



C) Fund Manager

1) Name and address of the fund manager

Al-Bilad Investment Company "Al-Bilad Capital

King Fahd Branch Road - OLAYA 8162

Unit No. 22

Riyadh 12313-3701

Saudi Arabia.

Phone: 8001160002 Fax: (966+) 112906299

Al-Bilad Investment Company website: www.albilad-capital.com

2) Names and addresses of sub-manager and/or investment advisor (if any)

Not applicable.

3) Review of the investment activities during the period

During the year the fund mainly invested in Saudi sovereign sukuk denominated in Saudi riyals and listed on the Saudi market (Tadawul).

4) A report of investment fund performance during the period

The benchmark's performance during the period was better than the fund's performance by 1.09%. Where the fund achieved 2.07% in comparison with the benchmark's performance which achieved 3.16% .

5) Details of any material changes to the Fund's Terms and Conditions

Not applicable.

Albilad Capital Headquarters:

Telephone: +966 920003636

Fax: +966 11 2906299

PO Box: 140 Riyadh 11411, Saudi Arabia

For more information contact us at:

Asset Management

Telephone: +966 11 2039888

Fax: +966 11 2039899

Website: <http://www.albilad-capital.com/En/AssetManagement>



Disclaimer: Past performance of the fund is no guide to future performance and the value of investments and income from them can fall as well as rise. Where included, benchmark and index data included in this document are provided for illustrative purposes only To ensure proper understanding of the product and its suitability to the investor's risk profile, it is strongly recommend that the investor read the agreement and the terms and conditions of the fund. All rights reserved to Albilad Investment Company 2021© . (Commercial Registration No. 1010240489) dated 10/07/2017 G, 10/16/1438 H, and is regulated by Saudi Arabia's Capital Market Authority (license No. 08100-37) dated 01/08/1428H 14/08/2007



ALBILAD SAUDI SOVEREIGN SUKUK ETF

6) Any other information that would enable unitholders to make an informed judgement about the fund's activities during the period

Not applicable.

7) Any other information that would enable unitholders to make an informed judgment about the fund's activities during the period

Not applicable.

8) A statement on any special commission received by the fund manager during the period, clearly identifying what they are and the manner in which they were utilized

Not applicable.

9) Any other data and other information required by these Regulations to be included in this report.

Not applicable.

10) Period for the management of the person registered as fund manager

Since February 2020 —Three Years and 5 months .

11) A disclosure of the expense ratio of each underlying fund at the end of year and the weighted average ratio of all underlying funds that invested in

Not applicable.

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F) Financial Statements

Financial statements for the annual accounting period of the investment fund has been prepared in accordance with SOCPA standards. (Financial Statements attached).

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**ALBILAD SAUDI SOVEREIGN SUKUK ETF
(AN OPEN ENDED EXCHANGE TRADED INVESTMENT FUND MANAGED BY ALBILAD
INVESTMENT COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT TO THE UNITHOLDERS
AND THE FUND MANAGER**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

**ALBILAD SAUDI SOVEREIGN SUKUK ETF
INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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Report on review of interim condensed financial statements

To the Unitholders and the Fund Manager of
Albilad Saudi Sovereign Sukuk ETF

Introduction

We have reviewed the accompanying interim statement of financial position of Albilad Saudi Sovereign Sukuk ETF (the "Fund") as of 30 June 2023, 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



10 August 2023

ALBILAD SAUDI SOVEREIGN SUKUK ETF
INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

		As at 30 June 2023	As at 31 December 2022
	Note	(Un-audited)	(Audited)
Assets			
Cash and cash equivalents	4	700,303	633,170
Investments held at fair value through statement of income (FVSI)		123,891,141	121,339,953
Prepayments and other assets		1,202	15,838
Total assets		124,592,646	121,988,961
Liabilities			
Accrued management fee	4	33,503	17,393
Accrual and other liabilities		111,879	19,622
Dividend payable		-	76,986
Total liabilities		145,382	114,001
Equity attributable to the unitholders		124,447,264	121,874,960
Units in issue		14,100,000	14,100,000
Equity per unit in Saudi Riyals		8.8260	8.6436

