



Albilad Gold ETF

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

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 0.7%. Where the fund achieved 11.76% in comparison with the benchmark's performance which achieved 12.46%.

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

Non-fundamental change (Reducing the management fees).

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 Gold 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 February - 2020.

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

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 GOLD ETF
(AN OPEN ENDED EXCHANGE TRADED INVESTMENT FUND MANAGED BY
ALBILAD INVESTMENT COMPANY)**

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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

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Report on review of interim condensed financial statements

To the Unitholders and 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 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 GOLD ETF
(AN OPEN ENDED EXCHANGE TRADED INVESTMENT FUND MANAGED BY ALBILAD INVESTMENT
COMPANY)
INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at 30 June 2024	As at 31 December 2023
		(Unaudited)	(Audited)
Assets			
Cash and cash equivalents	5	595,870	199,575
Investment in physical gold		33,349,512	39,725,784
Receivable against sale of investment		567,542	567,542
Total assets		34,512,924	40,492,901
Liabilities			
Accrued management fee	5	93,350	69,239
Accrual and other liabilities		544,225	474,865
Total liabilities		637,575	544,104
Equity attributable to the Unitholders		33,875,349	39,948,797
Units in issue		2,700,000	3,600,000
Equity per unit in Saudi Riyals		12.5464	11.0969

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

ALBILAD GOLD ETF
(AN OPEN ENDED EXCHANGE TRADED INVESTMENT FUND MANAGED BY ALBILAD INVESTMENT
COMPANY)
INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Note	<u>For the six-month period ended 30 June</u>	
		2024	2023
Income			
Unrealised gain on re-measurement of investment in physical gold		3,033,318	3,034,440
Realized gain on sale of investment in physical gold		1,146,858	948,564
Total income		<u>4,180,176</u>	<u>3,983,004</u>
Expenses			
Management fee	5	(59,940)	(220,348)
Custody fee	5	(127,687)	(166,954)
Other expenses		(73,385)	(70,294)
Total expenses		<u>(261,012)</u>	<u>(457,596)</u>
Net income for the period		3,919,164	3,525,408
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>3,919,164</u>	<u>3,525,408</u>
Weighted average number of units in issue in thousands		<u>2,982,418</u>	<u>4,919,337</u>
Earnings per unit in Saudi Riyals (Basic and diluted)		<u>1.3141</u>	<u>0.7166</u>

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

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

	For the six-month period ended	
	30 June	
	2024	2023
Equity at the beginning of the period (Audited)	39,948,797	58,787,111
Total comprehensive income for the period	3,919,164	3,525,408
Changes from units transactions		
Proceeds from issuances of units	-	2,153,160
Payment against redemption of units	(9,992,612)	(22,471,540)
Net change from units transactions	(9,992,612)	(20,318,380)
Equity at the end of the period (Unaudited)	33,875,349	41,994,139

	For the six-month period ended	
	30 June	
	2024	2023
	Units	Unit
Units at the beginning of the period (Audited)	3,600,000	5,900,000
Units issued	-	200,000
Units redeemed	(900,000)	(2,100,000)
Net change in units	(900,000)	(1,900,000)
Units at the end of the period (unaudited)	2,700,000	4,000,000

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

ALBILAD GOLD ETF
(AN OPEN ENDED EXCHANGE TRADED INVESTMENT FUND MANAGED BY ALBILAD INVESTMENT
COMPANY)
INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	For the six-month period ended	
	30 June	
	2024	2023
Cash flows from operating activities		
Net income for the period	3,919,164	3,525,408
Adjustment for:		
Unrealised gain on re-measurement of investment in physical gold	(3,033,318)	(3,034,440)
	885,846	490,968
Net changes in operating assets and liabilities		
Investment in physical gold	9,409,590	19,306,320
Receivable against sale of investment	-	(201,895)
Prepaid expenses	-	24,347
Accrued management fee	24,111	25,679
Accrual and other liabilities	69,360	24,006
Cash generated from operations	9,503,061	19,178,457
Net cash generated from operating activities	10,388,907	19,669,425
Cash flows from financing activities		
Proceeds from issuances of units	-	2,153,160
Payments against units redeemed	(9,992,612)	(22,471,540)
Net cash used in financing activities	(9,992,612)	(20,318,380)
Net change in cash and cash equivalents	396,295	(648,955)
Cash and cash equivalents at the beginning of the period	199,575	2,665,717
Cash and cash equivalents at the end of the period	595,870	2,016,762

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

ALBILAD GOLD ETF
(AN OPEN ENDED EXCHANGE TRADED INVESTMENT 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 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, Fund Manager considers the Fund as an independent accounting unit. Accordingly, 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 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 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 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 annual financial statements for the year ended 31 December 2023. In addition, results for the six-month period ended 30 June 2024, are not necessarily indicative of the actual results for the full year ending on 31 December 2024 and final results may differ.

