

التقرير النصف سنوي إلى مالكي الوحدات لسنة 2024 صندوق البلاد للصكوك

ج) مدير الصندوق

(1) اسم مدير الصندوق وعنوانه:

شركة البلاد للاستثمار " البلاد المالية "

8162 طريق الملك فهد الفرعي - العليا، الرياض 3701-12313

المملكة العربية السعودية

هاتف: +966 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 من النصف الأول لعام 2024 تم الاستثمار بشكل أساسي في الصكوك المحلية والإقليمية والعالمية، والمجازة من قبل اللجنة الشرعية لدى البلاد المالية.

(4) تقرير عن أداء صندوق الاستثمار خلال الفترة:

تفوق أداء المؤشر الاسترشادي عن أداء الصندوق بفارق 2.54% حيث حقق الصندوق 1.26%- مقارنة بأداء المؤشر الاسترشادي البالغ 1.28%.

(5) تفاصيل أي تغييرات حدثت على شروط وأحكام الصندوق خلال الفترة:

لا يوجد.

المقر الرئيسي للبلاد المالية:

هاتف: +966 920003636

فاكس: +966 11 2906299

ص.ب: الرياض 3701-12312 ، 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 مؤشرًا 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.

جميع الحقوق محفوظة لشركة البلاد للاستثمار © 2024 ، سجل تجاري رقم: 1010240489 ، ترخيص هيئة السوق المالية رقم: 08100-37.

التقرير النصف سنوي إلى مالكي الوحدات لسنة 2024

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.

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 إعداد القوائم المالية لفترة المحاسبة النصف سنوية لصندوق الاستثمار وفقا للمعايير المحاسبية المعتمدة من الهيئة السعودية للمحاسبين القانونيين. (مرفق القوائم المالية).

المقر الرئيسي للبلاد المالية:

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فاكس: +966 11 2906299

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**ALBILAD SUKUK FUND
(AN OPEN-ENDED MUTUAL FUND MANAGED
BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS AND THE FUND MANAGER
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

**ALBILAD SUKUK FUND
(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

Index	Page
Report on review of interim condensed financial statements	1
Interim statement of financial position	2
Interim statement of comprehensive income	3
Interim statement of changes in equity attributable to the Unitholders	4
Interim statement of cash flows	5
Notes to the interim condensed financial statements	6 - 14



Report on review of interim condensed financial statements

To the Unitholders and Fund Manager of
Albilad Sukuk Fund

Introduction

We have reviewed the accompanying interim statement of financial position of Albilad Sukuk Fund (the "Fund") as at 30 June 2024, and the related interim statements of comprehensive income, changes in equity attributable to the Unitholders and cash flows for the six-month period then ended and other explanatory notes. 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), as 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 Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

PricewaterhouseCoopers

Mufaddal A. Ali
License Number 447

11 August 2024
(7 Safar 1446H)



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

	Note	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Assets			
Cash and cash equivalents	6	433	985
Investments held at amortized cost, net	7	22,373	17,925
Receivable against sale of investments held at fair value through statement of income (FVSI)		-	708
Prepaid expenses		6	1
Total assets		22,812	19,619
Liabilities			
Payable against purchase of investments held at amortised cost		-	303
Accrued management fee	6	33	1
Accruals and other liabilities		19	264
Total liabilities		52	568
Equity attributable to the Unitholders		22,760	19,051
Units in issue in thousands		2,288	1,892
Equity per unit in United States Dollar		9.9476	10.0692

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

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

		For the six-month period ended 30 June 2024	For the period from 1 February 2023 (date of commencement of operations) to 30 June 2023
	Note		
Income			
Profit on sukuk investments held at amortised cost		164	84
Other income		242	-
Total income		<u>406</u>	<u>84</u>
Expenses			
Management fee	6	(97)	(25)
Other expenses		(330)	(22)
Expected credit losses (ECL) reversal / (charge) for the period on investments held at amortised cost		9	(4)
Total expenses		<u>(418)</u>	<u>(51)</u>
Net (loss) / income for the period		(12)	33
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		<u>(12)</u>	<u>33</u>

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

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

		For the six-month period ended 30 June 2024	For the period from 1 February 2023 (date of commencement of operations) to 30 June 2023
Note			
	Equity at the beginning of the period (Audited)	19,051	-
	Changes from operations		
	Total comprehensive (loss) / income for the period	(12)	33
	Changes from unit transactions		
	Proceeds from issuances of units	6,481	9,219
	Payment against redemption of units	(2,518)	(231)
	Net Change from unit transactions	3,963	8,988
	Dividend distribution	12 (242)	(113)
	Net change from unit transactions	3,721	8,875
	Equity at the end of the period (Unaudited)	22,760	8,908
		For the six-month period ended 30 June 2024	For the period from 1 February 2023 (date of commencement of operations) to 30 June 2023
		Units '000'	Units '000'
	Units at the beginning of the period (Audited)	1,892	-
	Units issued	648	922
	Units redeemed	(252)	(23)
	Net change in units	396	899
	Units at the end of the period (Unaudited)	2,288	899

