ALJAZIRA GCC INCOME FUND
OPEN-ENDED FUND
(MANAGED BY ALJAZIRA CAPITAL COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS

ALJAZIRA GCC INCOME FUND
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(MANAGED BY ALJAZIRA CAPITAL COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026

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OPEN-ENDED MUTUAL FUND
(MANAGED BY ALJAZIRA CAPITAL COMPANY)

INTRODUCTION

We have reviewed the accompanying interim condensed financial statements of Aljazira GCC Income Fund (the "Fund") managed by Aljazira Capital Company (the "Fund Manager") as at 30 June 2026 which comprises:

- The interim condensed statement of financial position as at 30 June 2026;
- The interim condensed statement of comprehensive (loss) for the six-months period then ended;
- The interim condensed statement of changes in net assets (equity) attributable to the unitholders for the six-months period then ended;
- The interim condensed statement of cash flows for the six-months period then ended; and
- The notes to the interim condensed financial statements.

The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

PKF Al-Bassam
Chartered Accountants

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26 Safar 1448H
Corresponding to: 09 August 2026

ALJAZIRA GCC INCOME FUND
OPEN-ENDED FUND
(MANAGED BY ALJAZIRA CAPITAL COMPANY)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 JUNE 2026
(Amounts in Saudi Riyals)

	Notes	30 June 2026 (Un-audited)	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	4	**839,298**	492,785
Investments carried at fair value through profit or loss (FVTPL)	5	**10,377,172**	12,369,940
Dividend receivable		**2,220**	-
Prepayments and other receivables		**22,585**	11,201
TOTAL ASSETS		**11,241,275**	12,873,926
LIABILITIES			
Management fee payable	6	**103,578**	62,057
Payable to unitholders on account of redemption		**32,004**	154,299
Accrued expenses and other liabilities		**161,264**	142,938
TOTAL LIABILITIES		**296,846**	359,294
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		**10,944,429**	12,514,632
Units in issue (in numbers)	7	**47,678**	52,437
Net Asset (Equity) Value per unit		**229.55**	238.66

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

ALJAZIRA GCC INCOME FUND
OPEN-ENDED FUND
(MANAGED BY ALJAZIRA CAPITAL COMPANY)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE LOSS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
(Amounts in Saudi Riyals)

	Notes	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Investments (loss) / income			
Net (loss) / gain from investments carried at FVTPL	8	**(277,465)**	72,566
Dividend income		**260,196**	249,811
		(17,269)	322,377
Expenses			
Management fee	6	**(99,867)**	(124,732)
Custody fees		**(6,658)**	(8,315)
Other expenses		**(59,966)**	(64,953)
		(166,491)	(198,000)
Net (loss) / income for the period		**(183,760)**	124,377
Other comprehensive (loss) / income for the period		-	-
Total comprehensive (loss) / income for the period		**(183,760)**	124,377

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

ALJAZIRA GCC INCOME FUND
OPEN-ENDED FUND
(MANAGED BY ALJAZIRA CAPITAL COMPANY)

INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
(Amounts in Saudi Riyals)

	Notes	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Net assets (equity) attributable to the Unitholders at beginning of the period		**12,514,632**	11,563,379
Total comprehensive (loss) / income for the period		**(183,760)**	124,377
Changes from unit transactions			
Issuance of units		**4,062,177**	9,747,616
Redemption of units		**(5,207,931)**	(5,999,523)
Net changes from unit transactions		**(1,145,754)**	3,748,093
Payment of dividends to unitholders	13	**(240,688)**	(257,458)
Net assets (equity) attributable to the Unitholders at end of the period		**10,944,430**	15,178,391

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

ALJAZIRA GCC INCOME FUND
OPEN-ENDED FUND
(MANAGED BY ALJAZIRA CAPITAL COMPANY)

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
(Amounts in Saudi Riyals)

