

## صندوق البلاد للصكوك

### (أ) معلومات صندوق الاستثمار

(1) اسم صندوق الاستثمار:

صندوق البلاد للصكوك

(2) أهداف وسياسات الاستثمار وممارساته:

يهدف الصندوق إلى تحقيق عوائد على المدى المتوسط والطويل من خلال الاستثمار في الصكوك المحلية والدولية المتوافقة مع معايير اللجنة الشرعية. ويتم الاستثمار بشكل أساسي في الصكوك المحلية والإقليمية والعالمية، بالإضافة إلى أسواق النقد و/أو صناديق أسواق النقد والدخل الثابت المرخصة من هيئة السوق المالية أو هيئة مماثلة (في حال الاستثمار في الصناديق خارج المملكة العربية السعودية) والمتوافقة مع معايير اللجنة الشرعية للصندوق.

(3) سياسة توزيع الدخل والأرباح:

يهدف الصندوق إلى توزيع الدخل الذي حققه من الكوبونات على مالك الوحدات على أساس ربعي.

(4) تقارير الصندوق متاحة عند الطلب وبدون مقابل

(5) وصف المؤشر الاسترشادي للصندوق، والموقع الإلكتروني لمزود الخدمة

حساب قيمة المؤشر على أساس القيمة السوقية لكل صك في المؤشر والقيمة السوقية تحسب بالاعتماد على سعر أعلى طلب للصك المعني بالتقويم عند إغلاق السوق المالية السعودية الرئيسية ( تداول ) مضروبًا بحجم الإصدار المحتسب من قبل إيديل ريتينق للصكوك العالمية . الموقع الإلكتروني لمزود الخدمة

www.idealratings.com

### (ب) أداء الصندوق

(1) جدول مقارنة يغطي السنوات المالية الثلاث (أو منذ التأسيس):

2023	البند
19,620,591	صافي قيمة أصول الصندوق في نهاية السنة المالية
10.08	صافي قيمة أصول الصندوق لكل وحدة في نهاية السنة المالية
10.2	أعلى صافي قيمة أصول الصندوق لكل وحدة
9.67	أقل صافي قيمة أصول الصندوق لكل وحدة
1,891	عدد الوحدات المصدرة في نهاية السنة المالية (بالآلاف)
0.13	قيمة الأرباح الموزعة لكل وحدة (حيثما ينطبق)
1.4%	نسبة المصروفات
-	نسبة الأصول المقترضة من إجمالي قيمة الأصول، ومدة انكشافها وتاريخ استحقاقها (إن وجدت)
7.8%	نتائج مقارنة أداء المؤشر الاسترشادي للصندوق بأداء الصندوق

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#### للمزيد من المعلومات الاتصال بـ:

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#### إخلاء المسؤولية

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## التقرير السنوي إلى مالكي الوحدات لسنة 2023

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(2) سجل أداء:

(أ) العائد الإجمالي لسنة واحدة، ثلاث سنوات، خمس سنوات و منذ التأسيس

اليوم	سنة	3 سنوات	5 سنوات	منذ التأسيس
العائد الإجمالي	0.77%			0.77%

\* تم تأسيس الصندوق في 01 فبراير 2023

(ب) العائد الإجمالي لكل سنة من السنوات المالية العشرة الماضية ، (أو منذ التأسيس)

السنة	2023
العائد الإجمالي	0.77%

\* يقر مدير الصندوق أنه تم تطبيق قواعد حساب بيانات الأداء وأي افتراض بشكل متسق

(ج) جدول يوضح مقابل الخدمات والعمولات والأتعاب التي تحملها صندوق الاستثمار على مدار العام. ويجب أيضا الإفصاح بشكل واضح عن إجمالي نسبة المصروفات، ويجب الإفصاح عن ما إذا كانت هناك أي ظروف يقرر فيها مدير الصندوق الإعفاء من أي رسوم أو تخفيضها.

نوع الخدمات أو العمولات أو الأتعاب	صافي القيمة	نسبة المصروفات إلى متوسط صافي أصول الصندوق
رسوم اشتراك	-	-
أتعاب الإدارة	68,869	0.68%
رسوم التطهير الشرعي	-	-
رسوم مراجع الحسابات	16,867	0.17%
رسوم الحفظ	7,497	0.07%
مكافئة أعضاء مجلس الإدارة	821	0.01%
رسوم نشر المعلومات على موقع تداول	683	0.01%
رسوم رقابية	1,830	0.02%
رسوم المؤشر الإستراتيجي	9,092	0.09%
مصاريف القيمة المضافة	12,629	0.13%
مصاريف تعامل ( الوساطة)	-	-
رسوم خدمات الصندوق الإدارية	19,526	0.19%
مصاريف أخرى	679	0.01%
مصاريف إيداع	-	-
رسوم الإدراج	2,667	0.03%
مجموع المصاريف	141,162	1.40%

\* لم يتم مدير الصندوق بأي تخفيض أو إعفاء من أي رسوم خلال عام 2023

(3) إذا حدثت تغييرات جوهرية خلال الفترة وأثرت في أداء الصندوق، يجب الإفصاح عنها بشكل واضح.

لا يوجد

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(4) الإفصاح عن ممارسات التصويت السنوية على أن تحتوي اسم المصدر وتاريخ الجمعية العمومية وموضوع التصويت وقرار التصويت (موافق/غير موافق/ الامتناع عن

التصويت)

لا يوجد

(5) تقرير مجلس إدارة الصندوق السنوي على أن يحتوي - على سبيل المثال لا الحصر - على:

(أ) أسماء أعضاء مجلس إدارة الصندوق، مع بيان نوع العضوية

- 1- زيد محمد سعد المفرح رئيس مجلس الإدارة غير مستقل
- 2- هيثم سليمان السحيمي عضو مجلس إدارة غير مستقل
- 3- وليد عبدالله بن عتيق عضو مجلس إدارة مستقل
- 4- عمر علي بصال عضو مجلس إدارة مستقل

(ب) نبذة عن مؤهلات أعضاء مجلس إدارة الصندوق

زيد المفرح

حصل على شهادة البكالوريوس في إدارة الأعمال ونظم المعلومات من جامعة تشوبو في اليابان، وحصل على درجة الماجستير في الاقتصاد والمالية من جامعة ولاية نيويورك في الولايات الأمريكية المتحدة. و شغل سابقاً منصب وكيل الهيئة للشركات المدرجة والمنتجات الاستثمارية في هيئة السوق المالية. بالإضافة الى امتلاكه خبرة تفوق ١٥ عاما في قطاع الخدمات المالية.

(رئيس مجلس الادارة للصندوق والرئيس التنفيذي لشركة البلاد للاستثمار " البلاد المالية ").

هيثم السحيمي

حاصل على الماجستير في علوم الاستثمار ومخاطر التمويل من جامعة وستمنستر (University of Westminster) في لندن بالمملكة المتحدة، شغل عدة مناصب في اعمال الادارة بشركة سابين الامارات العربية المتحدة (SAPIN UAE)، وخبرات لاحقة منذ عام ٢٠١٥ في جدوى للاستثمار ثم البلاد المالية كمحلل مالي في المصرفية الاستثمارية والاسهم الخاصة وتطوير الأعمال. (عضو مجلس الإدارة بنك البلاد والرئيس التنفيذي لتطوير الأعمال في البلاد المالية).

