

**ALINMA EMERGING MARKETS FUND**  
**(Managed by Alinma Investment Company)**

**FINANCIAL STATEMENTS FOR THE PERIOD FROM**  
**15 October 2023 TO 30 JUNE 2024**

**AND INDEPENDENT AUDITOR'S REPORT**

**Alinma Emerging Markets Fund**  
**(Managed by Alinma Investment Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

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For the period from 15 October 2023 to 30 June 2024

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

To the Unitholders of Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Alinma Emerging Markets Fund ("the Fund") being managed by Alinma Investment Company (the "Fund Manager") as at 30 June 2024, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the period from 15 October 2023 to 30 June 2024, including material accounting policy information and other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting ("IAS 34")" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

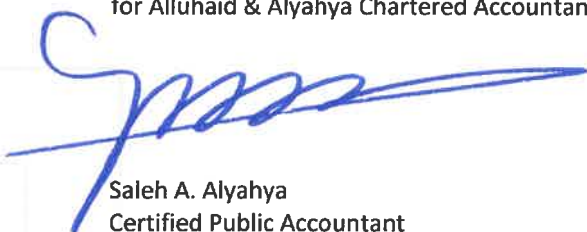
### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of the 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 that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

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

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya  
Certified Public Accountant  
License number 473

Riyadh: 3 Safar 1446H  
(7 August 2024)



Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Note</i>	<i>Unaudited SR</i>
<b>ASSETS</b>		
Bank balance		2,560,059
Financial assets at fair value through profit or loss ("FVTPL")	5	45,026,279
Dividend receivable		177,766
<b>TOTAL ASSETS</b>		<b>47,764,104</b>
<b>LIABILITIES</b>		
Accrued expenses and other current liabilities		366,909
<b>TOTAL LIABILITIES</b>		<b>366,909</b>
<b>EQUITY</b>		
Net assets attributable to unitholders of redeemable units		47,397,195
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>47,764,104</b>
Redeemable units in issue (numbers)		4,260,663
Net asset value attributable to unitholders (SR)		11.12

The attached notes 1 to 10 form an integral part of these interim condensed financial statements

Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME

For the period from 15 October 2023 to 30 June 2024

	<i>Notes</i>	<i>Unaudited SR</i>
<b>INCOME</b>		
Income from financial assets at FVTPL	5	5,470,263
Dividend income		373,774
Special commission income		287,260
<b>TOTAL INCOME</b>		<b>6,131,297</b>
<b>OPERATING EXPENSES</b>		
Management fees	6	(623,628)
Brokerage fees	6	(29,272)
Professional fees		(371,275)
Other operating expenses		(318,711)
<b>TOTAL OPERATING EXPENSES</b>		<b>(1,342,886)</b>
<b>NET INCOME FOR THE PERIOD</b>		<b>4,788,411</b>
Other comprehensive income		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>4,788,411</b>

The attached notes 1 to 10 form an integral part of these interim condensed financial statements

**Alinma Emerging Markets Fund**  
**(Managed by Alinma Investment Company)**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**

For the period from 15 October 2023 to 30 June 2024

	<i>Unaudited</i> <i>SR</i>
<b>OPERATING ACTIVITIES</b>	
Net income for the period	4,788,411
<i>Adjustments for:</i>	
Income from financial assets at FVTPL	(5,470,263)
Special commission income	(287,260)
Dividend income	(373,774)
	<u>(1,342,886)</u>
Changes in operating assets and liabilities:	
Increase in financial assets at FVTPL	(39,556,016)
Increase in accrued expenses and other current liabilities	366,909
	<u>(40,531,993)</u>
Special commission income received	287,260
Dividend received	196,008
	<u>(40,048,725)</u>
Net cash flows used in operating activities	
<b>FINANCING ACTIVITIES</b>	
Proceeds from issuance of units	45,521,539
Payments against redemption of units	(2,912,755)
	<u>42,608,784</u>
Net cash flows from financing activities	
<b>BANK BALANCE AT THE END OF THE PERIOD</b>	<u><u>2,560,059</u></u>

