



## ALBILAD GOLD ETF

### 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](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

The fund invested in instant gold contracts approved by Albilad Capital's Shariah Board.

#### 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 0.52%. Where the fund achieved 5.41% in comparison with the benchmark's performance which achieved 5.93%.

#### 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

#### 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 recommended that the investor read the agreement and the terms and conditions of the fund. All rights reserved to Albilad Investment Company 2020©. (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 GOLD 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 June 2020 - Three Years .

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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## ALBILAD GOLD ETF

### 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 GOLD 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 GOLD 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 Gold ETF

### Introduction

We have reviewed the accompanying interim statement of financial position of Albilad Gold ETF (the "Fund") as at 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 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 GOLD ETF**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at 30 June 2023 (Un-audited)	As at 31 December 2022 (Audited)
<b>Assets</b>			
Cash and cash equivalents	4	2,016,762	2,665,717
Investment in physical gold		40,162,680	56,434,560
Receivable against sale of investment		370,889	168,994
Prepaid expenses		-	24,347
<b>Total assets</b>		<b>42,550,331</b>	<b>59,293,618</b>
<b>Liabilities</b>			
Accrued management fee	4	71,710	46,031
Accrual and other liabilities		484,482	460,476
<b>Total liabilities</b>		<b>556,192</b>	<b>506,507</b>
<b>Equity attributable to the unitholders</b>		<b>41,994,139</b>	<b>58,787,111</b>
<b>Units in issue</b>		<b>4,000,000</b>	<b>5,900,000</b>
<b>Equity per unit in Saudi Riyals</b>		<b>10.4985</b>	<b>9.9639</b>

The accompanying notes from 1 to 8 form an integral part of these interim condensed financial statements.

**ALBILAD GOLD 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
<b>Income</b>			
Unrealised gain on re-measurement of investment in physical gold		<b>3,034,440</b>	333,520
Realized gain on sale of investment in physical gold		<b>948,564</b>	214,336
<b>Total income</b>		<b>3,983,004</b>	547,856
<b>Expenses</b>			
Management fee	4	<b>(220,348)</b>	(502,200)
Custody fee	4	<b>(166,954)</b>	(114,174)
Other expenses		<b>(70,294)</b>	(326,067)
<b>Total expenses</b>		<b>(457,596)</b>	(942,441)
<b>Income / (loss) for the period</b>		<b>3,525,408</b>	(394,585)
Other comprehensive income for the period		-	-
<b>Total comprehensive income / (loss) for the period</b>		<b>3,525,408</b>	(394,585)

The accompanying notes from 1 to 8 form an integral part of these interim condensed financial statements.



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

	<b>For the six-month period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
<b>Equity attributable to the unitholders at the beginning of the period</b>	<b>58,787,111</b>	98,776,509
<b>Changes from operations</b>		
Total comprehensive income / (loss) for the period	<b>3,525,408</b>	(394,585)
<b>Changes from units transactions</b>		
Proceeds from issuances of units	<b>2,153,160</b>	21,776,410
Payment against redemption of units	<b>(22,471,540)</b>	(44,177,160)
Net change from units transactions	<b>(20,318,380)</b>	(22,400,750)
<b>Equity attributable to the unitholders at the end of the period</b>	<b>41,994,139</b>	75,981,174

Transactions in units for the periods ended 30 June are summarized as follows:

	<b>For the six-month period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
<b>Units at the beginning of the period</b>	<b>5,900,000</b>	9,700,000
Units issued	<b>200,000</b>	2,000,000
Units redeemed	<b>(2,100,000)</b>	(4,200,000)
Net change in units	<b>(1,900,000)</b>	(2,200,000)
<b>Units at the end of the period</b>	<b>4,000,000</b>	7,500,000

The accompanying notes from 1 to 8 form an integral part of these interim condensed financial statements.

