

Annual Report
2024

a. Investment Fund Information

1) Name of investment fund.

Alinma Saudi Government Sukuk ETF

2) Investment objectives, policies and polices.

Alinma Saudi Government Sukuk ETF, is a ETF Fund that invests through the passive management of a basket of shariah-approved local government sukuk issued by the Saudi government and listed in the main market to generate a performance that mimics the performance of the index before fees and expenses, distribute periodic returns, reduce cost, increase efficiency, as well as enhancing liquidity by concentrating on such income-generating investment instruments which enable individuals to invest in debt capital market instruments with more flexibility, resulting in the promotion of the saving culture among investors which is one of the Saudi Vision 2030 key objectives.

3) Distribution of income and gain policy.

— The Fund Manager intends to make cash distributions to unitholders as returns from the investment in the Fund’s assets once per annum no later than the end of the Fund’s financial year. The Fund Manager may make such distributions more than once a year upon the Fund Board’s resolution in certain cases, including, but not limited to:

- If the distributions expenses would not affect the Fund’s Net asset Value.
- If the Fund Manager believes that the liquidity requirements negatively affect the unit’s price performance.

— The Fund Manager may reinvest the dividends received, including, but not limited to, Sukuk coupons.

4) A statement that the fund's Reports are available upon request free of charge.

The Fund reports will be made available (free of charge) by the Fund Manager, upon request.

5) Description of the fund’s benchmark and the service provider’s website (if any).

- The benchmark index: Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings / Shariah Compliant. www.idealratings.com
- The Index Provider: IdealRatings Company(IdealRatings).
- Eligibility criteria for the Index:
- Type of Coupon: Fixed Coupons
- Currency: SAR
- Issuance Size: Must be worth one hundred (100) million US dollars or more, or its equivalent in Saudi riyals..
- Date of entitlement: Sovereign instruments in force which has a fixed return..
- Ownership: sovereign.
- Country: Saudi Arabia.
- Sukuk are Equity Based, Debt Based and Hybrid Based
- Sukuk are Asset Backed and Asset Based
- Liquidity: Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances.

b. Fund Performance

1) A comparative table covering the last (3) financial years (or since inception), highlighting:

The last three financial years	31/12/2022		31/12/2023		31/12/2024	
The fund net assets value at the end of each financial year	1,255,054,891		426,348,374		432,033,054	
The fund net assets value per unit at the end of each financial year	9.91		10.46		10.66	
Highest and lowest net asset value per unit for each financial year.	Highest	Lowest	Highest	Lowest	Highest	Lowest
	10.09	9.77	10.46	9.82	10.67	10.40
The number of units in issue at the end of each financial year.	125,000,000		40,430,131		40,430,131	
Income distribution per unit	0.160		0.08		0.203	
Expense ratio.	0.31%		0.55%		0.29%	
Percentage of borrowed assets from the total asset value, the period of their exposure period and due date (if any).	None					
Results of comparing the performance of the benchmark of the fund with performance of the fund.	0.58%		3.62%		-0.46%	

2) A performance record that covers the following:

a) The total return for 1 year, 3 years and 5 years (and since inception (where applicable).

1 year	3 years	5 years	since inception
3.59%	9.66%	None	14.71%

b) The Annual total return for each of the last 10 financial years (or since inception).

2024	2023	2022	2021	since inception
3.59%	6.92%	-0.96%	-0.14%	14.71%

c) a table showing actual fees and fund expenses paid by the investment fund during the year. The Total Expense Ratio should also be clearly disclosed. If there are any circumstances in which a fund manager may elect to waive or rebate any fees, this must also be disclosed.

Charges for services and commissions	1,223,035
Total Expenses	0.29%
Circumstances where the Fund Manager has decided to waive or reduce any fees.	N/A

d) The bases for calculating the performance data and any assumption made must be consistently applied.

The bases for calculating the performance data and any assumption made must applied

3) If there were material changes that occurred during the period and that affected the performance of the fund, these changes must be clearly disclosed.

There are no material changes during the report period.

4) Disclosure of the exercise of annual voting rights and it must include the issuer's name and the date of the General Assembly and the subject of the vote and the decision to vote (agree / disagree / abstain from voting).

Does not apply to the nature of the Fund's business.

5) The fund's board annual report including, but not limited to, the following:

a) Names of Fund Board members, and indicating membership type.

