

الخبير للنمو والدخل
Alkhabeer Growth & Income



Annual Report 2023

ALKHABEER GROWTH & INCOME TRADED FUND

(A Closed-Ended Shari'a-Compliant Investment Traded Fund
Listed on Saudi Tadawul)



الخبير المالية
Alkhabeer Capital





Alkhabeer Capital

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(A) Fund Information

1. Name of the Fund

Alkhabeer Growth & Income Traded Fund.

2. Fund Investment Objectives, Policies and Practices

- Investing in a Shari'a compliant diversified portfolio of global equities. The Fund's investments will include investing in the shares of companies active in most sectors and traded on global exchanges, including Saudi Arabia, USA, People's Republic of China, Japan, Switzerland, United Kingdom, France, Germany and Canada. Investing in those markets shall be in the currency of each country. In addition, the Fund Manager will invest in public and private equities managed by fund managers who are licensed by the Capital Market Authority or a comparable authority when investing outside the Kingdom of Saudi Arabia. These funds shall include shares of companies of different market caps in various countries and diverse sectors. The Fund Manager also intends to invest in initial public offerings to be listed on various stock exchanges, along with subscribing in the capital increases of listed companies, as well as non-listed companies scheduled for initial public offerings, by subscribing in private placement in the pre-IPO stage, and investing in cash and cash equivalents, in order to achieve a long-term growth and generate current income from the returns of shares and capital gains.
- The Fund Manager adopts a passive investment policy to build and manage a global and local equity portfolio by tracking Alkhabeer Global Equity index (the "Index") which is compliant with the guidelines of the Shari'a Supervisory Committee, and which is especially created for the Fund in collaboration with the index service provider Ideal Ratings (the "Index Service Provider"). The Index Service Provider will calculate the valuations of the companies that are included in the Index, and will manage the Index on behalf of the Fund. The Index includes companies which are diversified by sector and size in the largest global capital markets, as well as the largest leading companies in the Kingdom of Saudi Arabia. The Index will be rebalanced by the Index Service Provider on a quarterly basis.
- The Fund Manager adopts an active policy to place capital in public and private equity funds offered by local, regional and global licensed fund managers or by traded index funds, including the Fund Manager. When investing in a fund managed by the Fund Manager, the Fund will be exempt from any management or administration fees accruing to the benefit of this Fund. When investing in funds in general, the Fund Manager will ensure that the strategy of the targeted fund is in line with the Fund's investment strategy in terms of the risk-return profile.
- The Fund Manager will adopt an active investment policy in initial public offerings of companies and capital increases of companies listed on the local market (whether in Saudi Tadawul or in the Parallel Market (NOMU)), in addition to regional and global markets. The Fund Manager will carry out Due Diligence to ascertain the suitability of the investment.

- The Fund Manager shall adopt an active process when investing in non-listed companies in the pre-IPO stage by subscribing in private placements in the local or regional and global markets. The Fund Manager will study the potential investments to ensure that they are in compliance with the guidelines of the Shari'a Supervisory Committee, and suitable in terms of potential gains and relevant risks involved.
- **Description of Asset Types and Fund Strategies:**

Investment Type	Minimum	Maximum
Listed Global and Local Equities	(75%)	100%
IPO and Share Capital Increases of Listed Companies	(0%)	25%
Non-Listed Companies in the Pre-IPO Stage by Subscribing in 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 increase or decrease of the equity value of the investment assets, or in the event of maturity of debts, which may cause the Fund to exceed the maximum limit of investment in any of its assets, the Fund Manager shall evaluate the investment positions and rebalance the portfolio to ensure compliance with the investment percentages as specified in the table above. The Fund Manager may have to maintain the investment position until the next date of rebalancing of the portfolio, or until the date of maturity of an illiquid asset for the benefit of the Unitholders

The Fund Manager shall comply with the investment limits and restrictions applicable to the Fund as stipulated in the Investment Funds Regulations and as provided in the guidelines of the Fund's Shari'a Supervisory Committee.

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

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

- Simulating Alkhabeer Global Equity Index, which includes companies of diverse sectors and sizes in the largest global capital markets, in addition to the largest leading companies in Saudi Arabia, which are compliant with the guidelines of the Shari'a Supervisory Committee, and investing in IPOs and private placements.
- The Fund Manager, in its subscription in pre-IPO stage companies by investing in private placements, will rely on the Fundamental Analysis and valuation of each investment opportunity based on the strength of the financial position of, and projected returns from, the companies concerned, in addition to the analysis of the technical indices and the level of risks associated with each opportunity. Investments considered as suitable opportunities will subsequently be selected.

- The Fund Manager targets investing 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, reach additional markets and companies and implement various investment strategies which are in line with the Fund's objectives in terms of the risk-return profile. The returns generated by the Fund on its investment in the target funds will be net of any fees related to those funds. The funds will be selected according to their suitability, the Fund Manager's competence, and the 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's Competence:

- Licensed by the CMA, or a similar authority when investing abroad
- History of the Company
- Company's Market Reputation
- Total Assets Under Management
- Expertise and Competence of the Team

Financial Performance Standards:

- Fund's Past Performance
 - Risk Management
 - Performance Compared to Competing Funds
- The Fund invests in Commodity Murabaha Manager 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 the analysis of the best available offerings of Murabaha Transactions or money market funds managed by CMA licensed fund managers. In normal circumstances, the Fund Manager will not hold cash or invest in Murabaha Transactions in excess of 25% of the Fund's Net Asset Value (NAV). However, in case of liquidation of some investments (until the cash is re-invested), or in exceptional cases, including for example an economic crisis, war, etc., the percentage allocation to cash liquidity, Murabaha Transactions and money market funds may be increased up to 100% of the Fund's NAV.
 - In the event of increase or decrease of the value of any assets held by the Fund above or below the Fund's investment percentages as shown in paragraph (d), which may result in an increase or decrease in the equity value of an underlying asset, or due to the maturity of financing, the Fund Manager will evaluate the investment positions and rebalance the portfolio to maintain the investment limits as specified in the table in paragraph (d) above, and the Fund Manager may have to opt to maintain the investment position until the date of rebalancing of the Fund's investment, or until the date of maturity of an illiquid asset for the benefit of the Unitholders, so as to enable the Fund to comply with the investment restrictions contained in paragraph (d) above.

- Investment decisions made by the Fund Manager shall be in line with the sound and prudent investment practices which achieve the Fund's investment objectives as stated in the Fund's Terms and Conditions. This includes that the Fund Manager acts to the best of its ability to ensure as follows:
 - That the Fund's investments are based on a careful and prudent distribution of risks, without undermining the Fund's investment objectives, policies and Terms and Conditions, as well as the Regulations.
 - That sufficient liquidity is available to the Fund to meet any expected payment request, such as accrued expenses and fees which are payable by the Fund.
- Risks were assessed and necessary action shall be taken to ensure the best interest of the Unitholders in line with applicable laws and regulations. For additional details on the Fund's potential risks, please see Paragraph (4) of these Terms and Conditions.
- The Fund Manager adopts a risk management policy aimed at defining and assessing the potential risks as quickly as possible, and addressing these risks to minimize their effect. The Fund Manager studies and assesses the risks involved in any assets before investment. Risks are re-assessed annually. For additional details on the Internal Process for Risk Assessment and Management, please see Appendix (3).

3. Income and Dividend Distribution Policy

- The Fund Manager intends to distribute 100% of the net returns on the Fund's investments on a semi-annual basis, including only the dividend distributions of the shares in which the Fund invests. The Fund will distribute the returns within 40 Business Days following the date of issue of the 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 on a semi-annual basis. The Fund will distribute the realized and unrealized capital gains (if any) within 40 Business Days following the date of issue of the semi-annual and annual financial statements. Details of cash distributions will be announced on Saudi Tadawul's website and the Fund Manager's website. The Fund Manager will take into consideration the values of the assets, the Unit Price and prevailing market condition at the time, with the long term growth of the Fund's assets to make the optimal decision on whether to make or not to make distributions.

4. The Fund Manager avails Fund reports upon request, free of charge

5. Description of the Fund's Benchmark, and the Service Provider's Website

Alkhabeer Global Equity Index is an index especially created for the Fund in collaboration with the Index Service Provider, who will calculate the valuations of the companies that are included in the Index, and will manage the Index on behalf of the Fund. The Index includes companies which are diversified by sector and size in the largest global capital markets, as well as the largest leading companies in the Kingdom of Saudi Arabia. The companies will be filtered based on a market value exceeding US \$ 100 million, and a trade value

exceeding US \$ 1 million per day. The Index includes 160 global family companies compliant with the guidelines of the Shari'a Supervisory Committee, in addition to the largest 10 listed companies on the Saudi Stock Exchange. The global companies included in the index are divided by market cap into three categories: the largest 70 in terms of market value of free float shares among large market cap companies, the largest 50 companies in terms of market value of free float shares among medium market cap companies, and the largest 40 companies in terms of market value of free float shares among small market cap companies. Large market cap companies are defined as companies representing the largest market capitalization. It is the segment which represents up to 70% of the aggregate capitalization of the market combined, while the medium cap segment represents more than 70% up to 85% of the aggregate market capitalization, and the small cap represents more than 85% up to 100% of the aggregate market capitalization.

