

الخبير للنمو والدخل
Alkhabeer Growth & Income



Annual Report 2025

Alkhabeer Growth & Income Traded Fund

A Shari'a-Compliant Closed-Ended Traded
Public Equity Investment Fund to be listed on
Saudi Tadawul

الخبير المالية
Alkhabeer Capital





Alkhabeer Capital

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Disclaimer

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(A) Investment Fund Information

1) Name of the Fund

Alkhabeer Growth and Income Traded Fund.

2) Investment Objectives, Policies and Practices

- To invest in a diversified portfolio of global equities. The Fund's investments include shares in companies across various sectors listed on global markets, including the Kingdom of Saudi Arabia, the United States, the People's Republic of China, Japan, Switzerland, the United Kingdom, France, Germany and Canada. Investments in these markets shall be made in the currency of each country. In addition, the Fund Manager will invest in public and private equity funds managed by fund managers licensed by the Capital Market Authority (CMA) or an equivalent authority in the event of investment outside the Kingdom of Saudi Arabia. These investments shall include shares in companies with different market capitalizations across various countries and sectors. The Fund Manager also intends to invest in initial public offerings on various stock exchanges, subscribe to capital increases of listed companies, and invest in unlisted companies approaching an initial public offering through participation in private placements prior to the offering, as well as in cash and cash equivalents that comply with the principles and guidelines of the Shari'a Committee, with the aim of achieving long-term growth and generating periodic income from dividends and capital gains.
- The Fund Manager adopts a passive investment policy to build and manage a global and local equity portfolio by tracking the Alkhabeer Global Equity Index (the "Index"), which complies with the guidelines of the Shari'a Supervisory Committee and was specifically created for the Fund in collaboration with the index service provider, IdealRatings (the "Index Service Provider"). The Index Service Provider shall calculate the valuations of the companies included in the Index and manage the Index on behalf of the Fund. The Index includes companies diversified by sector and size across the largest global capital markets, as well as the largest leading companies in the Kingdom of Saudi Arabia. The Index shall be rebalanced quarterly by the Index Service Provider.
- The Fund Manager adopts an active investment policy to allocate capital to public and private equity funds offered by local, regional and global licensed fund managers, as well as traded index funds, including those managed by the Fund Manager. Where the Fund invests in a fund managed by the Fund Manager, it shall be exempt from any management or administrative fees accruing for the benefit of this Fund. When investing in funds generally, the Fund Manager shall ensure that the strategy of the target fund is aligned with the Fund's investment strategy in terms of its risk and return profile.
- The Fund Manager adopts an active investment policy with respect to initial public offerings of companies and capital increases of companies listed on the local market, whether on Saudi Exchange (Tadawul) or the Parallel Market (Nomu), as well as on regional and global markets. The Fund Manager shall conduct due diligence to assess the suitability of each investment.
- The Fund Manager adopts an active approach when investing in unlisted companies at the pre-IPO stage through subscriptions to private placements in local, regional and global markets. The Fund Manager shall assess potential investments to ensure their compliance with the guidelines of the Shari'a Supervisory Committee and their suitability in terms of potential returns and associated risks.

- Description of Asset Types and Fund Strategies:

Investment Type	Minimum	Maximum
Listed Global and Local Equities	(75%)	100%
IPOs and Capital Increases of Listed Companies	(0%)	25%
Unlisted Companies at the Pre-IPO Stage through Subscription to Private Placements	(0%)	25%
Public and Private Equity Funds, Index Funds and Money Market Funds	(0%)	25%
Cash Liquidity and Murabaha Transactions	(0%)	25%**

* In the event of an increase or decrease in the value of the investment assets, or upon the maturity of indebtedness, in a manner that may cause the Fund to exceed the maximum investment limit for any of its assets, the Fund Manager shall assess the investment positions and rebalance the portfolio to ensure compliance with the investment percentage limits set out in the table above. The Fund Manager may decide to maintain the investment position until the next portfolio rebalancing date, or until the maturity date of an illiquid asset, where this is in the best interests of the unitholders.

The Fund Manager shall comply with the investment limits and restrictions applicable to the Fund as set out in the Investment Funds Regulations, the Fund's Terms and Conditions, and the guidelines of the Fund's Shari'a Supervisory Committee.

** Under normal circumstances, the Fund Manager will not hold cash or invest in Murabaha transactions in excess of 25% of the Fund's NAV. However, following the liquidation of certain investments and until the cash is reinvested, or in exceptional circumstances such as an economic crisis, force majeure or war, the allocation to cash and Murabaha transactions may be increased up to 100% of the Fund's NAV.

Dealings, methods and tools that the Fund Manager may use in making the Fund's investment decisions

The Fund's performance will depend primarily on the performance of the global and local equity portfolio, which follows a core-satellite management strategy based mainly on tracking the Alkhabeer Global Equity Index, with performance enhancement through investments in private placements, initial public offerings and investment funds.

- Replication of the Alkhabeer Global Equity Index, which comprises companies of various sizes across diverse sectors in the largest global capital markets, in addition to the largest leading companies in the Kingdom of Saudi Arabia that comply with the guidelines of the Shari'a Supervisory Committee, as well as investments in IPOs and private placements.
- In subscribing to unlisted companies at the pre-IPO stage through participation in private placements, the Fund Manager will rely on the fundamental analysis and valuation of each investment opportunity based on the strength of the relevant companies' financial position and projected returns, in addition to an analysis of technical indicators and the level of risk associated with each opportunity. Investment opportunities deemed suitable will then be selected.
- The Fund Manager seeks to invest in public and private equity funds offered by local and global fund managers licensed by the CMA or a similar regulatory authority, in order to enhance diversification, access additional markets and companies, and pursue various investment strategies aligned with the Fund's objectives in terms of the risk-return profile. The returns generated by the Fund from its investments in the target funds will be net of any fees and charges related to those funds. Such funds will be selected based on their suitability, the competence of the fund manager and financial performance standards, including the following:

Suitability Standards:

- Compliance with the guidelines of the Shari'a Supervisory Committee
- Fund size
- Fund strategy and investment objective
- Geographic and sector diversification
- Risk level
- Fees and expenses

Fund Manager Competence:

- Licensing by the CMA, or a similar authority when investing outside the Kingdom
- History of the company
- Market reputation of the company
- Total assets under management
- Expertise and competence of the team

Financial Performance Standards:

- The fund's past performance
- Risk management
- Performance compared with competing funds
- The Fund invests in commodity Murabaha transactions with financial institutions rated by one of the three international credit rating agencies, with a minimum rating of BBB- by S&P, Baa3 by Moody's, or BBB- by Fitch. The Fund Manager will rely on an analysis of the best available Murabaha transaction offerings or money market funds managed by fund managers licensed by the CMA. Under normal circumstances, the Fund Manager will not hold cash or invest in Murabaha transactions in excess of 25% of the Fund's NAV. However, following the liquidation of certain investments and until the cash is reinvested, or in exceptional circumstances such as an economic crisis, war or similar events, the allocation to cash, Murabaha transactions and money market funds may be increased up to 100% of the Fund's NAV.
- If the value of any asset held by the Fund rises above or falls below the Fund's investment percentages referred to in paragraph (d), whether as a result of an increase or decrease in the capital value of an invested asset or due to the maturity of financing, the Fund Manager shall assess the investment positions and rebalance the portfolio to ensure compliance with the investment percentage limits set out in the table in paragraph (d) above. The Fund Manager may maintain the investment position until the date of the Fund's portfolio rebalancing, or until the maturity date of an illiquid asset, where this is in the best interests of the unitholders and enables the Fund to comply with the investment percentages referred to in paragraph (d) above.
- Investment decisions made by the Fund Manager shall be consistent with sound and prudent investment practices that achieve the Fund's investment objectives as set out in the Fund's Terms and Conditions. This includes using its best efforts to ensure the following:
 1. That the Fund's investments are based on a careful and prudent distribution of risks, without prejudice to the Fund's investment objectives, policies, Terms and Conditions and the Regulations.
 2. That sufficient liquidity is available to the Fund to meet any expected payment obligations, such as accrued expenses and fees payable by the Fund.
- Risks have been assessed and the necessary measures have been taken to safeguard the best interests of the unitholders in accordance with the applicable laws and regulations. For further details on the Fund's potential risks, please refer to paragraph (4) of these Terms and Conditions.
- The Fund Manager adopts a risk management policy aimed at identifying and assessing potential risks as early as possible and addressing them so as to minimize their impact. The Fund Manager studies and assesses the risks associated with any assets before investment, and such risks are reassessed annually. For further details on the internal process for risk assessment and management, please refer to Appendix (3) to the Fund's Terms and Conditions.

3) Distribution of Income and Gain Policy

- The Fund Manager aims to make distributions on a semi-annual basis. Such distributions shall include 100% of the returns generated from the Fund's investments and up to 50% of the net realized and unrealized capital gains. Any such distributions shall be subject to the approval of the Fund Board.
- The Fund Manager may, as it deems appropriate, make additional distributions during the financial year. Any such additional distributions shall be subject to the approval of the Fund Board.
- Distributions, if any, shall be announced in accordance with the controls prescribed by the CMA from the date of announcement and publication of the Fund's quarterly report through the Saudi Tadawul website. Details of such distributions shall also be announced through the Saudi Tadawul website, www.saudiexchange.sa. Distributions, if any, shall be paid within thirty Business Days from the date of announcement and publication of the Fund's quarterly report on Saudi Tadawul.
- In deciding whether to make distributions, the Fund Manager shall take into account the value of the assets, the Unit Price and the prevailing market conditions at the relevant time, while also considering the long-term growth of the Fund's assets, in order to make the most appropriate decision.

4) The Fund Manager makes Fund reports available upon request, free of charge.

5) Description of the Fund's Benchmark reasons for choosing such Benchmark, and its suitability for Fund's investment strategies and objectives, as well as the Service Provider's website (if any)

Alkhabeer Global Equity Index is an index specifically created for the Fund in collaboration with the Index Service Provider, which calculates the valuations of the companies included in the Index and manages it on behalf of the Fund. The Index includes companies diversified by sector and size across the largest global capital markets, in addition to the largest leading companies in the Kingdom of Saudi Arabia, after screening companies based on a market capitalization of more than US\$100 million and an average daily trading value of more than US\$1 million. The Index includes 160 global companies representing the largest global capital markets, in addition to the ten largest companies in the Kingdom of Saudi Arabia that comply with the guidelines of the Shari'a Supervisory Committee. The global companies included in the Index are divided by market capitalization into three categories: the largest 70 companies by free-float market capitalization among large-cap companies, the largest 50 companies by free-float market capitalization among mid-cap companies, and the largest 40 companies by free-float market capitalization among small-cap companies. Large-cap companies are defined as those falling within the segment representing up to 70% of the aggregate market capitalization, while the segment above 70% up to 85% represents mid-cap companies, and the segment above 85% up to 100% represents small-cap companies.

Investors may monitor Benchmark's performance on Alkhabeer Capital's website. The Service Provider's website is www.idealratings.com.

(B) Fund Performance

1) Financial Indicators at the End of Each Financial Year (or Since Inception)

	2023	2024	2025
Fund net asset value at year end	SAR 793,080,981	SAR 801,042,318	SAR 701,273,905
Fund net asset value per unit at year end	SAR 11.0740	SAR 11.5727	SAR 10.9786
Highest fund net asset value per unit during the year	SAR 11.4366	SAR 12.5424	SAR 13.1542
Lowest fund net asset value per unit during the year	SAR 9.3719	SAR 10.9551	SAR 10.0229
Number of issued units at year end	100,000,000 units	69,974,149 units	63,876,285 units
Number of outstanding units at year end	71,616,802 units	69,218,360 units*	63,876,285 units**
Number of units repurchased by the Fund for cancellation	28,383,198 units	2,398,442 units	5,342,075 units
Dividends distributed per unit	SAR 0.93	0.785	3.00***
Expense ratio	1.54%	1.37%	1.51%
Ratio of borrowings to total asset value, exposure period and maturity date (if any)	0	0	0

* The Fund cancelled 30,025,851 units during 2023-2024.

