

**SAB Invest Saudi Quant ETF**  
**(Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)**  
**(Managed by SAB Invest)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

SAB INVEST SAUDI QUANT ETF (FORMERLY KNOWN AS SAB INVEST  
MSCI TADAWUL 30 SAUDI ETF) (Managed by SAB Invest)  
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

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Ernst & Young Professional Services (Professional LLC)  
Paid-up capital (ﷲ5,500,000 – Five million five hundred thousand Saudi Riyal)

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## **INDEPENDENT AUDITOR’S REPORT TO THE UNITHOLDERS OF SAB INVEST SAUDI QUANT ETF (FORMERLY KNOWN AS SAB INVEST MSCI TADAWUL 30 SAUDI ETF) (MANAGED BY SAB INVEST)**

### **Opinion**

We have audited the financial statements of SAB Invest Quant ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF) (the “Fund”) managed by SAB Invest (the “Fund Manager”), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in net assets attributable to the unitholders and statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025, and its financial performance and its cash flows for the year ended 31 December 2025 in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organisation for Chartered and Professional Accountants.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of the financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matter**

Key Audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statement.

**INDEPENDENT AUDITOR’S REPORT TO THE UNITHOLDERS OF  
SAB INVEST SAUDI QUANT ETF (FORMERLY KNOWN AS SAB INVEST MSCI TADAWUL 30  
SAUDI ETF) (MANAGED BY SAB INVEST) (CONTINUED)**

**Key Audit Matter (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b>Valuation of financial assets at fair value through profit and loss</b>	
<p>Financial assets at fair value through profit and loss (“FVTPL”) comprise of portfolio of listed equity investments. These investments are measured at fair value through profit or loss and changes are recognised in statement of comprehensive income. The fair value of these financial instruments is determined through obtaining market observable prices, as these are actively traded equity investments. The valuation of Fund’s FVTPL investments is considered a key audit matter given the materiality of the amount involved and significance to the financial statements.</p> <p>Refer to the note 3 for accounting policy and note 5 of financial assets at fair value through profit and loss for disclosure.</p>	<p>Our audit procedures performed included, among others, the following;</p> <ul style="list-style-type: none"> <li>• We performed walkthrough and developed understanding of the overall investment valuation process.</li> <li>• Agreed the carrying value of investment to the underlying system transaction report.</li> <li>• Tested the market prices as at 31 December 2025 from external sources for listed equity investments held by the Fund.</li> <li>• We read and assessed the adequacy of the relevant disclosures included in the financial statement and found them to be appropriate.</li> </ul> <p>Based on procedures performed, we found management’s estimates of the fair value of investments to be within reasonable range and supported by evidence obtained.</p>

**Other Information included in the Fund's 2025 Annual Report**

Other information consists of the information included in the Fund’s 2025 annual report, other than the financial statements and our auditors’ report thereon. The Fund manager is responsible for the other information in the Fund’s annual report. The Fund’s 2025 annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF  
SAB INVEST SAUDI QUANT ETF (FORMERLY KNOWN AS SAB INVEST MSCI TADAWUL 30  
SAUDI ETF) (MANAGED BY SAB INVEST) (CONTINUED)**

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority, and the Fund's terms and conditions, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Fund Manager's Board of Directors are responsible for overseeing the Fund's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF  
SAB INVEST SAUDI QUANT ETF (FORMERLY KNOWN AS SAB INVEST MSCI TADAWUL 30  
SAUDI ETF) (MANAGED BY SAB INVEST) (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

  
Hussain Saleh Asiri  
Certified Public Accountant  
License No. 414



Riyadh: 26 Ramadhan 1447H  
(15 March 2026)

SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<i>31 December 2025 ﷲ</i>	<i>31 December 2024 ﷲ</i>
<b>ASSETS</b>			
Cash and cash equivalents		565,886	30,002
Financial assets at fair value through profit or loss (FVTPL)	5	375,342,323	7,968,159
Receivables against securities sold		24,899,491	-
Dividend receivable		32,632	-
Receivables and advances		-	1,261
<b>TOTAL ASSETS</b>		<b>400,840,332</b>	<b>7,999,422</b>
<b>LIABILITIES</b>			
Payables against securities purchased		25,164,414	-
Management fee payable	6	565,250	7,261
Accrued expenses		191,635	-
<b>TOTAL LIABILITIES</b>		<b>25,921,299</b>	<b>7,261</b>
<b>EQUITY</b>			
Net assets attributable to unitholders of redeemable units		374,919,033	7,992,161
Redeemable units in issue		8,740,000	170,000
<b>Net asset value attributable to each unit</b>		<b>42.90</b>	<b>47.01</b>

The attached notes 1 to 13 form an integral part of these financial statements.

SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul  
30 Saudi ETF)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Note</i>	<b>2025</b> #	<b>2024</b> #
<b>INCOME</b>			
Net movement in unrealised loss on financial assets at FVTPL		<b>(18,382,028)</b>	(1,014,594)
Net realised (loss) / gain on disposal of financial assets at FVTPL		<b>(7,488,513)</b>	801,669
Dividend income		<b>5,419,183</b>	317,083
Other income		-	8,636
<b>TOTAL INCOME</b>		<b>(20,451,358)</b>	112,794
<b>EXPENSES</b>			
Management fees	6	<b>1,674,552</b>	75,201
Other expenses		<b>211,720</b>	11,135
<b>TOTAL EXPENSES</b>		<b>1,886,272</b>	86,336
<b>NET (LOSS) / INCOME FOR THE YEAR</b>		<b>(22,337,630)</b>	26,458
Other comprehensive income for the year		-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR</b>		<b>(22,337,630)</b>	26,458

The attached notes 1 to 13 form an integral part of these financial statements.

**SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS**  
For the year ended 31 December 2025

	<i>2025</i> <i>ﷲ</i>	<i>2024</i> <i>ﷲ</i>
<b>EQUITY AT THE BEGINNING OF THE YEAR</b>	<u>7,992,161</u>	<u>9,819,627</u>
Net (loss) / income for the year	(22,337,630)	26,458
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	<u>(22,337,630)</u>	<u>26,458</u>
Issue of units during the year	407,905,144	1,786,662
Redemption of units during the year	(18,640,642)	(3,640,586)
Net changes from unit transactions	<u>389,264,502</u>	<u>(1,853,924)</u>
<b>EQUITY AT THE END OF THE YEAR</b>	<u><u>374,919,033</u></u>	<u><u>7,992,161</u></u>
	<u>Units</u>	<u>Units</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>		
Transactions in redeemable units during the year are summarised as follows:		
<b>UNITS AT THE BEGINNING OF THE YEAR</b>	<u>170,000</u>	<u>210,000</u>
Issue of units during the year	8,980,000	40,000
Units redeemed during the year	(410,000)	(80,000)
Net changes in units	<u>8,570,000</u>	<u>(40,000)</u>
<b>UNITS AT THE END OF THE YEAR</b>	<u><u>8,740,000</u></u>	<u><u>170,000</u></u>

The attached notes 1 to 13 form an integral part of these financial statements.

SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 ﷲ	2024 ﷲ
<b>OPERATING ACTIVITIES</b>		
Net (loss) / income for the year	(22,337,630)	26,458
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>		
Net movement in unrealised loss on financial assets at FVTPL	18,382,028	1,014,594
Dividend income	(5,419,183)	(317,083)
	<u>(9,374,785)</u>	<u>723,969</u>
<i>Working capital changes:</i>		
Financial assets at FVTPL	(385,756,192)	773,162
Receivables against securities sold	(24,899,491)	-
Receivables and advances	1,261	2,012
Payables against securities purchased	25,164,414	-
Management fee payable	557,989	(1,253)
Accrued expenses	191,635	-
	<u>(394,115,169)</u>	<u>1,497,890</u>
Cash flows (used in) / generated from operations	(394,115,169)	1,497,890
Dividend received	5,386,551	317,083
	<u>(388,728,618)</u>	<u>1,814,973</u>
Net cash flows (used in) / generated from operating activities	<u>(388,728,618)</u>	<u>1,814,973</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	407,905,144	1,786,662
Payments for redemption of units	(18,640,642)	(3,640,586)
	<u>389,264,502</u>	<u>(1,853,924)</u>
Net cash flows generated from / (used in) financing activities	<u>389,264,502</u>	<u>(1,853,924)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>535,884</b>	<b>(38,951)</b>
Cash and cash equivalents at the beginning of the year	<u>30,002</u>	<u>68,953</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>565,886</u></b>	<b><u>30,002</u></b>

