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ALKHABEER GROWTH AND INCOME TRADED FUND - Expressed in Saudi Riyals
(Managed by Alkhabeer Capital Company)

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND THE
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022**

ALKHABEER GROWTH AND INCOME TRADED FUND - Expressed in Saudi Riyals
(Managed by Alkhabeer Capital Company)
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FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

INDEX	PAGE
Independent auditor's review report on the interim condensed financial statements	1
Interim condensed statement of financial position	2
Interim condensed statement of profit or loss and other comprehensive income	3
Interim condensed statement of changes in equity attributable to unitholders	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial statements	6 - 16

Independent Auditor's Review Report on the Interim Condensed Financial Statements

To The Unitholders

Alkhabeer Growth and Income Traded Fund – Expressed in Saudi Riyals
(Managed by Alkhabeer Capital Company)
Jeddah, Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Alkhabeer Growth and Income Traded Fund ("The Fund")** managed by **Alkhabeer Capital Company ("Fund Manager")** as at June 30, 2022, and the interim condensed statements of profit or loss and other comprehensive income, interim condensed statement of changes in equity attributable to unitholders and interim condensed cash flows for the period since inception on April 27, 2022 to June 30, 2022, and notes which form an integral part of these interim condensed financial statements. The Fund's management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with the International Accounting Standard No.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 Review Engagement 2410 (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Fund" that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements 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 (ISA) that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we require to identify all significant matters throughout the audit course. Therefore, we do not express an audit opinion.

Emphasis of Matters

We draw attention to the note (1) of the accompanying interim condensed financial statements, which shows that the fund was established on April 27, 2022. These interim condensed financial statements are the first financial statements issued to the Fund, and therefore there are no comparative figures.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information are not fairly presented, in all material respects, the fund's financial position as at June 30, 2022 and financial performance, and its cash flows for the period since inception on April 27, 2022 to June 30, 2022, accordance with the International Financial Reporting Standards "IFRS" that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by Saudi Organization for Chartered and Professional Accountants.



AlAzem, AlSudairy, AlShaikh & Partners
For Professional Consulting



Abdullah M. AlAzem
License No. (335)

20 Muharam 1444H (August 18, 2022)
Jeddah, Kingdom of Saudi Arabia

ALKHABEER GROWTH AND INCOME TRADED FUND
(Managed by Alkhabeer Capital Company)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022
(Expressed in Saudi Riyals)

		As at June 30, 2022
	Notes	(Unaudited)
ASSETS		
Cash at banks		117,158,776
Dividends receivable	4	396,613
Financial assets measured at fair value through profit or loss	5	820,243,326
Total Assets		937,798,715
LIABILITIES AND EQUITY ATTRIBUTABLE TO UNITHOLDERS		
LIABILITIES		
Due to related parties	6	1,638,447
Accrued expenses and other credit balances		18,986
Total Liabilities		1,657,433
EQUITY ATTRIBUTABLE TO UNITHOLDERS		936,141,282
Total Liabilities and Equity		937,798,715
Number of units issued (unit)		100,000,000
Equity per unit		9.3614

The accompanying notes from (1) to (15) form an integral part of these interim condensed financial statement.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022**

(Expressed in Saudi Riyals)

		FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022
	Notes	(Unaudited)
Unrealized losses from financial assets measured at fair value through profit or loss	5	(57,752,431)
Dividends from financial assets measured at fair value through profit or loss		<u>804,909</u>
Net revenue		<u>(56,947,522)</u>
Expenses		
Management fees	8	(1,335,999)
Administration and custody fees	8	(344,668)
Fund establishment and other expenses	7	(296,843)
Foreign currency losses		<u>(4,933,686)</u>
Total expenses		<u>(6,911,196)</u>
Loss for the period		<u>(63,858,718)</u>
Other comprehensive income		<u>-</u>
Total comprehensive loss for the period		<u>(63,858,718)</u>