وليد عبدالله بن عتيق

ماجستير في المالية من جامعة سانت ماري في كندا، وبكالوريوس في الاقتصاد مع تخصص فرعي في إدارة الأعمال من جامعة ولاية أوهايو في الولايات المتحدة الأمريكية. خبرة أكثر من 16 عاما في التمويل والاستثمار والتأمين وإدارة المخاطر. شغل عدة مناصب كمشرف للتأمين في البنك المركزي السعودي (ساما)، محلل أول لآداء الاستثمار في البنك المركزي السعودي (ساما)، المدير المالي في شركة أليانز السعودي الفرنسي للتأمين التعاوني، ويشغل حاليا منصب نائب الرئيس المالي في الشركة السعودية لإعادة التأمين التعاوني

عمر بصال

ماجستير إدارة اعمال والإدارة المالية و الإحصاء بمرتبة الشرف، يمتلك الاستاذ عمر خبرة تزيد عن عشرة أعوام في المجال المالي ويشغل حالياً منصب مدير لإدارة الأصول في شركة محمد إبراهيم السبيعي وأولاده. ورغم أن الاستاذ عمر بصال يشغل منصب تنفيذي في إحدى الشركات المالكة لبنك البلاد (بنك البلاد يملك 100% من أسهم شركة البلاد للاستثمار " البلاد المالية ")، فإنه لا يوجد تضارب مصالح.

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(ج) أدوار مجلس إدارة الصندوق ومسؤولياته

تشمل مسؤوليات أعضاء مجلس إدارة الصندوق، على سبيل المثال لا الحصر الآتي:

- الموافقة على جميع العقود والقرارات والتقارير الجوهرية التي يكون الصندوق طرفاً فيها، ويشمل ذلك على سبيل المثال لا الحصر، الموافقة على عقود تقديم خدمات الإدارة للصندوق، وعقود خدمات الحفظ ولا يشمل ذلك العقود المبرمة وفقاً للقرارات الاستثمارية في شأن أي استثمارات قام بها الصندوق أو سيقوم بها بالمستقبل.
- اعتماد سياسة مكتوبة فيما يتعلق بحقوق التصويت المتعلقة بأصول الصندوق.
- الموافقة على تعيين المراجع الخارجي للصندوق الذي يرشحه مدير الصندوق.
- الإشراف، ومتى ما كان ذلك مناسباً، الموافقة والمصادقة على أي تضارب مصالح يفصح عنه مدير الصندوق.
- الاجتماع مرتين سنوياً على الأقل مع لجنة المطابقة والالتزام لدى مدير الصندوق أو مسؤول المطابقة والالتزام لديه لمراجعة التزام الصندوق بجميع القوانين والأنظمة واللوائح ذات العلاقة.
- التأكد من اكتمال ودقة شروط وأحكام الصندوق وأي مستند آخر (سواء أكان عقداً أو غيره) يتضمن إفصاحات تتعلق بالصندوق ومدير الصندوق وإدارته للصندوق، إضافة إلى التأكد من توافق ما سبق مع أحكام لائحة صناديق الاستثمار.
- التأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لأحكام لائحة صناديق الاستثمار وشروط وأحكام الصندوق.
- التأكد من التزام مدير الصندوق بالإفصاح عن المعلومات الجوهرية لمالكي الوحدات وغيرهم من أصحاب المصالح.
- العمل بأمانة وحسن نية واهتمام ومهارة وعناية وحرص لمصلحة الصندوق ومالكي الوحدات وتشمل واجبات الأمانة واجب الاخلاص والاهتمام وبذل الحرص المعقول.
- تدوين محاضر الاجتماعات التي تبين وقائع الاجتماعات والقرارات التي اتخذها المجلس.

### (د) مكافآت أعضاء مجلس إدارة الصندوق

يتقاضى أعضاء مجلس الإدارة المستقلين مكافأة مقطوعة تقدر بـ 40,000 ريال سنوياً كحد أقصى (20,000 ريال لكل عضو مستقل) عن جميع الاجتماعات التي حضرها خلال السنة لجميع الصناديق المدارة من قبل البلاد المالية مقسمة بالتساوي على جميع الصناديق باستثناء الصناديق العقارية، تحسب في كل يوم تقييم بشكل تراكمي وتخضع وتدفع مرة واحدة في السنة.

### (هـ) بيان بأي تعارض متحقق أو محتمل بين مصالح عضو مجلس الصندوق ومصالح الصندوق

لا يوجد أي نشاطات عملية أو مصالح لدى مدير الصندوق أو أعضاء مجلس إدارته من المحتمل أن تتعارض مع مسؤولياتهم أو أدائهم تجاه الصندوق وفي حال وجدت سيتم الإفصاح عنها.

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(و) بيان يوضح جميع مجالس إدارة الصناديق التي يشارك فيها عضو مجلس الصندوق ذي العلاقة

اسم الصندوق	زيد المفرح	هيثم السحيمي	وليد بن عتيق	عمر بصال
صندوق البلاد للأسهم السعودية النقية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للمرابحة بالريال السعودي	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للأسهم السعودية للدخل	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للأسهم الخليجية للدخل	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للاستثمار في صناديق الاستثمار العقارية المتداولة (البلاد ريت القابض)	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق نساند	-	عضو غير مستقل	-	-
صندوق البلاد المتداول للصكوك السيادية السعودية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد المتداول للذهب	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد المتنوع بالريال السعودي	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد أم إس سي آي المتداول للأسهم الأمريكية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد أم إس سي آي المتداول للأسهم التقنية الأمريكية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد متعدد الأصول المتوازن	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد المرن للأسهم السعودية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد إم إس سي آي المتداول الأسهم النمو السعودية	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق البلاد للصكوك	رئيس مجلس الإدارة	عضو غير مستقل	عضو مستقل	عضو مستقل
صندوق إنسان الاستثمار الوقفي	رئيس مجلس الإدارة	-	-	-
صندوق البلاد للضيافة في مكة المكرمة	-	رئيس مجلس الإدارة	-	-
صندوق الضاحية الاستثماري	-	رئيس مجلس الإدارة	-	-
صندوق مجمع الوسط التجاري الثاني	-	رئيس مجلس الإدارة	-	-
صندوق المشاريع العقارية	-	عضو غير مستقل	-	-
صندوق مجمع مزدهر العقار ي	-	رئيس مجلس الإدارة	-	-
صندوق صفا نجد	-	رئيس مجلس الإدارة	-	-
صندوق بلاد العوالي العقاري الثاني	-	رئيس مجلس الإدارة	-	-
صندوق البلاد أبحر العقار ي	-	رئيس مجلس الإدارة	-	-

(ز) الموضوعات التي تمت مناقشتها والقرارات الصادرة بشأنها بما في ذلك أداء الصندوق وتحقيق الصندوق لأهدافه

تم عقد اجتماعين 2023 وعقد الاجتماع الاول في تاريخ 19 يوليو عام 2023 كما عقد الاجتماع الثاني في تاريخ 25 ديسمبر من العام نفسه وكان أبرز ما تم النقاش حوله كالتالي :

- مستجدات الاسواق المحلية والاقليمية والعالمية
- أداء الصناديق
- تقييم مجلس الادارة

#### المقر الرئيسي للبلاد المالية:

هاتف: +966 920003636  
فاكس: +966 11 2906299  
ص.ب: الرياض 12313 - 3701, المملكة العربية السعودية

#### للمزيد من المعلومات الاتصال بـ:

إدارة الأصول  
هاتف: +966 11 2039888  
فاكس: +966 11 2039899  
الموقع الإلكتروني: <http://www.albilad-capital.com/En/AssetManagement>



#### إخلاء المسؤولية

توضيح: نرجو الانتباه إلى أن المعلومات الواردة أعلاه هي لأغراض توضيحية فقط وأداء الصندوق في الماضي ليس مؤشراً على الأداء المستقبلي، كما أن قيمة الاستثمار في صندوق الاستثمار متغيرة وقد تخضع للزيادة أو النقص. لمزيد من المعلومات عن هذا الصندوق، نرجو الاطلاع على شروط و أحكام الصندوق.

