524,700)	(4,886,700)
Net change from units transactions		(12,524,700)	(4,886,700)
Dividend distribution	8	(1,276,043)	(1,551,386)
Net assets attributable to the Unitholders at the end of the period (Unaudited)		64,851,768	83,951,759
		For the six-month period ended 30 June	
		2025	2024
		Units	Units
Units at the beginning of the period (Audited)		9,200,000	10,900,000
Units issued		-	-
Units redeemed		(1,500,000)	(600,000)
Net change in units		(1,500,000)	(600,000)
Units at the end of the period (Unaudited)		7,700,000	10,300,000

*Refer to note 9 - regarding changes to presentation of comparative information.

The accompanying notes from 1 to 15 form an integral part of this interim condensed financial information.

This interim condensed statement of changes in net assets attributable to the Unitholders of redeemable shares provides relevant and useful information to the reader and is therefore considered best practice. There are no equity balances or movements of equity in either period.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
(AN OPEN-ENDED EXCHANGE TRADED INVESTMENT FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2025	2024
Cash flows from operating activities			
Change in net assets attributable to Unitholders*		2,311,829	(1,858,658)
Adjustments for:			
- Unrealised (gain) / loss on investments held at FVSI, net		(3,357,028)	2,110,302
- Special commission income on investments held at FVSI		(1,258,677)	(1,561,573)
		(2,303,876)	(1,309,929)
Net changes in operating assets and liabilities			
Investments held at FVSI		14,301,148	5,898,989
Prepayments		(36,056)	-
Accrued management fee		65,348	9,569
Accruals and other liabilities		(2,577)	120,179
Cash generated from operations		14,327,863	6,028,737
Special commission income received on investments held at FVSI		1,379,628	1,603,854
Net cash generated from operating activities		13,403,615	6,322,662
Cash flows from financing activities			
Payment against redemption of units		(12,524,700)	(4,886,700)
Dividend paid	8	(1,276,043)	(1,551,386)
Net cash used in financing activities		(13,800,743)	(6,438,086)
Net change in cash and cash equivalents		(397,128)	(115,424)
Cash and cash equivalents at the beginning of the period		862,457	616,185
Cash and cash equivalents at the end of the period		465,329	500,761
Supplemental information			
Purchase of investments		3,970,822	4,093,204
Sale of investments (carrying value)		18,271,970	9,992,193

*Refer to note 9 - regarding changes to presentation of comparative information.

The accompanying notes from 1 to 15 form an integral part of this interim condensed financial information.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
(AN OPEN-ENDED EXCHANGE TRADED INVESTMENT FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Albilad Saudi Sovereign Sukuk ETF (the “Fund”) is an open-ended exchange traded investment fund, managed by Albilad Investment Company (“Fund Manager”), a subsidiary of Bank Albilad (the “Bank”) for the benefit of the Fund’s Unitholders (the “Unitholders”). The objective of the Fund is to seek to simulate the performance of Albilad Ideal Ratings sovereign Sukuk index, which includes Saudi Riyals denominated Sukuk, listed in the Saudi Exchange (Tadawul), with a maturity of 3 months or more.

In dealing with the Unitholders, Fund Manager considers the Fund as an independent accounting unit. Accordingly, Fund Manager prepares separate financial statements for the Fund. Furthermore, the Unitholders are considered to be the beneficial owners of the assets of the Fund.

Riyad Capital is the custodian (the “Custodian”) of the Fund.

In August 2019, the Capital Market Authority (“CMA”) approved Albilad Investment Company’s request to offer and register “Albilad Saudi Sovereign Sukuk ETF” units on Tadawul as Exchange Traded Fund (ETF). The Fund started trading on Tadawul as an ETF on 22 Jumada Al-Thani 1441H (corresponding to 17 February 2020, with the symbol 9403).