The accompanying notes from (1) to (15) form an integral part of these interim condensed financial statement.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS**FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022**

(Expressed in Saudi Riyals)

	FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022 (Unaudited)
Equity Attributable to Unitholders	
Equity attributable to unitholders at the beginning of the period	-
Proceeds from initial offering of units	1,000,000,000
Total comprehensive loss for the period	<u>(63,858,718)</u>
Equity attributable to unitholders at the end of the period	<u>936,141,282</u>

The accompanying notes from (1) to (15) form an integral part of these interim condensed financial statement.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS**FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022**

(Expressed in Saudi Riyals)

	FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022 (Unaudited)
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>	
Loss for the period	(63,858,718)
Adjustments:	
Unrealized losses from financial assets measured at fair value through profit or loss	57,752,431
Changes in operating assets and liabilities:	
Dividends receivable	(396,613)
Accrued expenses and other credit balances	18,986
Due to related parties	1,638,447
Net cash used in operating activities	(4,845,467)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Additions to financial assets measured at fair value through profit or loss	(877,995,757)
Net cash used in investing activities	(877,995,757)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Proceeds from initial offering of units	1,000,000,000
Net cash provided by financing activities	1,000,000,000
Net change in cash at banks	117,158,776
Cash at banks at the beginning of the period	-
Cash at banks at the end of the period	117,158,776

The accompanying notes from (1) to (15) form an integral part of these interim condensed financial statement.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

1. THE FUND AND ITS ACTIVITIES

Alkhabeer Growth and Income Traded Fund (the "Fund") is a closed-ended Shari'a compliant investment traded fund that was established in accordance with the applicable laws and regulations of the Kingdom of Saudi Arabia and it is subject to Capital Market Authority (CMA) control and supervision. The Fund was established on April 27, 2022 and managed by Alkhabeer Capital (Alkhabeer "Capital" or the "Fund Manager"), for the benefit of the Fund's unitholders. The Fund is ultimately supervised by the Fund Board. Albilad Capital Company acts as the Custodian of the Fund.

The Fund's investment objective is to increase the Fund's Net Asset Value by boosting the performance of the Fund's investments in the long term and generating periodic income to investors from the dividend distributions of the companies in which the Fund invests, in addition to part of the capital appreciation resulting from the growth of market value of the securities invested in. This is achieved by investing in a diversified portfolio of global equities, public and private equities, initial public offerings of companies, private placements, and cash equivalents.

The incorporation of the Fund was approved by the Capital Market Authority ("CMA") on 7 February 2022 (corresponding to 6 Rajjab 1443).

In dealing with the unitholders, the Fund Manager considers the Fund as an independent entity. Accordingly, the Fund prepares its own interim condensed financial statements. In addition, unitholders are considered owners of the Fund's assets and distributions is made in proportion to their shares in the total number of outstanding units.

The term of the Fund shall be 99 years since the date of listing the units in Saudi Tadawul, which is subject to renewal at the discretion of the Fund Manager after obtaining the approval of CMA.

The Fund is subject to the Shari'a committee guidelines for investments and transactions. The books and records of the Fund are maintained in Saudi Riyals (SR), which is the functional and presentation currency of the Fund.

2. REGULATORY AUTHORITY

The Fund was established and its units are offered based on the Investment Funds Regulations issued by CMA, Resolution number 1-219-2006 dated 03/12/1427H ("Investment Funds Regulations") issued by Royal Decree No. M/30 dated 2/6/1424H and amended in agreement to the CMA Board Resolution No. 2-22-2021 dated 12/7/1442H (corresponding to 24/2/2021) to be updated with the rapid developments and changes regarding the regulations and rules of the Authority in the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

Statement of compliance

These interim condensed financial statements have been prepared in accordance with the International Accounting Standard (34) "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA considering that the financial performance for the interim condensed financial for the period since inception on 27 April, 2022 to June 30, 2022, may not necessarily be indicative of the expected results for the year that will be ended on December 31, 2022.