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## التقرير السنوي إلى مالكي الوحدات لسنة 2023

### صندوق البلاد للصكوك

#### ج) مدير الصندوق

(1) اسم مدير الصندوق وعنوانه:

شركة البلاد للاستثمار " البلاد المالية "

8162 طريق الملك فهد الفرعي - العليا

وحدة رقم 22

الرياض 12313-3701

المملكة العربية السعودية

هاتف: 920003636

فاكس: +966 11 290 6299

موقع الانترنت: www.albilad-capital.com

(2) اسم وعنوان مدير الصندوق من الباطن و/ أو مستشار الاستثمار (إن وجد):

لا يوجد

(3) مراجعة للنشطة الاستثمار خلال الفترة:

خلال الفترة الماضية تم الاستثمار بشكل أساسي في الصكوك المحلية والإقليمية والعالمية، والمجازة من قبل الهيئة الشرعية لدى البلاد المالية.

(4) تقرير عن أداء صندوق الاستثمار خلال الفترة

تفوق أداء الصندوق عن أداء المؤشر الاسترشادي بفارق 0.32% حيث حقق الصندوق 0.77% مقارنة بأداء المؤشر الاسترشادي البالغ 0.45%.

(5) تفاصيل أي تغيرات حدثت على شروط وأحكام خلال عام 2023

تضمن ما يفيد الالتزام بقواعد جباية الزكاة من المستثمرين في الصناديق الاستثمارية.

#### المقر الرئيسي للبلاد المالية:

هاتف: +966 920003636

فاكس: +966 11 2906299

ص.ب: الرياض 12313 - 3701، المملكة العربية السعودية

#### للمزيد من المعلومات الاتصال بـ:

إدارة الأصول

هاتف: +966 11 2039888

فاكس: +966 11 2039899

الموقع الإلكتروني: http://www.albilad-capital.com/En/AssetManagement



#### إخلاء المسؤولية

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## التقرير السنوي إلى مالكي الوحدات لسنة 2023

### صندوق البلاد للصكوك

(6) أي معلومة أخرى من شأنها أن تمكن مالكي الوحدات من اتخاذ قرار مدروس ومبني على معلومات كافية بشأن أنشطة الصندوق خلال الفترة:

لا يوجد

(7) إذا كان صندوق الاستثمار يستثمر بشكل كبير في صناديق استثمار أخرى، يجب الإفصاح عن نسبة رسوم الإدارة المحتسبة على الصندوق نفسه والصناديق التي يستثمر فيها الصندوق:

لا يوجد

(8) بيان حول العمليات الخاصة التي حصل عليها مدير الصندوق خلال الفترة، مبينا بشكل واضح ماهيتها وطريقة الاستفادة منها:

لا يوجد

(9) أي بيانات ومعلومات أخرى أوجبت اللائحة تضمينها بهذا التقرير:

لا يوجد

(10) مدة إدارة الشخص المسجل كمدير الصندوق

منذ فبراير - 2023م.

(11) نسبة مصروفات كل صندوق بنهاية العام والمتوسط المرجح لنسبة مصروفات كل الصناديق الرئيسة المستثمر فيها

لا يوجد

#### المقر الرئيسي للبلاد المالية:

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فاكس: +966 11 2906299  
ص.ب: الرياض 12313 - 3701، المملكة العربية السعودية

#### للمزيد من المعلومات الاتصال بـ:

إدارة الأصول  
هاتف: +966 11 2039888  
فاكس: +966 11 2039899  
الموقع الإلكتروني: <http://www.albilad-capital.com/En/AssetManagement>



#### إخلاء المسؤولية

توضيح: نرجو الانتباه إلى أن المعلومات الواردة أعلاه هي لأغراض توضيحية فقط وأداء الصندوق في الماضي ليس مؤشراً على الأداء المستقبلي، كما أن قيمة الاستثمار في صندوق الاستثمار متغيرة وقد تخضع للزيادة أو النقص. لمزيد من المعلومات عن هذا الصندوق، نرجو الاطلاع على شروط و أحكام الصندوق.

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## التقرير السنوي إلى مالكي الوحدات لسنة 2023

### صندوق البلاد للصكوك

#### (د) أمين الحفظ

##### (1) اسم أمين الحفظ وعنوانه:

شركة الرياض المالية .، سجل تجاري رقم 1010239234. تعمل بموجب ترخيص من هيئة السوق المالية برقم (07070-37)

واحة غرناطة

2414 حي الشهداء وحدة رقم 69

الرياض 13241 – 7279،

المملكة العربية السعودية

هاتف: 4865898 / 4865866 11 966+

فاكس: 4865859 11 966+

البريد الإلكتروني: rcss@riyadcapital.com

##### (2) وصف موجز لواجباته ومسؤولياته:

- يعد أمين الحفظ مسؤولاً عن التزاماته وفقاً لأحكام لائحة صناديق الاستثمار، سواء أدى مسؤولياته بشكل مباشر أم كلف بها طرفاً ثالثاً بموجب أحكام لائحة صناديق الاستثمار ولائحة الأشخاص المرخص لهم. ويعد أمين الحفظ مسؤولاً تجاه مدير الصندوق ومالكي الوحدات عن خسائر الصندوق الناجمة بسبب احتياله أو إهماله أو سوء تصرفه أو تقصيره المتعمد.
- يعد أمين الحفظ مسؤولاً عن حفظ أصول الصندوق وحمايتها لصالح مالكي الوحدات، وهو مسؤول كذلك عن اتخاذ جميع الإجراءات الإدارية اللازمة فيما يتعلق بحفظ أصول الصندوق.
- تعد أصول الصندوق مملوكة لمالكي وحدات الصندوق مجتمعين، ولا يجوز أن يكون لمدير الصندوق أو مدير الصندوق من الباطن أو أمين الحفظ أو أمين الباطن أو مقدم المشورة أو الموزع أي مصلحة في أصول الصندوق أو أي مطالبه فيها، إلا إذا كان مدير الصندوق أو مدير الصندوق من الباطن أو أمين الحفظ أو أمين الباطن أو مقدم المشورة أو الموزع مالكا لوحدات الصندوق، وذلك في حدود ملكيته، أو كان مسموحاً بهذه المطالبات بموجب أحكام لائحة صناديق الاستثمار وأن يكون أفصح عنها في الشروط والأحكام.
- باستثناء وحدات الصندوق المملوكة لمدير الصندوق أو مدير الصندوق من الباطن أو أمين الحفظ أو أمين الباطن أو مقدم المشورة أو الموزع، وفي حدود ما يملكه المدين، لا يجوز أن يكون لدائني مدير الصندوق أو مدير الصندوق من الباطن أو أمين الحفظ أو أمين الباطن أو مقدم المشورة أو الموزع أي حق في أي مطالبه أو مستحقات في أموال الصندوق أو أصوله.

#### المقر الرئيسي للبلاد المالية:

هاتف: 920003636 966+

فاكس: 11 2906299 966+

ص.ب: الرياض 12313 - 3701، المملكة العربية السعودية

#### للمزيد من المعلومات الاتصال بـ:

إدارة الأصول

هاتف: 2039888 11 966+

فاكس: 2039899 11 966+

الموقع الإلكتروني: http://www.albilad-capital.com/En/AssetManagement



#### إخلاء المسؤولية

توضيح: نرجو الانتباه إلى أن المعلومات الواردة أعلاه هي لأغراض توضيحية فقط وأداء الصندوق في الماضي ليس مؤشراً على الأداء المستقبلي، كما أن قيمة الاستثمار في صندوق الاستثمار متغيرة وقد تخضع للزيادة أو النقص. لمزيد من المعلومات عن هذا الصندوق، نرجو الاطلاع على شروط وأحكام الصندوق.