The accompanying notes from 1 to 9 form an integral part of these interim condensed financial statements.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2023	2022
Income			
Special commission income on investments held at FVSI		2,003,092	2,092,520
Unrealised gain / (loss) on investments held at FVSI		3,690,924	(7,017,984)
Realised loss on sale of investments held at FVSI		(921,891)	(1,270,755)
Total income / (loss)		4,772,125	(6,196,219)
Expenses			
Management fee	4	(63,899)	(71,527)
Custody fee	4	(31,425)	(36,577)
Other expenses		(106,932)	(144,281)
Total expenses		(202,256)	(252,385)
Net income / (loss) for the period		4,569,869	(6,448,604)
Other comprehensive income / (loss) for the period		-	-
Total comprehensive income / (loss) for the period		4,569,869	(6,448,604)

The accompanying notes from 1 to 9 form an integral part of these interim condensed financial statements.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
INTERIM STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (UN-AUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2023	2022
Equity attributable to the unitholders at the beginning of the period		121,874,960	173,507,206
Changes from operations			
Total comprehensive income / (loss) for the period		4,569,869	(6,448,604)
Changes from units transactions			
Proceeds from issuances of units		6,213,050	-
Payment against redemption of units		(6,179,940)	(35,410,240)
Net change from units transactions		33,110	(35,410,240)
Dividend paid during the period	7	(2,030,675)	(2,437,517)
Equity attributable to the unitholders at the end of the period		124,447,264	129,210,845

Transactions in units are summarized as follows:

	For the six-month period ended 30 June	
	2023	2022
Units at the beginning of the period	14,100,000	18,200,000
Units issued	700,000	-
Units redeemed	(700,000)	(3,800,000)
Net change in units	-	(3,800,000)
Units at the end of the period	14,100,000	14,400,000

The accompanying notes from 1 to 9 form an integral part of these interim condensed financial statements.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the six-month period ended 30 June	
		2023	2022
Cash flows from operating activities			
Net income / (loss) for the period		4,569,869	(6,448,604)
Adjustment for:			
- Unrealised gain / (loss) on investments held at FVSI		(3,690,924)	7,017,984
- Special commission income on investments held at FVSI (sukuk)		(2,003,092)	(2,092,520)
		<u>(1,124,147)</u>	<u>(1,523,140)</u>
Net changes in operating assets and liabilities			
Investments held at FVSI		996,654	36,613,025
Prepayments and other assets		14,636	(15,339)
Accrued management fee		16,110	47,300
Accruals and other liabilities		92,257	(65,107)
Cash generated from operations		<u>1,119,657</u>	<u>36,579,879</u>
Profit received on investments in sukuk		2,146,174	2,442,560
Net cash generated from operating activities		<u>2,141,684</u>	<u>37,499,299</u>
Cash flows from financing activities			
Proceeds from issuances of units		6,213,050	-
Payment against units redeemed		(6,179,940)	(35,410,240)
Dividend paid	7	(2,107,661)	(2,437,517)
Net cash used in financing activities		<u>(2,074,551)</u>	<u>(37,847,757)</u>
Net change in cash and cash equivalents		67,133	(348,458)
Cash and cash equivalents at the beginning of the period		<u>633,170</u>	<u>1,084,606</u>
Cash and cash equivalents at the end of the period		<u>700,303</u>	<u>736,148</u>

The accompanying notes from 1 to 9 form an integral part of these interim condensed financial statements.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Albilad Saudi Sovereign Sukuk ETF (the “Fund”) is an open-ended exchange traded 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 seek to simulate the performance of Albilad Ideal Ratings sovereign Sukuk index, which includes Saudi Riyals denominated Sukuk, listed in the Saudi Stock Exchange (Tadawul), with a maturity of 3 months or more.

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.

In August 2019, the Capital Market Authority (“CMA”) approved Albilad Investment Company’s request to offer and register “Albilad Saudi Sovereign Sukuk ETF” units on Tadawul as Exchange Traded Fund (ETF). The Fund started trading on Tadawul as an ETF on Jumada Al-Thani 22, 1441H (corresponding to February 17, 2020, with the symbol 9403).