The attached notes 1 to 13 form an integral part of these financial statements.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1. INCORPORATION AND ACTIVITIES

SAB Invest Saudi Quant ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF) (the “Fund”) is an exchange traded fund created by an agreement between SAB Invest (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The Fund was formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF. The current name, SAB Invest Saudi Quant ETF, is reflected in the amended Terms and Conditions, which were updated and submitted to the Capital Market Authority (CMA) on 20 April 2025. The address of the Fund Manager is as follows:

SAB Invest, Head Office  
SAB Tower 7383  
King Fahad Branch Rd (Al-Yasmeen District)  
Riyadh 13325  
Kingdom of Saudi Arabia

The fund is established by virtue of the approval of the Capital Market Authority on 27 Shawwal 1432H corresponding to 25 September 2011. The objective of the Fund is to achieve long term capital appreciation, through investing in Saudi equities.

On May 5, 2025, fundamental changes were implemented to the Fund's terms and conditions, including the implementation of an investment strategy based on a set of quantitative factors. The Fund invests in components of the S&P Saudi Domestic Shariah Index using multi-factor models. The determination of the Fund's basket of stocks relies on the use of quantitative methods and mathematical algorithms. The Fund has also been transformed from being a conventional fund to become a Shariah-compliant fund.

SAB Invest Operations were appointed as an Operator - Administrator of the fund in which an Asset Management Operation (AMO) has appointed a Sub-admin.

The Fund is managed by the Fund Manager. All income is reinvested in the Fund and is reflected in the unit price.

### 2. REGULATING AUTHORITY

The Fund is governed by the Investment Funds Regulations (the “Regulations”), issued by the Board of the Capital Market Authority (CMA) pursuant to Resolution No. 1-219-2006 dated 3 Dhul Hijjah 1427H (corresponding to 24 December 2006G), based on the Capital Market Law issued by Royal Decree No. M/30 dated 2 Jumada Al-Thani 1424H, and as amended by Resolution of the Board of the CMA No. 1-54-2025 dated 23 Dhul-Qi’dah 1446H (corresponding to 21 May 2025G), detailing requirements for investment funds within the Kingdom of Saudi Arabia.

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as IFRS Accounting Standards as endorsed in the KSA and the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority, and the Fund’s terms and conditions.

#### 3.2 Basis of preparation

These financial statements are prepared under the historical cost convention, using the accrual basis of accounting except for financial assets at FVTPL that are measured at fair value. These financial statements are presented in Saudi Arabian Riyals (“ﷲ”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest ﷲ.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.3 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period, except for the following new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) effective from 1 January 2025 as noted below:

<i>Topic</i>	<i>Effective date</i>
Lack of exchangeability – Amendments to IAS 21	1 January 2025

The adoption of the new and amended standards and interpretations do not have a material impact on the financial statements of the Fund.

#### 3.4 New standards, amendments, and interpretations applicable to the current year

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<i>Topics</i>	<i>Effective date</i>
Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Fund did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective.

#### 3.5 Material accounting policy information

The following are the material accounting policies applied by the Fund in preparing its financial statements.

##### *Cash and cash equivalents*

Cash and cash equivalents in the statement of financial position comprise cash in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as “cash and cash equivalents”.

For the purpose of the statement of cash flows, cash and cash equivalents includes bank balances.

##### *Financial instruments*

###### *(i) Classification*

In accordance with IFRS 9, the Fund classifies its financial assets at initial recognition as amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”).

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5 Material accounting policy information (continued)

##### *Financial instruments (continued)*

##### *(i) Classification (continued)*

##### Financial assets at amortised cost

A financial asset is measured at amortised 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 assets measured at amortised cost are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

##### Financial assets at FVOCI

##### Debt Instruments

A debt instrument is measured at FVOCI only 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in statement of comprehensive income.

