



## C) Fund Manager

### 1) Name and address of the fund manager:

Al-Bilad Investment Company "Al-Bilad Capital".

8162 King Fahd Road Olaya- Riyadh12313-3701.

Kingdom of Saudi Arabia.

Phone: 8001160002

Fax: (966+) 112906299

Al-Bilad Investment Company website: [www.albilad-capital.com](http://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:

Not applicable.

### 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 1.97%. Where the fund achieved 3.49% in comparison with the benchmark's performance which achieved 5.46%.

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

Not applicable.

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

Not applicable.

#### For more information contact us at:

Asset Management

Telephone: +966 11 2039888

Fax: +966 11 2039899

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

#### Albilad Capital Headquarters:

Telephone: +966 920003636

Fax: +966 11 2906299

PO Box: Riyadh 12313 - 3701, Saudi Arabia





## Semi Annual Report to Unitholders 2024

### Albilad MSCI US Equity ETF

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 March - 2022.

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.

### E) Auditor

1) Name and address of auditor

PricewaterhouseCoopers

Kingdom of Saudi Arabia P.O. B. 8282 Riyadh 11482

Phone: +966112110400

Fax: +966112110401

Website: [www.pwc.com](http://www.pwc.com)

### F) Financial Statements

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

#### For more information contact us at:

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**ALBILAD MSCI US EQUITY ETF  
(AN OPEN-ENDED EXCHANGE TRADED FUND MANAGED BY  
ALBILAD INVESTMENT COMPANY)**

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

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

**ALBILAD MSCI US EQUITY ETF  
(AN OPEN-ENDED EXCHANGE TRADED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)  
INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

<b>Index</b>	<b>Page</b>
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 - 13



## Report on review of interim condensed financial statements

To the Unitholders and Fund Manager of  
Albilad MSCI US Equity ETF

### Introduction

We have reviewed the accompanying interim statement of financial position of Albilad MSCI US Equity ETF (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 MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
 (All amounts in Saudi Riyals '000' unless otherwise stated)

	Note	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
<b>Assets</b>			
Cash and cash equivalents	5	77	23
Investments held at fair value through statement of income (FVSI)		10,690	11,435
Prepaid management fee	5	-	31
Dividend receivable		4	4
<b>Total assets</b>		<b>10,771</b>	<b>11,493</b>
<b>Liabilities</b>			
Accrued management fee	5	25	-
Accruals and other liabilities		134	158
<b>Total liabilities</b>		<b>159</b>	<b>158</b>
<b>Equity attributable to the Unitholders</b>		<b>10,612</b>	<b>11,335</b>
<b>Units in issue in thousands</b>		<b>900</b>	<b>1,000</b>
<b>Equity per unit in Saudi Riyals</b>		<b>11.7911</b>	<b>11.3350</b>

The accompanying notes from 1 to 13 form an integral part of these interim condensed financial statements.

**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
 (All amounts in Saudi Riyals '000' unless otherwise stated)

	Note	For the six-month period ended 30	
		June	
		2024	2023
<b>Income</b>			
Realised gain on sale of investments held at FVSI, net		196	1,125
Unrealised FV gain on re-measurement of investments held at FVSI, net		430	2,482
Dividend income		56	99
<b>Total income</b>		<b>682</b>	<b>3,706</b>
<b>Expenses</b>			
Management fee	5	(65)	(31)
Other expenses		(160)	(159)
<b>Total expenses</b>		<b>(225)</b>	<b>(190)</b>
<b>Net income for the period</b>		<b>457</b>	<b>3,516</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>457</b>	<b>3,516</b>
Weighted average number of units in issue in thousands		946	1,799
Earnings per unit in Saudi Riyals (Basic and diluted)		<b>0.4831</b>	1.9544

The accompanying notes from 1 to 13 form an integral part of these interim condensed financial statements.