The interim condensed financial statements do not include all of the information required for the annual financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

Bas'is of measurement

These interim condensed financial statements of the Fund have been prepared on a historical cost basis except for the items which measured at fair value, present value, net realizable value, and replacement cost in line with the accrual basis of accounting and going concern assumption. The Fund does not have an operating cycle that can be clearly defined. Therefore, current and non-current assets and liabilities are not presented in the interim condensed statement of financial position, and the values of assets and liabilities are presented according to liquidity and classified as a current.

Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyals, which is the Fund's functional and presentation currency.

Fair value measurement

The fair value represents the amount that were be received from selling an asset or paid it to transfer a liability between informed parties under the same terms of business with others. The fair value measurement depends on the following conditions:

- The principal market for assets or liabilities, or
- The most advantageous market for assets and liabilities in the absence of a primary market, or
- Use discounted cash flows in the absence of a major market or the most advantageous market.

Assets or liabilities measured at fair value

- Separate assets or liabilities.
- A group of assets or a group of liabilities or a group of assets and liabilities.
- A set of accounting policies and notes that require calculating the fair value of financial and non-financial assets and liabilities.
- The Fund uses market inputs that are observable as far as possible when measuring the fair value of assets and liabilities.

The Fund determines fair value using valuation techniques. The Fund also uses the following levels which reflect the importance of inputs used in determining fair value:

- **Level 1:** quoted prices (unadjusted) in an active market for similar assets or liabilities.
- **Level 2:** valuation methods based on inputs other than quoted prices included in Level 1 that can be observable for assets and liabilities, directly or indirectly.
- **Level 3:** valuation techniques that use inputs that have an important impact on fair value but are not based on observable inputs.

The Fund recognizes transfers between fair value levels at the end of the reporting period at the same time as the change occurs, the Fund' manager believes that its estimates and assumptions are reasonable and sufficient.

Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents includes banks balances, deposits held at call with banks with a maturity of three months, which are not subject to an significant risk of changes in value.

Revenue recognition

Dividends from investments carried at fair value through profit or loss.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

Dividend

Interim and final dividends are recorded as liability in the period in which they are approved by the Fund Board.

Zakat and income tax

Zakat and income tax are an obligation on the unitholders, therefore, no provision for such liabilities is made in these interim condensed financial statements.

Provisions and Contingent Liabilities

Provisions are recognized when the Fund has a present obligation (legal or contractual) as a result of past events, and it is probable that an outflow of resources involving economic benefits will be required to settle the obligation. In addition, a reliable estimate of the amount of the obligation can be made.

Net equity of the unit

The net equity of the unit is calculated and disclosed in the financial position by dividing the net assets of the Fund attributable to unitholders by the number of issued units.

Financial instruments

A financial instrument is any contract that gives a rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

A financial asset includes the followings:

- a) Cash and cash equivalents
- b) Equity instruments in another entity, or
- c) A contractual right to receive cash or another financial asset from another entity or to exchange financial assets or liabilities with another entity under conditions that are expected to be favorable to the entity.
- d) A contract that may or will be settled in the entity's owned equity instruments.

Classification and initial recognition

The Fund classifies its financial assets in the following measuring categories:

- Financial assets measured at fair value (either through profit or loss, or through other comprehensive income), and
- Financial assets measured at amortized cost.

Classification depends on the business model of the Fund to manage financial assets, and on the contractual terms of cash flows.

For assets measured at fair value, gain and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investment in debt instruments, this will depend on the business model in which investment is held. For investment in equity instruments, this will depend on whether the Fund has made an irreversible selection at the time of initial recognition to account for the equity instruments at fair value through OCI. The Fund reclassifies debt instruments only when its business model for managing those assets changes.