##### Equity instruments

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

##### Financial assets at FVTPL

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5 Material accounting policy information (continued)

##### *Financial instruments (continued)*

##### *(ii) Business model assessment*

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Fund's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated- e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial asset.

##### *(iii) Assessment of whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is the fair value of the financial asset on initial recognition. 'Interest' is the consideration for the time value of money, the credit and other basic lending risk associated with the principal amount outstanding during a particular period and other basic lending costs (e.g. liquidity risk and administrative costs), along with profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and features that modify consideration of the time value of money- e.g. periodical reset of interest rates.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5 Material accounting policy information (continued)

##### *Financial instruments (continued)*

##### *(iv) Classification of financial liabilities*

Upon initial recognition, the Fund classifies its financial liabilities, as measured at amortised cost or as at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss or an entity has opted to measure a liability at fair value through profit or loss as per the requirements of IFRS 9.

All the financial liabilities of the Fund are currently carried at amortised cost.

##### *(v) Derecognition of financial instruments*

##### Financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in statement of comprehensive income.

Any cumulative gain/loss recognised in OCI in respect of equity investments designated as at FVOCI is not recognised in statement of comprehensive income on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Fund is recognised as a separate asset or liability.

In transactions in which the Fund neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Fund continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

##### Financial liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

##### *(vi) 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 recognised amounts and there is an intention to settle on a net basis, or to realise 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.

##### *(vii) Impairment of financial assets*

The Fund assesses on a forward-looking basis the Expected Credit Losses (“ECL”) associated with its financial assets, carried at amortised cost, the ECL is based on a 12-month ECL and lifetime ECL. The 12-month ECL is the portion of lifetime the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5 Material accounting policy information (continued)

##### *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year. The Fund determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies. The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

##### *Trade date accounting*

All regular way purchases and sales of financial assets are recognised / derecognised 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 market place.

##### *Provisions*

Provisions are recognised when the Fund has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured.

##### *Accrued expenses*

Liabilities are recognised for amounts to be paid in the future for services received, whether billed by the suppliers or not. These are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5 Material accounting policy information (continued)

##### *Redeemable units*

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the Unitholder to a pro rata share of the Fund's net assets 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 Unitholder's rights to a pro rata share of the Fund's net assets.
- 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 recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the redeemable shares 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 recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund.
- The effect of substantially restricting or fixing the residual return to the redeemable shareholders.

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 recognised in net assets attributable to the Unitholders. 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 Fund has classified these units as equity.

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

##### *Net assets value per unit*

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 outstanding at year end.

##### *Management fees*

Fund management fees are recognised on an accrual basis and charged to the statement of comprehensive income. Fund management fees are charged at agreed rates with the Fund Manager and as stated in the Terms and Conditions of the Fund.

##### *Net gain or loss on financial assets and liabilities at FVTPL*

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

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of the prior year's unrealised gains and losses for financial instruments, which were realised in the reporting year. Realised 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).

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 3.5 Material accounting policy information (continued)

##### *Dividend income*

Dividend income is recognised 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. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated as at FVTPL is recognised in the statement of comprehensive income in a separate line item.

##### *Foreign currencies*

Transactions in foreign currencies are translated into ~~ج~~ at the exchange rate at the dates of the transactions. Foreign exchange gains and losses arising from translation are included in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are retranslated into SAR at the exchange rate at the reporting date.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income as net foreign exchange losses.

##### **Expenses**

Expenses are measured and recognised as expenses on an accrual basis in the year in which they are incurred.