**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**INTERIM STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE UNITHOLDERS (UNAUDITED)**  
 (All amounts in Saudi Riyals '000' unless otherwise stated)

	<b>For the six-month period ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
<b>Equity at the beginning of the period (Audited)</b>	<b>11,335</b>	<b>32,976</b>
Total comprehensive income for the period	<b>457</b>	<b>3,516</b>
<b>Changes from units transactions</b>		
Proceeds from issuances of units	-	16,523
Payment against redemptions of units	<b>(1,180)</b>	<b>(39,148)</b>
<b>Net change from units transactions</b>	<b>(1,180)</b>	<b>(22,625)</b>
<b>Equity at the end of the period (Unaudited)</b>	<b>10,612</b>	<b>13,867</b>

	<b>For the six-month period ended</b>	
	<b>30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>Units '000'</b>	<b>Units '000'</b>
<b>Units at beginning of the period (Audited)</b>	<b>1,000</b>	<b>3,500</b>
Units issued	-	1,600
Units redeemed	<b>(100)</b>	<b>(3,800)</b>
<b>Net change in units</b>	<b>(100)</b>	<b>(2,200)</b>
<b>Units at the end of the period (Unaudited)</b>	<b>900</b>	<b>1,300</b>

The accompanying notes from 1 to 13 form an integral part of these interim condensed financial statements.



**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED FUND MANAGED BY ALBILAD INVESTMENT COMPANY)**  
**INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
(All amounts in Saudi Riyals '000' unless otherwise stated)

	For the six-month period ended	
	30 June	
	2024	2023
<b>Cash flows from operating activities</b>		
Net income for the period	457	3,516
Adjustments for:		
- Unrealised FV gain on re-measurement of investments held at FVSI, net	(430)	(2,482)
- Dividend income	(56)	(99)
	<u>(29)</u>	<u>935</u>
<b>Net changes in operating assets and liabilities</b>		
Investments held at FVSI	1,175	19,793
Prepaid management fee	31	-
Accrued management fee	25	19
Accruals and other liabilities	(24)	650
Cash generated from operations	<u>1,207</u>	<u>20,462</u>
Dividend received	56	114
<b>Net cash generated from operating activities</b>	<u>1,234</u>	<u>21,511</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of units	-	16,523
Payment against redemptions of the units	(1,180)	(39,148)
<b>Net cash used in financing activities</b>	<u>(1,180)</u>	<u>(22,625)</u>
<b>Net change in cash and cash equivalents</b>	54	(1,114)
Cash and cash equivalents at the beginning of the period	<u>23</u>	<u>1,358</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>77</u>	<u>244</u>
<b><u>Supplemental information</u></b>		
Purchase of investments	565	25,523
Sale of investments (carrying value)	<u>1,740</u>	<u>45,316</u>

The accompanying notes from 1 to 13 form an integral part of these interim condensed financial statements.

**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED 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 Saudi Riyals '000' unless otherwise stated)

**1 LEGAL STATUS AND PRINCIPAL ACTIVITIES**

Albilad MSCI US Equity ETF (the "Fund") is an open-ended Exchange Traded Fund established and managed by Albilad Investment Company ("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 long-term growth and capital gains through the Passive Management of a Basket of US stocks that comply with the Shariah Supervisory Committee Standards and are listed in the US Market, seeking to achieve a high performance level that simulates the performance of the Benchmark Index before calculating any dividends, fees or expenses.

The activities of the Fund conform to the rules and controls set by the Sharia Board.

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

Riyad Capital is 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 the CMA Board on 12 Rajab 1442H (corresponding to 24 February 2021) and complies with regulations and directives applicable to public funds, issued by CMA.

**1.1 PRIMARY MARKET OPERATION (ISSUANCE AND REDEMPTION OF UNITS)**

The primary market operations are only carried out by 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 Market Maker interexchange ETF Units of the Fund and the basket of assets, through the Custodian, for the purpose of issuance and redemption of ETF units. The issued units are then freely floated on Saudi Exchange 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 financial statements should be read in conjunction with the financial statements as at and 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 using the accrued basis of accounting, except for the fair valuation 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 i.e. for the year ended 31 December 2023 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 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.

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

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.

**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED 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 Saudi Riyals '000' unless otherwise stated)

**3 NEW STANDARDS 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.

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

**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. Fund Manager is in process of making assessment, however, it is expected that they do not have a significant impact on the Fund's interim condensed financial statements.