** The Fund cancelled 6,097,864 units during 2024-2025.

*** Including SAR 2.59/unit as an additional distribution representing a portion of the profits generated from investments since the fund's inception.

Comparison of the Fund's Performance with the Benchmark

Year	2022	2023	2024	2025
Fund net performance	-5.59%	17.30%	4.50%	-5.13%
Fund total net performance*	-5.59%	28.02%	11.85%	21.86%
Benchmark performance	-6.71%	20.56%	11.01%	20.62%

2) Performance Record:*

a. Total Return for 1, 3 and 5 Years (or Since Inception)

Period	One Year	Three Years	Five Years	Since Inception
Total Return**	21.86%	74.51%	N/A	64.75%

b. Total Annual Return for Each of the Last Ten Years (or Since Inception)

Year	2022*	2023	2024	2025	Since Inception
Total Return**	-5.59%	28.02%	11.85%	21.86%	64.75%

* The Fund was launched on 27 April 2022.

** Total Return = NAV + total dividends.

c. Table showing service charges, commissions and fees incurred by the Fund during the year

Item*	Amount (SAR)
Fund Operator Fees	1,371,290
Management Fees	7,313,547
Shari'a Supervisory Committee Fees	15,000
Custodian Fees	478,427
Auditor Fees	80,500
Directors' Remuneration (Independent Directors)	34,000
Registration Expenses	676,408
Regulatory Fees	8,625
Market Maker Fees	378,082
Other Expenses	261,738
Total Fund Fees and Expenses	10,617,617
Net Value of Managed Assets	701,273,905
Ratio of Total Fund Fees and Expenses to Net Value of Managed Assets	1.51%
Ratio of Total Fund Fees and Expenses to Average Net Value of Managed Assets**	1.39%
Circumstances under which the Fund Manager decided to waive or reduce fees	N/A

* Inclusive of Value Added Tax (VAT), where applicable.

** Average NAV of the fund = SAR 766,326,260.

d. The rules for calculating performance information, and any assumptions used, shall be applied consistently.

3) Any material changes during the period affecting the Fund's performance that must be disclosed

The Unitholders' General Assembly approved the Fund's purchase of its Units for cancellation, up to a maximum of 20% of the total number of Fund Units, at a price not exceeding the Fund's NAV per Unit, subject to compliance with the provisions of the Fund's Terms and Conditions, the CMA Law and its Implementing Regulations, as follows:

- 1- The maximum number of Units recommended for purchase and cancellation is 20 million Units, representing 20% of the total outstanding Units.
- 2- The purchase of the Units will be funded from the Fund's NAV.
- 3- The purchase transactions will be executed on Saudi Tadawul and not through private transactions.
- 4- The purchase transactions will be carried out over a period of 12 months from the date of the Unitholders' approval at the General Assembly Meeting.
- 5- The Units purchased by the Fund for cancellation will not carry any voting rights or entitlement to cash dividend distributions.
- 6- The Fund cancelled 5,342,075 Units, bringing the total number of issued Units to 63,876,285 Units.
- 7- The Fund purchased 2,398,442 Units during 2024.

4) Disclosure of Annual Voting Practices

The Fund Manager did not exercise any voting rights during the financial year 2025.

5) Report of the Fund Board

(a) Names of the Fund Board Members and Type of Membership

#	Director's Name	Type of Membership
1	Mr. Ammar Ahmed Saleh Shata	Chairman of the Board - Non-Independent
2	Mr. Ahmed Saud Hamza Ghouth	Director - Non-Independent
3	Mr. Hisham Omar Ali Baroom	Director - Non-Independent
4	Mr. Farouq Fouad Ahmed Ghulam	Director - Independent
5	Mr. Ahmed Abdulelah Maghrabi	Director - Independent

(b) Brief Description of the Qualifications of the Fund Board Members

Director's Name	Mr. Ammar Ahmed Saleh Shata
Type of Membership	Chairman of the Board - Non-Independent
Current Position	Founder and Chairman of the Board of Alkhabeer Capital
Educational Qualifications	- Holds a master's degree in Economic Planning and a bachelor's degree in electrical engineering from the University of Southern California, United States. - He is also a CFA charter holder.
Professional Experience	Has more than 32 years of experience in corporate finance, structured finance, asset management, the development of Islamic financial products, and Islamic investment and banking services.

Director's Name	Mr. Ahmed Saud Hamza Ghouth
Type of Membership	Director - Non-Independent
Current Position	Chief Executive Officer and Board Member of Alkhabeer Capital
Educational Qualifications	Holds a bachelor's degree in accounting from King Fahd University of Petroleum and Minerals, Dhahran, Saudi Arabia.
Professional Experience	- Has more than 23 years of experience in corporate banking services, Islamic finance, asset management and private equity. He currently serves on the boards of several real estate funds, private equity funds and listed capital market funds. - During his previous tenure at Saudi National Bank (SNB), he gained extensive experience in loan portfolio management and Islamic loan structuring. His oversight of the Asset Management Department at Alkhabeer Capital further broadened his experience in real estate development funds, income-generating funds and equity funds.

Director's Name	Mr. Hisham Omar Ali Baroom
Type of Membership	Director - Non-Independent
Current Position	Deputy Chief Executive Officer of Alkhabeer Capital
Educational Qualifications	Holds a bachelor's degree in accounting from King Abdulaziz University, Saudi Arabia, and a diploma in Investment Portfolio Management and Financial Markets from the Arab Academy for Banking and Financial Sciences.
Professional Experience	- Has more than 22 years of experience in the management of financial institutions, investment management and business development. - Prior to joining Alkhabeer Capital, he served as Executive Vice President at Elaf Group, where he was responsible for planning and strategy implementation. He began his career at the Asset Management Group of Saudi National Bank (SNB), where he held various positions over a period of nine years.

Director's Name	Mr. Farouq Fouad Ahmed Ghulam
Type of Membership	Director - Independent
Current Position	Executive Director of Alpha Capital Group
Educational Qualifications	Holds an LL.M., specializing in International Business and Trade Transactions, from Washington College of Law, USA, and a law degree from King Abdulaziz University, Jeddah, Saudi Arabia.
Professional Experience	- Has more than 22 years of extensive experience in legal affairs, Islamic finance, investment and financial structuring. - He served as Executive Partner and Head of Asset Management at Alkhabeer Capital from August 2006 to August 2009. Prior to that, he was Head of Product Development and Operational Risk at Saudi National Bank (SNB), where he was responsible for launching and structuring investment funds.

Director's Name	Mr. Ahmed Abdulelah Maghrabi
Type of Membership	Director - Independent
Current Position	Co-founder and Vice President of Abdulelah Mohamed Ali Maghrabi Commercial Est. He is involved in managing the Group's Equipment and Transportation divisions and plays an active role in developing the Group's policies, strategies and operational plans.
Educational Qualifications	Holds a bachelor's degree in management information systems from Whittier College, California, USA, and a diploma in Hotel Management from the United States.
Professional Experience	- Has more than 21 years of experience in heavy equipment, transportation and real estate development. - He previously served as Procurement Manager at Mohammed Ali Maghrabi & Sons Company, where he oversaw the construction of Le Meridien Jeddah. - Mr. Ahmed is also a member of the Project Management Institute (PMI) and a certified Project Management Professional (PMP).

(c) Description of the Roles and Responsibilities of the Fund Board

The members of the Fund Board are responsible for the following:

- Approving all material contracts, decisions and reports to which the Fund is a party, including, without limitation, contracts for the provision of management services to the Fund and contracts for the provision of custody services. This excludes contracts entered into in accordance with investment decisions relating to any investments made, or to be made, by the Fund.
- Approving a written policy on the exercise of voting rights attached to the Fund's assets.
- Overseeing and, where appropriate, approving or ratifying any conflict of interest disclosed by the Fund Manager.
- Meeting at least twice a year with the Fund Manager's Compliance Officer to review the Fund's compliance with all applicable laws and regulations, including, without limitation, the requirements set out in the Capital Market Law and its Implementing Regulations.
- Approving all fundamental and non-fundamental changes as provided for in Articles (64) and (65) of the Investment Funds Regulations issued by the CMA Board, before the Fund Manager obtains the approval of the unitholders and the CMA, or notifies them, as applicable.
- Ensuring the completeness and accuracy of the Fund's Terms and Conditions and any other document, whether contractual or otherwise, containing disclosures relating to the Fund and/or the Fund Manager and its management of the Fund, and ensuring compliance of the foregoing with the Capital Market Law and its Implementing Regulations.
- Ensuring that the Fund Manager performs its responsibilities in the best interests of the unitholders in accordance with the Investment Funds Regulations, the Capital Market Law and its Implementing Regulations.
- Reviewing the report on the performance evaluation and quality of services provided by parties responsible for delivering material services to the Fund, in order to ensure that the Fund Manager performs its responsibilities in the best interests of the unitholders in accordance with the Fund's Terms and Conditions and the Capital Market Law and its Implementing Regulations.
- Evaluating the Fund Manager's process for managing risks associated with the Fund's assets in accordance with the Fund Manager's policies and procedures for monitoring such risks and addressing them.

- Acting with integrity, in good faith, and with due care, skill, diligence and prudence in the best interests of the unitholders. Fiduciary duties include the duty of loyalty, the duty of care and the exercise of reasonable diligence.
- Ensuring that minutes of meetings are maintained and accurately record all facts, discussions and decisions of the Fund Board.
- Reviewing the report containing all complaints and the actions taken in relation to them, in order to ensure that the Fund Manager performs its responsibilities in the best interests of the unitholders in accordance with the Fund's Terms and Conditions and the Capital Market Law and its Implementing Regulations.
- Approving the appointment of the Fund's Auditor nominated by the Fund Manager.

The Fund Manager shall provide all Fund Board members with all information necessary in relation to the affairs of the Fund to enable them to perform their duties. None of the Fund Board members shall be liable to any unitholder for any damages, losses, costs, expenses or other liabilities incurred by the unitholder or the Fund's assets, unless such liability arises from willful misconduct, bad faith or gross negligence on the part of the relevant Board member.

(d) Details of the Remuneration of the Fund Board Members

The Fund shall pay each independent director an annual fee of SAR 5,000, in addition to an attendance fee of SAR 4,000 for each meeting attended. Two independent directors have been appointed to the Fund. Accordingly, the total fixed annual remuneration payable to both independent directors shall be SAR 10,000, in addition to an attendance fee of SAR 4,000 per meeting for each director. It is expected that the Fund Board will hold a minimum of two meetings and a maximum of four meetings each year. Accordingly, the total attendance fees payable to both independent directors are expected to range from a minimum of SAR 16,000 to a maximum of SAR 32,000. Therefore, the total remuneration payable during the year to the independent members of the Fund Board is expected to range from a minimum of SAR 26,000 to a maximum of SAR 42,000. Non-independent directors shall not receive any remuneration.

(e) Any actual or potential conflict between the interests of a Fund Board member and the interests of the Fund

In the ordinary course of business, the Fund may enter into transactions with related parties. The Fund Manager and the Fund Board consider that such transactions are conducted on terms equivalent to those applicable to transactions with other parties. Transactions with related parties are subject to the limits set out in the laws and instructions issued by the relevant regulatory authorities in the Kingdom of Saudi Arabia. In addition, the Fund Manager adopts and applies best governance practices in the conduct of its business. The annual financial statements include a note on financial transactions with related parties.