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

	For the six-month period ended 30 June	
	2023	2022
<b>Cash flows from operating activities</b>		
Net income / (loss) for the period	3,525,408	(394,585)
Adjustments for:		
Unrealised gain on re-measurement of investment in physical gold	<u>(3,034,440)</u>	<u>(333,520)</u>
	490,968	(728,105)
Net changes in operating assets and liabilities		
Investment in physical gold	19,306,320	24,131,200
Receivable against sale of investment	(201,895)	-
Prepaid expenses	24,347	-
Accrued management fee	25,679	3,519
Accruals and other liabilities	<u>24,006</u>	<u>(22,577)</u>
Cash generated from operations	19,178,457	24,112,142
Net cash generated from operating activities	<u>19,669,425</u>	<u>23,384,037</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuances of units	2,153,160	21,776,410
Payments against units redeemed	<u>(22,471,540)</u>	<u>(44,177,160)</u>
Net cash used in financing activities	<u>(20,318,380)</u>	<u>(22,400,750)</u>
<b>Net change in cash and cash equivalents</b>	<b>(648,955)</b>	<b>983,287</b>
Cash and cash equivalents at the beginning of the period	<u>2,665,717</u>	<u>1,049,122</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>2,016,762</u></b>	<b><u>2,032,409</u></b>

The accompanying notes from 1 to 8 form an integral part of these interim condensed financial statements.

**ALBILAD GOLD 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 Gold ETF is an open-ended Exchange Traded Fund; offers investors a Shariah-compliant opportunity to invest in physical gold. The Fund closely tracks the returns of gold through an Exchange-traded Fund structure, where units are tradeable on The Saudi Stock Exchange (Tadawul). The Fund is managed by Albilad Investment Company (the "Fund Manager"), a subsidiary of Bank Albilad (the "Bank") for the benefit of the Fund's unit holders (the "unitholders"). The objective of the Fund is to mimic the performance of Spot Gold Sharia Contracts in DGCX (Dubai Gold and Commodities Exchange) and physical gold, that do not conflict with Shari'ah rules.

All Gold Bars acquired and owned by the Fund are deposited and safe-kept by Riyadh Capital (the "Custodian"), a subsidiary of Riyadh Bank, in the Fund Allocated Account on an Allocated Basis where each Gold Bar is uniquely identifiable and segregated from other precious metals held by the Custodian. Gold is kept in the safe custody of the Custodian at a secured vault in Dubai, United Arab Emirates; operated by BRINKS GLOBAL ("the Sub Custodian") under the delegated authority from Albilad Investment Company (the "Fund Manager").

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.

In February 2020, the Capital Market Authority ("CMA") approved Albilad Investment Co.'s request to offer and register "Albilad Gold ETF" units on Tadawul as Exchange Traded Fund (ETF). The Fund started trading on Tadawul as an ETF on Shawwal 10, 1441H (corresponding to 2 June 2020, with the symbol 9405).

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 5kg of gold bar equivalent to 100,000 ETF Units) on a daily basis before the trade start, referred to as 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 (gold bars), through the Custodian, for the purpose of issuance and redemption of the 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 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 re-measurement of investment in physical gold held at fair value through interim 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.

**ALBILAD GOLD 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)

**2 BASIS OF PREPARATION (continued)**

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 years affected. There are no areas of significant judgment or significant assumption used in the preparation of these interim condensed financial statements.

**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.

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

**ALBILAD GOLD 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 AND AMENDED STANDARDS ADOPTED BY THE FUND (continued)**

**New and amended standards not yet effective and not early adopted by the Fund (continued)**

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

**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.

**Fund management and subscription fee**

The Fund pays 1.5% (31 December 2022: 1.5%) of the equity value at each Valuation Day as total expense out of which management fee is paid as remaining item after deducting all expenses 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. Related parties comprise the Fund Manager, Custodian, Bank AlBilad (the Parent Company of the Fund Manager) and entities related to Bank AlBilad and Fund Manager.

Following table summarises the details of transactions with related parties:

<b>Related party</b>	<b>Nature of relationship</b>	<b>Nature of transaction</b>	<b>For the six-month period ended</b>	
			<b>2023</b>	<b>2022</b>
AlBilad Investment Company	Fund Manager	Management fee	<b>220,348</b>	502,200
Riyad Capital	Custodian of the Fund	Custody fee	<b>166,954</b>	114,174
Fund Board	Members of the Fund Board	Fund Board fee	<b>1,984</b>	1,984

**ALBILAD GOLD 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 (continued)**

Following table summarises the details of balances with related parties:

<b>Nature of balance</b>	<b>Related party</b>	<b>As at 30 June 2023 (Un-audited)</b>	<b>As at 31 December 2022 (Audited)</b>
Accrued management fee	AlBilad Investment Company – Fund Manager	71,710	46,031
Investment account	Riyad Capital - Custodian of the Fund	2,016,762	2,665,717
Custody fee payable	Riyad Capital - Custodian of the Fund	84,776	71,396
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 accessible market for the asset or liability

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;

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.