- 1) Mr. Mazin Baghdadi (Chairman and Non-independent Director).
- 2) Dr. Abdulrahman Al-Aali (Independent Director)
- 3) Mr. Abdulaziz Alyabes (Non- independent Director)
- 4) Mr. Khalid Feda (Independent Director)

b) A brief about of the fund board members' qualifications.

- 1) Mr. Mazin Fawaz Ahmed Baghdadi

Mazin Baghdadi is the CEO and MD of Alinma capital Company with over than 22 years of comprehensive experience in investment field. He is also a board member of Jabal Omar Development Company. Prior to joining Alinma capital in 2016, Mr. Baghdadi served as a Head of Investment Management for HSBC Saudi Arabia. He also has managed both local and GCC mutual funds, and discretionary portfolios in equities and fixed income throughout his career. Earlier in his career, Mr. Baghdadi held different positions in investment companies and banking industries including Riyadh Bank and Saudi Fransi Capital.

Mr. Baghdadi holds a Bachelor’s degree in Finance from King Fahd University of Petroleum and Minerals (KFUPM). He also has attended several executive education in management including transitional to General Management Programme at INSEAD.

- 2) Dr. Abdulrahman Yousef Shamsuddin Al-Aali

Al-Aali pursued his post-secondary business education at Georgia State University, Atlanta with BBA, MBA and PhD in International Business. Served for more than thirty years as a professor of International Business (Marketing), College of Business Administration, at King Saud University (KSU). He was a Visiting Research Scholar at Indiana University of Pennsylvania, and a Visiting Scholar at Simon Fraser University, Canada. For eight years, Al-Aali, was the founding Vice-Dean and later Dean of King Abdullah Research and Consulting Institute (KAI) at KSU. Al-Aali consulted many government and commercial organizations and studies, such as Ministry of Commerce, Ministry of Municipal and Rural Affairs, Ministry of Higher Education, Saudi Export Development Center, United Nations Development Program (UNDP), Fedex Saudi, International Systems Engineering Company, AlMaarefa University, Prince Sultan University, Board of Grievances, General Court in Commercial Law, and many universities boards, and private colleges. Dr. Al-Aali also serves as board member in the Saudi Ports Authority, and a number of local and international companies. Also, he isthe founder of Skyline International in (USA)

- 3) Mr. Abdulaziz Bin Fahad Alyabes

Mr. Abdulaziz Alyabes has held several administrative, financial and organizational duties, and has more than 14 years of experience in the field of financial markets, business development and asset management. He is currently the chief of business development at Alinma capital Company, and he worked at Riyadh Airports Company as General Manager of Business Development and before that he held Director of the Income-Generating Funds at Alinma capital Company, as he previously worked at Deutsche Saudi Arabia for Securities, Credit Suisse Saudi Arabia and the Capital Market Authority, and has extensive knowledge of securities regulations and legislation, in addition to having obtained many executive financial courses and certificates from international and local universities and organizations. Abdulaziz Alyabes holds a Bachelor's degree in Computer Engineering from King Fahd University of Petroleum and Minerals in 2005, and a Master's degree in Engineering Management from Portland State University in the United States of America in 2008.

- 4) Mr. Khaled Bin Abdelhafeez Feda

He holds a Bachelor in Finance from King Saud University and a Master in Business Administration from Prince Sultan University. Khaled worked for more than 15 years in asset management and business administration. Since February 2021, Khaled is serving as an advisor to the Minister of Commerce including representing the Ministry in National Committees and Boards of Directors. He also serves as a member of the Board of Directors of the Country Secretary for Development and Urban Renewal. Previously, he worked as the Director of the Enforcement Assurance Department at the Vision Realization Office of the Ministry of Commerce and in several managerial positions in companies and financial institutions. He had several achievements, noticeably: building the strategy and governance of the private sector development program, and winning the award for best investment fund for initial issues in the Kingdom in 2015, issued by the "Global Banking and Finance Review", and leading the investment team at Kuwait-Saudi Finance House to receive the Kingdom's 2015 Best Provider of Wealth Management award from World Finance and the establishment and launching of several investment funds in the Kingdom in various asset classes.

c) Description of the roles and responsibilities of the Fund Board.

- Approving material contracts, decisions and reports involving the Fund, including, but not limited to, contracts for the provision of Fund management services, contracts for the provision of custody services but excluding contracts concluded pursuant to investment decisions regarding underlying investments made or to be made by the Fund.
- Approving a written policy in regard to the voting rights related to the Fund assets.