During the financial year ended 31 December 2025, the Fund Board did not identify any related-party transactions that gave rise to a conflict of interest. The Fund Board confirms that all financial transactions and contracts entered into by the Fund are subject to the applicable conflict-of-interest policies and procedures.

(f) Other Funds Managed by the Fund Board Members

The following members of the Fund Board also serve on the boards of other funds managed by the Fund Manager:

Name of the Fund	Fund Type	Directors				
		Ammar Shata	Ahmed Ghouth	Hisham Baroom	Farouk Ghulam	Ahmed Maghrabi
Alkhabeer Real Estate Residential Development Fund II	Private Placement	Chairman	Director			
Alkhabeer Real Estate Opportunity Fund I	Private Placement	Chairman	Director		Director	
Alkhabeer Real Estate Opportunity Fund II	Private Placement		Chairman	Director		
Alkhabeer Education Private Equity Fund I	Private Placement	Chairman	Director			
Alkhabeer Education Private Equity Fund II	Private Placement		Chairman	Director		Director
Alkhabeer Education Private Equity Fund III	Private Placement		Chairman	Director		Director
Alkhabeer Education Private Equity Fund IV	Private Placement		Chairman	Director		Director
Alkhabeer Education Private Equity Fund V	Private Placement		Chairman	Director		Director
Alkhabeer Education Private Equity Fund VI	Private Placement		Chairman	Director		Director
Alkhabeer Education Private Equity Fund VII	Private Placement		Chairman	Director		Director
Alkhabeer Hospitality Fund I	Private Placement		Chairman	Director		Director
Alkhabeer REIT	Public Placement	Chairman	Director	Director	Director	
Alkhabeer Diversified Income Traded Fund	Public Placement	Chairman	Director	Director	Director	Director
Alkhabeer Car Rental Private Equity Fund	Private Placement		Chairman	Director		
Alkhabeer Saudi Riyal Murabaha Fund	Private Placement		Chairman	Director		Director
Alkhabeer GCC Investment Opportunities Limited	Private Placement	Director	Director	Director		
Alkhabeer Growth and Income Traded Fund	Public Placement	Chairman	Director	Director	Director	Director
Alkhabeer Industrial Private Equity Fund IV	Private Placement		Chairman	Director		Director
Alkhabeer Saudi Private Equity Fund I	Private Placement		Chairman	Director		Director
Alkhabeer Saudi Private Equity Fund II	Private Placement		Chairman	Director		
Alkhabeer Multi Asset Private Income Fund I	Private Placement			Chairman		
Alkhabeer Diversified Income Traded Fund 2030	Private Placement		Chairman	Director	Director	Director
Alkhabeer FinTech Income Fund	Private Placement		Chairman	Director		
Alkhabeer Primary Healthcare Private Equity Fund	Private Placement		Chairman	Director		
Alkhabeer Riwaq Hittin	Private Placement		Director	Director		

(g) Items discussed and the resolutions issued in relation thereto, including the Fund's performance and the achievement of its objectives

Meeting	Main Subjects and Fund Board Resolutions		
Meeting (No. 1-2025) on 11 March 2025	Recommendations and Resolutions:		
	1- Add a table listing the companies in which the fund invests, categorized by their concentration percentage.		
	2- Prepare a table illustrating the fund's performance relative to its net asset value and its performance relative to the current market conditions.		
	3- Communicate with the fund's major shareholders to discuss the fund's performance and positive developments.		
	4- Approval of the amendment to the Fund's dividend distribution policy in accordance with the attached presentation, subject to obtaining the approval of the Capital Market Authority.		
	5- Approval to maintain the Fund's Green classification.		
	6- Approval of the ratification of resolutions passed by circulation, as set out in the table below:		
	#	Date	Resolution
	1	26/03/2024	Approval of the financial statements and the Independent Auditor's report for the year ended 31 December 2023.
	2	27/03/2024	Approval of the 2023 Annual Report.
3	15/04/2024	Approval of the Fund's Investor Report for the first quarter of the financial year 2024.	
4	17/04/2024	Approval of the distribution of cash dividends for the period from 1 July 2023 to 31 December 2023.	
5	08/07/2024	Approval of the Fund's Investor Report for the second quarter of the financial year 2024.	
6	17/07/2024	Approval of the following key resolutions:	

		1. Approval of the Fund's purchase of its Units for cancellation, up to a maximum of 20% of the total number of Fund Units at the time of the offering, at a price not exceeding the Fund's net asset value per Unit, subject to compliance with the CMA Law, its Implementing Regulations, and the Fund's Terms and Conditions. 2. Approval of the Fund's dividend distribution plan, as set out in the attached memorandum, subject to CMA approval. 3. Approval to authorize the Fund Manager to appoint a market maker, taking into account the CMA Law and its Implementing Regulations, subject to CMA approval of this proposal. 4. Approval of the recommendation to unitholders to amend the Fund's Terms and Conditions, where applicable, to reflect the amendments referred to in paragraphs (2) and (3) of this resolution.
7	05/08/2024	Approval of the interim condensed financial statements for the six-month period ended 30 June 2024.
8	13/08/2024	Approval of the distribution of cash dividends for the period from 1 January 2024 to 30 June 2024.
9	12/09/2024	Approval of the policy, process and procedures for the purchase of Fund Units.
10	16/09/2024	Approval of the Fund's Terms and Conditions.
11	10/10/2024	Approval of the Fund's Investor Report for the third quarter of the financial year 2024.
12	10/11/2024	Confirmation of the independence of the Fund Board members.
13	27/11/2024	Review of the Terms and Conditions approved by the Capital Market Authority, including non-fundamental amendments.
14	09/01/2025	Approval of the Fund's Investor Report for the fourth quarter of the financial year 2024.
15	16/01/2025	Review of the annual report on complaints and the actions taken in relation thereto for the year 2024.
16	30/01/2025	Review of the Risk Assessment Report and the report on the performance and quality of services provided by the relevant parties.

Meeting (No. 2-2025)
on 3 November 2025

Recommendations and Resolutions:

1- Clarify the terminology used in the fund's dashboard presentation provided by the fund manager and provide more detailed explanations of the time periods than are currently presented.

2- Add a slide to the fund manager's presentation indicating whether investments have been made in any initial public offerings (IPOs) on the Saudi Stock Exchange (Tadawul) and/or in international financial markets.

3- Ensure that the Capital Market Authority's implementation regulations permit the inclusion of a section in the investor report detailing the positive developments resulting from the appointment of a market maker for the fund.

4- Conduct rigorous scientific monitoring and calculation of the fund's performance, comparing it to the cost of appointing a market maker and the resulting return.

5- Include a detailed statement outlining the fund's total annual cash distributions.

6- Record and document all proceedings of any meetings held with unit holders, while minimizing the frequency of such meetings whenever possible.

7- Approval to maintain the Fund's Green classification.

8- Approval of the ratification of resolutions passed by circulation, as set out in the table below:

#	Date	Resolution
1	17/03/2025	Approval of the Fund's updated Terms and Conditions

	2	20/03/2025	Approval of the financial statements and the Independent Auditor's report for the financial year ended 31 December 2024
	3	25/03/2025	Approval of the 2024 Annual Report
	4	14/04/2025	Approval of the Fund's Investor Report for the first quarter of the financial year 2025
	5	10/07/2025	Approval of the Fund's Investor Report for the second quarter of the financial year 2025
	6	22/07/2025	Approval of the distribution of additional cash dividends for the financial period from 27 April 2022 to 31 December 2024
	7	22/07/2025	Approval of the distribution of cash dividends for the financial period from 1 January 2025 to 30 June 2025
	8	24/07/2025	Approval of the Fund's updated investment policy
	9	24/07/2025	Approval of the appointment of a market maker for the Fund
	10	07/08/2025	Approval of the interim condensed financial statements for the six-month period ended 30 June 2025
	11	09/10/2025	Approval of the Fund's Investor Report for the third quarter of the financial year 2025

Recommendations and Resolutions:**Meeting (No. 3-2025)
on 18 December 2025**

- 1- Communicate with the Capital Market Authority (CMA) to provide a clear and detailed explanation of the situation regarding the unit holders' request to liquidate the fund.
- 2- In the letter prepared in response to the unit holders, it states that the expected timeframe for converting the fund into an open-ended public investment fund is shorter than the expected timeframe for liquidation. Additionally, indicate that the liquidation request does not serve the interests of all unit holders, but rather the wishes of some. This letter should then be submitted to the Chairman of the Board of Directors for approval.
- 3- Ensure the publication of all updates related to the fund, in accordance with the regulations and instructions issued by the CMA governing the mechanism and procedures for disclosing any material developments.
- 4- Approval of the minutes of the Fund Board meeting held on 11 March 2025.
- 5- Approval of the Fund Manager's recommendation to delist Alkhabeer Growth and Income Traded Fund as a closed-ended traded investment fund and convert it into an open-ended public investment fund, subject first to obtaining the approval of the Capital Market Authority and thereafter the approval of the Fund's unitholders.
- 6- Approval of the ratification of resolutions passed by circulation, as set out in the table below:

#	Date	Resolution
1	13/11/2025	Confirmation of the independence of the Fund Board members.
2	05/12/2025	Distribution of additional cash dividends for the financial period from 27 April 2022 to 31 December 2024

Additional Resolutions by Circulation	None
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(C) Fund Manager

1) Name and Address of the Fund Manager



Alkhabeer Capital

CMA License No. 07074-37

P.O. Box 128289, Jeddah 21362

Kingdom of Saudi Arabia

Tel: +966 12 658 8888

Fax: +966 12 658 6663

Commercial Registration No. 4030177445

Website: www.alkhabeer.com

2) Name and Address of the Sub-Manager and/or Investment Adviser (if any)

N/A.

3) Review of Investment Activities During the Period

In 2025, global equity markets experienced periods of volatility amid uncertainty over trade policies, geopolitical tensions, persistent inflation and concerns over slower economic growth. However, resilient consumer spending, a cumulative 75 bps reduction in US Federal Reserve interest rates during 2025, and strong corporate earnings growth helped support market stability.

Alkhabeer Global Equities Index rose by 5.26% during the fourth quarter of 2025, bringing its full-year performance for 2025 to 20.62%, reflecting the strong momentum seen in global equity markets throughout the year.

The concentration ratios of the Fund's asset classes are 84.6% of the Fund's assets in global and local listed shares, 13.5% of the Fund's assets in equity funds, and 1.9% of the Fund's assets in cash and cash equivalents.

4) Report on the Fund's Performance During the Period

During FY 2025, the Fund outperformed its benchmark by 1.24%, as the Fund's performance increased by 21.86%, while the benchmark's performance increased by 20.62%.

5) Details of any Changes to the Fund's Terms and Conditions During the Period

For changes made to the Fund's Terms and Conditions during the period, please see Appendix (1) below.

6) Any other information which can enable the unitholder to make a well-founded decision based on sufficient information on the Fund's activities during the period

On 18 December 2025, after reviewing the Fund Manager's recommendations and taking into account the interests of all unitholders and the maximization of their rights, including due consideration of the applicable regulatory timeframes, the Fund Board approved the Fund Manager's recommendation to delist the Fund as a closed-ended traded investment fund

and convert it into an open-ended public investment fund, subject to obtaining the approval of the Capital Market Authority (CMA), followed by the approval of the Fund's unitholders.

If all required regulatory approvals are obtained, this measure will enable all unitholders wishing to exit and/or increase their investments to do so at the Fund's net asset value per unit.