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

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

	For the six-month period ended 30 June 2024	For the period from 1 February 2023 (date of commencement of operations) to 30 June 2023
Cash flows from operating activities		
Net (loss) / income for the period	(12)	33
Adjustments for:		
Profit on sukuk investments held at amortised cost	(164)	(84)
ECL (reversal) charge / for the period on investments held at amortised cost	(9)	4
	(185)	(47)
Net changes in operating assets and liabilities		
Investments held at amortised cost	(4,726)	(8,535)
Receivable against sale of investments held at FVSI	708	-
Accrued management fee	32	15
Accruals and other liabilities	(245)	126
Prepaid expenses	(5)	(11)
Payable against sale of investments held at FVSI	(303)	-
Cash used in operations	(4,539)	(8,405)
Profit received on investment in sukuk	451	14
Net cash used in operating activities	(4,273)	(8,438)
Cash flows from financing activities		
Proceeds from issuances of units	6,481	9,219
Payment against redemption of units	(2,518)	(231)
Dividend distribution paid	(242)	(113)
Net cash generated from financing activities	3,721	8,875
Net change in cash and cash equivalents	(552)	437
Cash and cash equivalents at the beginning of the period	985	-
Cash and cash equivalents at the end of the period	433	437

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

ALBILAD SUKUK FUND
(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(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.

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

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 BASIS OF PREPARATION

These interim condensed financial statements of the Fund have been prepared in accordance with the International Accounting Standard 34 – "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024, are not necessarily indicative of the actual results for the full year ending on 31 December 2024 and final results may differ.

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

The principal accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those of the previous financial year except as described in note 3 below.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The preparation of these interim condensed 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty including the risk management policies were the same as those that applied to the annual financial statements as at and for the year ended 31 December 2023.

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

ALBILAD SUKUK FUND
(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
 (All amounts in United States Dollar '000' unless otherwise stated)

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

New standards, interpretations and amendments effective and adopted by the Fund in the current period

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. Several amendments apply for the first time in 2024, but do not have a significant impact on the interim condensed financial statements of the Fund.

Standard/ interpretation	Description	Effective from periods beginning on or after
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
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

ALBILAD SUKUK FUND
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in United States Dollar '000' unless otherwise stated)

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (Continued)

Accounting standards issued but not yet effective and not early adopted

The following accounting standards, amendments, which will become effective from periods on or after 1 January 2025. The Fund has opted not to early adopt these pronouncements. The fund manager is in the process of making adjustment, and it is expected that they do not have a significant impact on the Fund's interim condensed financial statements.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Effective 1 January 2024, however, not yet endorsed by SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Effective 1 January 2024, however, not yet endorsed by SOCPA

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in United States Dollar '000' unless otherwise stated)

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These interim condensed financial statements are presented in United States Dollar ("USD") which is the Fund's functional and presentation currency rounded to nearest thousands unless otherwise mentioned.

The Fund's transactions are conducted in various GCC currencies which are pegged to USD, therefore exchange differences are not material.

5 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 fair value hierarchy has the following levels:

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

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

ALBILAD SUKUK FUND
(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in United States Dollar '000' unless otherwise stated)

5 FAIR VALUE ESTIMATION (continued)

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) at 30 June 2024 and 31 December 2023:

As at 30 June 2024 (Unaudited)	Carrying amount	Fair value '000'			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	433	-	-	433	433
Investments held at amortised cost, net	22,373	929	-	21,444	22,373
	22,806	929	-	21,877	22,806
Financial liabilities not measured at fair value					
Accrued management fees	33	-	-	33	33
Accruals and other liabilities	19	-	-	19	19
	52	-	-	52	52
As at 31 December 2023 (Audited)	Carrying amount	Fair value '000'			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
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
Financial liabilities not measured at fair value					
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

6 EFFECT ON EQUITY ATTRIBUTABLE TO UNITHOLDERS IF EXPECTED CREDIT LOSSES ARE NOT RECOGNISED

- i) Expected credit losses on financial assets is set out below:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
ECL on financial assets	4	13
Units in issue in thousands	2,288	1,892
Per unit share in ECL allowance	0.0017	0.0069

ALBILAD SUKUK FUND
(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in United States Dollar '000' unless otherwise stated)

6 EFFECT ON EQUITY ATTRIBUTABLE TO UNITHOLDERS IF EXPECTED CREDIT LOSSES ARE NOT RECOGNISED (continued)

ii) The equity attributable to the unitholders, before expected credit losses is set out below:

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Equity value per unit after considering expected credit losses as per these financial statements	9.9476	10.0692
Per unit share in ECL allowance (note 6.ii)	0.0017	0.0069
Equity per unit before ECL allowance	<u>9.9493</u>	<u>10.0761</u>

7 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.