##### **Zakat and income tax**

Zakat and income tax is the obligation of the Unitholders and is not provided for in these financial statements.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Fund's financial statements in conformity with the IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

##### *Going concern*

The Fund Manager's board of directors, in conjunction with the Fund Manager made an assessment of the Fund's ability to continue as a going concern and are satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, they are not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

##### *Fair value measurement*

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (closing price), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The composition of the financial assets at fair value through profit or loss on the last valuation day of the year end is summarised below:

	<i>31 December 2025</i>			
	<i>% of Market Value</i>	<i>Cost ﷲ</i>	<i>Market value ﷲ</i>	<i>Unrealised Gain (loss) ﷲ</i>
<i><b>Investments in Saudi equities (by industry)</b></i>				
Banks	33.02%	124,491,910	123,953,016	(538,894)
Materials	17.43%	69,156,088	65,405,542	(3,750,546)
Energy	12.21%	46,566,506	45,831,659	(734,847)
Telecommunication Services	9.98%	36,479,781	37,465,725	985,944
Food & Beverages	4.07%	17,419,614	15,263,070	(2,156,544)
Consumer Discretionary Distribution & Retail	3.73%	14,836,696	14,012,655	(824,041)
REITs	3.15%	12,032,765	11,824,571	(208,194)
Real Estate Mgmt & Dev't	2.86%	13,389,367	10,751,369	(2,637,998)
Utilities	2.47%	12,345,593	9,273,143	(3,072,450)
Capital Goods	2.45%	8,779,707	9,186,520	406,813
Insurance	1.75%	8,120,991	6,570,000	(1,550,991)
Health Care Equipment & Services	1.36%	5,248,245	5,099,848	(148,397)
Transportation	1.29%	5,190,897	4,857,780	(333,117)
Commercial & Professional Services	0.99%	3,813,334	3,711,842	(101,492)
Software & Services	0.92%	4,445,900	3,471,468	(974,432)
Consumer Services	0.92%	3,576,286	3,436,361	(139,925)
Financial Services	0.55%	2,500,339	2,073,107	(427,232)
Consumer Staples Distribution & Retail	0.31%	1,546,835	1,152,920	(393,915)
Media and Entertainment	0.26%	1,500,386	981,185	(519,201)
Consumer Durables & Apparel	0.20%	858,713	738,481	(120,232)
Household & Personal Products	0.08%	282,403	282,061	(342)
<b>Total</b>	<b>100.00%</b>	<b>392,582,356</b>	<b>375,342,323</b>	<b>(17,240,033)</b>

The above equity investments are listed on the Saudi Stock Exchange (“Tadawul”). The Fund Manager seeks to limit risk for the Fund by monitoring exposures in each investment sector and individual securities.

	<i>31 December 2024</i>			
	<i>% of Market value</i>	<i>Cost ﷲ</i>	<i>Market value ﷲ</i>	<i>Unrealised Gain (loss) ﷲ</i>
<i><b>Investments in Saudi equities (by industry)</b></i>				
Banks	41.45%	2,656,256	3,302,317	646,061
Materials	15.34%	1,134,510	1,221,892	87,382
Energy	14.63%	1,201,613	1,166,010	(35,603)
Telecommunication Services	9.02%	642,854	718,794	75,940
Utilities	6.54%	375,304	521,290	145,986
Health Care Equipment & Services	2.95%	172,888	234,990	62,102
Food & Beverages	2.64%	165,708	210,058	44,350
Insurance	2.51%	151,566	200,122	48,556
Software & Services	2.39%	136,321	190,665	54,344
Financial Services	0.93%	60,198	74,362	14,164
Media & Entertainment	0.88%	73,178	70,400	(2,778)
Real Estate Management & Development	0.72%	55,768	57,259	1,491
<b>Total</b>	<b>100.00%</b>	<b>6,826,164</b>	<b>7,968,159</b>	<b>1,141,995</b>

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 6. TRANSACTIONS WITH RELATED PARTIES

#### A. Transactions and balances with Fund Manager

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties of the Fund comprise SAB Invest (being the Fund Manager, the Fund Board and administrator of the Fund), mutual funds managed by the Fund Manager and The Saudi Awwal Bank (“SAB”) (being significant shareholder of the Fund Manager).