7) Disclosure of the percentage management fees incurred by the Fund itself and its underlying funds

The weighted average management fee rate for all invested funds was 0.38% as at the end of 2025.

8) Special commissions obtained by the Fund Manager during the period, clearly showing their types and uses (if any)

N/A.

9) Any statements and other information required by the Investment Funds Regulations to be included in this Report

N/A.

10) Management term of the person registered as Fund Manager

Since the Fund's inception.

11) Disclosure of the ratio of expenses of each fund as at the end of the year, and the weighted average of the ratio of expenses of all main underlying funds (where applicable)

The weighted average of the ratio of expenses of the underlying investment funds is 0.38%.

(D) Custodian

1) Name and Address of the Custodian



Albilad Investment Company

CMA License No. 08100-37

King Fahad Road | P.O. Box 140, Riyadh 11411

Kingdom of Saudi Arabia

Unified Number: 8001160002

Fax: 0112906299

Email: clientservices@albilad-capital.com

Website: www.albilad-capital.com

2) Brief Description of the Custodian's Obligations and Responsibilities

- Notwithstanding any delegation by the Custodian to one or more third parties in accordance with the Investment Funds Regulations and the Capital Market Institutions Regulations, the Custodian shall remain fully responsible for the discharge of all its obligations under the Investment Funds Regulations.
- The Custodian shall be liable to the Fund Manager and the unitholders for any losses incurred by the Fund as a result of any fraud, negligence, misconduct, or willful default on the part of the Custodian.
- The Custodian shall be responsible for the safekeeping and protection of the Fund's assets on behalf of the unitholders and for taking all necessary administrative measures in relation to the custody of those assets.
- The Custodian shall open a separate account for the Fund and take all necessary measures to segregate the Fund's assets from any other assets, including the Custodian's own assets and the assets of its other clients, so that such assets are held independently. The Custodian shall also maintain all necessary records and documents evidencing the performance of its contractual obligations.

The Custodian may appoint one or more third parties, or any of its affiliates, to act as sub-custodian of the Fund. Any fees and expenses relating to the sub-custodian shall be borne by the Custodian. The Custodian shall remain liable where it appoints any party, including any of its affiliates, to perform any of the duties referred to above.

(E) Fund Operator

1) Name and Address of the Fund Operator



Alkhabeer Capital

CMA License No. 07074-37

P.O. Box 128289, Jeddah 21362

Kingdom of Saudi Arabia

Tel: +966 12 658 8888

Fax: +966 12 658 6663

Commercial Registration No. 4030177445

Website: www.alkhabeer.com

2) Brief Description of the Obligations and Responsibilities of the Fund Operator

The Fund Operator shall, in relation to the Fund, perform all administrative duties and obligations required under the Investment Funds Regulations, together with any other functions that may be necessary to implement and achieve the Fund's purposes, policies and objectives. These include, without limitation:

- Maintaining the books and records relating to the operation of the Fund.
- Valuing the Fund's assets.

The Fund Operator may appoint specialized sub-operators for the Fund, subject to the approval of the Fund Board. Such sub-operators may be replaced at the discretion of the Fund Manager, subject to the prior approval of the Fund Board. The fees and expenses of any sub-operator shall be borne by the Fund Operator out of its own resources.

(F) Auditor

Name and Address of the Auditor



Crowe Solutions for Professional Consulting

Member of Crowe Global

P.O. Box 21499, Jeddah 40097

Kingdom of Saudi Arabia

www.crowe.com/sa

(G) Financial Statements

Please see Appendix (2) below.

Appendix (1)

Current Version						Proposed Version					
Fund Directory											
Auditor and Zakat Advisor Al Azem, Al Sudairy, Al Shaikh & Partners CPA's & Consultants Member of Crowe Global						Auditor and Zakat Advisor Crowe Solutions for Professional Consulting Member of Crowe Global					
Fund Summary											
Auditor's Name Al Azem, Al Sudairy, Al Shaikh & Partners CPA's & Consultants - Member of Crowe Global						Auditor's Name Crowe Solutions for Professional Consulting - Member of Crowe Global					
Zakat Advisor's Expenses for Filing Information Declarations with ZATCA Zakat Advisor's Expenses for submitting information declaration filings to ZATCA are expected to amount to a sum of SAR 15,000 per annum.						Zakat Advisor's Expenses for Filing Information Declarations with ZATCA Zakat Advisor's Expenses for submitting information declaration filings to ZATCA are expected to amount to a sum of SAR 20,000 per annum.					
9) Service Charges and Fees											
(a) Description of all payments made out of the Fund's assets and the method of their calculation:											
Zakat Advisor's Expenses for Filing Annual Information Declarations with ZATCA The Fund shall pay the Zakat Advisor fees for submitting information declaration filings to ZATCA, a sum of SAR 15,000 payable annually.						Zakat Advisor's Expenses for Filing Annual Information Declarations with ZATCA The Fund shall pay the Zakat Advisor fees for submitting information declaration filings to ZATCA, a sum of SAR 20,000 payable annually.					
(b) The following table shows all the fees and expenses and the method of calculation of the consideration for the services, commissions and fees, as well as the timing of their payment by the Fund:											
Zakat Advisor's Expenses for Filing Information Declarations with ZATCA		SAR 15,000 per annum	Annual Lump sum on the Fund's total assets	Every valuation day	Payable annually	Zakat Advisor's Expenses for Filing Information Declarations with ZATCA		SAR 20,000 per annum	Annual Lump sum on the Fund's total assets	Every valuation day	Payable annually
(C) Hypothetical example showing the ratio of the Fund's costs to the Fund's total asset value at the Fund's and Unitholder's level during the life of the Fund, including the ratio of recurring and non-recurring costs											
The following table depicts a hypothetical illustrative example of a client's subscription in the Fund in a sum of SAR 100 thousand (net of Subscription Fees), which did not vary throughout the year, assuming that the Fund's total asset value during that period is SAR 1,000 million (excluding any leverage), which did not vary throughout the year, and assuming that the Fund generates an annual return on subscription of 10.00% at the end of the period. The following hypothetical example shows the Unit Subscriber's share of the expenses in Saudi Riyal (annualized) ¹ . Hypothetical Fund Data (At the Fund Level) (SAR) ¹ .							The following table depicts a hypothetical illustrative example of a client's subscription in the Fund in a sum of SAR 100 thousand (net of Subscription Fees), which did not vary throughout the year, assuming that the Fund's total asset value during that period is SAR 1,000 million (excluding any leverage), which did not vary throughout the year, and assuming that the Fund generates an annual return on subscription of 10.00% at the end of the period. The following hypothetical example shows the Unit Subscriber's share of the expenses in Saudi Riyal (annualized) ¹ . Hypothetical Fund Data (At the Fund Level) (SAR) ¹ .				
	Percent/Value	Recurring/Non-recurring	First Year at the Fund Level with an Asset Value of SAR 1,000,000,000 ¹ Assuming Generation of an Annual Return of 10.00% at the End of the Period	First Year at the Hypothetical Subscription Level with a Value of SAR 100,000 ¹ for the Unitholder	Second Year at the Fund Level (SAR) ¹ Assuming Generation of an Annual Return of 10.00% at the End of the Period	Second Year at the Hypothetical Subscription Level with a Value of SAR 100,000 ¹ for the Unitholder		Percent/Value	Recurring/Non-recurring	First Year at the Fund Level with an Asset Value of SAR 1,000,000,000 ¹ Assuming Generation of an Annual Return of 10.00% at the End of the Period	Second Year at the Fund Level (SAR) ¹ Assuming Generation of an Annual Return of 10.00% at the End of the Period
Number of Fund Units	-	-	100,000,000	10,000	100,000,000	10,000	Number of Fund Units	-	-	100,000,000	10,000
FUND'S TOTAL ASSET VALUE AT THE BEGINNING OF THE PERIOD (SAR)	-	-	1,000,000,000	100,000	1,030,994,265	103,099	FUND'S TOTAL ASSET VALUE AT THE BEGINNING OF THE PERIOD (SAR)	-	-	1,000,000,000	103,099
HYPOTHETICAL ANNUAL RETURN AT THE END OF THE PERIOD	10%	-	100,000,000	10,000	103,099,427	10,310	HYPOTHETICAL ANNUAL RETURN AT THE END OF THE PERIOD	10%	-	100,000,000	103,099,144
FUND'S TOTAL ASSET VALUE AT THE END OF THE PERIOD	-	-	1,100,000,000	110,000	1,134,093,692	113,409	FUND'S TOTAL ASSET VALUE AT THE END OF THE PERIOD	-	-	1,100,000,000	113,409
SAUDI TADAWUL REGISTRATION FEES	575,000.00	Non-Recurring	575,000	57.50	N/A	N/A	SAUDI TADAWUL REGISTRATION FEES	575,000.00	Non-Recurring	575,000	N/A
SAUDI TADAWUL LISTING FEES	57,500.00	Non-Recurring	57,500	5.75	N/A	N/A	SAUDI TADAWUL LISTING FEES	57,500.00	Non-Recurring	57,500	N/A
SHARIA SUPERVISORY COMMITTEE FEES	23,000.00	Non-Recurring	23,000	2.30	N/A	N/A	SHARIA SUPERVISORY COMMITTEE FEES	23,000.00	Non-Recurring	23,000	N/A
TOTAL NON-RECURRING FEES AND EXPENSES	0.07%	-	655,500	65.55	0	0	TOTAL NON-RECURRING FEES AND EXPENSES	0.07%	-	655,500	0
SAUDI TADAWUL REGISTRATION FEES	460,000.00	Recurring	460,000	46.00	460,000	46.00	SAUDI TADAWUL REGISTRATION FEES	460,000.00	Recurring	460,000	46.00
SAUDI TADAWUL LISTING FEES	0.03%	Recurring	345,000	34.50	345,000	34.50	SAUDI TADAWUL LISTING FEES	0.03%	Recurring	345,000	34.50
Auditor Fees	69,000	Recurring	69,000	6.90	69,000	6.90	Auditor Fees	69,000	Recurring	69,000	6.90
EXPENSES FOR SUBMISSION OF INFORMATION DECLARATION FILINGS TO ZATCA	17,250	Recurring	17,250	1.73	17,250	1.73	EXPENSES FOR SUBMISSION OF INFORMATION DECLARATION FILINGS TO ZATCA	17,250	Recurring	17,250	1.73
SHARIA SUPERVISORY COMMITTEE FEES	15,000	Recurring	15,000	1.50	15,000	1.50	SHARIA SUPERVISORY COMMITTEE FEES	15,000	Recurring	15,000	1.50
SAUDI TADAWUL'S WEBSITE PUBLISHING FEES	5,750.00	Recurring	5,750	0.58	5,750	0.58	SAUDI TADAWUL'S WEBSITE PUBLISHING FEES	5,750.00	Recurring	5,750	0.58
REGULATORY FEES	8,625.00	Recurring	8,625	0.86	8,625	0.86	REGULATORY FEES	8,625.00	Recurring	8,625	0.86
INDEPENDENT DIRECTORS' REMUNERATION	42,000.00	Recurring	42,000	4.20	42,000	4.20	INDEPENDENT DIRECTORS' REMUNERATION	42,000.00	Recurring	42,000	4.20
CUSTODIAN'S FEES	126,000	Recurring	126,000	126.50	1,304,208	130.42	CUSTODIAN'S FEES	126,000	Recurring	1,265,000	130.42
OPERATOR'S FEES	189,470	Recurring	189,470	189.47	1,894,631	195.46	OPERATOR'S FEES	189,470	Recurring	1,894,709	195.46
OTHER FEES AND EXPENSES	10,500	Recurring	6,315,696	631.57	6,515,453	651.55	OTHER FEES AND EXPENSES	10,500	Recurring	6,315,696	651.55
Management Fees	10,800	Recurring	10,071,840	1,007.19	10,334,801	1,033.48	Management Fees	10,800	Recurring	10,071,840	1,033.48
TOTAL FEES AND RECURRING EXPENSES	11.89	-	20,461,624	2,046.16	21,077,468	2,107.75	TOTAL FEES AND RECURRING EXPENSES	11.89	-	20,461,624	2,107.75
TOTAL FEES AND EXPENSES	11.96	-	21,117,124	2,111.71	21,077,468	2,107.75	TOTAL FEES AND EXPENSES	11.96	-	21,117,124	2,107.75
NET CAPITAL GAINS DISTRIBUTIONS	150	-	30,991,438	3,099.14	32,298,960	3,229.90	NET CAPITAL GAINS DISTRIBUTIONS	150	-	30,991,438	3,229.90