Investors may monitor the Benchmark's performance on Alkhabeer Capital's website (alkhabeer.com) and the Service Provider's website (www.idealratings.com).

(B) Fund Performance

1. Financial Indicators as at the end of each year *

	2022 *	2023
FUND NET ASSET VALUE AT THE END EACH FISCAL YEAR	SAR 944,090,819	SAR 793,080,981
FUND NET ASSET VALUE PER UNIT AT THE END EACH FISCAL YEAR	SAR 9.4409	SAR 11.0740
FUND NET ASSET VALUE PER UNIT HIGH AND LOW DURING EACH FISCAL YEAR	Unit Value High = SAR 10.1982 Unit Value Low = SAR 8.6958	Unit Value High = SAR 11.4366 Unit Value Low = SAR 9.3719
NUMBER OF ISSUED UNITS AT THE END EACH FISCAL YEAR	100,000,000 Units	100,000,000 Units
NUMBER OF OUTSTANDING UNITS AS AT 31 DECEMBER 2023	-	71,616,802 Units
NUMBER OF UNITS PURCHASED BY THE FUND (REPURCHASE FOR CANCELLATION)	0	28,383,198 Units
DIVIDENDS DISTRIBUTED PER UNIT	0	SAR 0.93 **
RATIO OF EXPENDITURES	0.92%	1.54%
RATIO OF LOANS TO TOTAL ASSET VALUE, EXPOSURE PERIOD AND MATURITY DATE (IF ANY)	0	0

* The Fund was incepted on 27 April 2022.

** Number of Units on the distribution eligibility date after subtracting treasuring Units, for which dividends were distributed = 85,188,808 Units

Results of Comparing the Fund's Benchmark Performance to the Fund's Performance

YEAR	2022 *	2023
FUND'S NET PERFORMANCE	-5.59%	17.30%
FUND'S TOTAL NET PERFORMANCE *	-5.59%	28.02%
BENCHMARK PERFORMANCE	-6.71%	20.56%

2. Performance Record: *

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

Period	For One Year	For Three Years	For Five Years	Since Inception
Total Return **	28.02%	N/A	N/A	20.87%

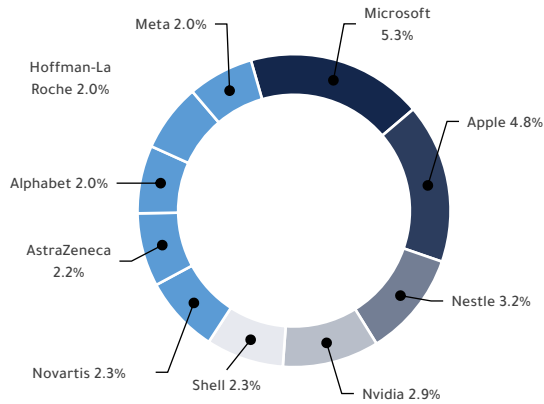
b) Total Annual Return for Each of the Last Ten Years or Since Inception

Year	2022	2023	Since Inception
Total Return	-5.59%	28.02%	20.87%

* The Fund was incepted on 27 April 2022.

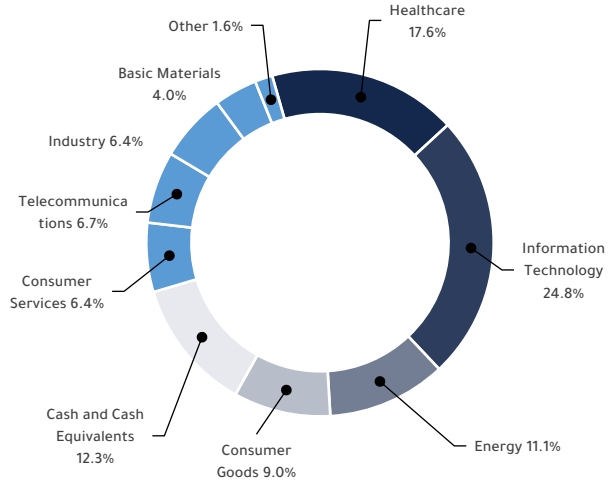
** Total Return = NAV + Total Dividends

TOP 10 LISTED GLOBAL AND LOCAL EQUITIES COMPANIES

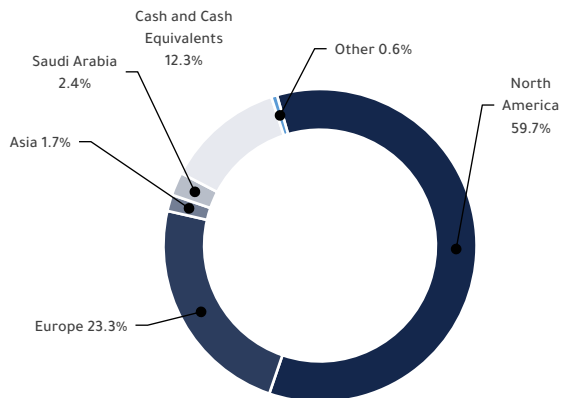


as of Dec 31, 2023

TOP SECTORS OF FUND'S UNDERLYING INVESTEE COMPANIES



DISTRIBUTION OF INVESTMENTS BY GEOGRAPHY



as of Dec 31, 2023

c) Table showing service charges, commissions and fees incurred by the Fund over the year

Item	Amount (SAR)
Fund Operator Fees	1,700,536
Management Fees	9,069,525
Shari'a Supervisory Committee Fees	14,959
Custodian Fees	617,319
Auditor Fees	57,500
Directors' Remuneration (Independent Directors)	34,000
Registration Expenses	148,639
Regulatory Fees	7,500
Other Expenses	597,437
Total Fees and Expenses of the Fund	12,247,416
Net Value of Managed Assets	793,080,981
Ratio of Total Fund Fees and Expenses to Net Value of Managed Assets	1.54%
Circumstances under which the Fund Manager decided to waiver or reduce fees	N/A

d) The rules for calculation of performance information and any assumptions shall be consistently applied.

3. Any material changes during the period affecting the performance of the Fund, which must be disclosed

Unitholders' General Assembly's approval of the Fund's purchase of its units for cancellation, up to a maximum of 50% of total 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 Memorandum and CMA's law and regulations, as follows:

1. The maximum number of Units which are recommended to be purchased for cancellation is 50 million Units, or 50% of total outstanding Units.
2. The purchase of the Units will be funded using the Fund's NAV.
3. The purchase transactions will be executed on Saudi Tadawul, not as private over the counter transactions.
4. The purchase transactions will be carried out over a period of 12 months as of the date of the Unitholders' approval at the General Assembly Meeting.
5. The Units to be purchased by the Fund for cancellation will not have any voting rights or dividend distribution rights attached to them. The Fund has purchased 28,383,198 Units up to 31 December 2023.

4. Disclosure of Annual Voting Practices

The Fund Manager did not have any voting for FY 2023.

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 Baroum	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	Mr. Ammar is the founder and Chairman of the Board of Alkhabeer Capital.
Educational Qualifications	<ul style="list-style-type: none"> • He holds a master's degree in economic planning and a bachelor's degree in electrical engineering from the University of Southern California, United States of America. • He is also a CFA charterholder, USA.
Professional Experience	<ul style="list-style-type: none"> • He has over 30 years of experience in the fields of corporate finance, structured finance, asset management, Islamic financial product development and Islamic investment and banking services.

Director's Name	Mr. Ahmed Saud Hamza Ghouth
Type of Membership	Director – Non-Independent
Current Position	Mr. Ahmed is the CEO and Board Member of Alkhabeer Capital.
Educational Qualifications	<ul style="list-style-type: none"> • He holds a bachelor's degree in accounting from King Fahad University of Petroleum and Minerals, Dhahran, Saudi Arabia.
Professional Experience	<ul style="list-style-type: none"> • He has over 20 years of experience in corporate banking services, Islamic finance, asset management and private equity. Currently, he is a board member of several real-estate funds, private equity funds and capital market listed funds. • During his previous engagement with the Saudi National Bank (SNB), he gained extensive expertise in loan portfolio management and Islamic loan structuring. His responsibility to oversee the Asset Management Department at Alkhabeer Capital has exposed him further to various expertise in real estate development and income generating funds as well as equity funds.

Director's Name	Mr. Hisham Omar Ali Baroum
Type of Membership	Director – Non-Independent
Current Position	<ul style="list-style-type: none"> • Mr. Hisham is the Deputy Chief Executive Officer of Alkhabeer Capital.
Educational Qualifications	<ul style="list-style-type: none"> • He holds a bachelor's degree in accounting from King Abdulaziz University in Saudi Arabia, and has a diploma in investment portfolio management and financial markets from the Arab Academy for Banking and Financial Sciences.
Professional Experience	<ul style="list-style-type: none"> • He has more than 20 years of experience in the management of financial institutions, management of investments 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 the Saudi National Bank (SNB), where he served for nine years in various roles.

