



Semi Annual Report to Unitholders 2026

Albilad Gold ETF

C) Fund Manager

1) Name and address of the fund manager:

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

8068 King Khalid Road Um Al Hamam Al Gharbi- Riyadh 12329 - 2442.

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 0.30%. Where the fund achieved -6.81% in comparison with the benchmark's performance which achieved -6.51%

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



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 2026©. (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



Semi Annual Report to Unitholders 2026

Albilad Gold ETF

7) Where an investment fund invests substantially in other investment funds, a statement must disclose on the proportion of the management fees charged to the fund itself and to funds in which the funds invests:

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)**

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
AND INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS AND THE FUND MANAGER**

**ALBILAD GOLD ETF
(AN OPEN-ENDED EXCHANGE TRADED INVESTMENT FUND
MANAGED BY ALBILAD INVESTMENT COMPANY)
CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026**

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Report on review of condensed interim financial information

To the Unitholders and the Fund Manager of
Albilad Gold ETF

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Albilad Gold ETF (the "Fund") as of 30 June 2026 and the related condensed interim statements of income and other comprehensive income, changes in equity attributable to the Unitholders and cash flows for the six-month period then ended and explanatory notes. The Fund Manager is responsible for the preparation and presentation of this condensed interim financial information 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 this condensed interim financial information 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 condensed interim financial information is 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 2026
(27 Safar 1448H)

PricewaterhouseCoopers Public Accountants
(Professional Limited Liability Company)
Laysen Valley Tower 12 & 13, King Khaled Road
T: +966 (11) 211 0400, F: +966 (11) 211 0401

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

	Note	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Assets			
Cash and cash equivalents		1,008,015	321,878
Investment in physical gold	5	226,209,120	145,688,400
Receivable against sale of investment		-	530,608
Total assets		227,217,135	146,540,886
Liabilities			
Accrued management fee	6	844,171	410,474
Accruals and other liabilities		199,511	64,958
Total liabilities		1,043,682	475,432
Equity attributable to the Unitholders		226,173,453	146,065,454
Units in issue		10,800,000	6,500,000
Equity per unit in Saudi Riyals		20.9420	22.4716

The accompanying notes from 1 to 15 form an integral part of this condensed interim financial information.

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

	Note	For the six-month period ended 30	
		June	
		2026 (Unaudited)	2025 (Unaudited)
Income			
Net (loss) / gain from investment in physical gold	5	(34,716,263)	9,241,687
Other income		-	1,379
Total income		(34,716,263)	9,243,066
Expenses			
Management fee	6	(433,697)	(36,821)
Custody fee		(467,446)	(130,373)
Other expenses		(127,296)	(89,501)
Total expenses		(1,028,439)	(256,695)
Net (loss) / income for the period		(35,744,702)	8,986,371
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(35,744,702)	8,986,371
Earnings per unit			
Weighted average number of units		9,841,436	3,607,735
Earnings per unit in Saudi Riyals (basic and diluted)		(3.6321)	2.4909

The accompanying notes from 1 to 15 form an integral part of this condensed interim financial information.

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

	For the six-month period ended 30 June	
	2026	2025
Equity at the beginning of the period (Audited)	146,065,454	40,065,424
Total comprehensive (loss) / income for the period	(35,744,702)	8,986,371
Changes from unit transactions		
Proceeds from issuances of units	137,056,751	44,090,140
Payment against redemption of units	(21,204,050)	(8,510,679)
Net change from unit transactions	115,852,701	35,579,461
Equity at the end of the period (Unaudited)	226,173,453	84,631,256
	For the six-month period ended 30 June	
	2026 Units	2025 Units
Units at the beginning of the period (Audited)	6,500,000	2,900,000
Units issued	5,100,000	2,500,000
Units redeemed	(800,000)	(500,000)
Net change in units	4,300,000	2,000,000
Units at the end of the period (Unaudited)	10,800,000	4,900,000

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

	For the six-month period ended 30 June	
	2026	2025
Cash flows from operating activities		
Net (loss) / income for the period	(35,744,702)	8,986,371
Adjustment for:		
Unrealised loss / (gain) on re-measurement of investment in physical gold, net	39,389,035	(5,930,848)
	3,644,333	3,055,523
Net changes in operating assets and liabilities		
Investment in physical gold	(119,909,755)	(39,288,188)
Receivable against sale of investment	530,608	(9,242)
Accrued management fee	433,697	36,821
Accruals and other liabilities	134,553	(25,033)
Cash used in operating activities	(115,166,564)	(36,230,119)
Net cash used in operating activities	(115,166,564)	(36,230,119)
Cash flows from financing activities		
Proceeds from issuances of units	137,056,751	44,090,140
Payments against redemptions of units	(21,204,050)	(8,510,679)
Net cash generated from financing activities	115,852,701	35,579,461
Net change in cash and cash equivalents	686,137	(650,658)
Cash and cash equivalents at the beginning of the period	321,878	1,059,465
Cash and cash equivalents at the end of the period	1,008,015	408,807

The accompanying notes from 1 to 15 form an integral part of this condensed interim financial information.