At initial recognition, the Fund measures a financial asset (not classified as part of fair value through profit or loss) at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset through OCI. In the case of financial assets measured at fair value through profit or loss, the transaction costs are recorded in the statement of profit or loss.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

Subsequent measurement

Equity instruments

The Fund subsequently measures all equity investments at fair value. Where the Fund's management has elected to present fair value gains or losses on equity investments in OCI, there is no subsequent reclassification of fair value gains or losses to profit or loss. Dividends from such investments continue to be recognized in profit or loss as other income when the Fund's right to receive payments is established. Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are treated separately within net assets.

Changes in the fair value of financial assets measured at fair value are recognized at fair value through profits and losses in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Fund's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Fund classified its debt instruments:

- **Amortized cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt instrument that is measured at amortized cost and is not part of a hedging relationship is recognized in statement of profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling them, are measured at fair value through other comprehensive income (FVOCI). Changes in carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognized in profit or loss. When the financial asset is derecognized, the gain or loss previously recognized in OCI is transferred from OCI to retained earnings. Realized gain or loss are recognized in profit or loss.

- **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through statement of profit or loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship as part of profit or loss. It is recognized in net as gains or losses in the year it occurs. Similarly, interest income from these financial assets is included as financial interest in gains or losses.

Effective interest rate (EIR) method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net book value on initial recognition.

Impairment

The Fund assesses on a forward looking basis the expected credit losses associated with its financial assets measured at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

Financial liabilities

A financial liability is classified as follows:

- Contractual obligation to deliver cash or another financial asset to another entity.
- Contractual obligation to exchange financial instruments with another entity under conditions that are expected to be unfavorable to the entity.
- A non-derivative contract for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments.

Recognition and measurement

All financial liabilities are recognized initially at fair value. Subsequently, it is measured at amortized cost using effective interest rate methods. The Fund's financial liabilities include accrued expenses and other liabilities and due to a related party.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the interim condensed statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

De-recognition of financial assets

The Fund de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognizes its retained interest in the asset and liability related to the amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognize the financial asset and also recognizes the liabilities associated with the proceeds received.

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the amount of the consideration received and accrued is recognized in the profit or loss. In addition, on de-recognition of an investment in a debt instrument classified as at FVTOCI, the gain or loss previously recognized in the revaluation reserve is reclassified to the profit or loss. In contrast, on de-recognition of an investment in equity instrument which the Fund has elected on initial recognition to measure at FVTPL, the gains or losses are recognized in the interim condensed financial statement of profit or loss.

The Funds' financial liabilities are de-recognized only if relieved, cancelled or expired. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable, including any non-cash assets transferred or liabilities incurred, is recognized in profit or loss.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Fund's interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities affected in future years.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the interim condensed statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to the models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and price volatility risk. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Impairment of non-financial assets

Assets subject to depreciation and amortization are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount that exceeds the carrying amount of the asset over its recoverable amount. Recoverable value is the fair value of the asset less costs to sell or value in use (whichever is higher). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separate cash flows (cash-generating units). Prior impairment in non-financial assets (other than goodwill) are reviewed to reflect the potential impairment at each reporting date.

An impairment loss recognized in prior periods is evaluated at each reporting date to determine whether there are indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that could have been determined, net of depreciation or amortization, had the impairment loss not been recognized previously.

4. DIVIDENDS RECEIVABLE

Amount of dividends receivable is represented in profit payable to the Fund, as a result of investment in financial assets measured at fair value through profit or loss, the Fund has not received it up to the date of preparing the interim condensed financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT**FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022**

(Expressed in Saudi Riyals)

5. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table presents the investment portfolio at fair value at the date of the interim condensed financial statements:

	Cost of acquisition	Unrealized losses	Fair value as at June 30, 2022 (Unaudited)
US Market - NASDAQ Investment	252,505,034	(17,932,833)	234,572,201
US Market - NYSE Investment	212,820,664	(10,246,713)	202,573,951
London Stock Exchange	101,059,680	(3,652,523)	97,407,157
Swiss Exchange	98,986,576	(5,028,021)	93,958,555
London Stock Exchange - USD	104,260,491	(11,570,598)	92,689,893
Euronext Paris Investment	66,929,934	(4,535,705)	62,394,229
Saudi Arabian Stock Exchange	19,359,495	(3,072,393)	16,287,102
Germany Market-Xtera	14,210,981	(891,227)	13,319,754
Tokyo Stock Exchange	7,862,902	(822,418)	7,040,484
	877,995,757	(57,752,431)	820,243,326

*The Fund re-valuate the investments on the date of the interim condensed financial statements, which resulted in unrealized losses amounted to SAR 57,752,431.

6. RELATED PARTIES TRANSACTIONS AND BALANCES

Transactions with related parties represent payments on behalf of a related party, administrative fees, management fees, custody fees and compensation to the fund's independent directors.

Due to related parties' transactions consist of the following:

Related parties	Nature of transaction	Amount of transactions	Balance
		FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022 (Unaudited)	As at June 30, 2022 (Unaudited)
Alkhabeer Capital	Management fees	1,335,999	
Company (Fund Manager)	Administrative fees	250,500	1,586,499
Albilad Capital	Custody fees	94,168	
	Payments to Custodian	(53,184)	40,984
Fund Board	Total remuneration paid to Independent Fund Board Members	10,964	10,964
			1,638,447

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

7. FUND ESTABLISHMENT AND OTHER EXPENSES

	FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022 (Unaudited)
Initial registration and listing fees	212,360
Professional and consulting fees	15,723
Other expenses	68,760
	296,843

8. ADMINISTRATIVE FEES AND OTHER EXPENSES

The Fund is managed by the Fund Manager and the calculation of the fees and management fees (as divided above in the terms and conditions of the Fund) is as follows:

a) Administrative fees

The admin of the Fund has a right to 0.15% worth of annual fees (as shown in the terms and conditions of the Fund) from the net assets value paid semi-annually.

b) Management fees

The Fund Manager has a right to 0.8% worth of annual fees (as shown in the terms and conditions of the Fund) from the net assets value paid semi-annually.

c) Custodian fees

The Fund will pay fees worth SAR 25,000 for the inception of a Special Purpose Vehicle (SPV).

The fees for the custody of assets in the Saudi Market annually from the total value of the fund's assets are as follows:

- From SAR 0 - to SAR 750 million: 0.06%
- From SAR 750 million - to SAR 1 billion: 0.05%
- More than SAR 1 billion: 0.04%

The fees for custody of assets in the global markets are as follows:

- United States and United Kingdom: 0.04%
- France, Germany, Switzerland and Japan: 0.07%
- The Chinese market (A) and the Chinese market (B): 0.22%

The custodian's fees shall not be less than SAR 3,000, as a minimum per month.

d) Dealing fees and expenses (brokerage)

The brokerage expenses (including the intermediary fees) or any other trading fees shall be paid by the Fund directly at levels determined in accordance with the laws or by the intermediary in the markets where the Fund deals. Such amounts vary commensurate with the types of deals, the nature of investments and the size of transactions.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

e) Other fees and expenses

The Fund shall pay all the other actual expenses related to the activities of the Fund, the placement of Fund investments and the outsourced professional and operational services provided by third parties, including without limitation, the costs of convening the Unitholders' meetings and other professional services provided to the Fund, in addition to the expenses of the Income Purification Service Provider (if any) and the Index Service Provider. The Fund shall be liable for any taxes which are imposed in the future by regulatory authorities and become due and payable. Such fees and expenses shall not exceed 0.50% of the Fund's NAV annually, with the exception of the fees, commissions and taxes that are subject to government laws and regulations. Actual fees only will be deducted.

9. SHARIA COMPLIANCE

The Fund operates in accordance with the provisions of Sharia law, as determined by the Sharia advisor. The Sharia advisor has reviewed the Fund's public offering document and confirmed that it is in compliance with Sharia provisions.