OTHER FEES AND EXPENSES	%0.50	Recurring	6,315,696	631.57	6,515,504	651.55
Management Fees	%0.80	Recurring	10,017,940	1,001.79	10,334,882	1,033.49
TOTAL FEES AND RECURRING EXPENSES	%1.89	-	20,455,969	2,045.60	21,071,869	2,107.19
TOTAL FEES AND EXPENSES	%1.96	-	21,111,469	2,111.75	21,071,869	2,107.19
NET CAPITAL GAINS DISTRIBUTIONS	%50	-	30,994,265	3,099.43	32,301,877	3,230.19
NET DIVIDEND DISTRIBUTIONS	%100.00	-	16,900,000	1,690	17,423,755	1,742.38
NET GROWTH OF ASSET VALUE	-	-	30,994,265	3,099.43	32,307,711	3,230.77
FUND'S NAV NET OF FEES AND DISTRIBUTIONS	-	-	1,030,994,265	103.099	1,063,296,143	106.330

NET DIVIDEND DISTRIBUTIONS	%100.00	-	16,900,000	1,690	17,423,755	1,742.38
NET GROWTH OF ASSET VALUE	-	-	30,994,265	3,099.43	32,307,711	3,230.77
FUND'S NAV NET OF FEES AND DISTRIBUTIONS	-	-	1,030,994,265	103.099	1,063,296,143	106.330

(h) Hypothetical example showing all the fees and expenses and the transaction fees payable out of Fund assets or by Unitholders in the Fund's currency

Second Year		First Year			
At the Hypothetical Subscription Level Valued at 100,000 (SAR) ¹	At the Fund Level (SAR) Assuming Generation of an Annual Return of 10.00% at the End of the Period	At the Hypothetical Subscription Level Valued at 100,000 (SAR) ²	At the Fund Level Assets Valued at 1,000,000,000 (SAR) ³ Assuming Generation of an Annual Return of 10.00% at the End of the Period	PERCENTAGE / AMOUNT	NON-RECURRING FEES AND EXPENSES
N/A	N/A	57.50	575,000	575,000	Saudi Tadawul Registration Fees ⁴
N/A	N/A	5.75	57,500	57,500	SAUDI TADAWUL LISTING FEES
0	N/A	2.30	23,000	23,000	SHARIA SUPERVISORY COMMITTEE FEES
0	N/A	65.55	655,500		Total Fees and Expenses Listed Above
			0.07%		Ratio of Total Fees and Expenses Listed Above to Fund's Size
					Recurring Fees and Expenses
46.00	460,000	46.00	460,000	460,000	SAUDI TADAWUL REGISTRATION FEES
34.50	345,000	34.50	345,000	0.03%	Saudi Tadawul Listing Fees ⁴
6.90	69,000	6.90	69,000	69,000	Auditor Fees
1.73	17,250	1.73	17,250	17,250	EXPENSES FOR SUBMISSION OF INFORMATION DECLARATION FILINGS TO ZATCA
1.50	15,000	1.50	15,000	15,000	Shari'a Advisor Fees
0.58	5,750	0.58	5,750	5,750	SAUDI TADAWUL'S WEBSITE PUBLISHING FEES
0.86	8,625	0.86	8,625	8,625	REGULATORY FEES
4.20	42,000	4.20	42,000	42,000	INDEPENDENT DIRECTORS' REMUNERATION ⁴
113.313	1,133,131,067	109,838	1,098,381,875		Fund's Net Asset Value Before Deduction of Management Fees, Operator's Fees, Custodian Fees and Other Fees and Expenses
130.42	1,304,208	126.50	1,265,000	0.10%	Custodian Fees (For example, Custodian Fees of 0.10% on average were calculated)
195.47	1,954,651	189.47	1,894,709	0.15%	Fund Operator Fees
651.55	6,515,504	631.57	6,315,696	0.50%	OTHER FEES AND EXPENSES ⁴
112,336	1,123,356,705	108,891	1,088,906,470		Fund's NAV Before Deduction of Management Fees
1,033.49	10,334,882	1,001.79	10,017,940	0.80%	Management Fees
2,107.19	21,071,869	2,045.60	20,455,969		TOTAL FEES AND RECURRING EXPENSES
	1.89%		1.89%		Ratio of Total Recurring Fees and Expenses to Fund's NAV after Deduction of Total Fees and Expenses
2,107.19	21,071,869	2,111.15	21,111,469		TOTAL FEES AND EXPENSES
	1.89%		1.96%		Ratio of Total Recurring and Non-Recurring Fees and Expenses Listed Above to Fund's NAV
	1.89%		1.96%		Ratio of Total Fees and Expenses to Fund's NAV (Total Expense Ratio)
111,302	1,113,021,823	107,889	1,078,888,531		Fund's NAV at the End of the Period
8,202.76	82,027,557	7,888.85	78,888,531		Net Profit
7.96%		7.89%			Net Profit %
1,742.38	17,423,755	1,690.00	16,900,000	100%	NET DIVIDEND DISTRIBUTIONS
1.69%		1.69%			Net Return Distributions %
3,230.19	32,301,877	3,099.43	30,994,265	50%	NET CAPITAL GAINS DISTRIBUTIONS
	3.13%		3.10%		Net Capital Gains Distributions %
4,972.57	49,725,680	4,789.43	47,894,265		Total Distributions
4.82%		4.79%			Total Distributions %
3,230.77	32,307,711	3,099.43	30,994,265		Net Growth in Asset Value
3.13%		3.10%			Net Growth in Asset Value %
106.330	1,063,296,143	103.099	1,030,994,265		FUND'S NAV NET OF FEES AND DISTRIBUTIONS

First Year		Second Year			
At the Fund Level Assets Valued at 1,000,000,000 (SAR) ³ Assuming Generation of an Annual Return of 10.00% at the End of the Period	At the Hypothetical Subscription Level Valued at 100,000 (SAR) ²	At the Fund Level (SAR) Assuming Generation of an Annual Return of 10.00% at the End of the Period	At the Hypothetical Subscription Level Valued at 100,000 (SAR) ¹		
				NON-RECURRING FEES AND EXPENSES	PERCENTAGE / AMOUNT
				Saudi Tadawul Registration Fees ⁴	575,000
				SAUDI TADAWUL LISTING FEES	57,500
				SHARIA SUPERVISORY COMMITTEE FEES	23,000
				Total Fees and Expenses Listed Above	655,500
				Ratio of Total Fees and Expenses Listed Above to Fund's Size	0.07%
				Recurring Fees and Expenses	
				SAUDI TADAWUL REGISTRATION FEES	460,000
				Saudi Tadawul Listing Fees ⁴	69,000
				Auditor Fees	69,000
				EXPENSES FOR SUBMISSION OF INFORMATION DECLARATION FILINGS TO ZATCA	23,000
				Shari'a Advisor Fees	15,000
				SAUDI TADAWUL'S WEBSITE PUBLISHING FEES	5,750
				REGULATORY FEES	8,625
				INDEPENDENT DIRECTORS' REMUNERATION ⁴	42,000
				Fund's Net Asset Value Before Deduction of Management Fees, Operator's Fees, Custodian Fees and Other Fees and Expenses	1,098,376,125
				Custodian Fees (For example, Custodian Fees of 0.10% on average were calculated)	1,265,000
				Fund Operator Fees	1,894,709
				OTHER FEES AND EXPENSES ⁴	6,315,696
				Fund's NAV Before Deduction of Management Fees	1,088,900,763
				Management Fees	10,017,940
				TOTAL FEES AND RECURRING EXPENSES	20,461,624
				Ratio of Total Recurring Fees and Expenses to Fund's NAV after Deduction of Total Fees and Expenses	1.90%
				TOTAL FEES AND EXPENSES	21,117,124
				Ratio of Total Recurring and Non-Recurring Fees and Expenses Listed Above to Fund's NAV	1.96%
				Ratio of Total Fees and Expenses to Fund's NAV (Total Expense Ratio)	1.96%
				Fund's NAV at the End of the Period	1,078,882,846
				Net Profit	78,882,876
				Net Profit %	7.89%
				NET DIVIDEND DISTRIBUTIONS	16,900,000
				Net Return Distributions %	1.69%
				NET CAPITAL GAINS DISTRIBUTIONS	30,991,438
				Net Capital Gains Distributions %	3.10%
				Total Distributions	47,891,438
				Total Distributions %	4.79%
				Net Growth in Asset Value	30,991,438
				Net Growth in Asset Value %	3.10%
				FUND'S NAV NET OF FEES AND DISTRIBUTIONS	1,030,991,438

12) Distribution Policy

a) Income and dividend distribution policy, including details of unclaimed distributions:

- The Fund Manager intends to distribute 100% of the Fund's net investment returns, consisting solely of the distributions received from the listed shares in which the Fund

a) Income and dividend distribution policy, including details of unclaimed distributions:

- The Fund Manager aims to make distributions on a semi-annual basis. Such distributions shall include 100% of the returns generated from the Fund's investments and up to 50%