ALBILAD GOLD ETF
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Albilad Gold ETF ("the Fund") is an open-ended exchange traded fund that 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 Unitholders (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, which do not conflict with Shariah rules.

All gold bars acquired and owned by the Fund are deposited and held in safe by Riyadh Capital (the "Custodian"), a subsidiary of Riyadh Bank, in the Fund's 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. The management of the Fund is the responsibility of the Fund Manager.

Riyadh Capital is the "Custodian" of the Fund.

In February 2020, the Capital Market Authority ("CMA") approved Albilad Investment Company's request to offer and register "Albilad Gold ETF" units on Saudi Exchange as Exchange Traded Fund (ETF). The Fund started trading on Saudi Exchange 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") issued by the Board of the Capital Market Authority (the "CMA") pursuant to Resolution Number 1-219-2006 dated 3 Dhul Hijja 1427H (corresponding to 24 December 2006). The Regulations were subsequently amended by Resolution Number 2-22-2021 of the Board of the CMA dated 12 Rajab 1442H (corresponding to 24 February 2021), effective from 19 Ramadan 1442H (corresponding to 1 May 2021), and published as the amended Investment Fund Regulations (the "Amended Regulations") by the CMA on 17 Rajab 1442H (corresponding to 1 March 2021), detailing the requirements for all funds operating within the Kingdom of Saudi Arabia. The Regulations were further amended by Resolution Number 1-54-2025 dated 23 Dhul Qi'dah 1446H (corresponding to 21 May 2025), effective from 14 Muharram 1447H (corresponding to 9 July 2025), and most recently by Resolution Number 1-135-2025 dated 3 Jumada Al-Akhirah 1447H (corresponding to 24 November 2025). The latter represents the latest amendment to the Regulations up to the date of this condensed interim financial information, and the Fund complies with the Regulations and the directives applicable to public funds issued by the CMA.

The registered office of the Fund is Albilad Investment Company, West Umm Alhamam Street – 8068 Muhammad Ibn Fuhayd, Riyadh 12329-2442 Kingdom of Saudi Arabia.

1.1 PRIMARY MARKET OPERATIONS (ISSUANCE AND REDEMPTION OF UNITS)

Primary market operations are carried out only by the Fund Manager, Albilad Investment Company, which also acts as the authorised Market Maker. Issuance and redemption of units are carried out on each Valuation Day before trading starts, in blocks of exchange traded fund (ETF) units. For the Fund, one block represents 5 kilograms of gold bars, equivalent to 100,000 ETF units.

The issuance and redemption process is carried out on an in-kind basis, whereby the Market Maker exchanges ETF units of the Fund for the corresponding basket of assets, comprising gold bars, through the Custodian. The issued ETF units are then listed and traded on the Saudi Exchange.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

2 BASIS OF PREPARATION

This condensed interim financial information of the Fund has been prepared in accordance with International Accounting Standard 34 – “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. This condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025. In addition, results for the six-month period ended 30 June 2026 are not necessarily indicative of the actual results for the full year ending on 31 December 2026 and final results may differ.

The condensed interim financial information has been prepared under the historical cost convention and accrual basis of accounting, except for the re-measurement of investment in physical gold which is carried at fair value through statement of income and other comprehensive income.

The principal accounting policies, estimates and assumptions used in the preparation of this condensed interim financial information are consistent with those of the previous financial year i.e. 31 December 2025, 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 condensed interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

The preparation of this condensed interim financial information 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. There are no areas of significant judgment or significant assumption used in the preparation of this condensed interim financial information.

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

ALBILAD GOLD ETF
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyals unless otherwise stated)

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New standards, interpretations and amendments adopted by the Fund

The International Accounting Standards Board (IASB) has issued the following new accounting standards and amendments, which were effective for periods on or after 1 January 2026. The Fund Manager has assessed that the new standards and amendments had no material impact on the Fund's financial information.

Standard/interpretation	Description	Effective from periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognised and derecognised and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The amendments are to the following standards: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash Flows	1 January 2026

Standards issued but not yet effective and not early adopted

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. The Fund Manager is in the process of assessing the impact of these new and amended standards and interpretations on the Fund's financial statements.