The attached notes 1 to 10 form an integral part of these interim condensed financial statements

**Alinma Emerging Markets Fund**  
**(Managed by Alinma Investment Company)**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the period from 15 October 2023 to 30 June 2024

	<i>Unaudited SR</i>
<b>Comprehensive income:</b>	
Net income for the period	4,788,411
Other comprehensive income for the period	-
Total comprehensive income for the period	4,788,411
<b>CHANGE FROM UNIT TRANSACTIONS</b>	
Proceeds from issuance of units	45,521,539
Payments against redemption of units	(2,912,755)
Net change from unit transactions	42,608,784
<b>EQUITY AT THE END OF THE PERIOD</b>	47,397,195
<b>REDEEMABLE UNIT TRANSACTIONS</b>	
Transactions in redeemable units for the period are summarised as follows:	
	<i>Units</i>
Units issued during the period	4,543,913
Units redeemed during the period	(283,250)
<b>UNITS AT THE END OF THE PERIOD</b>	4,260,663

The attached notes 1 to 10 form an integral part of these interim condensed financial statements

# Alinma Emerging Markets Fund (Managed by Alinma Investment Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2024

### 1 INCORPORATION AND ACTIVITIES

Alinma Emerging Markets Fund, (the "Fund"), is an open-ended Shariah compliant fund created under an agreement between Alinma Investment Company (the "Fund Manager"), a subsidiary of Alinma Bank (the "Bank") and investors (the "Unitholders") in the Fund, in accordance with Capital Market Authority ("CMA") regulations.

Alinma Emerging Markets Fund is an open-ended index fund that aims to achieve long-term capital growth by investing in emerging market stocks approved by the fund's Sharia Supervisory Committee. The fund aims to match the performance of the benchmark, through passive investment in the constituents of the fund's benchmark, so that the fund's performance is approximately similar to the performance of the benchmark before fees and expenses.

The CMA granted approval for the establishment of the Fund on 14 Dhul-Hijjah 1445H (corresponding to 2 July 2023). The Fund commenced its operations on 30 Rabi' al-Awwal 1445H (corresponding to 15 October 2023). Accordingly, the first financial period of the Fund covers the period from 15 October 2023 to 31 December 2024. These are the first interim condensed financial statements of the Fund which presents interim condensed statement of financial position as at 30 June 2024, and the related interim condensed statement of profit or loss and other comprehensive income, cashflows and changes in equity for the period from 15 October 2023 to 30 June 2024.

The Fund is managed by Alinma Investment Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the Capital Market Authority of the Kingdom of Saudi Arabia ("CMA") under license number 09134-37.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

The Fund has appointed Northern Trust Company of Saudi Arabia (the "Custodian") to act as its custodian. The fees of the custodian are paid by the Fund.

### 2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the CMA detailing requirements for all investment funds within the Kingdom of Saudi Arabia.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

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

#### 3.1 Basis of preparation

These interim condensed financial statements for the period ended 30 June 2024 of the Fund have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The interim condensed financial statements have been prepared under the historical cost convention using the accrual basis of accounting except for financial assets held at FVTPL which are measured at fair value.

The Fund Manager has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern.

The Fund presents its interim condensed statement of financial position in order of liquidity based on the Fund Manager's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding interim condensed financial statement line item. All assets and liabilities are current in nature and have maturity of 12 months or less.

The preparation of these interim condensed financial statements requires the use of certain critical accounting estimates. It also requires the Fund Manager to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.



Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**3.2 Foreign currency translation**

**a) Functional and presentation currency**

These interim condensed financial statements are presented in Saudi Arabian Riyals ("SR"), which is the Fund's functional and presentation currency. All financial information presented has been rounded to the nearest SR.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the interim condensed statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the interim condensed statement of comprehensive income.

**3.3 Financial Instruments - Initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i) Financial assets**

**Initial recognition and measurement**

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e., the date that the Fund executes purchase or sale of the assets). Regular way purchase or sale of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace.

