



C) Fund Manager

1) Name and address of the fund manager

Albilad Investment Company "Albilad Capital"

8162 King Fahd Branch Road - Olaya

Unit No. 22

Riyadh 12313-3701

Kingdom of Saudi Arabia.

Telephone: 920003636 FAX: +966112906299

Website: www.albilad-capital.com

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

Not applicable

3) A review of the investment activities during the first half of 2022

During the period, the fund primarily invested in Saudi Sovereign Sukuk, denominated in Saudi Riyal and listed on the Saudi Market (Tadawul), approved by Albilad Capital's Sharia Board.

4) A report of investment fund's performance during the first half of 2022

During the period the fund's performance was higher than the benchmark's as the fund's performance was -5.88% and the benchmark's was -6.20%

5) Details of any material changes to the fund's terms and conditions made during the first half of 2022

- Updating the terms and conditions to comply with the amended Investment Fund Regulations.
- A change in membership in the fund's board.
- Updating the fund manager's financial information summary.

Albilad Capital Headquarters:

Telephone: +966 8001160002

Fax: +966 11 2906299

PO Box: 140 Riyadh 11411, Saudi Arabia

For more information contact us at:

Asset Management

Telephone: +966 11 2039888

Fax: +966 11 2039899

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



Disclaimer: Past performance of the fund is no guide to future performance and the value of investments and income from them can fall as well as rise. Where included, benchmark and index data included in this document are provided for illustrative purposes only To ensure proper understanding of the product and its suitability to the investor's risk profile, it is strongly recommend that the investor read the agreement and the terms and conditions of the fund. All rights reserved to Albilad Investment Company 2022© . (Commercial Registration No. 1010240489) dated 10/07/2017 G, 10/16/1438 H, and is regulated by Saudi Arabia's Capital Market Authority (license No. 08100-37) dated 01/08/1428H 14/08/2007



ALBILAD SAUDI SOVEREIGN SUKUK ETF

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

Not applicable

7) 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 (if any)

Not applicable

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

Not applicable

F) Financial Statements

The financial statements have been prepared in accordance with the accounting standards approved by the Saudi Organization of Certified Public Accountants. (Financial Statements attached)

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

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

**ALBILAD SAUDI SOVEREIGN SUKUK ETF
INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

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Report on review of interim condensed financial statements

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

Introduction

We have reviewed the accompanying interim statement of financial position of Albilad Saudi Sovereign Sukuk ETF (the "Fund") as of 30 June 2022, 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

A handwritten signature in blue ink, appearing to read 'Mufaddal A. Ali', is written over a faint, circular blue stamp or watermark.

Mufaddal A. Ali
License Number 447

22 August 2022

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

		As at 30 June 2022	As at 31 December 2021
	Note	(Un-audited)	(Audited)
Assets			
Cash and cash equivalents	4	736,148	1,084,606
Investments held at fair value through statement of income (FVSI)		128,532,048	172,513,097
Prepayments and other assets		23,105	7,766
Total assets		129,291,301	173,605,469
Liabilities			
Accrued management fee	4	11,255	16,745
Accrual and other liabilities		69,201	81,518
Total liabilities		80,456	98,263
Equity attributable to the unitholders		129,210,845	173,507,206
Units in issue		14,400,000	18,200,000
Equity per unit in Saudi Riyals		8.9730	9.5334

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

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

	Note	For the six-month period ended 30 June	
		2022	2021
(Loss) / income			
Special commission income on investments held at FVSI		2,092,520	3,249,162
Unrealised (loss) / gain on investments held at FVSI		(7,017,984)	3,051,278
Realised loss on sale of investments held at FVSI		(1,270,755)	(5,813,365)
Total (loss) / income		(6,196,219)	487,075
Expenses			
Management fee	4	(71,527)	(140,617)
Custody fee	4	(36,577)	(47,745)
Other expenses		(144,281)	(146,437)
Total expenses		(252,385)	(334,799)
Net (loss) / income for the period		(6,448,604)	152,276
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(6,448,604)	152,276

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

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

	Note	For the six-month period ended 30 June	
		2022	2021
Equity attributable to the unitholders at the beginning of the period		173,507,206	166,705,305
Changes from operations			
Total comprehensive (loss) / income for the period		(6,448,604)	152,276
Changes from unit transactions			
Proceeds from issuances of units		-	42,980,107
Payment against redemption of units		(35,410,240)	-
Net change from unit transactions		(35,410,240)	42,980,107
Dividend paid	7	(2,437,517)	(2,869,157)
Equity attributable to the unitholders at the end of the period		129,210,845	206,968,531

Transactions in units are summarized as follows:

	For the six-month period ended 30 June	
	2022	2021
Units at the beginning of the period	18,200,000	16,600,000
Units issued	-	4,500,000
Units redeemed	(3,800,000)	-
Net change in units	(3,800,000)	4,500,000
Units at the end of the period	14,400,000	21,100,000