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## التقرير السنوي إلى مالكي الوحدات لسنة 2023

### صندوق البلاد للصكوك

#### هـ) مُشغل الصندوق

(1) اسم مُشغل الصندوق وعنوانه:

شركة البلاد للإستثمار " البلاد المالية "

8162 طريق الملك فهد الفرعي - العليا

وحدة رقم 22

الرياض 12313-3701

المملكة العربية السعودية

هاتف: 8001160002

فاكس: +966 11 290 6299

موقع الانترنت: www.albilad-capital.com

#### (2) وصف موجز لواجباته ومسؤولياته:

1. يجب على مشغل الصندوق إعداد سجلّ مالكي الوحدات وحفظه في المملكة.
  2. يجب على مشغل الصندوق أن يحفظ في سجل مالكي الوحدات المعلومات الآتية بحد أدنى:
- اسم مالك الوحدات، وعنوانه، وأرقام التواصل.
  - رقم الهوية الوطنية لمالك الوحدات أو رقم إقامته أو رقم جواز سفره أو رقم سجله التجاري بحسب الحال، أو أي وسيلة تعريف أخرى تحددها الهيئة.
  - جنسية مالك الوحدات.
  - تاريخ تسجيل مالك الوحدات في السجل
  - بيانات جميع الصفقات المتعلقة بالوحدات التي أجراها كل مالك وحدات.
  - الرصيد الحالي لعدد الوحدات (بما في ذلك أجزاء الوحدات) المملوكة لكل مالك وحدات.
  - أي قيد أو حق على الوحدات المملوكة لكل مالك وحدات.

#### المقر الرئيسي للبلاد المالية:

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ص.ب: الرياض 12313 - 3701 , المملكة العربية السعودية

#### للمزيد من المعلومات الاتصال بـ:

إدارة الأصول  
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#### إخلاء المسؤولية

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## التقرير السنوي إلى مالكي الوحدات لسنة 2023

### صندوق البلاد للصكوك

3. يجب على مشغل الصندوق تحديث سجل مالكي الوحدات فوراً بحيث يعكس التغييرات في المعلومات المشار إليها في الفقرة 2 أعلاه.
4. يعد مشغل الصندوق مسؤولاً عن عملية توزيع الأرباح على مالكي الوحدات.
5. يجب على مشغل الصندوق معاملة طلبات الاشتراك والاسترداد بالسعر الذي يُحتسب عند نقطة التقييم التالية للموعد النهائي لتقديم طلبات الاشتراك والاسترداد.
6. يجب على مشغل الصندوق تنفيذ طلبات الاشتراك والاسترداد بحيث لا تتعارض مع أي أحكام تتضمنها لائحة صناديق الاستثمار أو شروط وأحكام الصندوق.
7. يجب على مشغل الصندوق أن يدفع لملاك الوحدات عوائد الاسترداد قبل موعد إقفال العمل في اليوم الخامس التالي لنقطة التقييم التي حُدد عندها سعر الاسترداد بحد أقصى.
8. يعد مشغل الصندوق مسؤولاً عن تقييم أصول الصندوق تقييماً كاملاً وعادلاً.
9. يجب على مشغل الصندوق تقييم أصول الصندوق العام في كل يوم تعامل في الوقت المحدد في شروط وأحكام الصندوق، وبمدة لا تتجاوز يوماً واحداً بعد الموعد النهائي لتقديم طلبات الاشتراك والاسترداد.
10. يجب على مشغل الصندوق الالتزام بأحكام الملحق (5) من لائحة صناديق الاستثمار الخاص بطرق تقييم الصناديق العامة.
11. يكون مشغل الصندوق مسؤولاً عن حساب سعر وحدات الصندوق العام الذي يشغله. ويُحسب سعر الوحدات لكل من الاشتراك والاسترداد في أي يوم تعامل بناءً على صافي قيمة أصول كل وحدة من وحدات الصندوق العام عند نقطة التقييم في يوم التعامل ذي العلاقة.
12. يجب على مشغل الصندوق بيان أسعار الوحدات بصيغة تحتوي على أربع علامات عشرية على الأقل.
13. في حال تقييم أصل من أصول الصندوق العام بشكل خاطئ أو حساب سعر وحدة بشكل خاطئ، يجب على مشغل الصندوق توثيق ذلك.
14. يجب على مشغل الصندوق تعويض جميع مالكي الوحدات المتضررين (بما في ذلك مالكي الوحدات السابقين) عن جميع أخطاء التقييم أو التسعير دون تأخير.

#### المقر الرئيسي للبلاد المالية:

هاتف: +966 920003636  
فاكس: +966 11 2906299  
ص.ب: الرياض 12313 - 3701، المملكة العربية السعودية

#### للمزيد من المعلومات الاتصال بـ:

إدارة الأصول  
هاتف: +966 11 2039888  
فاكس: +966 11 2039899  
الموقع الإلكتروني: <http://www.albilad-capital.com/En/AssetManagement>



#### إخلاء المسؤولية

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## التقرير السنوي إلى مالكي الوحدات لسنة 2023

### صندوق البلاد للصكوك

#### (و) مراجع الحسابات:

(1) اسم مراجع الحسابات وعنوانه:

برايس ووترهاوس كوبرز "pwc"

ص.ب. 8282 الرياض 11482 المملكة العربية السعودية

هاتف: +966 11 211 0400

موقع الانترنت: www.pwc.com

#### (ز) القوائم المالية:

تم اعداد القوائم المالية لفترة المحاسبة السنوية لصندوق الاستثمار وفقا للمعايير المحاسبية المعتمدة من الهيئة السعودية للمحاسبين القانونيين. (مرفق القوائم المالية).

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الموقع الإلكتروني: http://www.albilad-capital.com/En/AssetManagement



#### إخلاء المسؤولية

توضيح: نرجو الانتباه إلى أن المعلومات الواردة أعلاه هي لأغراض توضيحية فقط وأداء الصندوق في الماضي ليس مؤشراً على الأداء المستقبلي، كما أن قيمة الاستثمار في صندوق الاستثمار متغيرة وقد تخضع للزيادة أو النقص. لمزيد من المعلومات عن هذا الصندوق، نرجو الاطلاع على شروط و أحكام الصندوق.

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**ALBILAD SUKUK FUND  
(AN OPEN-ENDED MUTUAL FUND MANAGED BY  
ALBILAD INVESTMENT COMPANY)**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS AND THE FUND MANAGER**

**FOR THE PERIOD FROM 1 FEBRUARY 2023 (DATE OF COMMENCEMENT OF  
OPERATIONS) TO 31 DECEMBER 2023**

**ALBILAD SUKUK FUND  
(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)  
FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 FEBRUARY 2023 (DATE OF COMMENCEMENT OF OPERATIONS) TO  
31 DECEMBER 2023**

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## *Independent auditor's report to the Unitholders and Fund Manager of Albilad Sukuk Fund*

### *Our opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Albilad Sukuk Fund (the "Fund") as at 31 December 2023, and its financial performance and its cash flows for the period from 1 February 2023 (date of commencement of operations) to 31 December 2023 in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

### **What we have audited**

The Fund's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of income and other comprehensive income for the period from 1 February 2023 (date of commencement of operations) to 31 December 2023;
- the statement of changes in equity attributable to the Unitholders for the period from 1 February 2023 (date of commencement of operations) to 31 December 2023;
- the statement of cash flows for the period from 1 February 2023 (date of commencement of operations) to 31 December 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Fund and Fund Manager in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

### *Other information*

Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's Annual Report, but does not include the financial statements and our auditor's report thereon, which 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 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.