Director's Name	Mr. Farouq Fouad Ahmed Gholam
Type of Membership	Director –Independent
Current Position	Mr. Farouq is the Executive Director of Alpha Capital Group.
Educational Qualifications	<ul style="list-style-type: none"> • He holds an LLM degree, specializing in international business and trade transactions from Washington College of Law, USA, and a law degree from King Abdul Aziz University, Jeddah, KSA.
Professional Experience	<ul style="list-style-type: none"> • He has more than 20 years of comprehensive experience in legal affairs, Islamic finance, investment and financial structuring. • He served as Executive Partner and the Head of Asset Management at Alkhabeer Capital (from August 2006 to August 2009). Prior to that, he was the Head of Product Development and Operational Risks at the 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	Mr. Ahmed is a co-founder and the Vice President of Abdulelah Mohamed Ali Maghrabi Commercial Est. He is engaged in the management of the Group's Equipment and Transportation divisions. In

	addition, he is actively involved in developing the policies, strategies and operational plans of the Group.
Educational Qualifications	<ul style="list-style-type: none"> • He holds a bachelor’s degree in management information systems from Whittier College – California, USA, and a diploma in hotel management from the United States of America.
Professional Experience	<ul style="list-style-type: none"> • He has more than 19 years of comprehensive experience in the fields of heavy equipment, transportation and real estate development. • Previously, he was the Procurement Manager at Mohammed Ali Maghrabi & Sons Company, where he was responsible for overseeing the construction of Le Meridian Jeddah. • Mr. Ahmed is a member of the Project Management Institute (PMI) and is a certified Project Management Professional (PMP).

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

The Fund Board members have the following responsibilities:

- Approving all material contracts, decisions and reports to which the Fund is a party, including - without limitation – approving the contracts for providing management services to the Fund and the contracts for providing custody services. This, however, excludes contracts which are executed in accordance with the investment decisions related to any investments which the Fund had made or will make in the future.
- Approving a written policy on the voting rights related to the Fund’s assets.
- Overseeing and, where appropriate, approving or ratifying any conflict of interest the Fund Manager has disclosed.
- Meeting at least twice annually with the Fund Manager’s Compliance Officer to review the Fund Manager’s compliance with all applicable laws and regulations, including – without limitation – the requirements as stipulated in the Investment Funds Regulations.
- Approving all fundamental and non fundamental changes as provided in Articles (62) and (63) of the CMA’s Investment Funds Regulations prior to the Fund Manager obtaining the approval of the Unitholders and the CMA or notifying them.
- Ensuring the completeness and accuracy of the Fund’s Terms and Conditions and any other document (whether contractual or otherwise), that includes disclosures related to the Fund and/or the Fund Manager and its management of the Fund, in addition to ensuring compliance of the foregoing with the provisions of CMA’s Investment Funds Regulations.
- Ensuring that the Fund Manager carries out its responsibilities in the best interest of the Unitholders, in accordance with the CMA’s Investment Funds Regulations, the Terms and Conditions and the Shari’a Committee’s Resolutions.

- Reviewing the report on the performance evaluation and quality of services provided by parties concerned with the provision of material services to the Fund as described in Paragraph (L) of Article (9) of CMA's Investment Funds Regulations, in order to ensure that the Fund Manager carries out its responsibilities to the best interest of the Unitholders, subject to the Fund's Terms and Conditions and the provisions of CMA's Investment Funds Regulations.
- Evaluating the Fund Manager's process for dealing with risks associated with Fund assets in accordance with the Fund Manager's policies and procedures for assessment of Fund associated risks and how to deal with them.
- Acting with integrity, good intent, due care and diligence and in the best interest of the Unitholders.
- Recording minutes of meetings including all actions taken during the meetings and the decisions made by the Fund Board.
- Reviewing the report containing all complaints and action taken in relation to them as provided in Paragraph (m) of Article (9) of the Investment Funds Regulations issued by the CMA Board, the Fund's Terms and Conditions and the provisions of the Investment Funds Regulations.
- Approving the appointment of the Fund's Auditor who is nominated by the Fund Manager.

The Fund Manager shall provide all necessary information on the affairs of the Fund to all Fund Board members to enable them to carry out their duties. None of the Fund Board members may be held liable to the Unitholders for any damages, losses, costs, expenses or other obligations incurred by the Unitholder or the Fund's assets, unless caused by a deliberate act, bad intent or gross negligence on the part of the Fund Board members.

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

The Fund shall pay SAR 5,000 per annum to each independent director, plus an attendance fee of SAR 4,000 for each meeting. Two independent directors were appointed. Therefore, the total remuneration to be paid to both directors will be a lump sum of SAR 10,000 per annum, plus an attendance fee of SAR 4,000 per meeting to each member. It is expected that a minimum of two meetings (and a maximum of four meetings) will be held each year. Thus the total attendance fee expected to be paid to both directors will be a minimum of SAR 16,000 (and a maximum of SAR 32,000) per annum. As such, the total remuneration expected to be paid during the year to the two independent directors during the year is a minimum of SAR 26,000 (and a maximum of SAR 42,000). In addition, the Fund shall pay all actual travel and accommodation costs incurred by each independent director to attend meetings (if applicable), up to a maximum of SAR 15,000 per annum to the two independent directors. These annual costs and fees shall be calculated and paid semi-annually. Non-independent directors will not receive any fees.

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

In its ordinary course of business, the Fund transacts with related parties. The Fund Manager and the Fund Board find that transactions with third parties are carried out under the same conditions of transacting business with other parties. Transactions with related parties are subject to the limits defined in the regulations and instructions issued by the regulatory authorities concerned in the Kingdom of Saudi Arabia. In addition, good governance best practices are also applied and adopted by the Fund Manager in the performance of its activities. The annual financial statements contain a note on financial transactions with financially related parties.

During the Fiscal Year ended 31 December 2023, the Fund Board did not find any transactions with related parties involving any event of conflict of interest. The Fund Board acknowledges that all financial transactions and contracts entered into with the Fund are subject to the policies and procedures applicable to conflict of interest.

(f) Other Funds Managed by the Fund Board Members

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

Fund's Name	Fund Type	Directors				
		Ammar Shata	Ahmed Ghouth	Hisham Baroum	Farouq 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 6	Private Placement		Chairman	Director		Director
Alkhabeer Education Private Equity Fund 7	Private Placement		Chairman	Director		Director
Alkhabeer Hospitality Fund I	Private Placement		Chairman	Director		Director
Alkhabeer REIT	Public Placement	Chairman	Director	Director	Director	
Alkhabeer Waqf Fund I	Public Placement	Chairman	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	Chairman	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	Director		

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

Meeting	Main Subjects and Fund Board Resolutions
Meeting (No. 1-2023) on 13 March 2023	<p>1. Approval of the Green Color classification of the Fund.</p> <p>Unitholders' General Assembly's approval of the Fund's purchase of its units for cancellation, up to a maximum of 50% of total 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 Memorandum and CMA's law and regulations, as follows:</p> <ol style="list-style-type: none"> The maximum number of Units which are recommended to be purchased for cancellation is 50 million Units, or 50% of total outstanding Units.
Meeting (No. 2-2023) on 11 June 2023	<ol style="list-style-type: none"> The purchase of the Units will be funded using the Fund's NAV. The purchase transactions will be executed on Saudi Tadawul, not as private over the counter transactions. The purchase transactions will be carried out over a period of 12 months as of the date of the Unitholders' approval at the General Assembly Meeting. The Units to be purchased by the Fund for cancellation will not have any voting rights or dividend distribution rights attached to them.
Meeting (No. 3-2023) on 9 October 2023	<p>Review of latest developments of the Fund's business activities.</p> <ol style="list-style-type: none"> The Fund Board's Resolution made on 08 January 2023 concerning the approval of the Fund Board of the Fund's Investor Report for Q4 of FY 2022 (quarterly report). The Fund Board's Resolution made on 23 March 2023 concerning the approval of the Fund Board of the financial statements and the Independent Auditor's report for Fiscal Year ended 31 December 2022. The Fund Board's Resolution made on 26 March 2023 concerning the approval of the Fund Board of 2022 Annual Report.
Additional Resolutions by Circulation	<ol style="list-style-type: none"> The Fund Board's Resolution made on 11 April 2023 concerning the approval of the Fund Board of the Fund's Investor Report for Q1 of FY 2023 (quarterly report). The Fund Board's Resolution made on 26 March 2023 concerning the approval of the Fund Board of the process and procedures of the Fund's purchase of its Units. The Fund Board's Resolution made on 11 April 2023 concerning the approval of the Fund Board of the Fund's Investor Report for Q2 of FY 2023 (quarterly report). The Fund Board's Resolution made on 09 August 2023 concerning the approval of the summary proforma financial statements (unaudited).

Meeting	Main Subjects and Fund Board Resolutions
	2. The Fund Board's Resolution made on 06 September 2021 concerning the approval of the details of the offering and listing.
	3. The Fund Board's Resolution made on 20 September 2021 concerning the approval to appoint Albilad Capital as Fund Custodian, to replace Saudi Fransi Capital.
	4. The Fund Board's Resolution made on 14 November 2021 concerning the approval to change the Fund's name.
	5. The Fund Board's Resolution made on 14 April 2022 concerning the approval to start the Fund's activity.
	6. The Fund Board's Resolution made on 24 April 2022 concerning the amendment of the starting date of the Fund's activity.
	7. The Fund Board's Resolution made on 18 May 2022 concerning the approval of the investment policy of Alkhabeer Growth and Income Traded Fund.
	8. The Fund Board's Resolution made on 14 August 2024 concerning the Fund Board's approval of distribution of cash dividends for the period from 01 January 2023 to 30 June 2023
	9. The Fund Board's Resolution made on 01 November 2023 concerning the Fund Board's approval of the Terms and Conditions Memorandum.
	10. The Fund Board's Resolution made on 18 December 2023 concerning the review and verification of the independence of the Board Members of Alkhabeer Growth and Income Traded Fund.