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 applies 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 recognised in full.	Effective date deferred indefinitely

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(All amounts in Saudi Riyals unless otherwise stated)

3 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

Standards issued but not yet effective and not early adopted (continued)

Standard/ interpretation	Description	Effective from periods beginning on or after
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, Subsidiaries without Public Accountability: 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

* The Fund Manager is currently assessing the impact of IFRS 18 on the Fund's financial statements. Based on the assessment performed to date, the principal impact is expected to relate to the presentation and structure of the statement of income, including the introduction of newly required subtotals and the potential revised classification of income and expenses into the categories introduced by IFRS 18. The adoption of IFRS 18 is not expected to have an impact on the Fund's reported net income or net assets value.

The related consequential amendments to IAS 7 are also expected to result in presentational changes to the statement of cash flows, principally the change in the starting point of the indirect reconciliation from net income to operating profit.

The Fund Manager does not currently expect any subtotals of income and expenses presented in its public communications to meet the definition of management-defined performance measures under IFRS 18. This assessment will be reviewed prior to the effective date.

4 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). This condensed interim financial information is presented in Saudi Riyals ("SR") which is the Fund's functional and presentation currency.

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(All amounts in Saudi Riyals unless otherwise stated)

5 INVESTMENT IN PHYSICAL GOLD

The movement in investment in physical gold is as follows:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Balance at the beginning of the period	145,688,400	39,330,144
Purchase of investments	135,927,638	97,490,394
Sale of investments	(16,017,883)	(21,027,576)
Unrealised gains / (losses) on re-measurement of investment, net	(39,389,035)	29,895,438
Balance at the end of the period	<u>226,209,120</u>	<u>145,688,400</u>

5.1 Net (loss) / gain from investment in physical gold:

	For the six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Unrealised (loss)/ gain on re-measurement of investment in physical gold, net	(39,389,035)	5,930,848
Realised gain on sale of investment in physical gold, net	4,672,772	3,310,839
	<u>(34,716,263)</u>	<u>9,241,687</u>

6 RELATED PARTY TRANSACTIONS AND BALANCES

Transactions with related parties

The 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)	
			2026	2025
Albilad Investment Company	The Fund Manager	Management fee	433,697	36,821
Fund Board	Members of the Fund Board	Fund Board fee	882	2,000

The following table summarises the details of balances with related parties:

Nature of balance	Related party	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Accrued management fee	Albilad Investment Company – the Fund Manager	844,171	410,474
Fund Board fee payable	Members of the Fund Board	882	8,000

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7 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.

The estimated fair value of the Fund's financial assets and liabilities which are not carried at fair value, is not considered to be significantly different from their carrying values. The fair value of physical gold (although not a financial asset) is determined using a commodity derivative exchange and is classified within Level 1.

The following table analyses the Fund's assets and liabilities (by class) within the fair value hierarchy as at 30 June 2026 and 31 December 2025:

As at 30 June 2026 (Unaudited)	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	1,008,015	-	-	1,008,015	1,008,015
Receivable against sale of investment	-	-	-	-	-
Non-financial assets measured at fair value					
Investment in physical gold	226,209,120	226,209,120	-	-	226,209,120
	227,217,135	226,209,120	-	1,008,015	227,217,135
Financial liabilities not measured at fair value					
Accrued management fee	844,171	-	-	844,171	844,171
Accruals and other liabilities	199,511	-	-	199,511	199,511
	1,043,682	-	-	1,043,682	1,043,682
As at 31 December 2025 (Audited)	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	321,878	-	-	321,878	321,878
Receivable against sale of investment	530,608	-	-	530,608	530,608
Non-financial assets measured at fair value					
Investment in physical gold	145,688,400	145,688,400	-	-	145,688,400
	146,540,886	145,688,400	-	852,486	146,540,886
Financial liabilities not measured at fair value					
Accrued management fee	410,474	-	-	410,474	410,474
Accruals and other liabilities	64,958	-	-	64,958	64,958
	475,432	-	-	475,432	475,432

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8 FINANCIAL RISK MANAGEMENT

8.1 Financial risk factors

The Fund's overall risk management objective is to identify, measure, monitor and mitigate the risks arising from its investment in physical gold and related financial assets and liabilities, in order to safeguard Unitholders' interests and support the achievement of the Fund's investment objectives.

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 2025.

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 sets out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below:

(a) Market risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, commission rate risk and price risk.

The Fund is exposed to market risk due to its investment in physical gold. The Fund Manager monitors movements in gold prices and evaluates the Fund's portfolio based on the applicable market closing price used for valuation purposes. The Fund's portfolio constituents are evaluated according to the latest closing of the Market. Accordingly, the indicative gold price announced in the Market will reflect the closing price of the Market on the preceding day, which may be different from the gold trading price.

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

The Fund transacts in either US dollars (USD) or Saudi Riyals (SR) and the SR is pegged to USD, therefore the Fund is not significantly exposed to foreign exchange risk.