- Overseeing and, where appropriate, approving or ratifying any conflicts of interest the Fund Manager has identified and disclosed pursuant to the Investment Funds Regulations.
- Meeting at least twice annually with the Fund Manager's compliance committee or its compliance officer to review the Fund Manager's compliance with all related and applicable rules, laws and regulations, including, without limitation, the requirements of the Investment Funds Regulations.
- Approving all changes stipulated in the Investment Funds Regulations before the Fund Manager obtains the approval or notification of the unitholders and the Capital Market Authority (where applicable).
- Ensuring that Fund’s Terms and conditions and any other document, contractual or otherwise that includes disclosures relating to the Fund or the Fund Manager and its management of the Fund, are complete and accurate and that the foregoing complies with the Investment Funds Regulations.
- Ensuring that the Fund Manager carries out its obligations in the best interests of the unitholders, in accordance with the Investment Funds Regulations, the Terms and Conditions of the Fund.
- Reviewing the report that includes evaluating the performance and quality of services provided by the parties concerned with providing essential services to the Fund as referred to in the Investment Funds Regulations, in order to ensure that the Fund carries out its obligations in the best interests of the unitholders, in accordance with the Investment Funds Regulations, the Terms and Conditions of the Fund.
- Evaluating the Fund Manager’s method in dealing with risks related to Fund assets in accordance with the Fund Manager policies and procedures regarding monitoring risks related to the Fund.
- Working hard and in good faith, to exercise all reasonable care and skill; a duty to act in the best interests of the Unitholders.
- Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the Board.
- Reviewing the report containing all the complaints and procedures taken in this regard as referred to in the Investment Funds Regulations (and any other amendments made thereto from time to time), in order to ensure that the Fund carries out its obligations in the best interests of the unitholders, in accordance with the Investment Funds Regulations, the Terms and Conditions of the Fund.

d) Details on the remuneration of fund board members.
A maximum amount of SAR 50,000 per financial year paid collectively as remuneration for independent directors of the Fund Board of Directors. The Fund Manager shall incur the payment of such remunerations.

e) A statement of any conflict or potential conflict of interest between the interests of a fund board member and the interests of the fund.
Currently, there is no actual or potential conflict of interest between the Fund Board members and the Fund. The Fund Board will supervise and manage any conflict of interest and pay reasonable care and act in good faith when managing such conflict of interests.

f) A statement showing all the funds boards that the relevant board member is participating in.

Fund Name	Fund Type	Directors			
		Mr. Mazen Baghdadi	Dr. Abdulrahman Yousef Shamsuddin Al-Aali	Mr. Abdulaziz Bin Fahad Alyabes	Mr. Khaled Bin Abdelhafeez Feda
Alinma Real Estate Fund	Private Offer	Non-Independent Member	-----	-----	-----
Daniyah Makkah Hospitality Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma AlThoraya Real Estate Fund	Private Offer	Non-Independent Member	-----	-----	-----
Al Qairawan Logistic Fund	Private Offer	Non-Independent Member	-----	-----	-----
Dahaban Real Estate Fund	-	Non-Independent Member	-----	-----	-----
Alinma Wadi Alhada Fund	-	Non-Independent Member	-----	-----	-----
Alinma Income Generating Opportunities Fund	Private Offer	Non-Independent Member	Non-Independent Member	Non-Independent Member	-----
Alinma Madinah Real Estate Fund	-	Non-Independent Member	-----	-----	-----
Alinma Muhammadeh Real Estate Fund	-	Non-Independent Member	-----	-----	-----
Alinma Private Family Fund 23-1	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Al-Taif Real Estate Fund	-	Non-Independent Member	-----	-----	-----
Alinma Sakani Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma AlKhober Real estate Fund	-	Non-Independent Member	-----	-----	-----
Alinma AlJazerah vehicles Fund	-	Non-Independent Member	-----	-----	-----
Alinma Ajead Real Estate Fund	-	Non-Independent Member	-----	-----	-----
Alinma Diversified Saudi Riyal Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma Emerging Markets Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma Masharif Al Awali Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Logistic Park Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Makkah 1st Development Fund	Private Offer	Non-Independent Member	Independent Member	-----	-----
Alinma Makkah 2nd Development Fund	Private Offer	Non-Independent Member	Independent Member	-----	-----
Alinma Almohamadia RE Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Logistic District Fund	Private Offer	Non-Independent Member	Independent Member	-----	-----
Alinma Riyadh View Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Wareef Endowment Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma Enayah Endowment Fund	Public Offer	Non-Independent Member	-----	-----	-----
Bir Ariyadh Waqf Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma Orphan Care Endowment Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alqassim Waqaf Fund	Private Offer	Non-Independent Member	-----	Non-Independent Member	-----
Alinma Multi-Assets Balanced Fund for Monthly Distributions	Public Offer	Non-Independent Member	-----	-----	-----
Alinma Saudi Riyal Liquidity Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma Saudi Equity Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma IPO Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma Aljazira 1st Fund	Private Offer	Non-Independent Member	-----	-----	-----
Investment in Hajj and Umrah Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Mosques Endowment Fund	Public Offer	Non-Independent Member	-----	Non-Independent Member	-----
Alinma Dhahiat Alriyadh Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Equity Private Fund-1	Private Offer	Non-Independent Member	-----	-----	-----
Family Private Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Retail REIT Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma North Riyadh RE Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma North Jeddah RE Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Al Khumra RE Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Hospitality REIT Fund	Public Offer	Non-Independent Member	-----	-----	-----
Alinma Masharif Al Awali Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Makkah 1st Development Fund	Private Offer	Non-Independent Member	-----	-----	-----
Alinma Makkah 2nd Development Fund	Private Offer	Non-Independent Member	-----	-----	-----

g) Topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives.
Annex 1

c. Fund Manager
1) Name and address of the fund manager.
Alinma capital Company
CMA License No. 37-09134
Riyadh, Al-Olaya, Al Anoud Southern Tower-2, King Fahd Road.
P.O. Box 55560 Riyadh 11544 Saudi Arabia

Telephone: +96612185999
Fax: +966112185900
Website: www.alinmacapital.com

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

None

3) A review of the investment activities during the period.

All the Fund's investments have been carried out in accordance with the Fund's objectives and strategies, aiming to take full advantage of possible investment opportunities, and taking into consideration, as possible, our commitment to the investment restrictions stipulated in the Fund's terms and conditions.

4) A report of investment fund’s performance during the period.

The Fund has achieved a performance rate of 3.59% for the year 2024. Compared to the fund’s benchmark 4.04% with alpha -0.46%

5) Details of any material changes to the Fund’s Terms and Conditions (for a public fund)

Annex 2

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

None

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

Alinma Saudi Government Sukuk ETF Fund	0.25% per annum of the Fund's total assets
Alinma Saudi Riyal Liquidity Fund	20% per annum of the Fund's net returns

8) A statement on any special commission received by the fund manager during the period, clearly identifying what they are and the manner in which they were utilized (if any).

None

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

None

10) Period for the management of the person registered as fund manager.

4 years and 10 months.

11) A disclosure of the expense ratio of each underlying fund at end of year and the weighted average expense ratio of all underlying funds that invested in (where applicable)

Fund Name	Expense Ratio
Alinma Saudi Government Sukuk ETF Fund	0.29%
Alinma Saudi Riyal Liquidity Fund	0.57%

d. Custodian

1) Name and address of custodian.

Credit Suisse Saudi Arabia
CMA License No. 37-08104
Al Jumaih Center, King Fahd Road, Al Mohamadiah District,
P.O. Box: 5000, Riyadh 12361 - 6858, Office No. (203).
Phone: +966 11 2039701

2) A brief description of its duties and responsibilities.

1) The Custodian shall be responsible for its obligations under the provisions of the Investment Funds Regulations, whether those requirements are performed directly by the Custodian or indirectly through assigning them to a third party under the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations. The Custodian is liable to the Fund Manager, unitholders and the Fund Board for any losses resulting from fraud, negligence, malpractice or intentional failure to meet obligations.