The Fund is governed by the Investment Fund Regulations (“the Regulations”) published by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) as amended by the resolution of the CMA Board on 12 Rajab 1442H (corresponding to 24 February 2021).

1.1 PRIMARY MARKET OPERATION (ISSUANCE AND REDEMPTION OF UNITS)

The primary market operations are only carried out by the Fund Manager and the authorized Market Maker Albilad Investment Company. The Issuance and Redemption activities are done on the basis of blocks of exchange traded fund (ETF) units (for the Fund, one block equals 100,000 ETF Units), referred to Issuance and Redemption of Units respectively. The process of issuance and redemption of ETF units is on an in-kind basis whereby the Fund Manager and the Market Maker interexchange ETF Units of the Fund and the basket of assets (sukuk), through the custodian, for the purpose of issuance and redemption of ETF units. The issued units are then freely floated on Tadawul for public trading.

2 BASIS OF PREPARATION

These interim condensed financial statements 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. These interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

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).

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 i.e. 31 December 2022 except for 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 Fund can recover or settle all its assets and liabilities within 12 months from the reporting date.

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 year in which the estimates are revised and in any future years affected. There are no areas of significant judgment or critical assumption used in the preparation of these interim condensed financial statements.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
 (All amounts in Saudi Riyals unless otherwise stated)

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

New and amended standards adopted by the Fund

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

New and amended standards not yet effective and not early adopted by the Fund

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 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
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.	1 January 2024 subject to endorsement from 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.	1 January 2024 subject to endorsement from SOCPA

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

4 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the Fund Manager, Custodian, other funds managed by the Fund Manager, Directors, key management personnel and any businesses which are controlled, either directly or indirectly, by the unitholders or over which they exercise significant influence ("affiliate"). The Fund enters into transactions in the normal course of business with these parties at prices and terms agreed between the parties.

Management fee and other expenses

For management services, the Fund pays 0.3% (31 December 2022: 0.3%) as total expense out of which management fee is paid as remaining item after deducting all other expenses of Fund of the equity value at each Valuation Day of the Fund's equity value.

The Fund Manager also recovers certain expenses incurred on behalf of the Fund within limits mentioned in the Terms and Conditions of the Fund.

Transactions with related parties

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.

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 (Un-audited)	
			2023	2022
AlBilad Investment Company	Fund Manager	Management fee	63,899	71,527
Riyad Capital	Custodian of the Fund	Custody fee	31,425	36,577
Fund Board	Members of the Fund Board	Fund Board fee	1,984	1,984

Nature of balance	Related party	As at 30 June 2023	As at 31 December 2022
		(Un-audited)	(Audited)
Cash and cash equivalents	Riyad Capital - Custodian of the Fund	700,303	633,170
Custody fee payable	Riyad Capital - Custodian of the Fund	5,069	6,815
Accrued management fee	Albilad Investment Company - Fund Manager	33,503	17,393
Fund Board fee payable	Members of the Fund Board	4,000	4,000

5 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 market for the asset or liability, or

The principal or the most advantageous market must be accessible by the Fund.

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;

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023
(All amounts in Saudi Riyals unless otherwise stated)

5 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy (continued)

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.

Cash and cash equivalents and financial liabilities of the Fund are measured at amortised cost. Fund measures its Investment in Saudi sovereign sukuk at FVSI. The fair values of financial instruments which are not measured at fair value in these interim condensed financial statements are not significantly different from the carrying values included in the interim condensed financial statements.

As at 30 June 2023 (Un-audited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	700,303	-	-	700,303	700,303
Other assets	1,202	-	-	1,202	1,202
	701,505	-	-	701,505	701,505
Financial assets measured at fair value					
Investments held at FVSI	123,891,141	123,891,141	-	-	123,891,141
	123,891,141	123,891,141	-	-	123,891,141
Financial liabilities not measured at fair value					
Accrued management fee	33,503	-	-	33,503	33,503
Accrual and other liabilities	111,879	-	-	111,879	111,879
	145,382	-	-	145,382	145,382

