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

INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
TOGETHER WITH THE INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS

Table of Contents

PKF Al-Bassam
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

TO THE UNITHOLDERS OF ALJAZIRA SAUDI EQUITIES FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY ALJAZIRA CAPITAL COMPANY)

INTRODUCTION

We have reviewed the accompanying interim condensed financial statements of Aljazira Saudi Equities 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 income 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

Abdulellah Al Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
26 Safar 1448H
Corresponding to: 09 August 2026

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

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	**210,684,995**	51,910,663
Investments carried at fair value through profit or loss (FVTPL)	5	**1,212,949,915**	1,320,889,138
Dividend receivable		**209,910**	-
Prepayment and other receivables		**5,129**	16,942
TOTAL ASSETS		**1,423,849,949**	1,372,816,743
LIABILITIES			
Management fee payable	6	**12,044,067**	6,231,969
Payable to unitholders on account of redemption		**2,085,513**	34,995,214
Accrued expenses and other liabilities		**419,847**	466,661
TOTAL LIABILITIES		**14,549,427**	41,693,844
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS		**1,409,300,522**	1,331,122,899
Units in issue (in numbers)	7	**1,373,752**	1,312,412
Net Asset (Equity) Value per unit		**1,025.88**	1,014.26

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (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)
Income			
Net gain / (loss) from investments carried at FVTPL	8	**3,127,030**	(31,434,713)
Dividend income		**23,146,938**	11,916,998
		26,273,968	(19,517,715)
Expenses			
Management fees	6	**(12,044,075)**	(8,912,530)
Custody fees		**(313,146)**	(231,726)
Other expenses		**(52,016)**	(52,019)
		(12,409,237)	(9,196,275)
Net income / (loss) for the period		**13,864,731**	(28,713,990)
Other comprehensive income for the period		**-**	-
Total comprehensive income / (loss) for the period		**13,864,731**	(28,713,990)

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

ALJAZIRA SAUDI EQUITIES FUND
OPEN-ENDED MUTUAL 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)

	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Net assets (equity) attributable to the unitholders at beginning of the period	**1,331,122,899**	793,638,385
Total comprehensive income / (loss) for the period	**13,864,731**	(28,713,990)
Changes from unit transactions		
Issuance of units	**160,141,345**	655,929,058
Redemption of units	**(95,828,453)**	(105,988,496)
Net changes from unit transactions	**64,312,892**	549,940,562
Net assets (equity) attributable to the Unitholders at end of the period	**1,409,300,522**	1,314,864,957

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

ALJAZIRA SAUDI EQUITIES FUND
OPEN-ENDED MUTUAL 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 income / (loss) for the period		**13,864,731**	(28,713,990)
Adjustments for:			
Unrealized (gain) / loss from investments carried at FVTPL	8	**(31,715,987)**	47,951,646
		(17,851,256)	19,237,656
Net changes in operating assets and liabilities:			
Investments carried at FVTPL		**139,655,210**	(543,918,117)
Advance against purchase of investments		**-**	36,133,661
Dividend receivable		**(209,910)**	322,752
Prepayments and other receivables		**11,813**	(3,467)
Management fee payable		**5,812,098**	1,762,682
Accrued expenses and other liabilities		**(46,814)**	(134,063)
Net cash generated from / (used in) operating activities		**127,371,141**	(486,598,896)
Cash flows from financing activities:			
Proceeds from issuance of units		**160,141,345**	655,929,058
Redemption of units*net of payable		**(128,738,154)**	(107,954,109)
Net cash generated from financing activities		**31,403,191**	547,974,949
Net increase in cash and cash equivalents		**158,744,332**	61,376,053
Cash and cash equivalents at beginning of the period		**51,910,663**	6,848,573
Cash and cash equivalents at end of the period	4	**210,684,995**	68,224,626

Supplementary information

* Payable to Unitholders on account of redemption		**2,085,513**	17,173

The accompanying notes 1 to 14 form an integral part of these interim condensed financial statements.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Al Jazira Saudi Equities Fund (the "Fund") is an open-ended, Saudi Investment fund established and managed through an agreement between Aljazira Capital Company – 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 to continue issuing units to public was granted vide its letter no 7720/5 dated 12 Muharram 1431H (corresponding to 29 December 2009). The Fund commenced its operations on 4 December 1999.