2) As per the Fund Manager's instructions, process the request initiated by the Market Maker for unit creation or redemption in the following manner:

- Registering the Fund Units with the Depository Center.
- When processing Unit Creation application, Custodian shall arrange to transfer the underlying basket of sukuk and other cash portions from the Market Maker’s account to the Fund Manager’s account.
- When processing Unit Redemption application, the Custodian shall ensure availability of the Fund Units in the Market Maker’s account.
- Arrange for Creation or Redemption of the Fund units and ensure that listing/ delisting of Units is properly done by Tadawul.
- Upon Unit Creation, the Custodian should ensure that the underlying units (and its value) transferred to Fund account matches the ETF Units (and its value) transferred to the Market Makers’ account.
- Upon Units Redemption, the Custodian should ensure that the ETF Units (and its value) redeemed matches the underlying Sukuk (and its value) transferred to Market Maker’s account.
- Reconcile the intra-day creation or redemption activity with Tadawul.
- Undertake daily reconciliation to rectify any discrepancies.
- Transfer the Fund’s proceeds to the Fund's account

3) The Custodian shall be responsible for taking custody and protecting the Fund's assets on behalf of unitholders, and for taking all necessary administrative measures in relation to the custody of the Fund's assets.

e. Fund Operator

1) Name and address of fund operator.

Alinma capital Company
CMA License No. 37-09134
Riyadh, Al-Olaya, Al Anoud Southern Tower-2, King Fahd Road.
P.O. Box 55560 Riyadh 11544 Saudi Arabia
Telephone: +96612185999
Fax: +966112185900
Website: www.alinmacapital.com

2) A brief description of its duties and responsibilities.

- In regard with Investment Funds, Fund Operator shall be responsible for operating Investment Funds:
- The Fund Operator must keep the relevant books and registers of the operation of all the Funds under its operation.
- The Fund Operator must set up and maintain a register of unitholders in the Kingdom.
- The Fund Operator is responsible for the distribution of profits to unitholders.
- The Fund Operator is responsible for fully and fairly valuation of the Fund's assets.
- The Fund Operator must process requests for subscriptions at the price calculated at the next valuation point following the deadline for submission of requests for subscription.
- The Fund Operator shall process subscription requests so that they do not conflict with any provisions contained in the Investment Fund Regulation or the Fund terms and conditions.

o. Auditor

Name and address of auditor.
Alluhaid & Alyahya Chartered Accounts (LYCA)
Kingdom Of Saudi Arabia
P.O. 85453 Riyadh 11691
Tel. +966112693516
Fax. +966112694419
Website:
<https://lyca.com.sa/>

f. Financial Statements

Financial statements for the annual accounting period (or the interim period covered in the report) of the investment fund must be prepared in accordance with the accounting standards approved by the Saudi Organisation of Certified Public Accountants.

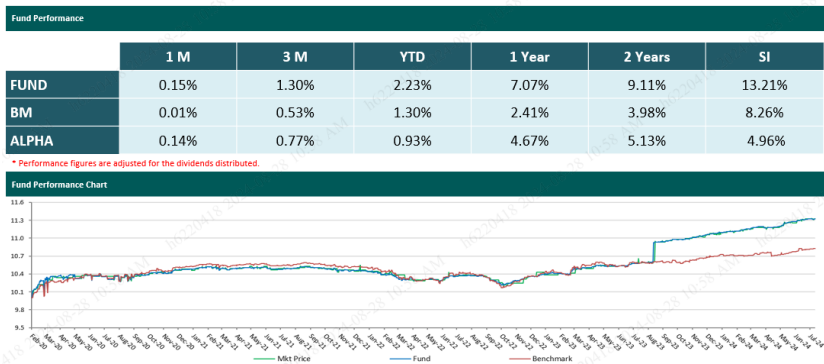
Annex 3

Annex 1
Topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives.

1- The 9th Board of Directors meeting for the fund was held on August 28, 2024 AD, at 01:00 PM, via the Microsoft Teams platform.

Agenda of the Meeting:

- Discuss the fund's performance relative to the benchmark and related events from the date of the previous meeting until the end of June 2024 AD.
 - Discuss issues related to the fund's activities from the date of the previous meeting until the end of June 2024 AD.
 - Meet with the compliance and anti-money laundering officer regarding any relevant matters.
 - Approve and/or sign the decisions and documents, including those approved by the board by circulation up to the date of the meeting (if any).
 - Other matters (if any).
- Explanation of Activities Mentioned in the Checklist and Agenda:
- Discussion of the fund's overall performance to assess the fund manager's adherence to investment objectives, investment policies, and any other investment restrictions or limits.
- Fund Performance:
The fund has achieved a return of 13.21% since inception compared to the benchmark of 8.26%, a difference of 4.96%.