In the ordinary course of its activities, the Fund transacts business with Fund Manager and related parties. Related party transactions are governed by limits set by the regulations issued by CMA. All the related party transactions are undertaken at mutually agreed prices and approved by the Fund Manager. These transactions were carried out on the basis of approved Terms and Conditions of the Fund. During the year, the Fund entered into the following transactions with related parties in the ordinary course of business:

Related party	Nature of transactions	Amount of transactions		Amounts due to related parties	
		2025 SAR	2024 SAR	2025 SAR	2024 SAR
SAB Invest (Fund Manager)	Fund management fee (including VAT)	1,674,552	75,201	565,250	7,261

  

Related party	Nature of transactions	Amount of transactions		Amounts due from related parties	
		2025 SAR	2024 SAR	2025 SAR	2024 SAR
SAB Invest (Fund Manager)	Cash and cash equivalents	-	-	565,886	30,002

The Fund pays the Fund Manager a management fee calculated at an annual rate of 0.75% per annum calculated on the net asset value at each valuation date.

There are no units in issue as at 31 December 2025 held by the Fund Manager (31 December 2024: 31,936 units).

As at 31 December 2025, the Fund did not hold any investment in Saudi Awwal Bank (SAB) shares (2024: 7,222 units). The Fund held 7,222 units of Saudi Awwal Bank (SAB) shares with a total cost of SAR 253,601 and a market value of SAR 243,020 as at 31 December 2024. These shares were fully disposed-off during the year ended 31 December 2025. Accordingly, no units in Saudi Awwal Bank (SAB) shares were held and no related market value was recorded as at the reporting date. The Fund Manager’s Board of Director’s compensation and other fees such as custodian fee and administration fee during the year has been borne and paid by the Fund Manager.

### 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has only investments at fair value through profit or loss which is measured at fair values and are classified within level 1 of the fair value hierarchy. All other financial assets and liabilities are classified at amortised cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These were no transfers between various levels of fair value hierarchy during the current year or prior year.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 8. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liability according to when they are expected to be recovered or settled respectively:

	<i>Within 12 months ﷲ</i>	<i>After 12 months ﷲ</i>	<i>No Fixed Maturity ﷲ</i>	<i>Total ﷲ</i>
<b>31 December 2025</b>				
<b>ASSETS</b>				
Cash and cash equivalents	565,886	-	-	565,886
Financial assets at FVTPL	-	-	375,342,323	375,342,323
Receivable against securities sold	24,899,491	-	-	24,899,491
Dividend receivable	32,632	-	-	32,632
<b>TOTAL ASSETS</b>	<b>25,498,009</b>	<b>-</b>	<b>375,342,323</b>	<b>400,840,332</b>
<b>LIABILITIES</b>				
Payable against securities purchased	25,164,414	-	-	25,164,414
Management fee payable	565,250	-	-	565,250
Accrued expenses	191,635	-	-	191,635
<b>TOTAL LIABILITIES</b>	<b>25,921,299</b>	<b>-</b>	<b>-</b>	<b>25,921,299</b>
<b>31 December 2024</b>				
<b>ASSETS</b>				
Cash and cash equivalents	30,002	-	-	30,002
Financial assets at FVTPL	-	-	7,968,159	7,968,159
Receivables and advances	1,261	-	-	1,261
<b>TOTAL ASSETS</b>	<b>31,263</b>	<b>-</b>	<b>7,968,159</b>	<b>7,999,422</b>
<b>LIABILITIES</b>				
Management fee payable	7,261	-	-	7,261
<b>TOTAL LIABILITIES</b>	<b>7,261</b>	<b>-</b>	<b>-</b>	<b>7,261</b>

### 9. FINANCIAL RISK MANAGEMENT

#### **Introduction**

The Fund's objective in managing risk is the creation and protection of unitholder's value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing risk identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which includes foreign currency risk, special commission rate risk and equity price risk), credit risk and liquidity risk arising from the financial instruments it holds.

#### **Risk management**

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

#### **Risk measurement and reporting system**

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Fund Manager's Board of Directors. These limits reflect the business strategy, including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risks type and activities.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 9. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### *Risk mitigation*

The Fund's terms and conditions has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

#### *Concentration risk*

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the Fund has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together.

In order to avoid excessive concentrations of risk, the Fund's terms and conditions include specific guidelines to focus on maintaining a diversified portfolio. The Fund Manager manages excessive risk concentrations when they arise. Note 5 to the financial statements shows the Fund's concentration of investment portfolio.