(C) Fund Manager

1. Name and Address of the Fund Manager



Alkhabeer Capital

CMA license 07074-37
P.O. Box 128289
Jeddah 21362
Kingdom of Saudi Arabia
Tel: +966 12 658 8888
Fax: +966 12 658 6663
CR 4030177445
www.alkhabeer.com

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

N/A.

3. Review of Investment Activities During the Period

The global equity markets performed favorably in 2023 amid corporate profits, the Fed's decision to temporarily pause interest rate hikes, and improving supply chains world wide. Alkhabeer Global Equity Index rose by 20.6% in 2023.

The concentration ratios of the Fund's asset classes are 76.5% of the Fund's assets in global and local listed shares, 11.2% of the Fund assets equity funds and 12.3% in cash and cash equivalents.

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

The Fund outperformed its benchmark in 2023 by 7.46%, as the Fund's performance improved by 28.02%, while the performance of the benchmark increased by 20.56%

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

N/A.

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

The weighted average percentage management fees for all investment funds was 0.04% as at the end of 2023.

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 who is Registered as Fund Manager

Since the Inception of the Fund.

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 0.04%.

(D) Custodian

1. Name of and Address of the Custodian



Albilad Investment Company

CMA license 08100-37
King Fahad Road
P.O. Box 140
Riyadh 11411
Kingdom of Saudi Arabia
Unified Number: 8001160002
Fax: +966 11 290 6299
Email: clientservices@albilad-capital.com
<https://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 under the provisions of CMA's Investment Funds Regulations or the Capital Market Institutions Regulations, the Custodian shall remain fully responsible for fulfillment of all of its obligations in accordance with the Investment Funds Regulations.
- The Custodian shall be liable to the Fund Manager and the Unitholders for the losses incurred by the Fund caused to the investment fund due to any fraud, negligence, misconduct or willful default on the part of the Custodian.
- The Custodian shall be responsible for taking custody of, and protecting the Fund's assets on behalf of unitholders, and taking all necessary administrative measures in relation to the custody of the Fund's assets.
- The Custodian shall open a separate account for the Fund. The Custodian shall take all necessary action to segregate the Fund's assets to be kept independently from any other assets, including the Custodian's assets and the assets of its other clients, such that those assets are held independently by registering the securities and other assets in the name of the special purpose vehicle. The Custodian shall keep all necessary records and other documents proving its performance of its contractual obligations.

The Custodian may appoint one or more third parties or to any of its affiliates to act as Fund Sub-Custodian. The Custodian shall pay any fees and expenses related to the Sub-Custodian. The Custodian shall be liable in the event appointing any party (including its own affiliates) to perform any of the aforementioned duties.

(E) Fund Operator

1. Name and Address of the Fund Operator



Alkhabeer Capital

CMA license 07074-37
P.O. Box 128289
Jeddah 21362
Kingdom of Saudi Arabia
Tel: +966 12 658 8888
Fax: +966 12 658 6663
CR 4030177445
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 the administrative duties and obligations required in accordance with the Investment Funds Regulations, as well as other undertakings which may be necessary to implement and achieve the purposes, policies and objectives of the Fund. For example, without limitation:

- Keeping the books and records related to the operation of the Fund;
- Valuating the assets of the Fund.

The Fund Operator may appoint specialized sub-operators to the Fund, subject to the Fund Board's approval. They may be replaced at the Fund Manager's discretion, subject to the Fund Board's prior approval. The Fund Operator shall pay the fees and expenses of any sub-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

<https://www.crowe.com/sa>

(G) Financial Statements

Please see Appendix (2) below.

Appendix (1)

Current Version	Proposed Version
Fund Summary	
ZATCA Registration Expenses were not previously included in the Fund Summary.	ZATCA Registration Expenses: Expenses for ZATCA Registration and information declaration filings are expected to amount to a sum of SAR 15,000.
The Zakat item was not previously included in the Fund Summary.	Zakat: The Fund Manager shall comply with the “Rules of Zakat Collection from Investors in Investment Funds”, as amended from time to time. The Fund Manager also undertakes to register the Fund with the Zakat, Tax and Customs Authority (ZATCA) for the purposes of zakat and filing requisite returns in accordance with CMA Rules and Regulations, as amended. The responsibility for the calculation and payment of zakat falls upon the Fund Unitholders. The Fund may not in any way be held liable in this respect. In addition, the Fund Manager undertakes to provide ZATCA with all requisite information declarations within a period not exceeding 120 days as of the end of the Fund’s zakat year. The Fund Manager will also provide Unitholders upon request with required information to calculate their respective tax bases in accordance with the Rules. Zakat paying investors subject to these Rules holding Fund Units are required to calculate and pay zakat on those investments. The Fund Manager shall also notify ZATCA of the termination of the Fund within 60 days after the date of termination. ZATCA rules are available at the following URL: https://zatca.gov.sa/en/Pages/default.aspx
4. Main Risks of Investing in the Fund	
Zakat and Income Tax Risks: Under interpretation of applicable Saudi rules and regulations issued by the General Authority for Zakat and Tax (GAZT), the Fund may be required to register with the GAZT. Whereas the GAZT has not to date obliged the CMA-regulated investment funds to register for Zakat, but made it optional, the rules and regulations provide that the DAZT is entitled to impose Zakat on investment	Zakat and Income Tax Risks: The title General Authority of Zakat and Tax (GAZT) was changed to Zakat, Tax and Customs Authority (ZATCA). The following paragraph was added to the current version: The Fund Manager shall comply with the “Rules of Zakat Collection from Investors in Investment Funds”, as amended from time to

<p>funds, and as such Zakat may be imposed to those funds or to investors in such funds. This may be applied in the future or retroactively, and may result in the imposition of penalties for late payment of Zakat. As such, the liquidity available for the Fund's operations and potential distributions to Unitholders may decrease. In all events, investors should obtain advice concerning their Zakat obligations arising out of their investments in the Fund.</p>	<p>time. The Fund Manager also undertakes to register the Fund with the Zakat, Tax and Customs Authority (ZATCA) for the purposes of zakat and to file requisite returns in accordance with CMA Rules and Regulations, as amended. The responsibility for the calculation and payment of zakat falls upon the Fund Unitholders. The Fund may not in any way be held liable in this respect. In addition, the Fund Manager undertakes to provide ZATCA with all requisite information declarations within a period not exceeding 120 days as of the end of the Fund's zakat year. The Fund Manager will also provide Unitholders upon request with required information to calculate their respective tax bases in accordance with the Rules. Zakat paying investors subject to these Rules holding Fund Units are required to calculate and pay zakat on those investments. The Fund Manager shall also notify ZATCA of the termination of the Fund within 60 days as of the date of termination. ZATCA rules are available at the following URL: https://zatca.gov.sa/en/Pages/default.aspx</p>
<p>Risk of Withholding Tax: Under the Saudi Arabian tax regulations, a payment made by a resident person (whether a tax payer or not) to a non-resident shall be subject to tax in accordance with GAZT rules and regulations in respect of withholding taxes. Accordingly, the payment of dividend distributions by an investment fund to a non-resident shareholder shall be subject to a withholding tax of a percentage to be determined by relevant authorities. Under current common practice, investment funds have not been required to pay any tax withholdings (with the exception of the withholding tax) on payments made by the fund to Unitholders, and hence any withholding tax which is due and payable on distributions by the Fund, could necessarily reduce the returns associated with an investment in the Fund. Prospective investors should consult their own tax advisors regarding the tax implications on investing, holding and disposing of Units.</p>	<p>Withholding Tax Risks: Under the Saudi Arabian tax regulations, a payment made by a resident person (whether a tax payer or not) to a non-resident shall be subject to tax in accordance with ZATCA rules and regulations in respect of withholding taxes. Accordingly, the payment of dividend distributions by an investment fund to a non-resident shareholder shall be subject to a withholding tax of a percentage to be determined by relevant authorities. Under current common practice, investment funds have not been required to pay any tax withholdings (with the exception of the withholding tax) on payments made by the fund to Unitholders, and hence any withholding tax which is due and payable on distributions by the Fund, could necessarily reduce the returns associated with an investment in the Fund. Prospective investors should consult their own tax advisors regarding the tax implications on investing, holding and disposing of Units.</p>
<p>9. Service Charges and Fees</p>	