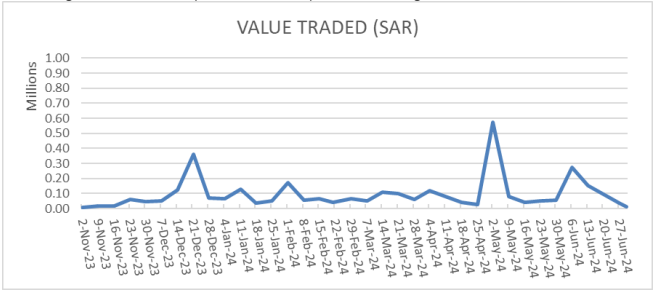
Fund Components:

- The fund's portfolio consists of 7 sukuk with an average remaining term of 1.80 years.
- The current net yield on the sukuk portfolio is 3.15%.

No.	ISIN	Maturity	Coupon	Index weight	ETF weight	Diff
1	SA14GVK2I835	24-Jan-28	3.85	3.51%	0.00%	-3.51%
2	SA14GVK2I7J3	24-Jan-25	3.45	5.08%	3.72%	-1.36%
3	SA14DFK2I2I6	25-Oct-24	3.2	7.28%	6.59%	-0.69%
4	SA14CVK2I1J5	20-Sep-27	3.45	3.16%	0.00%	-3.16%
5	SA14CVK2I136	20-Sep-24	3.25	1.50%	5.65%	4.15%
6	SA14IFK2I9J8	25-Apr-28	3.75	3.18%	0.00%	-3.18%
7	SA14JVK2IAJ5	25-Jul-25	3.62	0.67%	2.65%	1.98%
8	SA14JVK2IB33	25-Jul-28	3.8	5.98%	0.00%	-5.98%
9	SA14LFK2ICI7	24-Oct-28	4.06	3.51%	0.00%	-3.51%
10	SA14LFK2IC31	24-Oct-25	3.88	0.99%	0.00%	-0.99%
11	SA14OVK2ID31	23-Jan-29	3.9	20.60%	9.03%	-11.57%
12	SA14T00IIGJ0	23-Mar-25	2.17	1.26%	3.72%	2.46%
13	SA150G0IIHJ8	27-Jan-27	2.47	6.35%	0.00%	-6.35%
14	SA153G0IIQJ1	27-Jul-27	1.73	1.20%	0.00%	-1.20%
15	SA153G0IIQJ6	26-Jul-28	2.29	7.43%	0.00%	-7.43%
16	SA158G0IIT39	21-Jan-28	1.97	20.26%	0.00%	-20.26%
17	SA15HVK2J4J4	17-Mar-29	2.7	2.37%	0.00%	-2.37%
18	SA15HVK2J435	17-Mar-27	2.6	5.67%	13.80%	8.13%

Trading Volume and Values:

- The traded unit price was 10.54 SAR as of August 25, 2024 AD.
- The total trading value since the previous meeting until the end of June 2024 exceeded 3.23 million SAR.
- The average weekly trading value since the previous meeting was more than 95k SAR.
- The average number of weekly trades since the previous meeting was 92 trades.



Demographics of Shareholders:

Current		Nationality			
		Saudi's	Shares	Non-Saudi's	Shares
Investor Type	Individuals	974	372,470	76	7115
	Corporates	7	40,415,032	0	0
Total Shares		40,430,130			

- Ensure the fund manager fulfills responsibilities that serve the interests of unit holders in accordance with the Investment Funds Regulation and the fund's terms and conditions and information memorandum.
 - A meeting was held with the compliance officer to review the fund's adherence to all relevant laws, rules, and regulations.
 - The fund manager notified the board of directors of any investment restriction violations as they occurred. None reported.
 - Other matters.
- The board members were informed of the fund manager's current and ongoing initiatives with third parties related to the fund:
1. Working on changing the fund's strategy to include medium- and long-term sukuk.
 2. Expanding the fund's investment scope to include medium- and long-term sukuk.
- Board Decisions:
- The next meeting will be scheduled in coordination with the members at a later time.
- 2- The 9th Board of Directors meeting for the fund was held on DEC 30, 2024 AD, at 02:00 PM, via the Microsoft Teams platform.
- Agenda of the Meeting:
- Discuss the fund's performance relative to the benchmark and related events from the date of the previous meeting until the end of November 2024 AD.
 - Discuss issues related to the fund's activities from the date of the previous meeting until the end of November 2024 AD.
 - Meet with the compliance and anti-money laundering officer regarding any relevant matters.
 - Approve and/or sign the decisions and documents, including those approved by the board by circulation up to the date of the meeting (if any).
 - Other matters (if any).