When we read the Fund's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



## *Independent auditor's report to the Unitholders and Fund Manager of Albilad Sukuk Fund (continued)*

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### *Responsibilities of Fund Manager and Fund Board for the financial statements*

Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority and the Fund's terms and conditions, and for such internal control as Fund Manager 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, Fund Manager 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 Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund Board is responsible for overseeing the Fund's financial reporting process.

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### *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 International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism 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 Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund Manager.
- Conclude on the appropriateness of Fund Manager'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.

## *Independent auditor's report to the Unitholders and Fund Manager of Albilad Sukuk Fund (continued)*

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

- 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 the Fund Board 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.

### **PricewaterhouseCoopers**



Mufaddal A.Ali  
License Number 447

28 March 2024





**ALBILAD SUKUK FUND**  
**(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**STATEMENT OF FINANCIAL POSITION**  
(All amounts in United States Dollar '000' unless otherwise stated)

		As at 31 December 2023
	Note	
<b>Assets</b>		
Cash and cash equivalents	4	985
Investments held at amortised cost, net	5	17,925
Receivable against sale of investments held at FVSI	6	708
Prepaid expenses		1
<b>Total assets</b>		<b>19,619</b>
<b>Liabilities</b>		
Payable against purchase of investments held at amortised cost	6	303
Accrued management fee	6	1
Accruals and other liabilities		264
<b>Total liabilities</b>		<b>568</b>
<b>Equity attributable to the Unitholders</b>		<b>19,051</b>
<b>Units in issue in thousands</b>		<b>1,892</b>
<b>Equity per unit in United States Dollar</b>		<b>10.0692</b>

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

**ALBILAD SUKUK FUND**  
**(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME**  
(All amounts in United States Dollar '000' unless otherwise stated)

		<b>For the period from 1 February 2023 (date of commencement of operations) to 31 December 2023</b>
	<b>Note</b>	
<b>Income</b>		
Profit on sukuks investments held at amortised cost	5.1	<b>946</b>
<b>Total income</b>		<b>946</b>
<b>Expenses</b>		
Management fee	6	<b>(79)</b>
Other expenses	7	<b>(63)</b>
Expected credit losses (ECL) charge on investments held at amortised cost	5.1.1	<b>(13)</b>
<b>Total expenses</b>		<b>(155)</b>
<b>Net income for the period</b>		<b>791</b>
Other comprehensive income for the period		<b>-</b>
<b>Total comprehensive income for the period</b>		<b>791</b>

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

**ALBILAD SUKUK FUND**  
**(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS**  
(All amounts in United States Dollar '000' unless otherwise stated)

	Note	For the period from 1 February 2023 (date of commencement of operations) to 31 December 2023
<b>Equity at the beginning of the period</b>		-
Total comprehensive income for the period		791
<b>Changes from unit transactions</b>		
Proceeds from issuances of units		21,021
Payment against redemption of units		(2,270)
<b>Net change from unit transactions</b>		18,751
Dividend distribution	12	(491)
<b>Equity at the end of the period</b>		19,051
		For the period from 1 February 2023 (date of commencement of operations) to 31 December 2023
		Units '000'
<b>Units at the beginning of the period</b>		-
Units issued		2,121
Units redeemed		(229)
<b>Net change in units</b>		1,892
<b>Units at the end of the period</b>		1,892

The accompanying notes from 1 to 14 form an integral part of financial statements.

**ALBILAD SUKUK FUND**  
**(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**STATEMENT OF CASH FLOWS**  
(All amounts in United States Dollar '000' unless otherwise stated)

		For the period from 1 February 2023 (date of commencement of operations) to 31 December 2023
	Note	
<b>Cash flows from operating activities</b>		
Net income for the period		791
Adjustments for:		
- Profit on sukuk investments held at amortised cost	5.1	(946)
- ECL charge for the period on investments held at amortised cost	5.1.1	13
		(142)
<b>Net changes in operating assets and liabilities</b>		
Investments held at amortised cost		(17,173)
Receivable against sale of investments held at FVSI		(708)
Prepaid expenses		(1)
Accrued management fee		1
Accruals and other liabilities		264
Payable against purchase of investments held at amortised cost		303
Cash used in operations		(17,314)
Profit received on investment in sukuk	5.1	181
Net cash used in operating activities		(17,275)
<b>Cash flows from financing activities</b>		
Proceeds from issuances of units		21,021
Payment against redemption of units		(2,270)
Dividend distribution paid		(491)
Net cash generated from financing activities		18,260
<b>Net change in cash and cash equivalents</b>	4	985
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	4	985

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

**ALBILAD SUKUK FUND  
(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 FEBRUARY 2023 (DATE OF COMMENCEMENT OF OPERATIONS) TO  
31 DECEMBER 2023**

(All amounts in United States Dollar '000' unless otherwise stated)

**1 LEGAL STATUS AND PRINCIPAL ACTIVITIES**

Albilad Sukuk Fund (the "Fund") is an open-ended investment fund, managed by Albilad Investment Company (the "Fund Manager"), a subsidiary of Bank Albilad (the "Bank") for the benefit of the Fund's Unitholders (the "Unitholders"). The objective of the Fund is to achieve returns in the medium and long term by investing in sukuk Local and international compliant with the standards of the Sharia Committee.

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

Riyad Capital is the custodian ("the Custodian") of the Fund.

According to the Terms and Conditions of the Fund, its first annual financial period starts from the commencement date of its operations i.e. 25 Sha'ban 1443H (corresponding to 1 February 2023). The first annual financial statements is prepared for the period from 1 February 2023 to 31 December 2023. According to the Terms and Conditions of the Fund, the financial statements for the subsequent period will be prepared from 1 January to 31 December.

The Fund is governed by the Investment Funds Regulations ("IFR") published by the Capital Market Authority ("CMA") on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) as amended by the resolution of CMA Board on 12 Rajab 1442H (corresponding to 24 February 2021) and complies with the regulations and directions applicable to public funds issued by the CMA.

**2 MATERIAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

**2.1 Basis of preparation**

These financial statements of the Fund have been prepared in accordance with the International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

These financial statements have been prepared on a historical cost convention.

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 statement of financial position. Instead, assets and liabilities are presented in order of liquidity. However, all balances would generally be classified as current except for "Investments measured at amortised cost".

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

**2.2 Critical accounting judgments, estimates and assumptions**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, is described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

**ALBILAD SUKUK FUND**  
**(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 FEBRUARY 2023 (DATE OF COMMENCEMENT OF OPERATIONS) TO**  
**31 DECEMBER 2023**

(All amounts in United States Dollar '000' unless otherwise stated)

**2 MATERIAL ACCOUNTING POLICIES (continued)**

**2.2 Critical accounting judgements, estimates and assumptions (continued)**

**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.

**2.3 Changes in accounting policy and disclosures**

**(a) New and amended standards effective in current year**

The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after 1 January 2023. The Fund Manager has assessed that the amendments have no impact on the Fund's financial statements.

- IFRS 17, 'Insurance contracts' – This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts.
- Narrow scope amendments to IAS 1 and Practice statement 2 and IAS 8 - The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction - requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Amendment to IAS 8, Definition of accounting estimate - The amendment to IAS 8 Accounting Policies, Changes in Accounting estimates and errors clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
- Amendment to IAS 12 - International tax reform - pillar two model rules - These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

**(b) Accounting standards issued but not yet effective and not early adopted**

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

<b>Standard/ Interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024

**ALBILAD SUKUK FUND**  
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(All amounts in United States Dollar '000' unless otherwise stated)

**2 MATERIAL ACCOUNTING POLICIES (continued)**

**2.3 Changes in accounting policy and disclosures (continued)**

**(b) Accounting standards issued but not yet effective(continued)**

Standard/ Interpretation	Description	Effective from periods beginning on or after
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28.	Available for optional adoption / effective date deferred indefinitely
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025

**2.4 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These financial statements are presented in United States Dollar (“USD”) which is the Fund’s functional and presentation currency. All financial information presented in USD has been rounded to the nearest thousands.