<p>ZATCA Registration Expenses were not previously included in the Fund Summary.</p>	<p>(a) Description of the details of all payments made out of the assets of the Fund and the method of their calculation: ZATCA Registration Expenses: Expenses for ZATCA Registration and information declaration filings are expected to amount to a sum of SAR 15,000.</p>										
<p>The ZATCA Expenses Registration item was not previously included in the Method Of Calculation of Fees, Charges and Commissions Table.</p>	<p>(b) The following table shows 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:</p> <table border="1" data-bbox="821 615 1417 779"> <thead> <tr> <th>Type of Fee</th> <th>Percentage / Amount Payable</th> <th>Basis of Calculation</th> <th>Timing of Calculation</th> <th>Timing of Payment</th> </tr> </thead> <tbody> <tr> <td>ZATCA Registration Expenses</td> <td>SAR 15,000 annually</td> <td>Lump sum annually on the Fund paid out of the Fund's total assets</td> <td>Every valuation day</td> <td>Payable annually</td> </tr> </tbody> </table>	Type of Fee	Percentage / Amount Payable	Basis of Calculation	Timing of Calculation	Timing of Payment	ZATCA Registration Expenses	SAR 15,000 annually	Lump sum annually on the Fund paid out of the Fund's total assets	Every valuation day	Payable annually
Type of Fee	Percentage / Amount Payable	Basis of Calculation	Timing of Calculation	Timing of Payment							
ZATCA Registration Expenses	SAR 15,000 annually	Lump sum annually on the Fund paid out of the Fund's total assets	Every valuation day	Payable annually							

	Percent / Value	Recurring/ Non Recurring	First Year at the Fund's Level with an Asset Value of SAR 1,000,000,000	First year at the hypothetical subscription level with a value of SAR 100,000 ¹ for the Unitholder	Second year the Fund's 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
Fund's total asset value at the beginning of the period (SAR)	-	-	1,000,000,000	100,000	1,031,007,295	103,101
Hypothetical annual return at the end of the period	10%	-	100,000,000	10,000	103,100,730	10,310
Fund's total asset value at the end of the period	-	-	1,100,000,000	110,000	1,134,108,025	113,411
The ZATCA Registration Expenses Item was not previously included in the Service Charges and Fees						
Sharifa Supervisor Committee Fees	17,250	Recurring	17,250	2	17,250	2
Custodian's Fees	0.10%	Recurring	1,265,000	127	1,304,224	130
Fund Operator's Fees	0.15%	Recurring	1,894,754	189	1,954,722	195
Other Fees	0.50%	Recurring	6,315,848	632	6,515,738	652

	Percent / Value	Recurring/ Non Recurring	First Year at the Fund's Level with an Asset Value of SAR 1,000,000,000	First year at the hypothetical subscription level with a value of SAR 100,000 ¹ for the Unitholder	Second year the Fund's 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
Fund's total asset value at the beginning of the period (SAR)	-	-	1,000,000,000	100,000	1,030,998,814	103,100
Hypothetical annual return at the end of the period	10%	-	100,000,000	10,000	103,099,881	10,310
Fund's total asset value at the end of the period	-	-	1,100,000,000	110,000	1,134,098,695	113,410
ZATCA Registration Expenses	17,250	Recurring	17,250	2	17,250	2
Sharifa Supervisor Committee Fees	15,000	Recurring	15,000	2	15,000	2
Custodian's Fees	0.10%	Recurring	1,265,000	127	1,304,215	130
Fund Operator's Fees	0.15%	Recurring	1,894,729	189	1,954,682	195
Other Fees and	0.50%	Recurring	6,315,762	632	6,515,606	652

and Expenses							Expenses						
Management Fees	0.80%	Recurring	10,018,182	1,002	10,335,254	1,034	Management Fees	0.80%	Recurring	10,018,045	1,002	10,335,043	1,034
Total Recurring Fees and Expenses	1.89%	-	20,429,909	-2,043	21,046,064	-2,105	Total Recurring Fees and Expenses	1.89%	-	20,444,660	2,044	21,060,671	2,106
Total Fees and Expenses	1.95%	-	21,085,409	-2,109	21,046,064	-2,105	Total Fees and Expenses	1.96%	-	21,100,160	2,110	21,060,671	2,106
Net Capital Gains Distributions	50%	-	31,007,295	3,101	32,315,321	3,232	Net Capital Gains Distributions	50%	-	30,999,920	3,100	32,307,711	3,231
Net Dividend Distributions	100.0%	-	16,900,000 ²	1,690	17,424,023	1,742	Net Dividend Distributions	100.0%	-	16,900,000 ²	1,690	17,423,899	1,742
Net Growth of Asset Value	-	-	31,007,295	3,101	32,315,321	3,232	Net Growth of Asset Value	-	-	30,999,920	3,100	32,307,711	3,231
Fund's NAV Net of Fees and Distributions	-	-	1,031,007,295	103,101	1,063,322,617	106,332	Fund's NAV Net of Fees and Distributions	-	-	1,030,999,920	103,100	1,063,307,631	106,331

(e) Zakat and Tax

As at the date of preparation of these Terms and Conditions, there are no taxes due and payable by the Fund. The Fund Manager does not pay the zakat amount on behalf of the Unitholders. As provided in the Terms and Conditions, the Fund pays the Value Added Tax (VAT) on fees paid for certain services it receives from third parties.

(e) Zakat and Tax

The following paragraph was added to the current version:

The Fund Manager shall comply with the “Rules of Zakat Collection from Investors in Investment Funds”, as amended from time to time. The Fund Manager also undertakes to register the Fund with the Zakat, Tax and Customs Authority (ZATCA) for the purposes of zakat and filing requisite returns in accordance with CMA Rules and Regulations, as amended. The responsibility for the calculation and payment of zakat falls upon the Fund Unitholders. The Fund may not in any way be held liable in this respect. In addition, the Fund Manager undertakes to provide ZATCA with all requisite information declarations within a period not exceeding 120 days as of the end of the Fund’s zakat year. The Fund Manager will also provide Unitholders upon request with requisite information to calculate their respective tax bases in accordance with the Rules. Zakat paying investors subject to these Rules holding Fund Units are required to calculate and pay zakat on those investments. The Fund Manager shall also notify ZATCA of the termination of the Fund within 60 days after the date of termination. ZATCA rules are available at the following URL: <https://zatca.gov.sa/en/Pages/default.aspx>.

(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

Recurring Fees and Expenses						Recurring Fees and Expenses					
The ZATCA Registration Expenses were not previously state against fees and expenses						ZATCA Registrati on Expenses	17,250	17,250	1.73	17,250	1.73
SHARI'A ADVISOR FEES	17,250	17,250	1.73	17,250	1.73	SHARI'A ADVISOR FEES	15,000	15,000	1.50	15,000	1.50
FUND'S NET ASSET VALUE BEFORE DEDUCTI ON OF MANAGE MENT FEES, OPERAT OR'S FEES, CUSTODI AN FEES AND OTHER FEES AND EXPENSE S	-	1,098,408,375	109,840.84	1,133,171,900	113,317.19	FUND'S NET ASSET VALUE BEFORE DEDUCTI ON OF MANAGE MENT FEES, OPERAT OR'S FEES, CUSTODI AN FEES AND OTHER FEES AND EXPENSE S	-	1,098,393,375	109,839.34	1,133,148,787	113,314.88
CUSTODI AN FEES (FOR EXAMPLE CUSTODI AN FEES OF 0.10% ON AVERAG E WERE CALCULA TED)	0.10%	1,265,000	126.50	1,304,224	130.42	CUSTODI AN FEES (FOR EXAMPLE CUSTODI AN FEES OF 0.10% ON AVERAG E WERE CALCULA TED)	0.10%	1,265,000	126.50	1,304,215	130.42
FUND OPERAT OR FEES	0.15%	1,894,754	189.48	1,954,722	195.47	FUND OPERAT OR FEES	0.15%	1,894,729	189.47	1,954,682	195.47
OTHER FEES AND EXPENSE S4	0.50%	6,315,848	631.58	6,515,738	651.57	OTHER FEES AND EXPENSE S4	0.50%	6,315,762	631.58	6,515,606	651.56
FUND'S NAV BEFORE DEDUCTI ON OF MANAGE MENT FEES	-	1,088,932,772	108,893.28	1,123,397,216	112,339.72	FUND'S NAV BEFORE DEDUCTI ON OF MANAGE MENT FEES	-	1,088,917,885	108,891.79	1,123,374,285	112,337.43
MANAGE MENT FEES	0.80%	10,018,182	1,001.82	10,335,254	1,033.53	MANAGE MENT FEES	0.80%	10,018,045	1,001.80	10,335,043	1,033.50
TOTAL RECURRI NG FEES AND EXPENSE S	-	20,429,909	2,042.99	21,046,064	2,104.61	TOTAL RECURRI NG FEES AND EXPENSE S	-	20,444,660	2,044.47	21,060,671	2,106.07
TOTAL FEES AND EXPENSE S	-	21,085,409	2,108.54	21,046,064	2,104.61	TOTAL FEES AND EXPENSE S	-	21,100,160	2,110.02	21,060,671	2,106.07
RATIO OF TOTAL RECURRI NG AND NON-RECURRI NG FEES AND EXPENSE S LISTED ABOVE TO FUND'S NAV		1.95%		1.89%		RATIO OF TOTAL RECURRI NG AND NON-RECURRI NG FEES AND EXPENSE S LISTED ABOVE TO FUND'S NAV		1.96%		1.89%	
RATIO OF TOTAL FEES AND EXPENSE S TO FUND'S NAV		1.95%		1.89%		RATIO OF TOTAL FEES AND EXPENSE S TO FUND'S NAV		1.96%		1.89%	