invests, semi-annually. Such distributions will be paid within (40) business days from the date of issuance of the Fund's semi-annual and annual financial statements. The Fund Manager may, as it deems appropriate at its discretion, distribute up to 50% of the net realized and unrealized capital gains, semi-annually. Such distributions (if any) will be paid within (40) business days from the date of issuance of the Fund's semi-annual and annual financial statements. Distributions (if any) will be announced within (10) business days from the date of issuance of the Fund's semi-annual and annual financial statements. Details of cash distributions will be announced through Saudi Tadawul's website. The Fund Manager will take into consideration the values of the assets, the Unit Price, and the prevailing market conditions at the time, while taking into account the long-term growth of the Fund's assets, in order to make the most appropriate decision as to whether to make distributions.	of the net realized and unrealized capital gains. Any such distributions shall be subject to the approval of the Fund Board. - The Fund Manager may, as it deems appropriate, make additional distributions during the financial year. Any such additional distributions shall be subject to the approval of the Fund Board. - Distributions, if any, shall be announced in accordance with the controls prescribed by the CMA from the date of announcement and publication of the Fund's quarterly report through the Saudi Tadawul website. Details of such distributions shall also be announced through the Saudi Tadawul website, <a>www.saudiexchange. Distributions, if any, shall be paid within thirty Business Days from the date of announcement and publication of the Fund's quarterly report on Saudi Tadawul. - In deciding whether to make distributions, the Fund Manager shall take into account the value of the assets, the Unit Price and the prevailing market conditions at the relevant time, while also considering the long-term growth of the Fund's assets, in order to make the most appropriate decision.
b) APPROXIMATE PAY AND DISTRIBUTION DATE (WHERE APPLICABLE): Distributions (if any) will be announced within (10) Business Days following the date of issuance of the Fund's semi-annual and annual financial statements. Details of cash distributions will be announced on Saudi Tadawul's website. Distributions shall be made, as determined by the Fund Manager, semi-annually. The Unitholders' eligibility to cash distribution will be based on the Unitholders' Register as at the pay date, within (20) Business Days after the date of announcement of distributions. Distributions will be paid within (10) Business Days from the pay date. In the event the Fund Manager decides not to distribute dividends due to market conditions or any other circumstances, the Fund Manager shall announce on the Exchange that it will not distribute dividends for the specified period.	b) APPROXIMATE PAY AND DISTRIBUTION DATE (WHERE APPLICABLE): Distributions (if any) will be announced within (10) Business Days following the date of announcement and publication of the Fund's quarterly report on Saudi Tadawul's website. Details of cash distributions will be announced on Saudi Tadawul's website, www.saudiexchange.sa. The Unitholders' eligibility to cash distribution will be based on the Unitholders' Register as at the pay date, within (20) Business Days after the date of announcement of distributions. Distributions will be paid within (30) Business Days after the date of announcement and publication of the Fund's quarterly report on Saudi Tadawul's website. In the event the Fund Manager decides not to distribute dividends due to market conditions or any other circumstances, the Fund Manager shall announce on the Exchange that it will not distribute dividends for the specified period.
21) Fund Manager	
(F) Summary of the Fund Manager's Financial Information, Showing Its Revenues and Income for the Previous Fiscal Year Fund Manager's financial information was updated.	
24) Fund Board	
(B) Overview of the Qualifications of the Fund Board Members Qualifications of the Fund Board members were updated.	
28) Auditor	
(A) Auditor's Name Al Azem, Al Sudairy, Al Shaikh & Partners CPA's & Consultants - Member of Crowe Global	(A) Auditor's Name Crowe Solutions for Professional Consulting - Member of Crowe Global
(B) Registered Address and Business Address of the Auditor Al Azem, Al Sudairy, Al Shaikh & Partners CPA's & Consultants - Member of Crowe Global	(B) Registered Address and Business Address of the Auditor Crowe Solutions for Professional Consulting - Member of Crowe Global
31) Other information	
Not mentioned previously.	(F) The Fund Manager may appoint a market maker for the Fund.
Appendix (1) - Summary Financial Disclosure	
Zakat Advisor's Expenses for Filing Information Declarations with ZATCA The Fund Manager shall pay the Zakat Advisor fees for submitting information declaration filings to ZATCA, a sum of SAR 15,000 payable annually.	Zakat Advisor's Expenses for Filing Information Declarations with ZATCA The Fund Manager shall pay the Zakat Advisor fees for submitting information declaration filings to ZATCA, a sum of SAR 20,000 payable annually.

Appendix (2)

Crowe Solutions For Professional Consulting

Member Crowe Global

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

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

ALKHABEER GROWTH AND INCOME TRADED FUND - Expressed in Saudi Riyal
(Managed by Alkhabeer Capital Company)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

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Statement of profit or loss and other comprehensive income	6
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Independent Auditor's Report

To the Unitholders

Alkhabeer Growth and Income Traded Fund – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

Jeddah, Kingdom of Saudi Arabia

Opinion

We have audited the financial statements of **Alkhabeer Growth and Income Traded Fund – Expressed in Saudi Riyal (“The Fund”)** managed by **Alkhabeer Capital Company (“The Fund Manager”)**, which comprise the statement of financial position as of December 31, 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity attributable to unitholders, and statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including information of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' (IESBA) “International Code of Ethics for Professional Accountants” (including International Independence Standards), as endorsed in the Kingdom of Saudi Arabia, and relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with that Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key Audit Matter	How We Addressed Key Audit Matter
Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss represent the most significant component of the equity attributable to unitholders of the Fund. As disclosed in Note 9 to the financial statements, the Fund's investments amounted to SR 688 million as at December 31, 2025 (2024: 782 million).	Our audit procedures included, but were not limited to, the following: • Obtained an understanding of the Fund's investment valuation process and assessing the design and implementation of relevant controls. • Assessing the appropriateness of the valuation methodologies and assumptions applied by management in accordance with the applicable financial reporting framework. • Independently agreed the fair values to quoted market prices as at the reporting date.

Independent Auditor's Report - Continued

To the Unitholders

Alkhabeer Growth and Income Traded Fund – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

Jeddah, Kingdom of Saudi Arabia

Key Audit Matter – Continued

Key Audit Matter	How We Addressed Key Audit Matter
We identified the valuation of these investments as a key audit matter due to their materiality of the balance and the potential impact of valuation fluctuations on the Fund's performance, we considered the valuation of these investments to be a Key Audit Matter.	• Reperformed valuation to assess these investments are carried as per the valuation methodology specified in the accounting policies. • Assessed the adequacy of related disclosures in the financial statements in accordance with applicable accounting standards.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Fund manager and Those Charged with Governance for the Financial Statements

The Fund manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants, the applicable provisions of the investment fund regulations issued by the Capital Market Authority and the Fund's terms and conditions and information memorandum, and for such internal control as the Fund manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (The Fund Board of Directors) are responsible for overseeing the Fund's financial reporting process.

Independent Auditor's Report - Continued

To the Unitholders

Alkhabeer Growth and Income Traded Fund – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

Jeddah, Kingdom of Saudi Arabia

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund manager.
- Conclude on the appropriateness of the Fund manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report - Continued

To the Unitholders

Alkhabeer Growth and Income Traded Fund – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

Jeddah, Kingdom of Saudi Arabia

Auditor's Responsibilities for the Audit of the Financial Statements – Continued

We also provide a those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe Solutions for Professional Consulting



Abdullah M Alazem
License No. 335

6 Shawal, 1447H (25 March, 2026)
Jeddah, Kingdom of Saudi Arabia

ALKHABEER GROWTH AND INCOME TRADED FUND - Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

STATEMENT OF FINANCIAL POSITION**AS OF DECEMBER 31, 2025**

(Expressed in Saudi Riyal)

		As at December 31,	
	Note	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	6	17,807,282	21,861,015
Dividends receivable	7	404,522	135,031
Prepaid expenses and other debit balances	8	39,535	1,584,657
Total current assets		18,251,339	23,580,703
Non-current assets			
Financial assets at fair value through profit or loss	9	687,976,751	782,160,817
Total assets		706,228,090	805,741,520
LIABILITIES AND EQUITY ATTRIBUTABLE TO UNITHOLDERS			
Current liabilities			
Due to related parties	10-a	4,459,781	4,609,952
Accrued expenses and other credit balances	11	494,404	89,250
Total liabilities		4,954,185	4,699,202
EQUITY ATTRIBUTABLE TO UNITHOLDERS		701,273,905	801,042,318
Total liabilities and equity attributable to unitholders		706,228,090	805,741,520
Number of units issued (unit)		63,876,285	69,218,360
Equity per unit (SR per unit)		10.9786	11.5727

The accompanying notes from (1) to (24) form an integral part of these financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND - Expressed in Saudi Riyal
(Managed by Alkhabeer Capital Company)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyal)

		For the year ended	
		December 31,	
	Note	2025	2024
<u>Revenue</u>			
Dividends from financial assets at fair value through profit or loss		9,385,092	9,849,147
Realized gains from financial assets at fair value through profit or loss	9	27,992,464	11,382,674
Unrealized gains from financial assets measured at fair value through profit or loss	9	113,655,059	72,486,743
Total revenue		151,032,615	93,718,564
<u>Expenses</u>			
Management fees	10,14	(7,313,547)	(7,608,011)
Administration and custody fees	10,14	(1,849,717)	(1,977,476)
Other expenses	12	(1,454,353)	(1,390,189)
Total expenses		(10,617,617)	(10,975,676)
Other income	13	2,573,080	827,429
Profit for the year		142,988,078	83,570,317
Other comprehensive income		-	-
Total comprehensive income for the year		142,988,078	83,570,317

The accompanying notes from (1) to (24) form an integral part of these financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND - Expressed in Saudi Riyal
(Managed by Alkhabeer Capital Company)
STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyal)

		For the year ended	
		December 31,	
	Note	2025	2024
Equity attributable to unitholders			
Equity attributable to unitholders at the beginning of the year		801,042,318	793,080,981
Purchase of treasury units during the year	16	(49,413,636)	(20,375,382)
Dividends	21	(193,342,855)	(55,233,598)
Comprehensive income for the year		142,988,078	83,570,317
Equity attributable to unitholders at the end of the year		701,273,905	801,042,318

Summary of transactions in units for the year as follows:

		For the year ended	
		December 31,	
		2025	2024
Number of units at the beginning of the year (unit)		69,218,360	71,616,802
Number of units redeemed for treasury units during the year (unit)	16	(5,342,075)	(2,398,442)
Number of units at the end of the year (unit)		63,876,285	69,218,360

The accompanying notes from (1) to (24) form an integral part of these financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND - Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED DECEMBER 31, 2025**

(Expressed in Saudi Riyal)

	For the year ended December 31,	
	2025	2024
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Profit for the year	142,988,078	83,570,317
Adjustments:		
Realized gains from financial assets at fair value through profit or loss	(27,992,464)	(11,382,674)
Unrealized gains from financial assets at fair value through profit or loss	(113,655,059)	(72,486,743)
Changes in operating assets and liabilities:		
Dividends receivable	(269,491)	68,207
Prepaid expenses and other debit balances	(39,535)	(1,534,598)
Due to related parties	(150,171)	(182,569)
Accrued expenses and other credit balances	405,154	19,341
Net change in financial assets at fair value through profit or loss	237,416,246	(2,869,299)
Net cash provided by / (used in) operating activities	238,702,758	(4,798,018)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Purchase of treasury units	(49,413,636)	(20,375,382)
Dividends paid	(193,342,855)	(55,233,598)
Net cash used in financing activities	(242,756,491)	(75,608,980)
Net change in cash and cash equivalents	(4,053,733)	(80,406,998)
Cash and cash equivalents at the beginning of the year	21,861,015	102,268,013
Cash and cash equivalents at the end of the year	17,807,282	21,861,015
<u>NON-CASH ITEMS:</u>		
Transferred from advances against investment to financial assets at fair value through profit or loss	1,584,657	-

The accompanying notes from (1) to (24) form an integral part of these financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in Saudi Riyals)

1. THE FUND AND ITS ACTIVITIES

Alkhabeer Growth and Income Traded Fund - Expressed in Saudi Riyal (“The Fund”) is a closed-ended Sharia-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 Company (“Alkhabeer Capital” or the “Fund Manager”), (for the benefit of (the Fund’s unitholders). The Fund is ultimately supervised by the Fund’s Board of Directors and Albilad Capital Company acts as the Custodian of the Fund.

The objective of the investment Fund is an appreciation of the Fund’s net asset value through its long-term investments and generate periodic income for 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 stocks, public and private equity funds, initial public offerings of companies, and private placements, along with cash and cash equivalents.

The incorporation of the Fund was approved by the CMA on February 7, 2022 (corresponding to Rajjab 6, 1443H), and was posted on the Saudi Exchange on April 27, 2022 (corresponding to Ramadan 26, 1443H).

In dealing with the unitholders, the Fund Manager considers the Fund as an independent entity. Accordingly, the Fund prepares its own financial statements. In addition, unitholders are considered owners of the Fund’s assets and distributions are 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 the Saudi Exchange, the Fund term may be extended at the Fund Manager’s discretion subject to CMA approval.

The Fund is subject to the Sharia Board’s guidelines for investments and transactions.