	Notes	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Cash flows from operating activities:			
Net (loss) / income for the period		**(183,760)**	124,377
Adjustments for:			
Unrealized loss / (gain) from investments carried at FVTPL	8	**170,497**	(225,260)
		(13,263)	(100,883)
Net changes in operating assets and liabilities:			
Investments carried at FVTPL		**1,822,271**	(4,176,452)
Advance against IPO		**-**	873,788
Dividend receivable		**(2,220)**	1,339
Prepayments and other receivables		**(11,384)**	(3,580)
Management fee payable		**41,521**	(14,936)
Accrued expenses and other liabilities		**18,325**	(917)
Net cash generated from / (used in) operating activities		**1,855,250**	(3,421,641)
Cash flows from financing activities:			
Proceeds from issuance of units		**4,062,177**	9,747,616
Redemption of units, net of redemption payable		**(5,330,226)**	(6,004,526)
Payment of dividends to unitholders		**(240,688)**	(257,458)
Net cash (used in) / generated from financing activities		**(1,508,737)**	3,485,632
Net increase in cash and cash equivalents		**346,513**	63,991
Cash and cash equivalents at beginning of the period	4	**492,785**	385,549
Cash and cash equivalents at end of the period	4	**839,298**	449,540

The accompanying notes 1 to 15 form an integral part of these interim condensed financial statements.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Aljazira GCC Income Fund (the "Fund") is an open-ended investment Fund established and managed through an agreement between Aljazira Capital - a Saudi Closed Joint Stock Company (the "Fund Manager") and the investors (the "Unitholders") in the Fund. The Fund Manager is a wholly owned subsidiary of Bank Aljazira (the"Bank"). The Capital Market Authority ("CMA") approval for establishment of the Fund was granted through its letter no 2414/5 dated 25 Jumada Al- Thani 1434H (corresponding to 05 May 2013). The Fund commenced its operations on 13 July 2013.

The Fund operates under the terms and conditions contained in its prospectus with the prime objective of providing the investors with the opportunities to invest primarily in Shariah compliant equities, issued and traded in GCC capital markets. The Fund focuses on dividend distributing equities. The Fund's net income is reinvested in the Fund, which is reflected in the net assets (equity) attributable to each unit.

The Fund is administered by the Fund Manager. The Fund's assets are held in the custody of HSBC (the "Custodian").

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) thereafter amended on 16 Sha'ban 1437H (corresponding to 23 May 2016). The regulation was further amended (the "Amended Regulations") on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442H (corresponding to 1 May 2021).

2 BASIS OF PREPARATION

2.1. Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Certified Public Accountants (SOCPA) and should be read in conjunction with the Fund's last annual financial statement for the year ended 31 December 2025. The results for the six-months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2. Basis of measurement

These interim condensed financial statements have been prepared on a historical cost basis, except for investments that are measured at fair value.

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.

2.3. Functional and presentation currency

Items included in these interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These interim condensed financial statements are presented in Saudi Riyal ("SAR") which is the Fund's functional and presentation currency.

2 BASIS OF PREPARATION

2.4. Critical accounting estimates and assumptions

The preparation of these interim condensed financial statements requires the Fund Manager 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 recognized in the period in which the estimates are revised and in any future periods affected. In the process of applying the Fund's accounting policies, the Fund Manager has made the following estimate and judgment which is significant to these interim condensed financial statements.

2.4.1. Going concern

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the Fund Manager is not aware of any material uncertainties that may cast significant doubt on the Fund's ability to continue as a going concern. Accordingly, these interim condensed financial statements have been prepared on a going concern basis.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2025. There are new standards, amendments and interpretations apply for the first time in 2026, but do not have an impact on the interim condensed financial statements of the Fund.

There are several other amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial statements. In the opinion of the Fund's Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

3.1 New standards, interpretations and amendments

During the period, the Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments, given below, apply for the first time in 2026, but do not have a material impact on the interim condensed financial statements of the Fund.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 New standards, interpretations and amendments(continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the standards and amendments	Management impact
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7	The amendments have been adopted during the current period. The adoption did not have a material impact on the Company's financial statements, as the Company's financial instruments and settlement arrangements were not significantly affected.
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.	The amendments have been adopted during the current period. The adoption did not have a material impact on the Company's financial statements, as the nature of the Company's operations and contractual arrangements did not result in any significant exposure to such contracts.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 New standards, interpretations and amendments not yet adopted by the Fund (continued)

The Funds have not applied the following new and revised IFRS and amendments to IFRS that have been issued but are not yet effective:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of the amendment	Management assessment
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.	Management is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.	Management will assess the applicability of IFRS 19 at the date of adoption. The standard is expected to affect disclosure requirements only and is not expected to have a material impact on the Company's financial position, financial performance or cash flows.