Explanation of Activities Mentioned in the Meeting Agenda and Checklist:

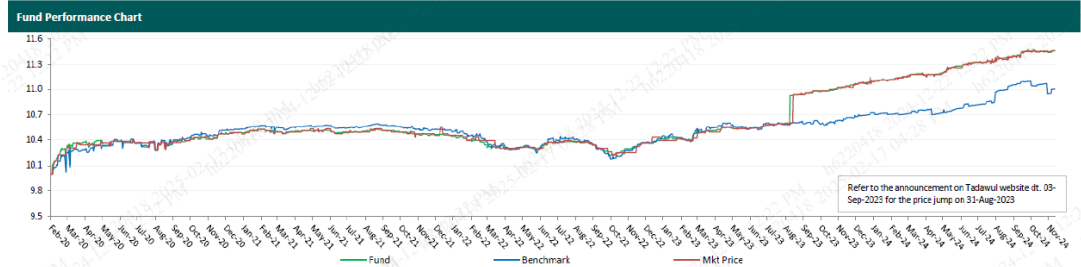
- Discussion of the Fund's Overall Performance: To assess the fund manager's adherence to investment objectives, investment policies, and any other investment restrictions or limits.

Fund Performance:

The fund has achieved a return of 14.64% since inception, compared to the benchmark return of 10.02%, resulting in a difference of 4.62% from the benchmark.

Fund Performance						
	1 M	3 M	YTD	1 Year	2 Years	SI
FUND	0.11%	0.85%	3.52%	3.98%	11.11%	14.64%
BM	-0.43%	0.12%	2.94%	3.29%	6.86%	10.02%
ALPHA	0.53%	0.73%	0.57%	0.70%	4.25%	4.62%

* Performance figures are adjusted for the dividends distributed.



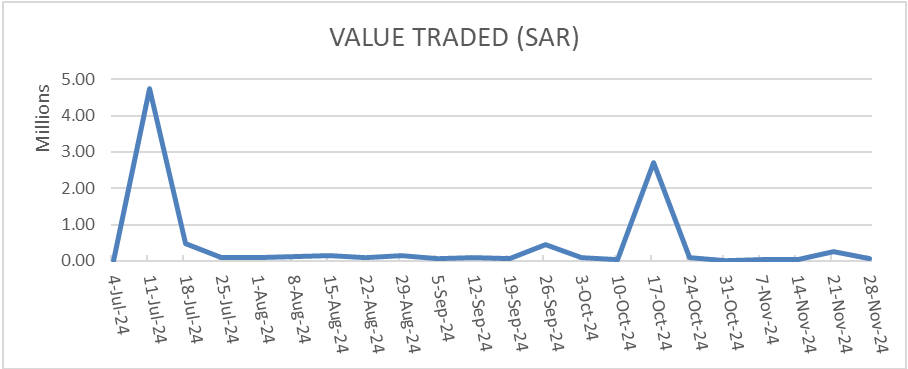
Fund Components:

- The fund's portfolio consists of 5 securities with an average remaining maturity of 2.08 years.
- The current net yield on the portfolio is 2.75%.