*Transactions and balances*

Foreign currency transactions are translated into USD using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into USD using the exchange rates prevailing at date of the statement of financial position. Foreign exchange gains and losses, if any, arising from translation are included in the statement of income.

**2.5 Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise balance with Bank Albilad and balance held in a custodian account with Riyadh Capital. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

**2.6 Financial instruments**

**2.6.1 Measurement methods**

Initial recognition and measurement

Financial assets and liabilities are recognised at the time when the Fund becomes party to the contractual provisions of the instrument i.e. Trade date. The Fund records investments in sukuks on a ‘settlement date’ basis.

At initial recognition, the Fund measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through statement of income (FVSI), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions. Transaction costs of financial assets carried at FVSI are expensed in the statement of income.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, as described in Note 2.6.3, which results in an impairment loss being recognised in the statement of income when an asset is newly originated.

**ALBILAD SUKUK FUND**  
**(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 1 FEBRUARY 2023 (DATE OF COMMENCEMENT OF OPERATIONS) TO**  
**31 DECEMBER 2023**

(All amounts in United States Dollar '000' unless otherwise stated)

**2 MATERIAL ACCOUNTING POLICIES (continued)**

**2.6 Financial instruments (continued)**

**2.6.2 Classification and measurement of financial assets**

The Fund classifies its equity instruments at FVSI and other financial assets at amortised cost. The classification requirements for equity and debt instruments are described below:

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's equity.

The Fund classifies its investments as held at FVSI. The Fund subsequently measures all equity investments at FVSI, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income (FVOCI). The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the statement of income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the statement of income when the Fund's right to receive dividend is established.

The subsequent unrealised revaluation gains / loss on investment held at FVSI is recognised in statement of income.

Debt instruments

Debt instruments are those instruments that meet the definition of the financial liability from the issuer's perspective.

Classification and subsequent measurement of debt instruments depend on:

- The Fund's business model for managing the asset; and
- The cash flow characteristics of the asset.

**Business model:** The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVSI. Factors considered by the Fund in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is internally evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVSI.

**SPPP:** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPP" test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.



**ALBILAD SUKUK FUND**  
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**31 DECEMBER 2023**

(All amounts in United States Dollar '000' unless otherwise stated)

**2 MATERIAL ACCOUNTING POLICIES**(continued)

**2.6 Financial instruments** (continued)

**2.6.2 Classification and measurement of financial instruments** (continued)

Debt instruments (continued)

The SPPP assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Based on these factors, the Fund classifies its debt instruments into one of the following two measurement categories:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit (SPPP), and that are not designated at FVSI, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 2.6.3. Profit earned from these financial assets is recognised in the statement of income using the effective commission rate method.

**Fair value through statement of income (FVSI):** If debt instrument's cash flows do not represent solely SPPP or if it is not held within the held to collect or the held to collect and sell business model, or if it is designated at FVSI, then it is measured at FVSI. A gain or loss on a debt investment measured at FVSI, where cashflows do not represents solely SPPP, is recognised in the statement of comprehensive income, within "Net gain / (loss) on investments mandatorily measured at FVSI", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value or which are held for trading are presented separately from debt investments that are mandatorily measured at FVSI, within "Net gain / (loss) on investments designated at FVSI or held for trading". Commission income earned from these financial assets is recognised in the statement of income using the effective commission rate method.

The Fund reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

Currently bank balances and investment in sukuks are classified as held at amortised cost.

**2.6.3 Impairment of financial assets measured at amortised cost**

The Fund assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt financial assets carried at amortised cost. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Under IFRS 9, loss allowances are measured on either of the following bases:

- a) 12-month ECLs: these ECLs that result from possible default events within the 12 months after the reporting date; and
- b) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date.

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**2 MATERIAL ACCOUNTING POLICIES (continued)**

**2.6 Financial instruments (continued)**

**2.6.4 De-recognition of financial instruments**

A financial asset is derecognised, when the contractual rights to the cash flows from the financial asset expire or the asset is transferred and the transfer qualifies for de-recognition. In instances, where the Fund is assessed to have transferred a financial asset, the asset is derecognised if the Fund has transferred substantially all the risks and rewards of ownership. Where the Fund has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognised only if the Fund has not retained control of the financial asset. The Fund recognises separately as assets or liabilities any rights and obligations created or retained in the process.

A financial liability is derecognised only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expired.

**2.6.5 Financial liabilities**

All financial liabilities are initially recognised at fair value less transaction cost except for financial liabilities measured at FVSI where transaction cost, if any, are not deducted from the fair value measurement at initial recognition and are included in the statement of income. The Fund classifies its financial liabilities at amortised cost unless it has designated liabilities at FVSI.

**2.7 Trade date accounting**

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 marketplace.

**2.8 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**2.9 Accruals and other liabilities**

Liabilities are recognised for amounts to be paid for goods or serviced received whether or not billed to the Fund. Accruals and other liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective commission rate method.

**2.10 Equity attributable to the Unitholders**

Equity attributable to Unitholders is equity and is made up of units issued and retained earnings.

**(a) Redeemable Units**

The Fund classifies its redeemable units as an equity instrument if the redeemable units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's equity in the event of the Fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata shares of the Fund's equity.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the statement of income, the change in the recognised equity or the change in the fair value of the recognised and unrecognised equity of the Fund over the life of the instrument.

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**2 MATERIAL ACCOUNTING POLICIES** (continued)

**2.10 Equity attributable to the Unitholders** (continued)

**(a) Redeemable Units** (continued)

In addition - in order to classify instruments as equity - 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 equity or the change in the fair value of the recognised and unrecognised equity of the Fund.
- The effect of substantially restricting or fixing the residual return to the instrument holders.

The Fund's redeemable participating units meet the definition of puttable instruments classified as equity instruments under IAS 32.16 A-B and accordingly, are classified as equity instruments.

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have any of the features or meet all the conditions set out in paragraphs 16A and 16B of IAS 32, 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 equity attributable to Unitholders. If the redeemable units subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of IAS 32, 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 subscription and redemption of redeemable units are accounted for as equity transactions as long as units are classified as equity.

The Fund's distributions if any, are classified as dividends paid in the statement of changes in equity attributable to the Unitholders.

**(b) Trading in the units**

Units of the Fund are available for purchasing only in the Kingdom of Saudi Arabia at Tadawul by natural and corporate persons. The equity value of the Fund is determined on every day from Sunday to Thursday ("Valuation Days") by dividing the net value of assets (fair value of total assets minus liabilities) by the total number of outstanding units on the relevant Valuation Day.

**2.11 Taxation**

Taxation is the obligation of the Unitholders and therefore, no provision for such liability is made in these financial statements.

**2.12 Zakat**

Zakat is the obligation of the Unitholders and therefore, no provision for such liability is made in these financial statements.

**2.13 Value added tax (VAT)**

Output VAT related to revenue is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales/services and purchases is recognised in the statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

VAT that is not recoverable is charged to the statement of income as expenses.

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**2 MATERIAL ACCOUNTING POLICIES (continued)**

**2.14 Revenue recognition**

Profit on sukuk contracts is recognized using effective commission rate method.

The effective commission rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective commission rate, the Fund manager estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses. The carrying amount of the financial asset is adjusted if the Fund manager revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective commission rate and the change in carrying amount is recorded as impairment losses.