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

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

	Note	For the six-month period ended 30 June	
		2022	2021
Cash flows from operating activities			
Net (loss) / income for the period		(6,448,604)	152,276
Adjustment for:			
- Unrealised loss/ (gain) on investments held at FVSI		7,017,984	(3,051,278)
- Special commission income on investments held at FVSI (sukuk)		(2,092,520)	(3,249,162)
		<u>(1,523,140)</u>	<u>(6,148,164)</u>
Net changes in operating assets and liabilities			
Investments held at FVIS		36,613,025	(37,467,455)
Prepayments and other assets		(15,339)	(14,488)
Accrued management fee		47,300	164,220
Accruals and other liabilities		(65,107)	27,474
Cash generated / (used in) operations		<u>36,579,879</u>	<u>(37,290,249)</u>
Profit received on investment in sukuk		2,442,560	3,538,352
Net cash generated from / (used in) operating activities		<u>37,499,299</u>	<u>(39,900,061)</u>
Cash flows from financing activities			
Proceeds from issuances of units		-	42,980,107
Payment against units redeemed		(35,410,240)	-
Dividend paid	7	(2,437,517)	(2,869,157)
Net cash (used in) / generated from financing activities		<u>(37,847,757)</u>	<u>40,110,950</u>
Net change in cash and cash equivalents		<u>(348,458)</u>	<u>193,535</u>
Cash and cash equivalents at the beginning of the period		<u>1,084,606</u>	<u>262,913</u>
Cash and cash equivalents at the end of the period		<u>736,148</u>	<u>456,448</u>

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

**ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

(All amounts in Saudi Riyals unless otherwise stated)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Albilad Saudi Sovereign Sukuk ETF (the “Fund”) is an open-ended exchange traded investment fund, managed by Albilad Investment Company (the “Fund Manager”), a subsidiary of Bank Albilad (the “Bank”) for the benefit of the Fund’s unitholders (the “unitholders”). The objective of the Fund is to seek to simulate the performance of Albilad Ideal Ratings sovereign Sukuk index, which includes Saudi Riyals denominated Sukuk, listed in the Saudi Stock Main Market (Tadawul), with a maturity of 3 months or more. The Fund seeks to distribute monthly dividends to unitholders.

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

Riyad Capital is the custodian (“the Custodian”) of the Fund.

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

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

1.1 PRIMARY MARKET OPERATION (ISSUANCE AND REDEMPTION OF UNITS)

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

2 BASIS OF PREPARATION

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard 34 – “Interim Financial Reporting” (IAS 34) as endorsed in the Kingdom of Saudi Arabia. These interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021.

The interim condensed financial statements have been prepared on a historical cost convention, except for the revaluation of investments held at fair value through statement of income (FVSI).

The principal accounting policies, estimates and assumptions used in the preparation of these interim condensed consolidated financial statements are consistent with those of the previous financial year i.e. 31 December 2021 except for note 3 below.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the interim statement of financial position. Instead, assets and liabilities are presented in order of liquidity.

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

The preparation of these interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. There are no areas of significant judgment or critical assumption used in the preparation of these interim condensed financial statements.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
 (All amounts in Saudi Riyals unless otherwise stated)

3 NEW AND AMENDED STANDARDS ADOPTED BY THE FUND

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 2021, except for the adoption of new standards effective as of 1 January 2022. The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the Fund.

- Amendments to IAS 37 - 'Provisions, contingent liabilities and contingent assets' specify which costs a Fund includes when assessing whether a contract will be loss-making.
- Amendments to IAS 16 - 'Property, plant and equipment' prohibit a Fund from deducting from the cost of property, plant and equipment amounts received from selling items produced while the fund is preparing the asset for its intended use. Instead, a Fund will recognise such sales proceeds and related cost in statement of income.
- Amendments to IFRS 3 - 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

New standards not yet effective

The listing of standards and interpretations issued which the Fund reasonably expects to be applicable at a future date are as follows. The Fund intends to adopt these standards when they become effective.

Standard / Interpretation	Description	Effective from periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

4 RELATED PARTY TRANSACTIONS AND BALANCES

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

Management fee and other expenses

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

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

Transactions with related parties

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are in accordance with the terms and conditions of the Fund. All the related party transactions are approved by the Fund Board.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
(All amounts in Saudi Riyals unless otherwise stated)

4 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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	
			2022 (Un-audited)	2021 (Un-audited)
AlBilad Investment Company	Fund Manager	Management fee	71,527	140,617
Riyad Capital	Custodian of the Fund	Custody fee	36,577	47,745
Fund Board	Members of the Fund Board	Fund Board fee	1,984	1,995

Following table summarises the details of balances with related parties:

Nature of balance	Related Party	As at 30 June 2022	As at 31 December 2021
		(Un-audited)	(Audited)
Cash and cash equivalents	Riyad Capital - Custodian of the Fund	736,148	1,084,606
Custody fee payable	Riyad Capital - Custodian of the Fund	-	7,516
Accrued management fee	Albilad Investment Company - Fund Manager	11,255	16,745
Fund Board fee payable	Members of the Fund Board	1,984	4,000

5 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, or

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

Determination of fair value and fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