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 in Saudi capital market in accordance with the principles of Islamic Shariah. Equity investments by the Fund are restricted to those listed in the Kingdom of Saudi Arabia. The Fund's net income is re-invested 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

These interim condensed financial statements are presented in Saudi Riyal ("SAR") which is the Fund's functional and presentation currency.

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 BASIS OF PREPARATION (continued)

2.4. Critical accounting estimates and assumptions (Continued)

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 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 adopted by the fund

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.

The listing of standards and interpretations issued which the Fund reasonably expects to be applicable at a future date are as follows. The Fund is currently assessing the impact of these standards and interpretations and intends to adopt these when they become effective.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Standards and amendments effective in the current period

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 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Standards and amendments effective in the current period (Continued)

The Funds has 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 2026 (Un-audited)**	31 December 2025 (Audited)
Cash at Bank	4.1, 6	**14,831,042**	938,933
Cash with Custodian		**195,853,953**	50,971,730
		210,684,995	51,910,663

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

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

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

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

Industry sector	**30 June 2026 (Un-audited)**		
	Cost	**Fair value**	**%**
Banks	**232,343,043**	**294,459,064**	**24.28%**
Energy	**243,456,209**	**255,268,194**	**21.05%**
Telecommunication Services	**124,176,236**	**127,271,640**	**10.49%**
Utilities	**99,797,337**	**96,353,086**	**7.94%**
Insurance	**65,407,768**	**86,695,679**	**7.15%**
Capital Goods	**66,834,536**	**72,084,202**	**5.94%**
Materials	**70,320,042**	**62,328,845**	**5.14%**
Software & Services	**62,240,250**	**41,615,931**	**3.27%**
Health Care Equipment & Svc	**50,434,469**	**39,651,565**	**3.08%**
Consumer Services	**40,534,903**	**37,411,466**	**2.82%**
Financial Services	**55,063,906**	**34,204,940**	**2.71%**
Retailing	**46,641,672**	**32,828,525**	**2.70%**
Others	**38,042,685**	**32,776,778**	**3.43%**
Total	**1,195,293,056**	**1,212,949,915**	**100%**

Industry sector	As at 31 December 2025 (Audited)		
	Cost	Fair Value	%
Banks	281,441,816	290,666,512	22.01
Insurance	240,579,871	249,176,300	18.86
Energy	152,360,917	160,529,785	12.15
Utilities	84,031,609	110,616,830	8.37
Software & Services	98,841,236	92,816,670	7.03
Retailing	80,496,933	85,991,420	6.51
Financial Services	85,197,360	71,312,017	5.40
Materials	59,094,756	53,000,848	4.01
Consumer Services	59,404,636	48,705,725	3.69
Telecommunication Services	43,174,853	48,630,342	3.68
Health Care Equipment & Svc	55,063,906	36,829,824	2.79
Transportation	32,905,723	21,765,581	1.65
Others	62,354,650	50,847,284	3.85
Total	1,334,948,266	1,320,889,138	100%

(Amounts in Saudi Riyals)

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.

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	**(12,044,075)**	(8,912,530)
		Cash inflows from Subscription of units	**-**	3,750,000
Bank Aljazira	Affiliate	Shares purchased during the period	**1,010,085**	9,491,651
Fund's Board	Key executive	Board remuneration	**(7,934)**	(7,935)
Aljazira Takaful Taawuni Company	Affiliate	Cash inflows from Subscription of units	**4,515,818**	5,557,383
		Proceeds paid from Redemption of units	**(24,427,577)**	(32,236,107)
Al Jazira Asset Allocation Fund - Growth Strategy	Fund managed by the Fund Manager	Cash inflows from Subscription of units	**2,912,740**	571,748
		Proceeds paid from Redemption of units	**(1,260,000)**	(5,115,145)
AlJazira Asset Allocation Fund - Moderate Strategy	Fund managed by the Fund Manager	Cash inflows from Subscription of units	**3,247,793**	850,668
		Proceeds paid from Redemption of units	**(565,000)**	(1,467,500)
AlJazira Asset Allocation Fund - Conservative Strategy	Fund managed by the Fund Manager	Cash inflows from Subscription of units	**2,418,047**	859,170
		Proceeds paid from Redemption of units	**(127,500)**	(1,454,000)

(Amounts in Saudi Riyals)

6. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

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

Related parties, nature of relationship and outstanding units	30 June 2026 (Un-audited)	31 December 2025 (Audited)
	(Unit in numbers)	
Fund Manager		
Aljazira Capital Company	**10,674**	10,674
Affiliate		
Aljazira Takaful Taawuni Company	**398,706**	403,030
Funds managed by the Fund Manager		
AlJazira Asset Allocation Fund - Growth Strategy	**30,349**	28,801
AlJazira Asset Allocation Fund - Moderate Strategy	**8,530**	6,052
AlJazira Asset Allocation Fund - Conservative Strategy	**3,650**	1,481

Balances with related parties

Related parties	Nature of relationship	Nature of transaction	30 June 2026 (Un-audited)	31 December 2025 (Audited)
Bank Aljazira	Affiliate	Cash at bank	**14,831,042**	938,933
		Investments carried at FVTPL	**-**	24,483,594
Aljazira Capital Company	Fund Manager	Management fee payable	**(12,044,067)**	(6,231,969)
		Share in net assets	**-**	10,826,211
Fund's Board	Key executive	Remuneration payable*	**(7,934)**	(16,000)

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

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	**1,312,412**	725,178
Units issued during the period / year	**152,163**	857,999
Units redeemed during the period / year	**(90,823)**	(270,765)
Net change in units	**61,340**	587,234
Units at end of the period / year	**1,373,752**	1,312,412

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

	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Unrealized gain / (loss) on revaluation of investments	**31,715,987**	(47,951,646)
Realised (loss) / gain on disposal of investments	**(28,588,957)**	16,516,933
	3,127,030	(31,434,713)

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	**210,684,995**	**-**
Investments carried at FVTPL	**-**	**1,212,949,915**
Total	**210,684,995**	**1,212,949,915**

31 December 2025 (Audited)	Amortized cost	FVTPL
Assets as per statement of financial position		
Cash and cash equivalents	51,910,663	-
Investments carried at FVTPL	-	1,320,889,138
Total	51,910,663	1,320,889,138

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

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.

All the financial instruments held by the Fund are in Saudi Riyals and therefore they are not exposed to foreign exchange risk.

(ii) Commission rate risk

Commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates.

The Fund is not subject to commission rate risk, as it does not have any commission 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, the Fund has equity investments in listed equity securities.

(Amounts in Saudi Riyals)

10 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Price risk (continued)

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;

	30 June 2026 (Un-audited)		31 December 2025 (Audited)	
	Potential reasonable change %	**Effect on NAV**	Potential reasonable change %	Effect on NAV
Banks	**1%**	**2,944,591**	1%	2,906,665
Energy	**1%**	**2,552,682**	1%	1,605,298
Telecommunication Services	**1%**	**1,272,716**	1%	486,303
Utilities	**1%**	**963,531**	1%	1,106,168
Insurance	**1%**	**866,957**	1%	2,491,763
Capital Goods	**1%**	**720,842**	-	-
Materials	**1%**	**623,288**	1%	530,008
Others	**1%**	**416,159**	1%	508,473
Software & Services	**1%**	**396,516**	1%	928,167
Health Care Equipment & Svc	**1%**	**374,115**	1%	368,298
Consumer Services	**1%**	**342,049**	1%	487,057
Financial Services	**1%**	**328,285**	1%	713,120
Retailing	**1%**	**327,768**	1%	859,914
Transportation	-	-	1%	217,656

(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 on its cash and cash equivalents 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-	**14,831,042**	938,933
Unrated	**195,853,953**	50,971,730
Dividend receivable		
Unrated	**209,910**	-

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 Saudi business day and it is, therefore, exposed to the liquidity risk of meeting Unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the 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.

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. The Fund classifies all of its financial assets, except for those carried at amortized cost, at fair value as Level 1. There have been no transfers between Level 1, 2 and 3 hierarchy of fair values.

(Amounts in Saudi Riyals)

11 FAIR VALUE ESTIMATION(CONTINUED)

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)	**1,212,949,915**	**-**	**-**	**1,212,949,915**

31 December 2025	Fair value Level			
	1	2	3	Total
FINANCIAL ASSET				
Investments carried at fair value through profit or loss (FVTPL)	1,320,889,138	-	-	1,320,889,138

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 high credit quality of the counterparty. For all other financial assets and liabilities, the carrying value is an approximation of fair value.

12 SUBSEQUENT EVENTS

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.

13 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).

14 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.