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the Board of the Capital Market Authority (CMA) pursuant to its Resolution Number 1 - 219 - 2006 on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and new amendment number 2-22-2021 by resolution of the Board of the CMA on 12 Rajab 1442H (corresponding to 24 February 2021) effective from 19 Ramadan 1442H (corresponding 1 May 2021) by the New Investment Fund Regulations (“Amended Regulations”) published by the Capital Market Authority on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia. During the period ended 30 June 2025, CMA has issued another amendment to the regulation via amendment number 1-54-2025 issued on 23 Dhul Qidah 1446H (corresponding to 21 May 2025) which is effective subsequent to the period ended 30 June 2025, from 14 Muharram 1442H (corresponding 9 July 2025).

The registered office of the Fund is Albilad Investment Company, P.O. Box 8162, Riyadh 12313 – 3701, Kingdom of Saudi Arabia.

1.1 Primary market operation (issuance and redemption of units)

The primary market operations are only carried out by Fund Manager who is the authorized Market Maker Albilad Investment Company. The Issuance and Redemption activities are done on the basis of blocks of exchange traded fund (ETF) units (for the Fund, one block equals 100,000 ETF Units), referred to Issuance and Redemption of Units respectively. The process of issuance and redemption of ETF units is on an in-kind basis whereby the Market Maker interexchange ETF Units of the Fund and the basket of assets (sukuk), through the Custodian, for the purpose of issuance and redemption of ETF units. The issued units are then freely floated on Tadawul for public trading.

2 BASIS OF PREPARATION

This interim condensed financial information of the Fund have been prepared in accordance with International Accounting Standard 34 – “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. This interim condensed financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024. In addition, results for the six-month period ended 30 June 2025, are not necessarily indicative of the actual results for the full year ending on 31 December 2025 and final results may differ.

The interim condensed financial information has been prepared on a historical cost convention using the accrual basis of accounting, except for the revaluation of investments held at fair value through statement of income (FVSI).

The principal accounting policies, estimates and assumptions used in the preparation of this interim condensed financial information are consistent with those of the previous financial year i.e. for the year ended 31 December 2024 except for note 3 below.

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 interim condensed statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

The preparation of this interim condensed financial information requires management to make 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no areas of significant judgment or significant assumption used in the preparation of this interim condensed financial information.

In preparing this interim condensed financial information, the significant judgments made by management in applying the Fund’s accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2024.

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New standards, interpretations and amendments adopted by the Fund

The accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have a significant impact on this interim condensed financial information of the Fund.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

Standards issued but not yet effective and not early adopted

The listing of standards and interpretations issued which are applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective. These amendments and standards are not expected to have any impact on this interim condensed financial information of the Fund.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: <ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows 	1 January 2026

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

Standards issued but not yet effective and not early adopted (continued)

Standard/ interpretation	Description	Effective from periods beginning on or after
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this interim condensed financial information are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). This interim condensed financial information are presented in Saudi Riyals ("SR") which is the Fund's functional and presentation currency.

The Fund did not have any foreign currency transactions during the period ended 30 June 2025 (30 June 2024: Nil).

5 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise Fund Manager, Directors, Fund Board, key management personnel and any businesses which are controlled, either directly or indirectly, by the Unitholders or over which they exercise significant influence. The Fund enters into transactions in the normal course of business with these parties at prices and terms agreed between the parties.

During the period, the Fund reassessed the definition of related parties per IAS 24 Related Party Disclosures and noted that the relationship with the entity with custody fee was not a related party per IAS 24. As a result, the transactions related to 30 June 2024 have been restated to remove these transactions.

Transactions with related parties

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are in accordance with the Terms and Conditions of the Fund.

For management services, the Fund pays 0.3% (2024: 0.3%) as total expense out of which management fee is paid as remaining item after deducting all other expenses of Fund of the net assets value at each Valuation Day of the Fund's net assets value.

Fund Manager also recovers certain expenses incurred on behalf of the Fund within limits mentioned in the Terms and Conditions of the Fund.