<b>Standard/ interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
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

**ALBILAD MSCI US EQUITY ETF**  
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**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**  
(All amounts in Saudi Riyals '000' unless otherwise stated)

**3 NEW STANDARDS AND AMENDMENTS (continued)**

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

<b>Standard/ interpretation</b>	<b>Description</b>	<b>Effective from periods beginning on or after</b>
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
Amendments to IFRS 9 and IFRS 7	These amendments address diversity in accounting practice by making the requirements more understandable and consistent.	1 January 2026
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

**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 Saudi Riyals ("SR") which is the Fund's functional and presentation currency.

The Fund did not have any foreign currency transaction during the period ended 30 June 2024 (30 June 2023: Nil).

**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED 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 Saudi Riyals '000' unless otherwise stated)

**5 RELATED PARTY TRANSACTIONS AND BALANCES**

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are conducted 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, 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 of 0.05% (2023: 0.05%) 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 calculated on each Calendar day and deducted on a monthly basis.

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

Following table contains the details of transactions with related parties:

Related party	Nature of relationship	Nature of transaction	For the six-month period ended 30 June (Unaudited)	
			2024	2023
Albilad Investment Company	Fund Manager	Management fee	65	31
Riyad Capital	Custodian of the Fund	Custody fee	63	4
	Members of the Fund			
Fund Board	Board	Fund Board fee	2	2

Following table summarises the details of balances with related parties:

Nature of Balance	Related Party	As at	As at
		30 June 2024 (Unaudited)	31 December 2023 (Audited)
Custody fee payable	Riyad Capital - Custodian of the Fund	-	4
Investment account	Riyad Capital - Custodian of the Fund	77	23
	Albilad Investment Company – Fund		
Prepaid management fee	Manager	-	31
	Albilad Investment Company – Fund		
Accrued management fee	Manager	25	-
Fund Board fee payable	Members of the Fund Board	-	3

**6 FAIR VALUE ESTIMATION**

The fair value of financial instruments traded in active markets is based on quoted market prices at the close of trading on the 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.

**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED 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 Saudi Riyals '000' unless otherwise stated)

**6 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:

As at 30 June 2024 (Unaudited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets not measured at fair value</b>					
Cash and cash equivalents	77	-	-	77	77
Dividend receivable	4	-	-	4	4
<b>Financial asset measured at fair value</b>					
Investments held at FVSI	10,690	10,690	-	-	10,690
	<b>10,771</b>	<b>10,690</b>	-	<b>81</b>	<b>10,771</b>
<b>Financial liabilities not measured at fair value</b>					
Accrued management fee	25	-	-	25	25
Accruals and other liabilities	134	-	-	134	134
	<b>159</b>	-	-	<b>159</b>	<b>159</b>

As at 31 December 2023 (Audited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets not measured at fair value</b>					
Cash and cash equivalents	23	-	-	23	23
Dividend receivable	4	-	-	4	4
<b>Financial asset measured at fair value</b>					
Investments held at FVSI	11,435	11,435	-	-	11,435
	<b>11,462</b>	<b>11,435</b>	-	<b>27</b>	<b>11,462</b>
<b>Financial liability not measured at fair value</b>					
Accruals and other liabilities	158	-	-	158	158
	<b>158</b>	-	-	<b>158</b>	<b>158</b>

Investments held at FVSI are fair valued using quoted prices and therefore classified within level 1. The fair value of financial investment not carried at fair value is not significantly different from carrying value as they are short term in nature.

**7 FINANCIAL RISK MANAGEMENT**

**7.1 Financial risk factors**

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

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

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 are 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.

**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED 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 Saudi Riyals '000' unless otherwise stated)

**7 FINANCIAL RISK MANAGEMENT** (continued)

**7.1 Financial risk factors** (continued)

**(a) Market Risk**

The Fund is exposed to market risk due to its investment held at FVSI. Fund Manager closely monitors the price movement of its financial instruments in US Markets. The Fund's Portfolio Constituents are evaluated according to the latest closing of the US Market. Accordingly, the indicative Unit price announced in the Market will reflect the closing price of the Market on the preceding day, which may be different from the Unit trading price. The Fund manages the risk through diversification of its investment portfolio by investing in various industry sectors. If the fair value of the investments held at FVSI changed by 5%, with all other variables held constant, the income for the period would have been higher / lower by SR 535,500.