#### *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 does not have a formal internal grading mechanism. Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risks are generally managed on the basis of external credit ratings of the counterparties. The Fund Manager seeks to limit its credit risk by monitoring credit exposure and by dealing with reputed counterparties.

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

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>£</i>	<i>£</i>
Cash and cash equivalents	565,886	30,002
Receivable against securities sold	24,899,491	-
Dividend receivable	32,632	-
Receivables and advances	-	1,261
	<u>25,498,009</u>	<u>31,263</u>

The management has conducted a review for allowance for impairment as required under IFRS 9 and based on such assessment, the management believes that there is no significant impairment allowance was required.

#### *Liquidity risk*

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities that are settled by delivering cash or another financial assets.

The Fund's terms and conditions provide for the terms of subscriptions and redemptions of units and it is, therefore, exposed to the liquidity risk of meeting Unitholder redemptions. The Fund's investments are considered to be readily realizable. The Fund Manager monitors the liquidity requirements on a regular basis and seeks to ensure that sufficient funds are available to meet any commitments as they arise.

The undiscounted value of all financial liabilities of the Fund at the reporting date approximate to their carrying values and all are to be settled within one year from the reporting date.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 9. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### *Market risk*

Market risk is the risk that changes in market prices - such as foreign exchange rates, special commission rates, and equity prices will affect the Fund's income or the fair value of its holdings in financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective as per Fund's terms and conditions. The Fund's market risk is managed on a timely basis by the Fund Manager in accordance with the policies and procedures in place. The Fund's market positions are monitored on a timely basis by the Fund Manager.

#### *Equity price risk*

Equity price risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The Fund's investments are susceptible to market price risk arising from uncertainties about future prices. The Fund Manager manages this risk through diversification of its investment portfolio in terms of sector concentration.

#### *Sensitivity analysis*

The Fund's financial assets at FVTPL are subject to equity price risk. According to the Fund's management, the effect on the statement of comprehensive income as a result of a change in fair value of equity instruments due to a reasonable possible change in equity indices, with all other variables held constant is as follows:

	31 December 2025		31 December 2024	
	%	ﷲ	%	ﷲ
Net impact on financial assets at FVTPL	+5%	18,767,116	+5%	398,408
	-5%	(18,767,116)	-5%	(398,408)

#### *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates. The Fund does not have any significant exposure to currency risk as all its significant monetary assets and monetary liabilities are denominated in Saudi Riyals.

#### *Special commission rate risk*

The Fund has no special commission rate bearing financial assets or liabilities; therefore, the Fund Manager believes the Fund is not exposed to any direct special commission rate risk.

### 10. LAST VALUATION DAY

The last valuation day of the year was 31 December 2025 (2024: 31 December 2024).

### 11. ZAKAT

On 22 March 2024, Minister of Finance's issued its decision No. (1007) approving the new Zakat regulations (ZR), which will be applied to the fiscal years starting on or after 1/1/2024. According to Article Seventy-Six of the new Zakat regulations Funds required to register with the Zakat, Tax, and Customs Authority (ZATCA) before the end of the first fiscal year and mandate Investment Funds to submit a Zakat information declaration to ZATCA within 120 days after the end of their fiscal year, which should include audited financial statements, records of related party transactions, and any other data requested by ZATCA. The Fund is obliged to provide the unit owner with the necessary information to calculate their Zakat liability. Funds are not subject to the collection of Zakat in accordance with the regulations.

# SAB INVEST SAUDI QUANT ETF (Formerly known as SAB Invest MSCI Tadawul 30 Saudi ETF)

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 12. SUBSEQUENT EVENTS

Subsequent to the reporting date, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasize the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

These developments arose after the reporting period and have therefore been assessed as non-adjusting events in accordance with IAS 10 Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognized in the financial statements as at 31 December 2025, which reflect conditions existing at that date.

The Fund manager has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods.

The Fund manager has also considered the impact of these events on the Fund's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

### 13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Fund for the year ended 31 December 2025 were approved by the Fund Manager's Board of Directors on 15 March 2026 (corresponding to 26 Ramadhan 1447H).