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

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
(All amounts in Saudi Riyals unless otherwise stated)

5 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

At 30 June 2022	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	736,148	-	-	736,148	736,148
Other assets	1,202	-	-	1,202	1,202
	737,350	-	-	737,350	737,350
Financial assets measured at fair value					
Investments held at FVSI	128,532,048	-	128,532,048	-	128,532,048
	128,532,048	-	128,532,048	-	128,532,048
Financial liabilities not measured at fair value					
Accrued management fee	11,255	-	-	11,255	11,255
Accrual and other liabilities	52,790	-	-	52,790	52,790
	64,045	-	-	64,045	64,045

At 31 December 2021	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Cash and cash equivalents	1,084,606	-	-	1,084,606	1,084,606
	1,084,606	-	-	1,084,606	1,084,606
Financial assets measured at fair value					
Investments held at FVSI	172,513,097	-	172,513,097	-	172,513,097
	172,513,097	-	172,513,097	-	172,513,097
Financial liabilities not measured at fair value					
Accrued management fee	16,745	-	-	16,745	16,745
Accrual and other liabilities	65,455	-	-	65,455	65,455
	82,200	-	-	82,200	82,200

Level 2 financial instruments comprise of investments in Saudi Government Sukuks which are fair valued using quoted rate on Saudi Exchange.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
(All amounts in Saudi Riyals unless otherwise stated)

6 FINANCIAL RISK MANAGEMENT

6.1 Financial risk factors

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

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

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

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

(a) Market risk

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

(i) Foreign exchange risk

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

All the Fund's transactions and balances are in Saudi Riyals and therefore the Fund is not exposed to foreign exchange risk.

(ii) Commission rate risk

Commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates. Fund has all its investment in fixed rate Saudi Government Sukuks, therefore, Fund is not exposed to commission rate risk.

(iii) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds. The Fund Manager closely monitors the price movement of its financial instruments listed at Saudi Stock Exchange.

The Fund is exposed to price risk on its investments in sukuk. If the sukuk price on Tadawul is changed with $\pm 0.5\%$, with all other variables held constant, the income for the period would have been higher/lower by SR $\pm 642,660$.

(b) Credit risk

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

Financial Assets measured at amortised cost were considered for ECL as on 30 June 2022. However, the impact of ECL on these assets was immaterial as the cash and cash equivalents are held with the Bank and Custodian with sound credit ratings. There is no history of default for recovery of these balances.

Fund has investment in Saudi listed sovereign sukuk. As the issuer of these sukuk is Saudi government, therefore, Fund is not exposed to significant credit risk and accordingly no ECL is recorded in these interim condensed financial statements.

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

(All amounts in Saudi Riyals unless otherwise stated)

6 FINANCIAL RISK MANAGEMENT (continued)

6.1 Financial risk factors (continued)

(c) Liquidity risk

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

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

Fund settles its financial liabilities relating to accrued management fee and other expenses on quarterly basis.

The Fund manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through obtaining loan from related party, or liquidation of its investments.

Following table shows the Fund manager's expectation of timing for settlement of financial liabilities:

As at 30 June 2022

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial Assets					
Cash and cash equivalents	736,148	-	-	-	736,148
Investments held at FVSI	-	1,317,450	127,214,598	-	128,532,048
Other assets	-	-	1,202	-	1,202
	736,148	1,317,450	127,215,800	-	129,269,398
Financial Liabilities					
Accrued management fee	-	-	11,255	-	11,255
Accruals and other liabilities	-	-	52,790	-	52,790
	-	-	64,045	-	64,045
Liquidity gap	736,148	1,317,450	127,151,755	-	129,205,353

As at 31 December 2021

	Less than 7 days	7 days to 1 month	1-12 months	More than 12 months	Total
Financial Assets					
Cash and cash equivalents	1,084,606	-	-	-	1,084,606
Investments held at FVSI	-	1,667,489	170,845,608	-	172,513,097
	1,084,606	1,667,489	170,845,608	-	173,597,703
Financial Liabilities					
Accrued management fee	-	-	16,745	-	16,745
Accruals and other liabilities	-	-	65,455	-	65,455
	-	-	82,200	-	82,200
Liquidity gap	1,084,606	1,667,489	170,763,408	-	173,515,503

ALBILAD SAUDI SOVEREIGN SUKUK ETF
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

(All amounts in Saudi Riyals unless otherwise stated)

7 DIVIDEND DISTRIBUTION

During the period, the Fund has distributed the following dividends to the unitholders:

Date of distribution	Outstanding units	Dividend per unit	Dividend distributed
17 January 2022	18,200,000	0.0054	98,826
13 February 2022	17,400,000	0.0533	926,739
14 March 2022	17,000,000	0.0219	371,841
21 April 2022	15,800,000	0.0301	475,113
23 May 2022	14,800,000	0.0382	564,998
			<u>2,437,517</u>

8 LAST VALUATION DAY

The last valuation day for the purpose of preparation of these interim condensed financial statements was 30 June 2022 (31 December 2021).

9 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Fund Board on 21 August 2022.