(TOTAL EXPENSE RATIO)						(TOTAL EXPENSE RATIO)					
FUND'S NAV AT THE END OF THE PERIOD		1,078,914,591	107,891.46	1,113,061,961	111,306.20	FUND'S NAV AT THE END OF THE PERIOD		1,078,899,840	107,889.98	1,113,039,241	111,303.92
NET PROFIT		78,914,591	7,891.46	82,054,666	8,205.47	NET PROFIT		78,899,840	7,889.98	82,039,321	8,203.93
NET RETURN DISTRIBUTIONS	100%	16,900,000	1,690.00	17,424,023	1,742.40	NET RETURN DISTRIBUTIONS	100%	16,900,000	1,690.00	17,423,899	1,742.39
NET CAPITAL GAINS DISTRIBUTIONS	50%	31,007,295	3,100.73	32,315,321	3,231.53	NET CAPITAL GAINS DISTRIBUTIONS	50%	30,999,620	3,099.99	32,307,711	3,230.77
TOTAL DISTRIBUTIONS		47,907,295	4,790.73	49,739,345	4,973.93	TOTAL DISTRIBUTIONS		47,899,920	4,789.99	49,731,610	4,973.16
NET GROWTH IN ASSET VALUE FUND'S NAV AFTER DEDUCTION OF FEES AND DISTRIBUTIONS		1,031,007,295	103,100.73	1,063,322,617	106,232.26	NET GROWTH IN ASSET VALUE FUND'S NAV AFTER DEDUCTION OF FEES AND DISTRIBUTIONS		1,030,999,920	103,099.99	1,063,307,631	106,330.76

21. Fund Manager

(E) DESCRIPTION OF THE FUND MANAGER'S PAID-UP CAPITAL The capital of Alkhabeer Capital is SAR 813 million, fully paid.	(E) DESCRIPTION OF THE FUND MANAGER'S PAID-UP CAPITAL The capital of Alkhabeer Capital is SAR 894,523,230, fully paid.
(F) SUMMARY OF THE FUND MANAGER'S FINANCIAL INFORMATION, SHOWING ITS REVENUES AND INCOME FOR THE PREVIOUS FISCAL YEAR The Company's revenues and income for the years 2021G and 2022G were not previously mentioned in the Fund Manager's Summary Financial Information, along with the revenues and income of the previous fiscal year.	(F) SUMMARY OF THE FUND MANAGER'S FINANCIAL INFORMATION, SHOWING ITS REVENUES AND INCOME FOR THE PREVIOUS FISCAL YEAR <ul style="list-style-type: none"> The Company's audited revenues for 2021G totalled SAR 237.6 million, and its income before zakat totalled SAR 81.4 million. The Company's audited revenues for 2022G totalled SAR 262 million, and its income before zakat totalled SAR 95.4 million.

24. Fund Board

(A) NAMES OF THE FUND BOARD MEMBERS AND TYPE OF MEMBERSHIP Information of the Fund Board members was updated.	
(B) OVERVIEW OF THE QUALIFICATIONS OF THE FUND BOARD MEMBERS Information of the Fund Board members was updated.	
(D) DETAILS OF REMUNERATION OF THE FUND BOARD MEMBERS ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST BETWEEN ANY BOARD MEMBER AND THE FUND There is at present no actual or potential conflict between the interests of the Fund Board members and the interests of the Fund.	(D) DETAILS OF REMUNERATION OF THE FUND BOARD MEMBERS ANY ACTUAL OR POTENTIAL CONFLICT OF INTEREST BETWEEN ANY BOARD MEMBER AND THE FUND In the event of any conflict of interest, the Fund Manager must at all times abide by its duties towards the fund (including the obligations imposed on it under the

	<p>Investment Funds Regulations issued by the Capital Market Authority). In the event of a conflict of interest, the Fund Manager will deal with all unitholders in a fair manner, and will not favor any of them over the other. The Fund's Board of Directors will seek to find a fair settlement of any disputes between the Fund and other collective investment programs that include related parties. Transactions with related parties, if any, shall be carried out on an arm's length basis. Procedures for dealing with cases of conflict of interest will be provided to unitholders based on a written request addressed to the fund manager. The policies and procedures to be followed to address conflicts of interest and any potential and/or actual conflicts of interest will be provided upon request at no charge.</p>
<p>(G) ALL BOARDS OF OTHER FUNDS ON WHICH THE FUND BOARD MEMBER HAS A SEAT</p>	
<p>Information on Fund Board members was updated.</p>	
<p>Appendix (1) – Summary Financial Disclosure</p>	
<p>The ZATCA Registration Expenses clause was not previously mentioned in Appendix (1) – Summary Financial Disclosure</p>	<p>ZATCA Registration Expenses: Expenses for ZATCA Registration and information declaration filings are expected to amount to a sum of SAR 15,000.</p>
<p>The Zakat clause was not previously mentioned in Appendix (1) – Summary Financial Disclosure</p>	<p>Zakat: The Fund Manager shall comply with the “Rules of Zakat Collection from Investors in Investment Funds”, as amended from time to time. The Fund Manager also undertakes to register the Fund with the Zakat, Tax and Customs Authority (ZATCA) for the purposes of zakat and filing requisite returns in accordance with CMA Rules and Regulations, as amended. The responsibility for the calculation and payment of zakat falls upon the Fund Unitholders. The Fund may not in any way be held liable in this respect. In addition, the Fund Manager undertakes to provide ZATCA with all requisite information declarations within a period not exceeding 120 days as of the end of the Fund’s zakat year. The Fund Manager will also provide Unitholders upon request with requisite information to calculate their respective tax bases in accordance with the Rules. Zakat paying investors subject to these Rules</p>

	<p>holding Fund Units are required to calculate and pay zakat on those investments. The Fund Manager shall also notify ZATCA of the termination of the Fund within 60 days after the date of termination. ZATCA rules are available at the following URL: https://zatca.gov.sa/en/Pages/default.aspx.</p>
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Appendix (2)

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, 2023

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, 2023

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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 (“The Fund”)** managed by **Alkhabeer Capital Company (“The Fund Manager”)**, which comprise the statement of financial position as of December 31, 2023, 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 a summary of significant 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, 2023, 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 professional code of conduct and ethics, that are endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information Included in the Fund's 2023 Annual Report

Other information consists of the information included in the Fund's 2023 Annual Report, other than the financial statements and our report thereon.

The Fund Board of Directors are responsible for the other information. The Fund's 2023 Annual Report is expected to be made available to us after the date of this report.

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

Regarding our audit of the financial statements, our responsibility is to read the other information referred to above when it becomes available to us. In doing so, we consider whether this information is materially inconsistent with the accompanying financial statements, information obtained during our audit, or otherwise materially misstated.

When we read the annual report when it is available to us, and if we find any material misstatement therein, we are required to report on this matter to those charged with governance.

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

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.

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.

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

- 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 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.

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



Crowe Solutions for Professional Consulting



Abdullah M. AlAzem
License No. (335)

Ramadan 17, 1445H (March 27, 2024)
Jeddah, Kingdom of Saudi Arabia

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

STATEMENT OF FINANCIAL POSITION**AS AT DECEMBER 31, 2023**

(Expressed in Saudi Riyal)

		As at December 31,	
	Note	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	5	102,268,013	36,073,134
Dividends receivable	6	203,238	219,414
Due from a related party	7-a	-	289,909
Prepaid expenses		50,059	-
Total current assets		102,521,310	36,582,457
Non-current assets			
Financial assets at fair value through profit or loss	8	695,422,101	912,877,262
Total assets		797,943,411	949,459,719
LIABILITIES AND EQUITY ATTRIBUTABLE TO UNITHOLDERS			
LIABILITIES			
Current liabilities			
Due to related parties	7-b	4,792,521	5,296,167
Accrued expenses and other credit balances	9	69,909	72,733
Total liabilities		4,862,430	5,368,900
EQUITY ATTRIBUTABLE TO UNITHOLDERS		793,080,981	944,090,819
Total liabilities and equity attributable to unitholders		797,943,411	949,459,719
Number of units issued (unit)		71,616,802	100,000,000
Equity per unit (SR per unit)		11.0740	9.4409

The accompanying notes from (1) to (21) form an integral part of these financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyal)

		For the period of inception date April 27, 2022 to December 31, 2022
	Note	For the year ended December 31, 2023
Dividends from financial assets measured at fair value through profit or loss		14,559,649
Realized gains / (losses) from financial assets measured at fair value through profit or loss	8	61,413,715
Unrealized gains / (losses) from financial assets measured at fair value through profit or loss	8	120,963,541
Profit / (loss) from operations		196,936,905
Expenses		
Management fees	7-12	(9,069,525)
Administration and custody fees	7-12	(2,317,855)
Fund establishment expenses and other	10	(860,037)
Total expenses		(12,247,417)
Other income	11	3,158,742
Profit / (loss) for the year / period		187,848,230
Other comprehensive income		-
Total comprehensive income / (loss) for the year / period		187,848,230

The accompanying notes from (1) to (21) form an integral part of these financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

**STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyal)

	Note	For the year ended December 31, 2023	For the period of inception date April 27, 2022 to December 31, 2022
Equity attributable to unitholders			
Equity attributable to unitholders at the beginning of the year / period		944,090,819	-
Proceeds from initial offering of units		-	1,000,000,000
Purchase of treasury units during the year / period	14	(259,632,477)	-
Dividends	19	(79,225,591)	-
Comprehensive income / (loss) for the year / period		187,848,230	(55,909,181)
Equity attributable to unitholders at the end of the year / period		793,080,981	944,090,819

Summary of transactions in units for the year / period as follows:

	Note	For the year ended December 31, 2023	For the period of inception date April 27, 2022 to December 31, 2022
Number of units at the beginning of the year / period (unit)		100,000,000	-
Number of units issued for cash consideration during the year / period		-	100,000,000
Number of units redeemed for treasury units during the year / period	14	(28,383,198)	-
Number of units at the end of the year / period		71,616,802	100,000,000

The accompanying notes from (1) to (21) form an integral part of these financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Expressed in Saudi Riyal)

	For the year ended December 31, 2023	For the period of inception date April 27, 2022 to December 31, 2022
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Profit / (loss) for the year / period	187,848,230	(55,909,181)
Adjustments:		
Realized gains / (losses) from financial assets measured at fair value through profit or loss	(61,413,715)	857,197
Unrealized gains / (losses) from financial assets measured at fair value through profit or loss	(120,963,541)	54,645,982
Changes in operating assets and liabilities:		
Dividends receivable	16,176	(219,414)
Prepaid expenses	(50,059)	-
Due from a related party	289,909	(289,909)
Due to related parties	(503,646)	5,296,167
Accrued expenses and other credit balances	(2,824)	72,733
Net change in financial assets at fair value through profit or loss	399,832,417	(968,380,441)
Net cash provided by / (used in) operating activities	405,052,947	(963,926,866)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds from initial offering of units	-	1,000,000,000
Purchase of treasury units	(259,632,477)	-
Dividends paid	(79,225,591)	-
Net cash (used in) / provided by financing activities	(338,858,068)	1,000,000,000
Net change in cash and cash equivalents	66,194,879	36,073,134
Cash and cash equivalents at the beginning of the year / period	36,073,134	-
Cash and cash equivalents at the end of the year / period	102,268,013	36,073,134

The accompanying notes from (1) to (21) form an integral part of these financial statements.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyal)

1. THE FUND AND ITS ACTIVITIES

Alkhabeer Growth and Income Traded Fund (“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 Ramadhan 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.

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.

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.

Functional and presentation currency

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

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyal)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) New standards, amendments to standards and interpretations:

The Fund adopted the following new standards and amendments for the first time as of January 1, 2023, and the Fund Manager believes that the amendments do not have a material impact on the Fund's financial statements.

- IFRS 17 "Insurance Contracts"

This standard replaces IFRS 4, which allows for a wider range of practices in accounting for insurance contracts.

- Amendments to IAS 12 - Deferred tax relating to assets and liabilities arising from a single transaction

Requires companies to recognize deferred tax on transactions that, upon initial recognition, result in equal amounts of deductible and taxable temporary differences.

- Amendment to IAS 12 - Global Tax Reform: Model Rules for Pillar 2

These amendments provide companies with a temporary exemption from accounting for deferred taxes arising from global tax reform. The amendments also include targeted disclosure requirements for affected companies.

b) Standards issued that have not yet been effective

The following is a statement of the new standards and amendments to the standards applied for the years beginning on or after January 1, 2024, with early application permitted, but the Fund did not apply them when preparing these financial statements. These amendments are not expected to have a material impact on the Fund's financial statements.

- Amendments to IFRS 16 - Lease Obligations on a Sale and Leaseback Basis:

These amendments include requirements for sale and leaseback transactions in IFRS 16 to clarify how the Fund accounts for sale and leaseback transactions after the date of the transaction. Sale and leaseback transactions in which some or all of the lease payments are considered to be variable lease payments depend on the index or price that is highly likely to be affected.

- Amendments to IAS 1 - Non-current liabilities with commitments and classification of liabilities as current or non-current

These amendments clarify how the conditions that the Fund must comply with during the twelve months after the reporting period affect the classification of liabilities. These amendments also aim to improve the information provided by the Fund regarding the liabilities subject to these conditions.

- Amendments to IAS 7 and IFRS 7 - Supplier Financing Arrangements

These amendments require disclosures to enhance the transparency of a supplier's financing arrangements, their effects on the Fund's liabilities and cash flows, and its exposure to liquidity risk. The disclosure requirements are the IASB's response to investor concerns that some fund supplier financing arrangements are not sufficiently visible, hampering investor analysis.

- IFRS (Sustainability 1) "General requirements for the disclosure of financial information related to sustainability"

This standard includes the basic framework for disclosing material information about material risks and opportunities related to sustainability across an organization's value chain.

- IFRS (Sustainability 2) "Climate-related disclosures"

This is the first objective standard issued that sets requirements for entities to disclose information about climate-related risks and opportunities.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyal)

Fair value measurement

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

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

Assets or liabilities measured at fair value

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

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

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

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

Cash and cash equivalents

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

Trade receivable

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Revenue recognition

Dividends recognized from measured carried at fair value through profit or loss.

Dividends

Interim and final dividends are recorded as a liability in the period in which they are approved by the fund's board of directors.

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.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyal)

Provisions and contingent liabilities

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

Net equity per unit

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

Financial instruments

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

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.

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

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

Subsequent measurement

Equity instruments

The Fund subsequently measures all equity investments at fair value. Where the Fund's management has elected to present the gains or losses from fair values on equity investments in OCI, gains or losses from fair value will not be reclassified subsequently to profit or loss. Dividends from such investments continue to be recognized in profit or loss as other income when the Fund's right to receive payments is established. Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are treated separately within net assets.

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

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyal)

Debt instruments

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

- **Amortized cost**

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

- **Financial assets measured at fair value through profit or loss (FVTPL)**

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

- **Financial assets measured at fair value through other comprehensive income (FVOCI)**

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

Effective interest rate (EIR) method

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

Impairment

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

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 initially at fair value. Subsequently, it is measured at amortized cost using effective interest rate method. The Fund's financial liabilities include accrued expenses and other credit balances and due to related parties.

ALKHABEER GROWTH AND INCOME TRADED FUND

(Managed by Alkhabeer Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyal)

Offsetting of financial instruments

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.

De-recognition of financial assets

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

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the amount of the consideration received and accrued is recognized in the profits or losses. In addition, on de-recognition of an investment in a debt instrument classified as at FVTOCI, the profits or losses previously recognized in the revaluation reserve is reclassified to the profits or losses. In contrast, on de-recognition 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 financial 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 de-recognized and the consideration paid and payable, including any non-cash assets transferred or liabilities incurred, is recognized in profits or losses.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

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.

Impairment of non-financial assets

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

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

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

5. CASH AND CASH EQUIVALENTS

	2023	2022
Cash at investment portfolios	101,955,870	35,861,475
Cash at bank	312,143	211,659
	102,268,013	36,073,134

6. 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:

	2023	2022
US Market - NYSE investment	167,497	164,141
US Market - NASDAQ investment	35,741	55,273
	203,238	219,414

7. 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 on behalf of the fund.

a) Due from a related party comprise of the following:

Related party	Nature of relationship	Nature of transaction	Amount of transactions		Balance as at December 31,	
			For the year ended December 31, 2023	For the period of inception date April 27, 2022 to December 31, 2022	2023	2022
Alkhabeer Capital Company	Fund Manager	Expenses incurred on behalf of the fund	-	289,909		
		Payments	(289,909)	-	-	289,909
					-	289,909

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(Expressed in Saudi Riyal)

b) Due to related parties comprise of the following:

Related parties	Nature of relationship	Nature of transaction	Amount of transactions		Balance as at December 31,	
			For the year ended December 31, 2023	For the period of inception date April 27, 2022 to December 31, 2022	2023	2022
Alkhabeer Capital Company	Fund Manager	Management fees	9,069,525	5,939,388		
		Administrative fees	1,700,536	1,113,636		
		Payments	(11,267,501)	(1,824,474)	4,731,110	5,228,550
Albilad Capital Company	Custodian	Custody fees	617,319	341,276		
		Payments	(610,525)	(299,659)	48,411	41,617
Fund Board of Directors	Board of Directors	Compensations to Independent Fund Board Members	34,000	26,000		
		Payments	(47,000)	-	13,000	26,000
Growth I for investments (One-person company)	Subsidiary to Custodian	Expenses paid on behalf of the company	10,074	147,658		
		Payments	(10,074)	(147,658)	-	-
					4,792,521	5,296,167

c) All transactions with related parties are approved by the Fund Manager.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyal)