Financial assets and liabilities (including assets and liabilities designated at fair value through income statement) are initially recognized on trade date at which the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. For all other financial assets and financial liabilities transaction costs are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss

**Financial assets measured at amortised cost**

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in interim condensed statement of profit or loss or other comprehensive income when the asset is derecognised, modified or impaired. The Fund's financial assets at amortised cost includes bank balance and dividend receivable.

**Financial assets measured at fair value through profit or loss ("FVTPL")**

Financial assets at fair value through profit or loss are carried in the interim condensed statement of financial position at fair value with net changes in fair value recognised in the interim condensed statement of profit or loss and other comprehensive income.

This category includes investments in equity instruments and public funds. Dividends on listed equity investments are recognised in the interim condensed statement of profit or loss and other comprehensive income when the right of payment has been established.

Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Financial Instruments - Initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's interim condensed statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

**Impairment**

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
  - financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
  - 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- However, none of the Fund's financial assets fall into this category.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses are recognized for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For financial assets at amortised costs, the Fund applies the low credit risk simplification. At every reporting date, the Fund evaluates whether the financial assets at amortised cost is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Fund reassesses the internal credit rating of the financial asset at amortised cost. In addition, the Fund considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Fund's financial assets at amortised cost comprise of bank balance and dividend receivables. It is the Fund's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Fund uses the ratings from the credit rating agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**3.3 Financial Instruments - Initial recognition and subsequent measurement (continued)**

**ii) Financial liabilities**

**Initial recognition and measurement**

The Fund's financial liabilities includes management and administration fees payable and other liabilities. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified at amortised cost:

**Financial liabilities at amortised cost**

This category includes all financial liabilities, other than those measured at fair value through profit or loss. This is the category most relevant to the Fund. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in interim condensed statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the interim condensed statement of profit or loss and other comprehensive income.

This category generally applies to management and administration fees payable and other current liabilities.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the interim condensed statement of profit or loss and other comprehensive income.

**iii) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the interim condensed statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the interim condensed statement of financial position.

**3.4 Fair value measurement**

The Fund measures financial instruments such as equity instruments and mutual funds at fair value at each balance sheet date.

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

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

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

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

Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

**3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**3.4 Fair value measurement (continued)**

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

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

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

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies. For this analysis, the Fund verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed in note 7.

**3.5 Redeemable units**

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the Unitholder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the Unitholder's rights to a pro rata share of the Fund's net assets
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument

Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**3.5 Redeemable units (continued)**

In addition to the redeemable units having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund
- The effect of substantially restricting or fixing the residual return to the redeemable unitholders

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in net assets attributable to the Unitholders. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. No gain or loss is recognised in the interim condensed statement of profit or loss and other comprehensive income on the purchase, issuance or cancellation of the Fund's own equity instruments.

**3.6 Net assets value per unit**

The net assets value per unit disclosed in the interim condensed statement of financial position is calculated by dividing the net assets value of the Fund by the number of units in issue at the period end.

**3.7 Management fees, custodian fees and other expenses**

The Fund's expenses include management fee, custody fee and other expenses. These expenses are recognised on accrual basis and are based on predetermined rates as specified in the terms and conditions of the Fund. Detailed policies are as follows:

**Management fee**

The Fund Manager charges the Fund, on every valuation day, a management fee at an annual rate of 1.75% of the Fund's net return. These charges are calculated and accrued on each valuation day.

**Custody fee**

The Fund accrues the custody fee expense at an annual rate of 0.19% of the net assets value at the end of each valuation day. The fund also accrues additional custody and other charges as per agreed terms with Custodian.

**Other expenses**

The Fund Manager recovers from the Fund any other expense incurred on behalf of the Fund as per terms and conditions of the Fund.

**3.8 Zakat and income tax**

Fund is not liable to pay any zakat or income tax which are considered to be the obligation of the Unitholders and are as such not provided in the accompanying interim condensed financial statements.

**3.9 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the amount can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and taxes.

Income from disposal of financial assets at FVTPL are determined on a weighted average cost basis.