(ii) Commission rate risk

Special commission rate risk arises from the possibility that changes in the market's special commission rates will affect future cash flows or the fair value of financial instruments. The Fund is not subject to special commission rate risks, as it does not have any financial instruments that carry special commission.

(iii) Price risk

Price risk is the risk that the value of the Fund's investment in physical gold will fluctuate due to changes in gold prices due to factors other than the movement of foreign exchange rates and commissions.

The price risk arises primarily from uncertainty about the future prices of the physical gold that the Fund holds. The Fund Manager closely monitors the price movement of the gold although these are not financial assets in this condensed interim financial information.

The impact on equity value due to a reasonably possible change in gold prices, with other variables held constant as follows:

	As at 30 June 2026	
	Reasonable possible change %	Impact on NAV
Investment in physical gold	+/- 5%	11,310,456
	As at 31 December 2025	
	Reasonable possible change %	Impact on NAV
Investment in physical gold	+/- 5%	7,284,420

The fair value measurement is based on quoted market prices in an active market and is therefore classified within Level 1 of the fair value hierarchy.

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(All amounts in Saudi Riyals unless otherwise stated)

8 FINANCIAL RISK MANAGEMENT (continued)

8.1 Financial risk factors (continued)

(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 2026, the Fund's maximum exposure to credit risk is SR 1.008 million (31 December 2025: SR 0.852 million).

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

(c) Liquidity risk

Liquidity risk is the risk that the Fund will 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 investment in gold is considered to be readily realisable and they can be liquidated at any time. However, the Fund Manager has established certain liquidity guidelines for the Fund and monitors liquidity requirements on a regular basis to ensure sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by obtaining financing from the related parties of the Fund. The Fund settles its financial liabilities relating to accrued management fee and other expenses on a quarterly basis.

The Fund Manager processes redemptions within 5 working days of the redemption request. If the settlement day is not a business day, the redemption will be executed on the next business day.

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

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

As at 30 June 2026
(Unaudited)

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	1,008,015	-	-	-	1,008,015
Receivable against sale of investment	-	-	-	-	-
	1,008,015	-	-	-	1,008,015
Financial liabilities					
Accrued management fee	844,171	-	-	-	844,171
Accruals and other liabilities	199,511	-	-	-	199,511
	1,043,682	-	-	-	1,043,682
Liquidity gap	(35,667)	-	-	-	(35,667)

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8 FINANCIAL RISK MANAGEMENT (continued)

8.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

As at 31 December 2025
(Audited)

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial assets					
Cash and cash equivalents	321,878	-	-	-	321,878
Receivable against sale of investment	530,608	-	-	-	530,608
	<u>852,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,486</u>
Financial liabilities					
Accrued management fee	410,474	-	-	-	410,474
Accruals and other liabilities	64,958	-	-	-	64,958
	<u>475,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,432</u>
Liquidity gap	<u>377,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377,054</u>

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders. Operational risks are managed through a structured internal control and governance framework established by the Fund Manager and the Fund's service providers. The Fund Manager's risk management and compliance functions perform regular monitoring and reporting of operational risk incidents and control deficiencies, and remedial actions are taken as necessary to mitigate identified risks and strengthen the control environment.

8.2 Capital risk management

The Fund's equity may vary from one Valuation Day to another as a result of issuances and redemptions of units, as well as changes in the Fund's performance. The Fund's objective when managing capital is to safeguard its ability to continue as a going concern, provide returns to Unitholders and maintain a strong capital base to support the development of the Fund's investment activities.

In order to maintain its capital structure, the Fund monitors the level of issuances and redemptions relative to the liquidity of its underlying assets and the Fund's obligations.

9 FINANCIAL INSTRUMENT BY CATEGORY

All financial assets and financial liabilities as at 30 June 2026 and 31 December 2025 are classified under amortised cost category except for investment in physical gold which is classified and measured at fair value.

10 SEGMENT REPORTING

The Fund holds a portfolio of investment in physical gold. The Fund Manager reviews the Fund's performance and allocates its resources on an aggregated basis as a single operating segment. Accordingly, the Fund comprises one operating segment for the purposes of IFRS 8 'Operating Segments', and no separate segment information is presented.

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11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2026 (31 December 2025: Nil).

12 SUBSEQUENT EVENTS

There have been no events subsequent to the reporting date, and up to the date of authorisation of this condensed interim financial information for issue, that require adjustment to, or disclosure in, this condensed interim financial information.

13 LAST VALUATION DAY

In accordance with the Terms and Conditions of the Fund, the last valuation day for the purpose of the preparation of this condensed interim financial information for the period was 30 June 2026 (2025: 31 December 2025).

14 DIVIDENDS

No dividends were declared or paid during the period ended 30 June 2026 (30 June 2025: Nil).

15 APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION

This condensed interim financial information was approved and authorized for issuance by the Fund Board on 10 August 2026.