8. 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	German Stock Exchange – "Xtera" Investment	Fair value as at December 31, 2023
December 31, 2023										
Balance at the beginning of the year	16,108,063	159,696,165	222,659,846	225,529,736	67,113,142	97,638,902	99,949,925	8,116,647	16,064,836	912,877,262
Additions	13,779,299	23,853,008	65,877,187	110,731,962	13,744,945	29,210,762	14,073,888	-	-	271,271,051
Disposals	(15,356,157)	(120,033,846)	(180,353,206)	(165,895,548)	(47,101,740)	(64,720,851)	(56,142,298)	(3,596,249)	(17,903,573)	(671,103,468)
Unrealized gains	2,082,563	17,369,489	84,585,506	6,804,951	6,154,596	211,248	3,339,479	415,709	-	120,963,541
Realized gains / (losses)	2,307,835	7,626,669	45,188,008	1,778,888	2,678,599	(1,461,716)	807,717	648,978	1,838,737	61,413,715
Balance at the end 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

	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	German Stock Exchange – "Xtera" Investment	Fair value as at December 31, 2022
December 31, 2022										
Balance at the beginning of the period	-	-	-	-	-	-	-	-	-	-
Additions	33,630,042	176,235,366	263,729,461	224,060,822	71,174,159	107,294,839	108,885,067	8,176,278	15,505,962	1,008,691,996
Disposals	(13,581,312)	-	(5,946,347)	(3,549,397)	(3,325,575)	(13,908,924)	-	-	-	(40,311,555)
Unrealized (losses) / gains	(4,903,293)	(16,539,201)	(34,172,324)	5,268,827	(686,983)	4,822,891	(8,935,142)	(59,631)	558,874	(54,645,982)
Realized gains / (losses)	962,626	-	(950,944)	(250,516)	(48,459)	(569,904)	-	-	-	(857,197)
Balance at the end of the period	16,108,063	159,696,165	222,659,846	225,529,736	67,113,142	97,638,902	99,949,925	8,116,647	16,064,836	912,877,262

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9. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2023	2022
Accrued professional fees	64,909	67,733
Other credit balances	5,000	5,000
	<u>69,909</u>	<u>72,733</u>

10. FUND ESTABLISHMENT EXPENSES AND OTHER

	For the year ended December 31, 2023	For the period of inception date April 27, 2022 to December 31, 2022
Investment and registration expenses	652,348	1,159,082
Professional and consulting fees	136,634	142,903
Compensations to Independent Fund Board Members - (note 7)	34,000	26,000
Other expenses	37,055	58,044
	<u>860,037</u>	<u>1,386,029</u>

11. OTHER INCOME

	For the year ended December 31, 2023	For the period of inception date April 27, 2022 to December 31, 2022
Foreign currency gains	3,158,742	1,721,082
Other	-	840
	<u>3,158,742</u>	<u>1,721,922</u>

12. 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 Fund must pay fees that amount to SR 25,000 for the establishment of a Special Purpose entity (SPE).

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%

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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 SAR 3,000, as a minimum per month.

d) Dealing fees and expenses (brokerage)

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

13. ZAKAT BASE

According to the rules for zakat levy from investors in investment funds, investment funds are not obligated to pay zakat, only to provide information declaration and calculating the fund's zakat base is submitted. This was implemented at the beginning of 2023, therefore no comparative figures are presented. The zakat base is presented as follows:

	<u>2023</u>
<u>Adjustment on net adjusted profit:</u>	
Profit as per book for the year	<u>187,848,230</u>
Adjusted profit for the year	<u>187,848,230</u>
<u>Zakat base:</u>	
Equity attributable to unitholders	793,080,981
Additions and other liabilities	4,731,110
Book value of non-current assets based on authority	<u>(14,584,461)</u>
Zakat base	<u>783,227,630</u>
Fund's zakat base is the largest between zakat base and adjusted profit	<u>783,227,630</u>
The value of zakat according to the fund's zakat base	<u>20,189,102</u>
Outstanding units	<u>71,616,802</u>
The value for zakat per unit	<u>0.2819</u>

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14. TREASURY UNITS

On July 19, 2023, Alkhabeer Capital announced the approval of the Fund's unitholders' meeting to implement the purchase of 50% of its units for the purpose of canceling them, at a price not exceeding the price of the Fund's net asset value, provided that the purchases are made through the Saudi Stock Exchange ("Saudi Tadawul"). It will not be through special deals, and purchases will take place over a period of twelve months from the date of approval.

The value of the units purchased as treasury units during the year ending December 31, 2023 amounted to SR 259.6 million, which represents 28.4 million treasury units. The Fund's repurchased units (Treasury Units) are recognized at market price on each purchase transaction and are included as a deduction from the unitholders' equity.

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

	For the year ended December 31, 2023	For the period of inception date April 27, 2022 to December 31, 2022
Number of treasury units at the beginning of the year / period	-	-
Additional from purchase treasury units	28,383,198	-
Number of treasury units outstanding at the end of the year / period	28,383,198	-

15. 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.

16. LAST VALUATION DATE

The last date for valuation during the year is December 31, 2023.

17. 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.

- **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.

The Fund Manager will also ensure diversification of investments in different sectors, financial instruments issued by different issuers, and in different financial markets, and to meet the requirements of due diligence studies.

b) Credit risk

Credit risk is the risk that a party will not be able to meet its obligations, resulting in a financial loss to the other party. The financial assets that are likely to expose the Fund to concentrations of credit risk are mainly cash and cash equivalents, due from a related party, and other debit balances. Cash is deposited with reputable financial institutions, and management reviews the other debit balances. Accounts receivable are shown net of expected credit loss provision (if any), which was estimated by the Fund's management based on past experience and its assessment of the current economic environment.

c) Liquidity risk

Liquidity risk is the risk that an entity may face difficulties in securing the necessary liquidity to meet its obligations related to financial instruments. Liquidity risk may arise from the inability to sell a financial asset quickly and at a value close to its fair value. Liquidity risk is managed by periodically ensuring that sufficient liquidity is available. The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions or through profit-sharing facilities. The Fund has sufficient liquidity to meet its obligations.

December 31, 2023	Book value	Less than one year	More than one year
<u>Non-derivative financial liabilities</u>			
Due to related parties	4,792,521	4,792,521	-
Accrued expenses and other credit balances	69,909	69,909	-
	4,862,430	4,862,430	-
<hr/>			
December 31, 2022	Book value	Less than one year	More than one year
<u>Non-derivative financial liabilities</u>			
Due to related parties	5,296,167	5,296,167	-
Accrued expenses and other credit balances	72,733	72,733	-
	5,368,900	5,368,900	-

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18. 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, 2023						
Financial Assets						
Cash and cash equivalents	102,268,013	-	-	-	-	102,268,013
Dividends receivable	203,238	-	-	-	-	203,238
Financial assets at fair value through profit or loss	-	695,422,101	695,422,101	-	-	695,422,101
	102,471,251	695,422,101	695,422,101	-	-	797,893,352
Financial Liabilities						
Due to related parties	4,792,521	-	-	-	-	4,792,521
Accrued expenses and other credit balances	69,909	-	-	-	-	69,909
	4,862,430	-	-	-	-	4,862,430
	Book value		Fair Value			Total
	Recorded at Amortized Cost	Recorded at Fair Value	Level (1)	Level (2)	Level (3)	
December 31, 2022						
Financial Assets						
Cash and cash equivalents	36,073,134	-	-	-	-	36,073,134
Dividends receivable	219,414	-	-	-	-	219,414
Due from a related party	289,909	-	-	-	-	289,909
Financial assets at fair value through profit or loss	-	912,877,262	912,877,262	-	-	912,877,262
	36,582,457	912,877,262	912,877,262	-	-	949,459,719
Financial Liabilities						
Due to related parties	5,296,167	-	-	-	-	5,296,167
Accrued expenses and other credit balances	72,733	-	-	-	-	72,733
	5,368,900	-	-	-	-	5,368,900

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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19. DIVIDENDS

The Board of Directors of the Fund approved to distribute of dividends for 85,188,808 outstanding units as follows:

<u>Approval Date</u>	<u>The period paid for</u>	<u>Amount per Unit</u>	<u>Total in Saudi Riyals</u>
August 14, 2023	January 1, 2023 to June 30, 2023	0.93	79,225,591

20. 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's operations are monitored by the Fund's management under one sector. The following is a statement of geographic information for local and foreign investments, as well as investment income during the year / period:

<u>December 31, 2023</u>	<u>Inside Kingdom</u>	<u>Outside Kingdom</u>	<u>Total</u>
Financial assets	18,921,603	676,500,498	695,422,101
Realized gains from financial assets measured at fair value through profit or loss	2,307,835	59,105,880	61,413,715
Unrealized gains from financial assets measured at fair value through profit or loss	2,082,563	118,880,978	120,963,541
	<u>4,390,398</u>	<u>177,986,858</u>	<u>182,377,256</u>
<u>December 31, 2022</u>	<u>Inside Kingdom</u>	<u>Outside Kingdom</u>	<u>Total</u>
Financial assets	16,108,063	896,769,199	912,877,262
Realized gains / (losses) from financial assets measured at fair value through profit or loss	962,626	(1,819,823)	(857,197)
Unrealized losses from financial assets measured at fair value through profit or loss	(4,903,293)	(49,742,689)	(54,645,982)
	<u>(3,940,667)</u>	<u>(51,562,512)</u>	<u>(55,503,179)</u>

21. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Fund Board of Directors for the year ended December 31, 2023 on Ramadan 16, 1445H (March 26, 2024).



Alkhabeer Capital
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