**2.15 Management fee**

The management fee is calculated at the rate mentioned in Terms and Conditions of the Fund and is payable quarterly in arrears.

**2.16 Other expenses**

Other expenses are charged at rates / amounts within limits mentioned in Terms and Conditions of the Fund.

**2.17 Equity value per unit**

The Equity value per unit as disclosed in the statement of financial position is calculated by dividing the equity of the Fund by the number of units outstanding at period end.

**3 MANAGEMENT FEE AND OTHER CHARGES**

On each valuation day, the Fund Manager charges the Fund, a management fee at the rate of 0.75% per annum of the Fund's net assets value. In addition, on a daily basis the Fund Manager charges the Fund, custody fees 0.05% of the Fund's Net Asset Value of the listed and unlisted financial securities and Investment Fund Units and 0.03% of the Fund's Net Asset Value of the Money Markets, to be deducted on a monthly basis.

The Fund Manager also recovers from the Fund any other expenses incurred on behalf of the Fund such as audit and legal fees, and other similar charges.

**4 CASH AND CASH EQUIVALENTS**

	<b>Note</b>	<b>As at 31 December 2023</b>
Bank account	6	32
Balance with the Custodian	6	953
		<b>985</b>

**5 INVESTMENTS HELD AT AMORTISED COST, NET**

	<b>As at 31 December 2023</b>
Investment in sukuk	17,938
ECL allowance	(13)
	<b>17,925</b>

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**5 INVESTMENTS HELD AT AMORTISED COST, NET (continued)**

**5.1** The following table represents the movement of investments in sukuku measured at amortised cost during the period:

	<b>For the period from 1 February 2023 (date of commencement of operations) to 31 December 2023</b>
<b>Carrying amount as at 1 February 2023 (date of commencement of operations)</b>	-
Additions during the period	21,154
Principal received during the period	(3,961)
Realised loss on investment in sukuku	(20)
Profit from sukuku	
- recognised in the statement of income	946
- received during the period	(181)
ECL recognised in statement of income	(13)
<b>Carrying amount as at 31 December 2023</b>	<b>17,925</b>

**5.1.1** The following table represents the movement of ECL on investments in sukuk:

	<b>For the period from 1 February 2023 (date of commencement of operations) to 31 December 2023</b>
<b>Balance as at 1 February 2023 (date of commencement of operations)</b>	-
ECL recognised in the statement of income	(13)
<b>Balance as at 31 December 2023</b>	<b>(13)</b>

**6 RELATED PARTY TRANSACTIONS AND BALANCES**

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are in accordance with the Terms and Conditions of the Fund. All the related party transactions are approved by the Fund Board. Related parties comprise the Fund Manager, Custodian, Bank Albilad (the Parent Company of the Fund Manager) and entities related to Bank Albilad and Fund Manager.

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**6 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

Following table contains the details of transactions with related parties:

Related party	Nature of relationship	Nature of transaction	Note	For the period from 1 February 2023 (date of commencement of operations) to 31 December 2023
Albilad Investment Company	Fund Manager	Management fee		79
		Administration fee	7	9
Riyad Capital	Custodian of the Fund	Custody fee	7	7
Fund Board	Members of the Fund board	Fund board fee	7	1

Following table summarises the details of balances with related parties:

Nature of balance	Related Party	Note	As at 31 December 2023
Cash and cash equivalents	Bank Albilad - Parent of the Fund Manager	4	32
Cash and cash equivalents	Riyad Capital - Custodian of the Fund	4	953
Receivable against sale of investments held at FVSI	Riyad Capital - Custodian of the Fund		708
Payable against purchase of investments held at amortised cost	Riyad Capital - Custodian of the Fund		303
Accrued management fee	Albilad Investment Company – Fund Manager		1
Custody fee payable	Riyad Capital - Custodian of the Fund		1
Fund Board fee payable	Members of the Fund Board		1

**7 OTHER EXPENSES**

	Note	For the period from 1 February 2023 (date of commencement of operations) to 31 December 2023
Directors fee	6	1
Custodian fee	6	7
Administration fee	6	9
Professional fees*		24
Other expenses		22
		<b>63</b>

\* Auditor's remuneration for the statutory audit of the Fund's financial statements for the year ended 31 December 2023 amounts to USD 9 thousands. Auditor's remuneration for the review of the Fund's interim condensed financial statements for the period ended 30 June 2023 amounts to USD 5 thousands.

**8 FINANCIAL RISK MANAGEMENT**

**8.1 Financial risk factors**

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

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

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.

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**8 FINANCIAL RISK MANAGEMENT** (continued)

**8.1 Financial risk factors** (continued)

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

**(a) Market risk**

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price 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 has no transactions in foreign currency therefore, it is not exposed to foreign exchange risk.

**(ii) Commission rate risk**

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

The Fund is exposed to cashflow commission rate risk as its certain investments held at amortised cost in sukuk which are at floating rate. Certain sukuks held at amortised cost are fixed rate and hence does not expose to commission rate risk.

The effect on the equity attributable to Unitholders as at 31 December 2023 due to a reasonably possible change in commission rate, with all other variables held constants is as follows:

				As at 31 December 2023	
				Potential reasonable change %	Effect on equity
Financial instrument subject to floating commission rate					
Sukuk				+/-5	+/-47
Commission rate risk	Within 3 months	3-12 months	Over 12 months	Non commission bearing	Total
As at 31 December 2023					
Financial assets					
Cash and cash equivalents	-	-	-	985	985
Investments held at amortised cost, net	-	1,148	16,777	-	17,925
Receivable against sale of investments held at FVSI	-	-	-	708	708
Total financial assets	-	1,148	16,777	1,693	19,618
Financial liabilities					
Payable against purchase of investment held at amortised cost	-	-	-	303	303
Accrued management fee	-	-	-	1	1
Accruals and other liabilities	-	-	-	264	264
Total financial liabilities	-	-	-	568	568
Net commission rate sensitivity gap					
	-	1,148	16,777	1,125	19,050

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**8 FINANCIAL RISK MANAGEMENT** (continued)

**8.1 Financial risk factors** (continued)

**(a) Market risk** (continued)

(iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds. The Fund is not imposed to price risk as it does not have any financial investments carried at fair value.

**(b) Credit risk**

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. The Fund is exposed to credit risk on its investments held at amortised cost, receivables and bank balances.

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.

**Expected credit loss measurement**

Under the expected credit loss model, credit losses are recognised prior to a credit event occurring. The IFRS 9 impairment model requires more timely and forward-looking information that allows for a more accurate reflection of the credit risk inherent in the exposures.

Under the general approach of IFRS 9 impairment, the financial assets are classified into three stages. Each stage indicates the credit quality of the particular financial asset.

Stage 1: includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but profit is still calculated on the gross carrying amount of the asset.

Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that are already impaired (defaulted). For these assets, profit is recognised on the net amount of assets.

One of the key components of IFRS 9 ECL is to determine whether there have been significant increases in credit risk (SICR) of an entity's credit exposures since initial recognition. The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL.

The Fund has set out the following definition of default:

**Definition of default:**

The Fund considers a financial asset to be in default when the counterparty makes default in payment of principal or profit.

**Probability of Default (PD):**

Through the yearly review of investments in debt instruments, the Fund shall draw a yearly transition matrix to compute account-based PD over the one-year horizon for the past 5 years. The Fund Manager reviews credit concentration of the investment portfolio based on counterparties. The credit quality of the financial assets is assessed using the external credit ratings of Fitch.