Dividend income is recognized in interim condensed statement of profit or loss and other comprehensive income when declared (i.e., when the Fund's right to receive the dividend is established).

**Alinma Emerging Markets Fund**  
**(Managed by Alinma Investment Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)**  
**30 June 2024**

**4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

***Going concern***

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

***Fair value measurement***

The Fund measures its investments in equity instrument and in public fund at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund measures financial instruments at fair value at each interim condensed statement of financial position date.

**5 FINANCIAL ASSETS AT FVTPL**

Financial assets at FVTPL comprised of investment in equity instruments of listed entities and investment in a public fund.

	<b>30 June 2024</b>	
	<b>(Unaudited)</b>	
	<b>Cost</b>	<b>Market</b>
	<b>(SR)</b>	<b>value</b>
		<b>(SR)</b>
Listed equities	32,481,353	38,370,136
Public Fund	6,421,258	6,656,143
	<b>38,902,611</b>	<b>45,026,279</b>

- (i) The geographical dispersion of the listed equities and public fund is SR 34.7 million outside of the Kingdom of Saudi Arabia and SR 10.3 million within the Kingdom of Saudi Arabia.

The income from financial assets at FVTPL during the period from 15 October 2023 to 30 June 2024 amounted to SR 5,470,263.

**Alinma Emerging Markets Fund**  
**(Managed by Alinma Investment Company)**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)**  
**30 June 2024**

**6 TRANSACTIONS AND BALANCES WITH REPLATED PARTY**

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are governed by limit set by the terms and conditions. All related party transactions are disclosed to the Fund Board of Director.

Related parties of the Fund include the Fund Manager, the Bank, entities related to the Bank and the Fund Manager and any party that has the ability to control other party or exercise significant influence over the party in making financial or operational decisions.

**a) Management fees**

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager charges management fee at the rate of 1.75% of the Fund's assets.

**b) Brokerage fees**

The Fund Manager charges 0.01% brokerage fees on the purchase and sales transactions of financial assets at FVTPL.

**c) Board of Directors remuneration**

The Board of Directors are allowed maximum remuneration of SR 24,000 for all board members in one year. During the period, Board remuneration was charged amounting to SR 18,123 for 3 directors.

**6.1 Related party transactions**

The following are the details of the significant transactions with related parties during the period:

			<i>For the period from 15 October 2023 to 30 June 2024 (Unaudited) SR</i>
<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	
Alinma Investment Company	Fund Manager	Management fees	(623,628)
		Brokerage fees	(29,272)
Board of Director	Members of Board of Director	Fund Board fees	(18,123)

**6.2 Related party balances**

Period end balances payable arising from transactions with related parties are as follows:

<i>Name of related party</i>	<i>Nature of balances</i>	<i>30 June 2024 (Unaudited) SR</i>
Alinma Investment Company	Management fees payable	(74,112)

Alinma Emerging Markets Fund  
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**7 FAIR VALUE MEASUREMENT**

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the interim condensed statement of financial position.

<i>As at 30 June 2024 (Unaudited)</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Financial assets at FVTPL (note 5)	<b>38,370,136</b>	<b>6,656,143</b>	-	<b>45,026,279</b>

The value of financial assets at FVTPL amounting to SR 38,370,136 are based on quoted market prices of equities listed on Tadawul and are therefore classified within Level 1 of the fair value hierarchy.

The value of financial assets at FVTPL amounting to SR 6,656,143 are based on the net assets value of the mutual fund and therefore classified within Level 2 of the fair value hierarchy.

Management believes that the fair value of all other financial assets and liabilities are at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 2 of the fair value hierarchy. There were no transfers between the various levels of fair value hierarchy during the current period.

**8 LAST VALUATION DATE**

The last valuation date of the period was 30 June 2024.

**9 SUBSEQUENT EVENTS**

There are no events subsequent to the reporting date which require adjustments of or disclosure in the interim condensed financial statements or notes thereto.

**10 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements were approved by the Fund Manager on 3 Safar 1446H (corresponding to 7 August 2024).