The interim condensed financial statements have been prepared on a historical cost convention, except for the re-measurement of investment in physical gold held at fair value through interim 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. 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.

ALBILAD GOLD ETF
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

2 BASIS OF PREPARATION (continued)

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.

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.

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

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 an assessment, however it is expected that they do not have a significant impact on the Fund's interim condensed financial statements.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
 (All amounts in Saudi Riyals unless otherwise stated)

3 NEW STANDARDS AND AMENDMENTS (continued)

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

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19 - Reducing subsidiaries' disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Effective 1 January 2024, however, not yet endorsed by SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Effective 1 January 2024, however, not yet endorsed by SOCPA

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 GOLD ETF
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals 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.

The Fund pays 1.5% (2023: 1.5%) of the Fund's net asset 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.

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 (Unaudited) 2024	2023
Albilad Investment Company	Fund Manager	Management fee	59,940	220,348
Riyad Capital	Custodian of the Fund	Custody fee	127,687	166,954
Fund Board	Members of the Fund Board	Fund Board fee	1,984	1,984

Following table summarises the details of balances with related parties:

Nature of balance	Related party	As at	As at
		30 June 2024	31 December 2023
		(Unaudited)	(Audited)
Accrued management fee	Albilad Investment Company – Fund Manager	93,350	69,239
Investment account	Riyad Capital - Custodian of the Fund	595,870	199,575
Custody fee payable	Riyad Capital - Custodian of the Fund	288,169	191,976
Fund Board fee payable	Members of the Fund board	5,876	4,000

6 FAIR VALUES OF FINANCIAL INSTRUMENTS

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.

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.

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COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

6 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

As at 30 June 2024 (Unaudited)	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	595,870	-	-	595,870	595,870
Receivable against sale on investments	567,542	-	-	567,542	567,542
	1,163,412	-	-	1,163,412	1,163,412
Financial liabilities not measured at fair value					
Accrued management fee	93,350	-	-	93,350	93,350
Accrual and other liabilities	544,225	-	-	544,225	544,225
	637,575	-	-	637,575	637,575
Fair value					
As at 31 December 2023 (Audited)	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	199,575	-	-	199,575	199,575
Receivable against sale of investment	567,542	-	-	567,542	567,542
	767,117	-	-	767,117	767,117
Financial liabilities not measured at fair value					
Accrued management fee	69,239	-	-	69,239	69,239
Accrual and other liabilities	474,865	-	-	474,865	474,865
	544,104	-	-	544,104	544,104

7 FINANCIAL RISK MANAGEMENT

7.1 Financial risk factors

The Fund's objective is to ensure the Fund's ability to continue as a going concern so that it can continue to provide optimal returns for the unitholders and ensure reasonable safety of the unitholders.

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 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 SR $\pm 333,495$.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

7 FINANCIAL RISK MANAGEMENT (continued)

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 SR 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 in gold portfolio, or obtaining funding from related parties.

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 2024
(Unaudited)

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	595,870	-	-	-	595,870
Receivable against sale of investments	-	-	567,542	-	567,542
	595,870	-	567,542	-	1,163,412
Financial liabilities					
Accrued management fee	-	-	93,350	-	93,350
Accruals and other liabilities	-	-	544,225	-	544,225
	-	-	637,575	-	637,575
Liquidity gap	595,870	-	(70,033)	-	525,837

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
As at 31 December 2023 (Audited)					
Cash and cash equivalents	199,575	-	-	-	199,575
Receivable against sale of investment	-	567,542	-	-	567,542
	199,575	567,542	-	-	767,117
Financial liabilities					
As at 31 December 2023					
Accrued management fee	-	-	69,239	-	69,239
Accrual and other liabilities	-	-	474,865	-	474,865
	-	-	544,104	-	544,104
Liquidity gap	199,575	567,542	(544,104)	-	223,013

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(All amounts in Saudi Riyals unless otherwise stated)

7 FINANCIAL RISK MANAGEMENT (continued)

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, 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 SR 1.163 million (31 December 2023: SR 0.767 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.

8 FINANCIAL INSTRUMENT BY CATEGORY

All financial assets and financial liabilities as at 30 June 2024 and 31 December 2023 are classified under amortized cost.

9 SEGMENT REPORTING

The Fund carries a portfolio of investments in physical gold. The 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: 30 June 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).