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**8 FINANCIAL RISK MANAGEMENT** (continued)

**8.1 Financial risk factors** (continued)

**(b) Credit risk** (continued)

**Expected credit loss measurement** (continued)

*Loss Given Default (LGD):*

Loss given default is defined as the forecasted economic loss in case of default. LGD computation will be based on the Fund's losses on defaulted accounts after the consideration of recovery percentages. IFRS 9 also requires that LGD be estimated in collaboration with the forward-looking valuation of collaterals based on macro-economic factors. LGD computation is independent of the assessment of credit quality and thus applied uniformly across all stages.

For LGD estimation on its non-collateralised portfolio, the Fund computes LGD based on actual recoveries on its defaulted portfolio over a period of at least 5 years prior to the assessment date.

*Exposure at Default (EAD):*

Exposure at default is an estimation of the extent that the Fund may be exposed to an obligor in the event of default. The estimation of EAD should consider any expected changes in the exposure after the assessment date. This is of importance in the case of Stage 2 assets where the point of default may be several years in the future.

*Discount rate*

The Fund computes effective profit rate at a contractual level. If the computation of the effective profit rate (at reporting date) is not feasible, the Fund uses the contractual profit (at reporting date) for discounting purposes.

The table below shows the maximum exposure to credit risk – financial instruments subject to impairment.

	As at 31 December 2023			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Cash and cash equivalents	985	-	-	985
Receivable against sale of investments held at FVSI	708	-	-	708
Investments held at amortised cost	17,938	-	-	17,938
<b>Gross carrying amount</b>	<b>19,631</b>	-	-	<b>19,631</b>
ECL allowance	(13)	-	-	(13)
<b>Net carrying amount</b>	<b>19,618</b>	-	-	<b>19,618</b>

Market concentration of the sukuk investment portfolio of the Fund, is disclosed in the table below:

	As at 31 December 2023	
	% of Total Gross value	Gross value
Saudi market	100	17,938
<b>Total</b>	<b>100</b>	<b>17,938</b>

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. As at 31 December 2023, the Fund's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Fund due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position which is USD 18.910 million. The Fund does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. The credit risk on cash at bank is limited because the counterparties are local banks (Bank Albilad) with investment grade credit-ratings.

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**8 FINANCIAL RISK MANAGEMENT** (continued)

**8.1 Financial risk factors** (continued)

**(b) Credit risk** (continued)

**Credit risk management** (continued)

Fund has policy to invest with counterparties with credit rating BBB- and above. All the investments are initially classified under stage 1. If at any subsequent reporting date the credit rating of the counterparty deteriorates by 2 notches in Fitch rating scale but still above B+, then the Fund downgrades the investment with such counterparty to Stage-2. In case if the credit rating of the counterparty decreases below B+, then investment with such counterparty is further downgraded to Stage-3.

As at 31 December 2023 the Fund has investments (sukuk contracts) with credit ratings ranging from A+ to BBB+ and accordingly, are all investment grades. The bank balances are held with a reputable bank, having strong credit rating, and hence, low credit risk.

**(c) Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's terms and conditions provide for subscription and redemption of units on every Valuation Day and it is, therefore, exposed to the liquidity risk of meeting redemptions at any time. The Fund's securities are considered to be readily realisable and they can be liquidated at any time. However, the Fund Manager has established certain liquidity guidelines for the Fund and monitors liquidity requirements on a regular basis to ensure sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by obtaining financing from the related parties of the Fund.

The Fund has investments in Sukuk deals with maturities ranging from 1 year to 5 years.

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

**Interest rate and liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Fund Manager, which has established an appropriate liquidity risk management framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The expected maturity profile of financial assets and liabilities is as follows:

<b>As at 31 December 2023</b>	<b>Less than 7 days</b>	<b>7 days to 1 month</b>	<b>1-12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	985	-	-	-	985
Investments held at amortised cost, net	-	-	1,148	16,777	17,925
Receivable against sale of investments held at FVSI	-	-	708	-	708
	985	-	1,856	16,777	19,618
<b>Financial liabilities</b>					
Payable against purchase of investment held at amortised cost	303	-	-	-	303
Accrued management fee	-	-	1	-	1
Accruals and other liabilities	-	-	264	-	264
	303	-	265	-	568
<b>Liquidity gap</b>	<b>682</b>	<b>-</b>	<b>1,591</b>	<b>16,777</b>	<b>19,050</b>

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**8 FINANCIAL RISK MANAGEMENT** (continued)

**8.2 Capital risk management**

The capital of the Fund is represented by the equity attributable to the Unitholders. The amount of equity attributable to the Units holders 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 the Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to monitor the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate and adjust the amount of distributions which the Fund may pay to units.

The Fund Board and Investment Manager monitor capital on the basis of the value of equity attributable to the unit holders.

**9 FINANCIAL INSTRUMENTS BY CATEGORY**

All financial assets and financial liabilities as at 31 December 2023, were classified under amortised cost category.

**10 FAIR VALUES OF FINANCIAL INSTRUMENTS**

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 accessible market for the asset or liability

**Determination of fair value and fair value hierarchy**

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

The estimated fair value of the Fund's financial assets and liabilities is not considered to be significantly different from their carrying values.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities measured at fair value at 31 December.

As at 31 December 2023	Fair value '000'				
	Carrying amount	Level 1	Level 2	Level 3	Total
<b><i>Financial assets not measured at fair value</i></b>					
Cash and cash equivalents	985	-	-	985	985
Investments held at amortised cost, net	17,925	17,076	-	600	17,676
Receivable against sale of investments held at FVSI	708	-	-	708	708
	19,618	17,076	-	2,293	19,369

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(All amounts in United States Dollar '000' unless otherwise stated)

**10 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**

The following table analyses within the fair value hierarchy the Fund's assets and liabilities measured at fair value at 31 December.

As at 31 December 2023	Fair value '000'				
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial liabilities not measured at fair value</b>					
Payable against purchase of investment held at amortised cost	(303)	-	-	(303)	(303)
Accrued management fees	(1)	-	-	(1)	(1)
Accruals and other liabilities	(264)	-	-	(264)	(264)
	(568)	-	-	(568)	(568)

**11 EFFECTS ON EQUITY ATTRIBUTABLE TO THE UNITHOLDERS IF EXPECTED CREDIT LOSSES ARE NOT RECOGNISED**

- i) Expected credit losses on investment held at amortised cost is set out below:

	As at 31 December 2023
ECL allowance on financial assets	13
Units in issue in thousands	1,892
Per unit share in ECL	0.0069

- ii) The equity attributable to the Unitholders, after including expected credit losses is set out below:

	As at 31 December 2023
Equity value per unit after considering expected credit losses as per statement of financial position	10.0692
Per unit share in ECL allowance	0.0069
Equity per unit before ECL allowance	10.0761

**12 DIVIDENDS DISTRIBUTION**

During the period, the Fund Board approved to distribute the dividends at a rate of 1.27%, 1.27% and 1.26% of the reported Equity value on 22 June 2023, 28 September 2023 and 31 December 2023 which amounts to USD 113, USD 136 and USD 242 respectively.

**13 LAST VALUATION DAY**

The last valuation day for the purpose of preparation of the financial statements was 31 December 2023.

**14. INFORMATIVE ZAKAT RETURN SUBMISSION**

Article 3 of Zakat Collection Rules for Investing in Investment Funds, stipulates that all investment funds or real estate investment funds approved to be established by the CMA after the effective date of the resolution (1 January 2023), must register with ZATCA for Zakat purposes before the end of the first fiscal year from the date of the approval on their establishment and submit an informative zakat return within 120 days of fiscal year end. The Fund received its registration certificate no. 042-23-1-0581 from ZATCA on 19 December 2022. The Fund will submit the informative zakat return in due course.

The responsibility of paying zakat on investment in the Fund's units remains with the unitholders and the Fund does not have the zakat obligation.

**15 APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved and authorised for issues by the Fund Board on 26 March 2024.