(Amounts in Saudi Riyals)

4 CASH AND CASH EQUIVALENTS

	Notes	30 June 2025 (Un-audited)	31 December 2025 (Audited)
Cash at Bank	4.1, 6	183,776	177,310
Cash with Custodian	4.2	655,522	315,475
		839,298	492,785

4.1. Cash at Bank is held in current accounts with Bank Aljazira, a related party (Also see Note 1). The Fund does not earn profit on these current accounts.

4.2. These funds are placed with the Custodian (also see Note 1).

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

Investments in listed equity instruments carried at FVTPL comprise of the following:

Industry sector	30 June 2026 (Un-audited)		
	Cost	Fair value	%
Banks & Financial Services	1,581,104	2,058,553	19.84%
Transportation	1,030,746	1,017,184	9.80%
Insurance	500,008	726,006	7.00%
Consumer services	374,795	934,217	9.00%
Capital Goods	781,489	782,188	7.54%
Energy & Utilities	803,023	887,331	8.55%
Software & Services	414,687	332,646	3.21%
Materials	803,140	796,161	7.67%
Telecommunication Services	277,748	285,269	2.75%
Real Estate Management & Development	627,651	842,183	8.12%
Telecommunications & Information Technology	167,961	353,618	3.41%
Industrials	249,410	378,470	3.65%
Retailing	523,691	353,198	3.40%
Others	859,419	630,148	6.07%
Total	8,994,872	10,377,172	100.00%

(Amounts in Saudi Riyals)

5 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) (CONTINUED)

Industry sector	31 December 2025 (Audited)		
	Cost	Fair value	%
Banks & Financial Services	1,763,484	2,045,510	16.54%
Transportation	1,489,146	1,576,500	12.74%
Insurance	758,088	1,079,206	8.72%
Energy & Utilities	374,795	986,966	7.98%
Materials	915,774	974,940	7.88%
Consumer Services	627,651	938,558	7.59%
Telecommunication Services	867,289	921,223	7.45%
Software & Services	843,347	847,750	6.85%
Real Estate Management & Development	625,009	599,945	4.85%
Food & Beverages	741,628	553,186	4.47%
Retailing	523,691	416,016	3.36%
Capital Goods	249,410	409,139	3.31%
Health Care Equipment & Services	176,623	375,178	3.03%
Others	861,208	645,823	5.22%
Total	10,817,143	12,369,940	100%

6 RELATED PARTIES TRANSACTIONS AND BALANCES

Management fee and other expenses

For management services, the Fund pays quarterly management fees at an annual rate of 1.50% of the net assets (equity) of the Fund attributable to Unitholders, at each valuation date, as set out in the Fund's terms and conditions.

The Fund Manager recovers from the Fund any other expenses incurred on behalf of the Fund such as board compensation, Shariah supervisory board compensation and other similar charges. These expenses are not expected to exceed an annual rate of 0.5% of the value of Fund's net assets (equity) calculated on daily basis.

Transactions with related parties

During the period, the Fund entered into the following significant transactions with related parties in the ordinary course of its business. These transactions were carried out on the basis of approved terms and conditions of the Fund.

Related parties	**Nature of relationship**	**Nature of transaction**	**30 June 2026 (Un-audited)**	30 June 2025 (Un-audited)
Aljazira Capital Company	Fund Manager	Management fee	**(99,867)**	(124,732)
Fund's Board	Key executive	Board remuneration	**(5,951)**	(5,951)

(Amounts in Saudi Riyals)

6 RELATED PARTIES TRANSACTIONS AND BALANCES(CONTINUED)

Certain units of the Fund are subscribed by an affiliate of the Fund Manager and other funds managed and administered by the Fund Manager, the details of outstanding units as at period end / year end are as follows:

Related parties and nature of relationship	30 June 2026 (Un-audited)	31 December 2025 (Audited)
	(Unit in numbers)	
Fund Manager		
Aljazira Capital Company	**8,393**	8,393

Balances with related parties

Related parties	Nature of relationship	Nature of transaction	30 June 2026 (Un-audited)	31 December 2025 (Audited)
Bank Aljazira	Affiliate	Bank balances	**183,776**	177,310
		Investment carried at FVTPL	-	169,174
Aljazira Capital Company	Fund Manager	Management fee payable	**(103,578)**	(62,057)
		Proceeds paid from Redemption of Units	-	-
		Share in net assets	**1,926,613**	2,003,205
Fund's Board	Key executive	Remuneration payable *	**(5,885)**	(11,394)

* Classified in interim condensed statement of financial position under accrued expenses and other liabilities.