**(b) 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.

The Fund trades in Saudi Riyal, while most of the Fund's Investments will be denominated in US Dollar. Currently, SR is pegged to US Dollar therefore the Fund is not exposed to foreign exchange risk. Consequently, no foreign currency sensitivity analysis has been presented.

**(c) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. As at 30 June 2024 and 30 June 2023, the Fund is exposed to significant credit risk on the following:

	<b>As at 30 June 2024 (Unaudited)</b>	<b>As at 31 December 2023 (Audited)</b>
Cash and cash equivalents	77	23
Dividend receivable	4	4
	<b>81</b>	<b>27</b>

Cash and cash equivalents are held with the financial institutions with investment grade credit rating, therefore the impact of expected credit losses on these balances is insignificant.

**(d) Liquidity risk**

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

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

The expected maturity of the assets and liabilities of the Fund is less than 12 months.

**Interest rate and liquidity risk management**

The Fund is not exposed to interest rate risk as it does not have any interest bearing financial assets. Ultimate responsibility for liquidity risk management rests with Fund Manager, which has established an appropriate liquidity risk management framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**ALBILAD MSCI US EQUITY ETF**  
**(AN OPEN-ENDED EXCHANGE TRADED 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 Saudi Riyals '000' unless otherwise stated)

**7 FINANCIAL RISK MANAGEMENT** (continued)

**7.1 Financial risk factors** (continued)

**(d) Liquidity risk** (continued)

**Interest rate and liquidity risk management** (continued)

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

<b>As at 30 June 2024 (Unaudited)</b>	<b>Less than 7 days</b>	<b>7 days to 1 month</b>	<b>1-12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	77	-	-	-	77
Investments held at FVSI	10,690	-	-	-	10,690
Dividend receivable	-	4	-	-	4
	<b>10,767</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>10,771</b>
<b>Financial liabilities</b>					
Accrued management fee	-	-	25	-	25
Accruals and other liabilities	-	-	134	-	134
	<b>-</b>	<b>-</b>	<b>159</b>	<b>-</b>	<b>159</b>
<b>Liquidity gap</b>	<b>10,767</b>	<b>4</b>	<b>(159)</b>	<b>-</b>	<b>10,612</b>

<b>As at 31 December 2023 (Audited)</b>	<b>Less than 7 days</b>	<b>7 days to 1 month</b>	<b>1-12 months</b>	<b>More than 12 months</b>	<b>Total</b>
<b>Financial assets</b>					
Cash and cash equivalents	23	-	-	-	23
Investments held at FVSI	11,435	-	-	-	11,435
Dividend receivable	-	4	-	-	4
	<b>11,458</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>11,462</b>
<b>Financial liabilities</b>					
Accruals and other liabilities	-	-	158	-	158
	<b>-</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>158</b>
<b>Liquidity gap</b>	<b>11,458</b>	<b>4</b>	<b>(158)</b>	<b>-</b>	<b>11,304</b>

**Capital risk management**

The capital of the Fund is represented by the equity attributable to holders of redeemable units. The amount of equity attributable to holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of Unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for Unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

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

The Fund Board and Fund Manager monitor capital on the basis of the value of equity attributable to redeemable Unitholders.



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**8 FINANCIAL INSTRUMENTS BY CATEGORY**

All financial assets and financial liabilities as at 30 June 2024 and 31 December 2023 are classified under amortized cost category except for investments held at FVSI which are classified as and measured at fair value.

**9 SEGMENT REPORTING**

The Fund carries a portfolio of equity instruments of entities listed on US Stock of Exchange. Fund Manager periodically assesses the performance and allocates resources to the business as one unit and, as such, no separate operating segments were identified for financial reporting purposes. Consequently, segment reporting as required by IFRS 8 'Operating Segments' has not been disclosed.

**10 CONTINGENCIES AND COMMITMENT**

There were no contingencies and commitment as at 30 June 2024 (2023: Nil).

**11 SUBSEQUENT EVENTS**

There are no subsequent events / transactions that require adjustment to or disclosure in the interim condensed financial statements as at 30 June 2024.

**12 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 2024 (2023: 31 December 2023).

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

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