On December 18, 2025, The Fund’s Board of Directors has approved the adoption of the Fund Manager’s recommendation to delist the Fund as a closed-ended traded fund and convert it into an open-ended public fund. This resolution is subject to obtaining the approval of the Capital Market Authority, followed by the approval of the Fund’s Unitholders. Subject to obtaining all required regulatory approvals, this procedure will enable all Unitholders who wish to redeem and/or subscribe in the Fund at net asset value (NAV) per unit. As of the date of preparation of these financial statements, no material updates have occurred in this regard.

2. REGULATORY AUTHORITY

The Fund was established and its units are offered based on the Investment Funds Regulations approved by the 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 by the CMA Board Resolution number 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 CMA in the Kingdom of Saudi Arabia.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Basis of compliance

The accompanying financial statements for the Fund have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and the provisions specified by the Fund regulations issued by the CMA, the terms and conditions of the Fund and the information memorandum.

ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in Saudi Riyals)

Basis of measurement

These financial statements of the Fund have been prepared on a historical cost basis except for the items that are measured at fair value, present value, net realizable value, and replacement cost in line with the accrual basis of accounting and going concern basis for the fund.

Functional and presentation currency

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

Going concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, these financial statements continue to be prepared on the going concern basis.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

New standards, amendments to standards and interpretations:

The Fund adopted the new standards and the following amendments for the first time in its annual reports, effective as of January 1, 2025:

Amendments to IAS 21 – Lack of Convertibility:

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The adoption of the abovementioned amendments had no material impact on the financial statements for the year.

Standards Issued but Not Yet Applied:

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted for certain new standards and amendments; however, the Fund has not early adopted them in preparing these Financial Statements. The Fund is currently evaluating the impact of the adoption of these standards on the Financial Statements.

Amendments to IFRS 9 and IAS 7 – Classification and Measurement of Financial Instruments:

Amendments:

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- Make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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IFRS 18 – Presentation and Disclosure in Financial Statements:

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Cash and cash equivalents

Cash and cash equivalents include banks balances, cash in portfolios, deposits held at call with banks with a maturity within three months.

Revenue recognition

Dividend income from financial assets at fair value through profit or loss is recognized when the right to receive the dividend is established.

Realized gains / (losses) arising on sale of investments are included in the statement of profit or loss on the date at which the transaction takes place.

Unrealized gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the statement of profit or loss in the period in which they arise.

Dividend Distribution

Interim and final dividends are recorded as a liability in the period in which they are approved by the Fund's Board of Directors.

Distributions declared subsequent to the year-end reporting date are considered as non-adjusting events and are recognized in the financial statements in the year in which such distributions are declared.

Zakat

According to the rules for Zakat levy from investors in investment funds, investment funds are not obligated to pay zakat. Instead, they are only required to submit an Information declaration on the calculation of the zakat base for the fund. Therefore, no provision is made for such liabilities in these financial statements.

Provisions

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 per unit

The net equity per unit as disclosed in the statement of financial position, is calculated 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 results in a financial asset of one entity and a financial liability or equity instrument to another entity.

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Financial assets

Financial assets include the following:

- 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 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.

Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

In the case of financial assets measured at fair value through profit or loss, the transaction costs are recorded in the profit or loss.

Debt Instruments

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL.

On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

Equity instruments

The Fund subsequently measured all equity investment at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Any gain or loss arising due to change in fair value is recognized as income in statement of profit or loss.

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Regular way purchase and sale of financial asset

Regular purchases and sales of financial assets are recognized on the settlement date, the date on which the Fund commits to purchase or sell the asset.

Amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognised in statement of profit or loss.

Impairment

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognized as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and dividend receivables. The impairment methodology used depends on whether there has been a significant increase in credit risk. The Fund considered the impact of ECL as immaterial due to cash at banks is placed with sound credit rating and investment are measured at its fair value.

Financial liabilities

Financial liabilities are 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 at the time when the Fund becomes a party to the contractual provisions of the instrument and recorded at fair value. These are initially recognized at fair value and subsequently stated at amortized cost.

The Fund's financial liabilities include accrued expenses and other credit balances and due to related parties.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset with the net amount reported in the 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.

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Derecognition of financial assets and liabilities

The Fund derecognizes 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 derecognition 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 statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Fund has elected on initial recognition to measure at FVTPL, the profits or losses are recognized in the statement of profit or loss.

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

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Fund's financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and measurement of financial assets and financial liabilities

For details please refer notes 4, 7, 10-a, and 11 to these financial statements.

Impairment of financial assets

For details please refer note 4 to these financial statements.

Fair Value Measurement:

Fair value represents the amount that would be received from selling an asset or paid to transfer a liability between informed parties under the same market conditions. Fair value measurement is based on the following considerations:

- The principal market for assets or liabilities, or
- The most advantageous market for assets and liabilities if no principal market exists, or
- The use of discounted cash flows in the absence of both a principal market and the most advantageous market.

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Assets or liabilities measured at fair value:

- Individual assets or liabilities.
- A group of assets or a group of liabilities or a combination of both.
- A set of accounting policies and disclosures that require fair value measurement of financial and non-financial assets and liabilities.
- The Fund uses observable market inputs to the extent possible when measuring the fair value of assets and liabilities.

The Fund determines fair value using valuation techniques and applies the following levels to reflect the significance of the inputs used in fair value measurement:

- **Level 1:** Quoted prices (unadjusted) in an active market for identical assets or liabilities.
- **Level 2:** Valuation methods based on inputs other than quoted prices included in Level 1, which are observable directly or indirectly.
- **Level 3:** Valuation techniques using inputs that significantly impact fair value but are not based on observable market data.

The Fund recognizes transfers between fair value levels at the end of the reporting period when the change occurs. The Fund Manager believes that the estimates and assumptions used are reasonable and sufficient.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the 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.

For details please refer note 20 to these financial statements.

6. CASH AND CASH EQUIVALENTS

	2025	2024
Cash at investment portfolios	6,908,915	21,786,411
Cash at bank	10,898,367	74,604
	17,807,282	21,861,015

7. DIVIDENDS RECEIVABLE

The balance represents profit payable to the Fund on investment in financial assets at fair value through profit or loss, the Fund has not received it up to the date of preparing the financial statements and its breakdown is as follows:

	2025	2024
Paris Stock Exchange “Euronext” Investment	188,428	-
US Market - NYSE investment	156,832	93,762
US Market - NASDAQ investment	59,262	41,269
	404,522	135,031

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8. PREPAID EXPENSES AND OTHER DEBIT BALANCES

	2025	2024
Prepaid expenses	39,535	-
Advance payments for investment *	-	1,584,657
	39,535	1,584,657

* This amount represents advance payments for investment in the initial public offering (IPO) of Nice One Beauty Digital Marketing Company on December 17, 2024. The company was listed on the Saudi Stock Exchange 'Tadawul' on January 8, 2025. During 2025, this amount was reclassified to investments in the Saudi equity market (Tadawul) under financial assets at fair value through profit or loss (Note 9).

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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Saudi Arabian Stock Exchange “Tadawul” Investment	London Stock Exchange Investment - USD	US Market – “NASDAQ” Investment	US Market – “NYSE” Investment	Paris Stock Exchange “Euronext” Investment	London Stock Exchange Investment	Swiss Stock Exchange Investment	Tokyo Stock Exchange Investment	Total
December 31, 2025									
Balance at the beginning of the year	15,659,257	65,936,276	283,577,674	231,712,431	56,328,090	63,720,946	58,914,674	6,311,469	782,160,817
Additions	19,313,588	8,169,084	22,618,713	92,379,871	21,288,780	25,146,762	-	15,941,350	204,858,148
Disposals	(15,639,013)	(13,814,421)	(137,394,216)	(144,072,661)	(23,736,343)	(33,567,344)	(60,867,832)	(11,597,907)	(440,689,737)
Unrealized gains / (losses)	(2,926,723)	12,427,110	45,327,044	36,195,039	4,834,958	14,080,980	-	3,716,651	113,655,059
Realized gains / (losses)	1,221,240	1,948,851	12,019,485	9,184,416	(785,944)	1,299,412	1,953,158	1,151,846	27,992,464
Balance at the end of the year	17,628,349	74,666,900	226,148,700	225,399,096	57,929,541	70,680,756	-	15,523,409	687,976,751
	Saudi Arabian Stock Exchange “Tadawul” Investment	London Stock Exchange Investment - USD	US Market – “NASDAQ” Investment	US Market – “NYSE” Investment	Paris Stock Exchange “Euronext” Investment	London Stock Exchange Investment	Swiss Stock Exchange Investment	Tokyo Stock Exchange Investment	Total
December 31, 2024									
Balance at the beginning of the year	18,921,603	88,511,485	237,957,341	178,949,989	42,589,542	60,878,345	62,028,711	5,585,085	695,422,101
Additions	61,430,999	68,082,689	26,381,793	112,522,002	21,975,887	10,726,491	14,988,448	1,246,124	317,354,433
Disposals	(67,805,212)	(100,956,465)	(59,829,588)	(66,654,212)	(4,184,168)	(6,633,830)	(8,421,659)	-	(314,485,134)
Unrealized gains / (losses)	(433,835)	2,930,171	76,771,346	8,732,097	(4,123,568)	(817,425)	(10,052,303)	(519,740)	72,486,743
Realized gains / (losses)	3,545,702	7,368,396	2,296,782	(1,837,445)	70,397	(432,635)	371,477	-	11,382,674
Balance at the end of the year	15,659,257	65,936,276	283,577,674	231,712,431	56,328,090	63,720,946	58,914,674	6,311,469	782,160,817

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10. RELATED PARTIES TRANSACTIONS AND BALANCES

Transactions with related parties represent management fees, administrative fees, custody fees, compensations to Independent Fund Board Members, and expenses incurred or paid on behalf of the fund.

a) Due to related parties comprise of the following:

Related parties	Nature of relationship	Nature of transaction	Amount of transactions for the year ended December 31,		Balance as of December 31,	
			2025	2024	2025	2024
Alkhabeer Capital Company	Fund Manager	Management fees	7,313,547	7,608,011		
		Administrative fees	1,371,290	1,426,502		
		Payments	(8,849,464)	(9,212,214)	4,388,782	4,553,409
Albilad Capital Company	Custodian	Custody fees	478,427	550,974		
		Payments	(463,971)	(563,842)	49,999	35,543
Fund’s Board of Directors	Board of Directors	Compensations to Independent Fund Board Members	34,000	34,000		
		Payments	(34,000)	(26,000)	21,000	21,000
Growth I for investments (One-person company)	Subsidiary to Custodian	Expenses paid on behalf of the company	9,281	23,148		
		Payments	(9,281)	(23,148)	-	-
					4,459,781	4,609,952

b) All transactions with related parties are approved by the Fund manager.

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11. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2025	2024
Accrued market maker fees	378,082	-
Accrued professional fees	90,321	69,000
Other credit balances	26,001	20,250
	494,404	89,250

12. OTHER EXPENSES

	For the year ended December 31,	
	2025	2024
Investment and Tadawul expenses	719,632	1,108,212
Market maker fees	378,082	-
Professional and consulting fees	155,015	144,025
Compensations to Independent Fund Board Members - (note 10)	34,000	34,000
Others	167,624	103,952
	1,454,353	1,390,189

13. OTHER INCOME

	For the year ended December 31,	
	2025	2024
Foreign currency gains	2,573,080	827,429

14. ADMINISTRATIVE FEES AND OTHER EXPENSES

The Fund is managed by the Fund manager and the calculation of the fees and expenses of management per the terms and conditions of the Fund as follows:

a) Administrative fees

The Fund administrative is entitled to 0.15% of annual fees (as shown in the terms and conditions of the Fund) of the net assets value that is paid semi-annually.

b) Management fees

The Fund Manager is entitled to 0.8% of annual fees (as shown in the terms and conditions of the Fund) of the net assets value that is paid semi-annually.

c) Custodian fees

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

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

The annual custody fees 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 monthly Custodian's fees shall not be less than SR 3,000, as a minimum per month.