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5 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Following table summarises the details of transactions with related parties:

Related party	Nature of relationship	Nature of transaction	For the six-month period ended 30 June (Unaudited)	
			2025	2024
Albilad Investment Company	Fund Manager	Management fee	65,348	25,705
Fund Board	Members of the Fund Board	Fund Board fee	1,984	1,995
Nature of balance	Related party		As at 30 June 2025	As at 31 December 2024
			(Unaudited)	(Audited)
Accrued management fee	Albilad Investment Company - Fund Manager		162,467	97,119
Fund Board fee payable	Members of the Fund Board		4,893	5,761

6 FAIR VALUES ESTIMATION

The fair value of financial instruments traded in active markets is based on quoted market prices at the close of trading on the 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 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.

The estimated fair value of the Fund's financial assets and liabilities is not carried at fair value, is not considered to be significantly different from their carrying values. The fair value of investments held at FVSI are based on quoted prices in active markets and are therefore classified within Level 1.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) as at 30 June 2025 and 31 December 2024:

As at 30 June 2025 (Unaudited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial asset not measured at fair value					
Cash and cash equivalents	465,329	-	-	465,329	465,329
Financial asset measured at fair value					
Investments held at FVSI	64,657,492	64,657,492	-	-	64,657,492
	65,122,821	64,657,492	-	465,329	65,122,821
Financial liabilities not measured at fair value					
Accrued management fee	162,467	-	-	162,467	162,467
Accrual and other liabilities	144,671	-	-	144,671	144,671
	307,138	-	-	307,138	307,138

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals unless otherwise stated)

6 FAIR VALUES ESTIMATION (continued)

As at 31 December 2024 (Audited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial asset not measured at fair value					
Cash and cash equivalents	862,457	-	-	862,457	862,457
Financial asset measured at fair value					
Investments held at FVSI	75,722,563	75,722,563	-	-	75,722,563
	76,585,020	75,722,563	-	862,457	76,585,020
Financial liabilities not measured at fair value					
Accrued management fee	97,119	-	-	97,119	97,119
Accrual and other liabilities	147,248	-	-	147,248	147,248
	244,367	-	-	244,367	244,367

Level 1 financial instruments comprise of investments in Saudi Government Treasury Bill Sukuks which are fair valued using quoted rate on Tadawul. The fair value of financial instruments not carried at fair value is not significantly different from carrying value as they are short term in nature.

7 FINANCIAL RISK MANAGEMENT

7.1 Financial risk factors

The objective of the Funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its Unitholders and to ensure reasonable safety to the Unitholders.

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

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

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, commission rate risk and price risk.

The Fund is exposed to market risk due to its investments in sukuk held at FVSI. Fund Manager closely monitors the price movement of its financial instruments in the Market. The Fund's Portfolio Constituents are evaluated according to the latest closing of the Market. Accordingly, the indicative Unit price announced in the Market will reflect the closing price of the Market on the preceding day, which may be different from the Unit trading price. The Fund manages the risk through diversification of its investment portfolio by investing in various industry sectors.

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

All the Fund's transactions and balances are in Saudi Riyals and therefore the Fund is not exposed to foreign exchange risk.

(ii) Commission rate risk

Commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates. Fund has all its investment in fixed rate Saudi Government Sukuks, therefore, Fund is not exposed to commission rate risk.

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7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) 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 the financial instruments that the Fund holds. Fund Manager closely monitors the price movement of its financial instruments listed at Saudi Exchange. The value of the Fund's investment in sukuk fluctuates because of the change in commission rate and accordingly the Fund is not exposed to price risk.

The effect on the net assets as a result of the change in the fair value of sukuk investments held at FVSI as at 30 June 2025 and 31 December 2024 due to a reasonably possible change in prices of sukuk investments based on the market concentration, with all other variables held constants is as follows:

	As at 30 June 2025	
	Potential reasonable change %	Effect on interim condensed statement of income / equity
Financial instrument subject to price risk		
Revaluation gain / (loss) on investments held at FVSI	+/- 5	3,232,875
	As at 31 December 2024	
	Potential reasonable change %	Effect on interim condensed statement of income / equity
Financial instrument subject to price risk		
Revaluation gain / (loss) on investments held at FVSI	+/- 5	3,786,128

(b) Credit risk management

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 maximum exposure to credit risk amounts to SR 65,122,821 (31 December 2024: SR 76,585,020). It majorly includes investment in Saudi Government Sukuk which have the sovereign rating and is held at fair value. The bank balance held with the Custodian has a sound credit rating and has low credit risk.