10. LAST VALUATION DATE

The last date for valuation during the period is June 30, 2022.

11. RISK MANAGEMENT

The Fund's activities expose it to various financial risks, and these risks include: market risk (including currency risk, fair value risk and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management program focuses on the unpredictability of financial market conditions and seeks to minimize potential adverse effects on the Fund's financial performance.

a) Currency risk

Currency risk is the risk that the value of a financial instrument denominated in foreign currencies the Fund deals mainly in Saudi Riyal, United States Dollar, Euro, British Pound Sterling, Swiss Franc, and Japanese Yen.

b) Fair value and cash flow interest rate risk

The fair value and cash flow interest rate risk is the exposure to various risks related to the effect of fluctuations in market interest rates on the Fund's financial position and cash flows.

c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the instrument or its issuer, or factors affecting all instruments traded in the market. The Fund is not exposed to price risk.

d) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The fund is exposed to credit risk in respect of its receivables from investment at fair value through profit or loss, cash at banks, and dividends receivable.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT**FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022**

(Expressed in Saudi Riyals)

e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

As at June 30, 2022	Book Value	Less than one year	More than one year
<u>Non-derivative financial liabilities</u>			
Due to related parties	1,638,447	1,638,447	-
Accrued expenses and other credit balances	18,986	18,986	-
	1,657,433	1,657,433	-

12. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Book value		Fair Value			
	Amortized Cost	Fair Value	Level (1)	Level (2)	Level (3)	Total
<u>As at June 30, 2022</u>						
<u>Financial Assets</u>						
Cash at banks	117,158,776	-	-	-	-	117,158,776
Dividends receivable	396,613	-	-	-	-	396,613
Financial assets measured at fair value from profit or loss	-	820,243,326	820,243,326	-	-	820,243,326
	117,555,389	820,243,326	820,243,326	-	-	937,798,715
<u>Financial Liabilities</u>						
Due to related parties	1,638,447	-	-	-	-	1,638,447
Accrued expenses and other credit balances	18,986	-	-	-	-	18,986
	1,657,433	-	-	-	-	1,657,433

13. OPERATING SEGMENTS

The Fund Manager seeks to invest the Fund's capital in global equities, public offerings, public and private equity funds, private placements and murabaha transactions.

14. IMPACT OF COVID-19

The existence of novel coronavirus (COVID-19) was confirmed in early 2020 and has spread across multiple geographies, causing disruptions to businesses and economic activity. In response to the spread of COVID-19 and its resulting disruptions to the social and economic activities, the Fund's management has assigned a task force to assess and monitor the possible impact on its business in Saudi Arabia and other geographies where Fund operates. The management has also taken a series of preventive measures to ensure the health and safety of its employees, customers and wider community as well as to ensure the continuity of its operations. Since the fund achieved positive results during the 2021 pandemic period, and consequently management believes that COVID-19 had no material impact on the reported financial position and results for the period ended June 30, 2022.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENT

FOR THE PERIOD SINCE INCEPTION ON APRIL 27, 2022 TO JUNE 30, 2022

(Expressed in Saudi Riyals)

Currently, many countries, including countries where the Fund is operating, are constantly addressing the continued increase in recorded cases of COVID-19 and the implications to the economy. COVID-19 is an evolving situation, the Fund is monitoring closely any material impacts to the operations and continuity of business activities. The priority of the Fund remains to protect the health, safety and welfare of employees, customers, and partners, as well as support the Government and its agencies as they work to reduce the impact of the outbreak.

At this stage, the Fund is unable to reliably estimate the future impact of COVID-19, given the lack of certainty on possible end date of the pandemic or vaccination of large part of community that could continue impacting the world economies. Management believes that COVID-19 had no material impact on the financial statement for the period ended June 30, 2021. Further, management is monitoring and keeping an eye on the situation through their task force.

15. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Funds Board of Directors on Muharam 19, 1444H (August 17, 2022).