Related parties	Nature of transaction	Amount of Transactions/Balance 30 June 2026	Value of units held as at 30 June 2026
Aljazira Capital Company	Subscription of Units	-	**1,926,613**
	Redemption of Units	-	-

7 UNIT TRANSACTIONS

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

	30 June 2026 (Un-audited)	31 December 2025 (Audited)
	(Unit in numbers)	
Units at beginning of the period / year	**52,437**	45,784
Units issued during the period / year	**16,341**	45,102
Units redeemed during the period / year	**(21,100)**	(38,449)
Net change in units	**(4,759)**	6,653
Units at end of the period / year	**47,678**	52,437

(Amounts in Saudi Riyals)

8 NET (LOSS) / GAIN FROM INVESTMENTS CARRIED AT FVTPL

	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Unrealized (loss) / gain on revaluation of investments	**(170,497)**	225,260
Realised (loss) on disposal of investments	**(106,968)**	(152,694)
	(277,465)	72,566

9 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2026 (Un-audited)	**Amortized cost**	**FVTPL**
Assets as per interim condensed statement of financial position		
Cash and cash equivalents	**839,298**	**-**
Investments measured at fair value through profit or loss	**-**	**10,377,172**
Dividend receivable	**2,220**	**-**
Total	**841,518**	**10,377,172**

31 December 2025 (Audited)	Amortized cost	FVTPL
Assets as per statement of financial position		
Cash and cash equivalents	492,785	-
Investments carried at FVTPL	-	12,369,940
Total	492,785	12,369,940

30 June 2026 (Un-audited)	**Amortized cost**	**FVTPL**
Liabilities as per statement of financial position		
Management fee payable	**103,578**	-
Payable to unitholders on account of redemption	**32,004**	-
Accrued expenses and other liabilities	**161,264**	-
Total	**296,846**	-

31 December 2025 (Audited)	Amortized cost	FVTPL
Liabilities as per statement of financial position		
Management fee payable	62,057	-
Payable to unitholders on account of redemption	154,299	-
Accrued expenses and other liabilities	142,938	-
Total	359,294	-

All financial liabilities as at 30 June 2026 and 31 December 2025 were measured at amortized cost.

(Amounts in Saudi Riyals)

10 FINANCIAL RISK MANAGEMENT

The objective of the Funds is to safeguard its 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, liquidity risk and operational risk.

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

Monitoring and controlling risks is 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

(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.

The Fund's investments in equity instruments measured at FVTPL are expose to the foreign exchange risk in the following currencies:

Currency	Country	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
		Fair Value	%	Fair value	%
AED	United Arab Emirates	**2,796,092**	**27%**	3,048,636	24.65
KWD	Kuwait	**595,212**	**2%**	651,350	5.27
QAR	Qatar	**204,766**	**6%**	211,208	1.71
		3,596,070	**100%**	3,911,194	31.63

The effect on the net assets value (as a result of the change in the fair value of investments as at 30 June 2026 and December 2025) due to a reasonably possible change in exchange rates based on the currency concentration, with all other variables held constant is as follows:

(Amounts in Saudi Riyals)

10 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(ii) Foreign exchange risk(continued)

Currency	Country	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
		Potential reasonable change %	**Effect on NAV**	Potential reasonable change %	Effect on NAV
AED	United Arab Emirates	**+/-1%**	**27,961**	+/-1%	30,486
KWD	Kuwait	**+/-1%**	**2,048**	+/-1%	6,514
QAR	Qatar	**+/-1%**	**5,952**	+/-1%	2,112

(iii) 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.

The Fund is not subject to commission rate risk, as it does not have any significant variable commission rate bearing financial instruments.

(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 financial instruments that the Fund holds. The Fund closely monitors the price movement of its investments in financial instruments. As of the interim condensed statement of financial position date, Fund has equity investments in listed equity securities (Note 5).