Financial assets measured at amortised cost were considered for ECL as at 30 June 2025 and 31 December 2024. However, the impact of ECL on these assets was immaterial as the cash and cash equivalents are held with the Custodian with sound credit rating. There is no history of default for recovery of these balances. Further the sukuk are carried at FVSI.

(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 every Valuation Day and it is, therefore, exposed to the liquidity risk of meeting redemptions at any time. The Fund's securities are considered to be readily realizable and they can be liquidated at any time. However, Fund Manager has established certain liquidity guidelines for the Fund and monitors liquidity requirements on a regular basis to ensure sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by obtaining financing from the related parties of the Fund. The Fund settles its financial liabilities relating to accrued management fee and other expenses on quarterly basis.

Fund manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through obtaining loan from related party, or liquidation of its investments.

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7 FINANCIAL RISK MANAGEMENT (continued)

7.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The Fund manager allows the redemption at the same business day after the request for redemption, if the day is not a business day then redemption will be executed on next business day.

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

Following table shows Fund manager's expectation of timing for settlement of financial assets and liabilities:

As at 30 June 2025
(Unaudited)

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	465,329	-	-	-	465,329
Investments held at FVSI	64,657,492	-	-	-	64,657,492
	65,122,821	-	-	-	65,122,821
Financial liabilities					
Accrued management fee	162,467	-	-	-	162,467
Accruals and other liabilities	144,671	-	-	-	144,671
	307,138	-	-	-	307,138
Liquidity gap	64,815,683	-	-	-	64,815,683

As at 31 December 2024
(Audited)

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	862,457	-	-	-	862,457
Investments held at FVSI	75,722,563	-	-	-	75,722,563
	76,585,020	-	-	-	76,585,020
Financial liabilities					
Accrued management fee	97,119	-	-	-	97,119
Accruals and other liabilities	147,248	-	-	-	147,248
	244,367	-	-	-	244,367
Liquidity gap	76,340,653	-	-	-	76,340,653

(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.

7.2 Capital risk management

The capital of the Fund is represented by the net assets attributable to the holders of redeemable units. The amount of net assets attributable to the holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of Unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to monitor the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate and adjust the amount of dividend distributions the Fund pays to redeemable Unitholders.

The Fund Board and Fund Manager monitor capital on the basis of the value of net assets attributable to the redeemable Unitholders.

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8 DIVIDEND DISTRIBUTION

During the six-month period ended 30 June 2025, the Fund distributed the following dividends to the Unitholders:

Date of distribution	Outstanding units	Dividend per unit	Dividend distributed
19 January 2025	9,200,000	0.007930	72,956
20 February 2025	8,700,000	0.054000	469,803
19 March 2025	8,700,000	0.026571	231,163
22 April 2025	8,100,000	0.025507	206,607
20 May 2025	7,700,000	0.038379	295,514
			1,276,043

During the six-month period ended 30 June 2024, the Fund distributed the following dividends to the Unitholders:

Date of distribution	Outstanding units	Dividend per unit	Dividend distributed
03 January 2024	10,900,000	0.008320	90,688
05 February 2024	10,900,000	0.046534	507,220
05 March 2024	10,700,000	0.024191	258,844
03 April 2024	10,300,000	0.028367	292,177
05 May 2024	10,300,000	0.039074	402,457
			1,551,386

9 CHANGES TO PRESENTATION OF COMPARATIVE FINANCIAL INFORMATION

The Fund has re-evaluated the presentation of certain transactions and balances in the interim condensed statement of financial position and interim condensed statement of comprehensive income to determine if those transactions and balances have been presented appropriately in line with the requirements of IFRS as endorsed in the Kingdom of Saudi Arabia. Where necessary changes in presentation were made in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors".