All the financial instruments of the Fund are measured at amortised cost. 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. The fair value of physical gold (although not a financial asset) is determined using a commodity derivative exchange and is classified within Level -1.

<b>As at 30 June 2023 (Un-audited)</b>	<b>Carrying amount</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b><i>Financial assets not measured at fair value</i></b>					
Cash and cash equivalents	2,016,762	-	-	2,016,762	2,016,762
Receivable against sale on investments	370,889	-	-	370,889	370,889
	<b>2,387,651</b>	<b>-</b>	<b>-</b>	<b>2,387,651</b>	<b>2,387,651</b>
<b><i>Financial liabilities not measured at fair value</i></b>					
Accrued management fee	71,710	-	-	71,710	71,710
Accrual and other liabilities	484,482	-	-	484,482	484,482
	<b>556,192</b>	<b>-</b>	<b>-</b>	<b>556,192</b>	<b>556,192</b>

**ALBILAD GOLD 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)**

As at 31 December 2022 (Audited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b><i>Financial assets not measured at fair value</i></b>					
Cash and cash equivalents	2,665,717	-	-	2,665,717	2,665,717
Receivable against sale of investment	168,994	-	-	168,994	168,994
	<u>2,834,711</u>	<u>-</u>	<u>-</u>	<u>2,834,711</u>	<u>2,834,711</u>
<b><i>Financial liabilities not measured at fair value</i></b>					
Accrued management fee	46,031	-	-	46,031	46,031
Accrual and other liabilities	460,476	-	-	460,476	460,476
	<u>506,507</u>	<u>-</u>	<u>-</u>	<u>506,507</u>	<u>506,507</u>

**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:

**Market risk**

The Fund was exposed to market risk, in the form of changes in price of gold. The Fund is exposed to market rate risk on its investment in gold. If the gold price is changed by  $\pm 1\%$ , with all other variables held constant, the income for the period would have been higher/lower by SAR  $\pm 401,627$ .

**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. During the period, Fund paid against purchase of gold in USD. As the SAR is pegged to USD, therefore, Fund is not exposed to any Foreign currency risk.

**Interest rate and liquidity risk management**

The Fund is not exposed to interest rate risk as the Fund does not have any interest bearing financial instruments. Ultimate responsibility for liquidity risk management rests with the Fund Manager, which has established an appropriate liquidity risk management framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. However, the Fund Manager has developed the Fund's liquidity guidelines and monitors the liquidity requirements regularly to ensure that there are sufficient funds to fulfil any obligations as they arise, either through new subscriptions, liquidation of the investment portfolio, or obtaining funding from related parties.

**ALBILAD GOLD 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)**

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
<b>Financial assets</b>					
Cash and cash equivalents	2,016,762	-	-	-	2,016,762
Receivable against sale of investments	-	370,889	-	-	370,889
	<b>2,016,762</b>	<b>370,889</b>	<b>-</b>	<b>-</b>	<b>2,387,651</b>
<b>Financial liabilities</b>					
Accrued management fee	-	-	71,710	-	71,710
Accruals and other liabilities	-	-	484,482	-	484,482
	-	-	556,192	-	556,192
<b>Liquidity gap</b>	<b>2,016,762</b>	<b>370,889</b>	<b>(556,192)</b>	<b>-</b>	<b>1,831,459</b>

**As at 31 December 2022**  
**(Audited)**

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
<b>Financial assets</b>					
Cash and cash equivalents	2,665,717	-	-	-	2,665,717
Receivable against sale of investment	-	168,994	-	-	168,994
	<b>2,665,717</b>	<b>168,994</b>	<b>-</b>	<b>-</b>	<b>2,834,711</b>
<b>Financial liabilities</b>					
Accrued management fee	-	-	46,031	-	46,031
Accruals and other liabilities	-	-	460,476	-	460,476
	-	-	506,507	-	506,507
<b>Liquidity gap</b>	<b>2,665,717</b>	<b>168,994</b>	<b>(506,507)</b>	<b>-</b>	<b>2,328,204</b>

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. As at 30 June 2023, the Fund's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Fund due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognized financial assets as stated in the interim statement of financial position which is SAR 2.39 million (31 December 2022: SAR 2.83 million) The Fund does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The credit risk on cash at bank is limited because the counterparty is local bank with investment grade credit-ratings.

**7 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.

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

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