The effect on the net assets (equity) value (as a result of the change in the fair value of significant investments as at 30 June 2026 and 31 December 2025) due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

(Amounts in Saudi Riyals)

10 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Price risk

	30 June 2026 (Un-audited)		31 December 2025 (Audited)	
	Potential reasonable change %	**Effect on NAV**	Potential reasonable change %	Effect on NAV
Banks & Financial Services	1%	**20,586**	1%	20,455
Transportation	1%	**10,172**	1%	15,765
Insurance	1%	**7,260**	1%	10,792
Consumer services	1%	**9,342**	1%	9,870
Capital Goods	1%	**7,822**	1%	9,749
Energy & Utilities	1%	**8,873**	1%	9,386
Software & Services	1%	**3,326**	1%	9,212
Materials	1%	**7,962**	1%	8,478
Telecommunication Services	1%	**2,853**	1%	5,999
Real Estate Management & Development	1%	**8,422**	1%	5,784
Telecommunication s & Information Technology	1%	**3,536**	1%	6,231
Industrials	1%	**3,785**	1%	3,769
Retailing	1%	**3,532**	1%	3,476
Others	1%	**6,301**	1%	3,876

(b) Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

It is the Fund's policy to enter into financial instrument contracts with reputable counterparties. The Fund seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. The Fund is exposed to credit risk for its cash and cash equivalents, transactions under settlement and dividends receivable. Bank balances are placed with reputable financial institutions; hence the credit risk is minimal. For other assets, credit risk is also low.

Credit ratings
The credit quality of the Fund's cash and cash equivalents is assessed with reference to external credit ratings which, in all cases, are above investment-grade rating. The cash and cash equivalents along with credit ratings are tabulated below:

Rating of financial institution	**30 June 2026 (Un-audited)**	31 December 2025 (Audited)
Cash and cash equivalents		
A- (Fitch)	**183,776**	177,310
Unrated	**655,522**	315,475
Dividend receivable -unrated	**2,220**	-

10 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 business day and it is, therefore, exposed to the liquidity risk of meeting Unitholder redemptions. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one months from the interim condensed statement of financial position date.

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

(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.

(e) Capital risk management

The capital of the Fund is represented by the equity attributable to holders of redeemable units. The amount of equity attributable to 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 unitholders and maintain a strong capital base to support the development of the investment activities of the Fund.

The Fund Manager monitor capital on the basis of the value of equity attributable to unitholders.

11 FAIR VALUE ESTIMATION

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

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying value less impairment provision, if any, of financial instrument carried at amortized cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

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

(Amounts in Saudi Riyals)

11 FAIR VALUE ESTIMATION(CONTINUED)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equity instruments. The Fund does not adjust the quoted price for these instruments. There have been no transfers between Level 1, 2 and 3 hierarchy of fair values.

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

30 June 2026	**Fair value Level**			
	1	**2**	**3**	**Total**
FINANCIAL ASSET				
Investments carried at fair value through profit or loss (FVTPL)	**10,377,172**	**-**	**-**	**10,377,172**

31 December 2025	Fair value Level			
	1	2	3	Total
FINANCIAL ASSET				
Investments carried at fair value through profit or loss (FVTPL)	12,369,940	-	-	12,369,940

For assets and liabilities that are measured at fair value on a recurring basis, the Fund identifies transfers between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole),and deems transfers to have occurred at the end of the reporting period during which the change has occurred. During the period, there was no transfer in fair value hierarchy for the financial assets held at fair value through profit or loss.

Other financial instruments such as, cash and cash equivalents are short-term financial asset whose carrying amount approximate their fair value, because of their short-term nature and the high credit quality of counterparty. For all other financial assets and liabilities, the carrying value is an approximation of fair value.

12 DIVIDEND DISTRIBUTION

In accordance with the approved terms and conditions, the Fund has to distribute dividends at the end of May and November every year. The Fund's Board approved to distribute dividends with regards to period ended 31 May 2026 [2025: 31 May 2025] amounting to SAR 240,688 [2025: SAR 257,458] to its Unitholders.

13 EVENTS AFTER THE END OF THE REPORTING PERIOD

There has been no significant event after the interim condensed statement of financial position date, which in the opinion of the Fund Manager requires recognition or disclosure in the interim condensed financial statements.

14 LAST VALUATION DAY

The last valuation day for the purpose of preparation of these interim condensed financial statements was 30 June 2026 (2025: 31 December 2025).

15 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund's Board on 22 Safar 1448H corresponding to 05 August 2026G.