As at 31 December 2022 (Audited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	633,170	-	-	633,170	633,170
	633,170	-	-	633,170	633,170
Financial assets measured at fair value					
Investments held at FVSI	121,339,953	121,339,953	-	-	121,339,953
	121,339,953	121,339,953	-	-	121,339,953
Financial liabilities not measured at fair value					
Accrued management fee	17,393	-	-	17,393	17,393
Accrual and other liabilities	19,622	-	-	19,622	19,622
Dividend payable	76,986	-	-	76,986	76,986
	114,001	-	-	114,001	114,001

Level 1 financial instruments comprise of investments in Saudi Government Sukuks which are fair valued using quoted rate on Tadawul.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

6 FINANCIAL RISK MANAGEMENT

6.1 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.

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 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.

All the Fund's transactions and balances are in Saudi Riyals and therefore the Fund 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 commission rate risk on its investments in sukuk. If the sukuk price on Tadawul is changed with $\pm 0.5\%$, with all other variables held constant, the income for the period would have been higher/lower by SR $\pm 619,456$.

(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 Manager closely monitors the price movement of its financial instruments listed at Saudi Stock Exchange. The value of the Fund's investment in sukuk fluctuates because of the change in commission rate and accordingly the Fund is not exposed to price risk.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Currently, the Fund is not exposed to any significant credit risk and concentration of credit risk other than Government sukuk. The Bank balance is held with bank which has a sound credit rating.

Financial assets measured at amortised cost were considered for ECL as on 30 June 2023. However, the impact of ECL on these assets was immaterial as the cash and cash equivalents are held with the Bank and Custodian with sound credit ratings. There is no history of default for recovery of these balances. Further the sukuk are carried at FVSI.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

6 FINANCIAL RISK MANAGEMENT (continued)

6.1 Financial risk factors (continued)

(c) Liquidity risk

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

The Fund's Terms and Conditions provide for subscription and redemption of units on every 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 realizable 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 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.

The table below shows an analysis of financial assets and financial liabilities analyzed according to when they are expected to be recovered or settled:

As at 30 June 2023
(Un-audited)

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	700,303	-	-	-	700,303
Investments held at FVSI	-	-	123,891,141	-	123,891,141
Other assets	-	-	1,202	-	1,202
	700,303	-	123,892,343	-	124,592,646
Financial liabilities					
Accrued management fee	-	-	33,503	-	33,503
Accruals and other liabilities	-	-	111,879	-	111,879
	-	-	145,382	-	145,382
Liquidity gap	700,303	-	123,746,961	-	124,447,264

As at 31 December 2022
(Audited)

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	633,170	-	-	-	633,170
Investments held at FVSI	-	5,492,287	115,847,666	-	121,339,953
	633,170	5,492,287	115,847,666	-	121,973,123
Financial liabilities					
Accrued management fee	-	-	17,393	-	17,393
Accruals and other liabilities	-	-	19,622	-	19,622
Dividend payable	76,986	-	-	-	76,986
	76,986	-	37,015	-	114,001
Liquidity gap	556,184	5,492,287	115,810,651	-	121,859,122

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

(All amounts in Saudi Riyals unless otherwise stated)

7 DIVIDEND DISTRIBUTION

During the six-month period ended 30 June 2023, the Fund has distributed the following dividends to the unitholders:

Date of distribution	Outstanding units	Dividend per unit	Dividend distributed
31 January 2023	14,300,000	0.0513	733,855
01 March 2023	14,400,000	0.0224	322,942
03 April 2023	14,400,000	0.0287	412,625
01 May 2023	14,300,000	0.0392	561,253
			2,030,675

During the six-month period ended 30 June 2022, the Fund distributed the following dividends to the unitholders:

Date of distribution	Outstanding units	Dividend per unit	Dividend distributed
01 January 2022	18,200,000	0.0054	98,826
31 January 2022	17,400,000	0.0533	926,739
01 March 2022	17,400,000	0.0219	371,841
31 March 2022	15,800,000	0.0301	475,113
28 April 2022	14,800,000	0.0382	564,998
			2,437,517

8 LAST VALUATION DAY

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

9 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved and authorized for issuance by the Fund Board on 09 August 2023 corresponding to 22 Muharram 1445H.