On each valuation day, the Fund Manager charges the Fund, a management fee at the rate of 0.75% (2023: 0.75%) per annum of the Fund's net assets value. In addition, on a daily basis Fund Manager charges the Fund, custody fees 0.05% (2023: 0.5%) of the Fund's Net Asset Value of the listed and unlisted financial securities and Investment Fund Units and 0.03% (2023:0.03%) of the Fund's Net Asset Value of the Money Markets, to be deducted on a monthly basis.

Following table summarises the details of transactions with related parties:

Related party	Nature of relationship / nature of transaction	For the six-month period ended 30 June 2024 (Unaudited)	For the period from 1 February 2023 (date of commencement of operations) to 30 June 2023 (Unaudited)
Albilad Investment Company	Management fee Fund Manager Administration fee	97 11	25 3
Riyad Capital	Custodian of the Fund Custody fee	8	2

Following table summarizes the details of balances with related parties:

Nature of balance	Related Party	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Cash and cash equivalents	Bank Albilad - Parent of the Fund Manager	9	32
Cash and cash equivalents	Riyad Capital - Custodian of the Fund	424	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	33	1
Custody fee payable	Riyad Capital - Custodian of the Fund	2	1
Fund board fee payable	Members of the Fund board	-	1

ALBILAD SUKUK FUND
(AN OPEN-ENDED MUTUAL FUND MANAGED BY ALBILAD INVESTMENT COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in United States Dollar '000' unless otherwise stated)

8 FINANCIAL RISK MANAGEMENT

The financial risk management policies are consistent with those disclosed in the Fund's financial statements for the year ended 31 December 2023.

Capital management

The Fund manages its capital to ensure it will be able to continue as a going concern while maximizing the return to unitholders. The Fund's overall strategy remains unchanged from the previous periods.

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.

Foreign currency risk management

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 financial assets of the Funds are denominated in various GCC currencies all of which are pegged to the United States Dollar similar to the functional currency Saudi Riyal, except for the Kuwaiti Dinar which is not fully pegged to the United States Dollar. The effect on the equity attributable to the Unitholders as a result of the change in the exchange rate as at 30 June 2024 with all other variables held constant is immaterial. Consequently, no foreign currency sensitivity analysis has been presented.

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.

As of the date of the interim reporting, the Fund is not exposed to significant special commission rate risk as majority of its assets are fixed rate and the liabilities are non-commission bearing.

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 exposed to price risk as it does not have any investments held at FV.

Credit risk management

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. The Fund is exposed to credit risk for its investments held at amortised cost and bank balances. It is 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.

As at 30 June 2024 and 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.

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in United States Dollar '000' unless otherwise stated)

8 FINANCIAL RISK MANAGEMENT (continued)

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.

Fund settles its financial liabilities relating to accrued management fee and other expenses on quarterly basis.

The calculated maturity profile of financial assets and liabilities in as follows:

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
As at 30 June 2024					
(Unaudited)					
Financial assets					
Cash and cash equivalents	433	-	-	-	433
Investments held at amortised cost, net	-	-	600	21,773	22,373
Total financial assets	433	-	600	21,773	22,806
Financial liabilities					
Accrued management fee	-	-	33	-	33
Accruals and other liabilities	-	-	19	-	19
Total financial liabilities	-	-	52	-	52
Liquidity gap	433	-	548	21,773	22,754
	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
As at 31 December 2023					
(Audited)					
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	985	-	1,856	16,777	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	303	-	265	-	568
Liquidity gap	682	-	1,591	16,777	19,050

ALBILAD SUKUK FUND
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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in United States Dollar '000' unless otherwise stated)

9 FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and financial liabilities as at 30 June 2024, were classified under amortized cost category.

10 LAST VALUATION DAY

In accordance with the Terms and Conditions of the Fund, the last valuation day for the purpose of preparation of the interim condensed financial statements for the period was 30 June 2024 (31 December 2023).

11 DIVIDENDS DISTRIBUTION

During the period, the Fund Board approved to distribute the dividends at a rate of 1.26% of the reported Equity value on 13 January 2024, which amounted to USD 242 thousand (2023: 1.25% on 21 June 2023, which amounted to USD113 thousand).

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments as at 30 June 2024 (2023: Nil)

13 SUBSEQUENT EVENTS

There are no events / transactions that require adjustments to or disclosure to these interim condensed Financial Statements

14 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issue by the Fund Board on 7 August 2024 (3 Safar 1446H).