Changes in comparatives in the interim condensed statement of comprehensive income

a) "Net gains (losses) from investments held at fair value through statement of income (FVSI)"

In prior period, the Fund presented realised and unrealised loss from investments held at FVSI as separate line items on the face of interim condensed statement of comprehensive income.

During the period, the Fund has reassessed the above requirements and as a result, aggregated the realised and unrealised loss from investments held at FVSI and presented them within "Net losses from investments held at FVSI" on the face of the statement of comprehensive income.

The restatement has no effect on the Fund's interim condensed statement of financial position, interim condensed statement of changes in net assets attributable to the Unitholders or interim condensed statement of cash flows. The effect of this restatement on the interim condensed statement of comprehensive income for the six-month period ended June 30, 2024, is summarized below:

Financial statement line item	For the six-month period ended		
	30 June 2024 (As previously stated)	Aggregation due to reclassification adjustment	30 June 2024 (Restated)
Realised loss on sale of investments held at FVSI, net	(1,162,376)	1,162,376	-
Unrealized loss on re-measurement of investments held at FVSI, net	(2,110,302)	2,110,302	-
Net losses from investments held at fair value through statement of income ("FVSI")	-	(3,272,678)	(3,272,678)

9 CHANGES TO PRESENTATION OF COMPARATIVE FINANCIAL INFORMATION (continued)

Changes in comparatives in the interim condensed financial information

b) Net assets attributable to the Unitholders.

In the prior period, the Fund classified units held by investors as Equity in the interim condensed financial information. This classification has been reassessed in accordance with the puttable instrument guidance in International Accounting Standard 32 – Financial Instruments Presentation “IAS 32”).

According to the Terms and Conditions of the Fund, Fund Manager is required to distribute the cash surplus represented by the returns received from the sukuk in the form of monthly distributions to the Unitholders within ten working days after the end of the last working day of the month (the date of distribution). Fund Manager has the right not to distribute cash if no dividends are received from the sukuk. However, Fund Manager has no control over when the returns from the sukuk are received and as such there is no ability to avoid dividend payments.

In accordance with the puttable instrument guidance of IAS 32, if puttable instruments also have the obligation to distribute profits, the entity does not have an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability.

The Fund has reassessed the above requirements based on the Terms and Conditions of the Fund and restated the prior period comparatives to present the units held by the Unitholders as a financial liability. As a result, the units are now being presented as “Net Assets attributable to the Unitholders” in the interim condensed statement of changes in equity was removed as the Fund no longer has any equity, and instead, an interim condensed statement of changes in net assets attributable to the Unitholders was provided on page 4 and the interim condensed statements of income and cash flows were amended to refer to “Change in net assets attributable to Unitholders”.

10 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and financial liabilities as at 30 June 2025 and 31 December 2024 are classified under amortized cost category except for investments held at FVSI which are classified as and measured at fair value.

11 SEGMENT REPORTING

The Fund carries a portfolio of listed government sukuks instruments on Saudi Stock Exchange. Fund Manager periodically assesses the performance and allocates resources to the business as one unit and, as such, no separate operating segments were identified for financial reporting purposes. Consequently, segment reporting as required by IFRS 8 ‘Operating Segments’ has not been disclosed.

12 CONTINGENCIES AND COMMITMENT

There were no contingencies and commitment as at 30 June 2025 (31 December 2024: Nil).

13 SUBSEQUENT EVENTS

There are no subsequent events / transactions that require adjustment to or disclosure in this interim condensed financial information as at 30 June 2025.

14 LAST VALUATION DAY

In accordance with the Terms and Conditions of the Fund, the last valuation day for the purpose of the preparation of this interim condensed financial information for the period was 30 June 2025 (31 December 2024).

15 APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

This interim condensed financial information was approved and authorized for issuance by the Fund Board on 4 August 2025.