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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 volume of transactions.

e) Other fees and expenses

The Fund shall pay all the other actual expenses related to the Fund's operations, the placement of Fund investments and the outsourced professional and operational services provided by third parties, including without limitation, the costs holding 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.

f) Registration and Listing Fees on the Saudi Exchange (Tadawul)

The Fund pays an annual fee of SR 400,000 to Securities Depository Center Company (Edaa) for maintaining the unitholders' register. In addition, listing fees are paid to Saudi Exchange (Tadawul) amounting to 0.03% of the Fund's market capitalization annually, subject to a minimum of SR 50,000 and a maximum of SR 300,000.

15. ZAKAT BASE

According to the rules for collecting Zakat from investors in investment funds, investment funds are not obligated to pay Zakat. Instead, they are only required to submit an information declaration calculating the fund's Zakat base. The details of the Zakat base are as follows:

	<u>2025</u>
<u>Adjustment on net adjusted profit:</u>	
Profit as per book for the year	<u>142,988,078</u>
Adjusted profit for the year	<u>142,988,078</u>
<u>Zakat base:</u>	
Equity attributable to unitholders	<u>701,273,905</u>
Due to related parties	<u>4,459,781</u>
Zakat base	<u>705,733,686</u>
Fund's zakat base is the largest between zakat base and adjusted profit	<u>705,733,686</u>
The value of zakat according to the fund's zakat base	<u>18,191,582</u>
Outstanding units	<u>63,876,285</u>
The value for zakat per unit	<u>0.2848</u>

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	2024
<u>Adjustment on net adjusted profit:</u>	
Profit as per book for the year	83,570,317
Adjusted profit for the year	83,570,317
<u>Zakat base:</u>	
Equity attributable to unitholders	801,042,318
Due to related parties	4,609,952
Zakat base	805,652,270
Fund's zakat base is the largest between zakat base and adjusted profit	805,652,270
The value of zakat according to the fund's zakat base	20,823,694
Outstanding units	69,218,360
The value for zakat per unit	0.3008

16. TREASURY UNITS

On July 19, 2023, Alkhabeer Capital announced that the fund unitholders' meeting had approved the repurchase of 50% of its units for the purpose of cancellation at a price not exceeding the fund's net asset value. The purchases were to be conducted through the Saudi Stock Exchange ("Saudi Exchange") and not through private transactions, with the repurchase process spanning twelve months from the approval date. During 2024, a total of 30,025,851 units were canceled, representing 30% of the fund's units. On August 29, 2024, Alkhabeer Capital announced that the fund unitholders' meeting had approved an additional repurchase of 20% of its units for cancellation, under the same conditions—at a price not exceeding the fund's net asset value, through Saudi Exchange, and not via private transactions. This new repurchase program was also set to last twelve months from the approval date. During the year 2025, a total of 6,097,864 units were cancelled.

The value of the treasury units repurchased during the year ended December 31, 2025, amounted to SR 49.4 million, representing 5.3 million treasury units (2024: SR 20.4 million for 2.4 million treasury units).

The repurchased fund units (treasury units) were recorded at market price at the time of each purchase and were recognized as a deduction from the equity attributable to unitholders.

The following is the movement of treasury units during the year:

	<u>For the year ended December 31,</u>	
	2025	2024
Number of treasury units at the beginning of the year	755,789	28,383,198
Additions from purchase treasury units	5,342,075	2,398,442
Cancellation of units	(6,097,864)	(30,025,851)
Number of treasury units outstanding at the end of the year	-	755,789

17. 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.

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18. LAST VALUATION DATE

The last date for valuation during the year is December 31, 2025.

19. RISK MANAGEMENT

The Fund's activities are exposed to various financial risks, including market risks (including currency risk, fair value 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 mitigate potential adverse effects on the Fund's financial performance.

a) Market risk;

Market risks are:

- **Currency risk**

Currency risk is the risk of changes in the value of financial instruments due to changes in foreign exchange rates. Most of the Fund's transactions are in Saudi Riyal, US Dollar, Euro, British Pound, Swiss Franc, and Japanese Yen.

Exposure to foreign currency risk

The Fund's exposure to currency risk as follow:

	2025	2024
Financial assets at fair value through profit or loss	670,348,402	766,501,560
Cash and cash equivalents	11,866,588	16,626,834
Dividend receivables	404,522	135,031
	682,619,512	783,263,425

Foreign currency sensitivity analysis

A 10 percent variation of the Saudi Riyal against the foreign currencies as of December 31, would have affected profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2025	2024
US Dollar	53,728,734	59,798,825
Euro	5,811,797	5,632,809
British Pound	7,169,080	6,372,095
Swiss Franc	-	5,891,467
Japanese Yen	1,552,341	631,147
	68,261,951	78,326,343

- **Interest rate risk**

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument due to changes in interest rates. The Fund is not exposed to interest rate risk as it has not taken any credit facilities as of the date of the financial statements.

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• Other price risk

Other price risks are the risks arising from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices (other than those arising from currency risk). The Fund Manager ensures that investments are not made in money market instruments classified to reduce the risk of any potential decline in their value.

As of the reporting date, the financial instruments of the Fund which are subject to price risk amounting to SR 687,976,751 (2024: SR 782,160,817). As of December 31, 2025, if the fair value of above-mentioned financial instruments had been 1 percent higher / lower and all other variables were held constant, the Fund's profit for the year ended December 31, 2025 would increase / decrease by SR 6,879,768 (2024: SR 7,821,608).

b) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2025	2024
Cash and cash equivalents	17,807,282	21,861,015
Dividends receivable	404,522	135,031
Financial assets at fair value through profit or loss	687,976,751	782,160,817
	706,188,555	804,156,863

The credit risk on financial assets are managed as follow:

- Cash and cash equivalents are placed with sound credit rating; and
- The Fund limits its exposure to credit risk by placing funds only with listed equity securities having a stable growth and strong financial positions. Investments of surplus funds are made in a safe and secure manner while ensuring optimum return and liquidity. Given these high credit ratings, strict regulations by the securities exchanges and no history of default, Fund does not expect any counterparty to fail to meet its obligations and accordingly, credit risk is considered very low.

Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is is mainly concentrated in cash and cash equivalent and investment at fair value through profit or loss while the remaining transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund. Liquidity risk may result from an inability to sell a financial asset at close to its fair value.

The Fund Manager's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realizable and having sufficient readily available cash at banks.

ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED DECEMBER 31, 2025**

(Expressed in Saudi Riyals)

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+1 system for NASDAQ (US) and NYSE (US) while T+2 system for other exchanges, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the first or second day after the sale, while redemptions have to be paid within a period of working days from the date of the redemption request.

The following table analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

December 31, 2025	Book value	Less than one year	More than one year
<u>Non-derivative financial liabilities</u>			
Due to related parties	4,459,781	4,459,781	-
Accrued expenses and other credit balances	494,404	494,404	-
	4,954,185	4,954,185	-

December 31, 2024	Book value	Less than one year	More than one year
<u>Non-derivative financial liabilities</u>			
Due to related parties	4,609,952	4,609,952	-
Accrued expenses and other credit balances	89,250	89,250	-
	4,699,202	4,699,202	-

ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED DECEMBER 31, 2025**

(Expressed in Saudi Riyals)

20. 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			Total
	Recorded at Amortized Cost	Recorded at Fair Value	Level (1)	Level (2)	Level (3)	
December 31, 2025						
Financial Assets						
Cash and cash equivalents	17,807,282	-	-	-	-	17,807,282
Dividends receivable	404,522	-	-	-	-	404,522
Financial assets at fair value through profit or loss	-	687,976,751	687,976,751	-	-	687,976,751
	18,211,804	687,976,751	687,976,751	-	-	706,188,555

Financial Liabilities

Due to related parties	4,459,781	-	-	-	-	4,459,781
Accrued expenses and other credit balances	494,404	-	-	-	-	494,404
	4,954,185	-	-	-	-	4,954,185

	Book value		Fair Value			Total
	Recorded at Amortized Cost	Recorded at Fair Value	Level (1)	Level (2)	Level (3)	

December 31, 2024**Financial Assets**

Cash and cash equivalents	21,861,015	-	-	-	-	21,861,015
Dividends receivable	135,031	-	-	-	-	135,031
Financial assets at fair value through profit or loss	-	782,160,817	782,160,817	-	-	782,160,817
	21,996,046	782,160,817	782,160,817	-	-	804,156,863

Financial Liabilities

Due to related parties	4,609,952	-	-	-	-	4,609,952
Accrued expenses and other credit balances	89,250	-	-	-	-	89,250
	4,699,202	-	-	-	-	4,699,202

ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal
(Managed by Alkhabeer Capital Company)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in Saudi Riyals)

21. DIVIDENDS

The Board of Directors of the Fund approved to distribute of dividends as follows:

Approval Date	Dividends for the period	Amount per Unit	Total in Saudi Riyals
2025			
July 22, 2025	January 1, 2025 to June 30, 2025	0.41	26,892,017
July 22, 2025*	April 27, 2022 to December 31, 2024	0.59	38,698,268
December 5, 2025*	April 27, 2022 to December 31, 2024	2.00	127,752,570
			193,342,855
2024			
April 17, 2024	July 1, 2023 to December 31, 2023	0.185	13,249,108
August 14, 2024	January 1, 2024 to June 30, 2024	0.60	41,984,490
			55,233,598

*Additional distribution representing a portion of the profits generated from investments since the fund's inception.

22. GEOGRAPHICAL OPERATING SEGMENTS

The Fund achieves continuous investment returns, and all Fund operations are carried out inside and outside the Kingdom of Saudi Arabia. The Fund manager review the Fund's operations on an aggregated basis for the purpose of resource allocation, risk management and performance assessment. Accordingly, the Fund has determined that it operates in a single reportable segment.

The following is a statement of geographic information for local (inside Kingdom of Saudi Arabia) and foreign investments (United States, United Kingdom, France, Switzerland, Japan, Germany) as well as investment income during the year:

December 31, 2025	Inside Kingdom	Outside Kingdom	Total
Financial assets	17,628,349	670,348,402	687,976,751
Dividends from financial assets at fair value through profit or loss	632,948	8,752,144	9,385,092
Unrealized (loss) / gains from financial assets at fair value through profit or loss	(2,926,723)	116,581,782	113,655,059
Realized gains from financial assets at fair value through profit or loss	1,221,240	26,771,224	27,992,464
	(1,072,535)	152,105,150	151,032,615
December 31, 2024			
Financial assets	15,659,257	766,501,560	782,160,817
Dividends from financial assets at fair value through profit or loss	657,969	9,191,178	9,849,147
Unrealized (loss) / gains from financial assets at fair value through profit or loss	(433,835)	72,920,578	72,486,743
Realized gains from financial assets at fair value through profit or loss	3,545,702	7,836,972	11,382,674
	3,769,836	89,948,728	93,718,564

ALKHABEER GROWTH AND INCOME TRADED FUND – Expressed in Saudi Riyal

(Managed by Alkhabeer Capital Company)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

(Expressed in Saudi Riyals)

23. SUBSEQUENT EVENTS

On January 22, 2026, the Fund's Board of Directors approved a dividend distribution for the period from July 1, 2025 to December 31, 2025 amounting to SR 0.30 per unit, totaling SR 19,162,886, to the unitholders.

24. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Fund's Board of Directors for the year ended December 31, 2025 on 27 Ramdan, 1447H (16 March, 2026).

الخبير المالية
Alkhabeer Capital



Alkhabeer Capital

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