No.	ISIN	Maturity	Coupon	Index weight	ETF weight	Diff
1	SA14GVK2I835	24-Jan-28	3.85	3.13%	0.00%	-3.13%
2	SA14GVK2I7J3	24-Jan-25	3.45	0.47%	3.88%	3.41%
3	SA14CVK2I1J5	25-Oct-24	3.2	1.46%	0.00%	-1.46%
4	SA14BVK2HUI5	20-Sep-27	3.45	4.39%	0.00%	-4.39%
5	SA14FK2I9J8	20-Sep-24	3.25	0.94%	0.00%	-0.94%
6	SA14JVK2IAJ5	25-Apr-28	3.75	6.28%	2.94%	-3.34%
7	SA14JVK2IB33	25-Jul-25	3.62	4.49%	0.00%	-4.49%
8	SA14LFK2ICJ7	25-Jul-28	3.8	4.95%	0.00%	-4.95%
9	SA14LFK2IC31	24-Oct-28	4.06	3.00%	0.00%	-3.00%
10	SA14OVK2ID31	24-Oct-25	3.88	10.81%	8.88%	-1.93%
11	SA14T00IIGJ0	23-Jan-29	3.9	2.36%	0.00%	-2.36%
12	SA150G0IIHJ8	23-Mar-25	2.17	1.49%	3.72%	2.23%
13	SA153G0IIQJ1	27-Jan-27	2.47	1.14%	0.00%	-1.14%
14	SA153G0IIQJ6	27-Jul-27	1.73	12.80%	0.00%	-12.80%
15	SA158G0IIT39	26-Jul-28	2.29	4.34%	0.00%	-4.34%
16	SA15C00IJO39	21-Jan-28	1.97	5.24%	0.00%	-5.24%
17	SA15HVK2I4J4	17-Mar-29	2.7	4.06%	0.00%	-4.06%
18	SA15HVK2I435	17-Mar-27	2.6	5.42%	14.10%	8.68%
19	SA15DG52J131	4-Jan-29	2.6	23.22%	0.00%	-23.22%

Trading Volume and Values:

- The trading unit price was 10.64 SAR on December 22, 2024 AD.
- The total trading value from the previous meeting until the end of November 2024 exceeded 9.95 million SAR.
- The average weekly trading value since the last meeting was more than 452k SAR.
- The average number of weekly trades since the last meeting was 144 trades.



Shareholder Demographics:

Current		Nationality			
		Saudi's	Shares	Non-Saudi's	Shares
Investor Type	Individuals	1252	304799	95	7495
	Corporates	6	40,117,836	0	0
Total Shares		40,430,130			

- Ensure that the fund manager fulfills their responsibilities in a manner that serves the interests of the unit holders according to the Investment Funds Regulations, the terms and conditions of the fund, and the information memorandum.
 - A meeting was held with the compliance and adherence officer, and the fund's compliance with all relevant laws, regulations, and guidelines was reviewed.
 - Notification to the board of directors regarding any violations of investment restrictions upon occurrence: None.
 - Other issues:
 - The current initiatives of the fund manager with relevant third parties were clarified to the board members:
 - 3. Working to change the fund's strategy to include medium- and long-term securities.
 - 4. Expanding the fund's investment scope to encompass medium- and long-term securities.
- Board Decisions:
- The next meeting will be scheduled in coordination with the members at a later time.

Annex 2
Details of any material changes to the Fund’s Terms and Conditions (for a public fund)
05/05/2024

1-

Current formula	Suggested formula	Justifications for change
Fund Summary: Benchmark: Alinma iBoxx Tadawul SAR Government Sukuk Index – Short Maturity	Fund Summary: Benchmark: Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings.	The index was changed to a modern index that has several advantages such as a competitive price, reflects the real market situation, and is characterized by flexibility in dealings with the service provider.
Glossary: Index Providers: The entities responsible for setting the rules of calculating and maintaining the Index. The Saudi Stock Exchange (Tadawul) and IHS Markit (iBoxx) will be the index providers for the Fund.	Glossary: Index Providers: The entity responsible for setting the rules of calculating and maintaining the Index. IdealRatings Company will be the index providers for the Fund. Riyal or SAR: Means the Saudi riyal, the official currency of the Kingdom of Saudi Arabia. Equity Based Sukuk: They are investment instruments in accordance with Shariah compliance of Alinma Investment Company that do not exhibit features of debt instruments and include instruments that demonstrate a residual interest in the assets of the enterprise after deducting all of its obligations, for example, based entirely on Mudarabah, Investment Wakalah, and/or Musharakah. Debt Based Sukuk: They are investment instruments in accordance with Shariah compliance of Alinma Investment Company with requirements that provide fixed or identifiable payments of profit and capital, for example, based entirely on Ijarah, and/or Istisnaa contracts. Hybrid – Sukuk: They are investment instruments in accordance with Shariah compliance of Alinma Investment Company based on a combination of two or more, for example Mudarabah and Tawarruq contracts. Asset Backed Sukuk: Sukuk wherein holders possess ownership rights to specific assets underlying the issuance. Returns for holders are contingent on the performance of these assets. In case of issuer default, holders can seek recourse from the underlying assets for repayment. Asset Based Sukuk: Sukuk backed by issuer assets, where Sukuk holders can recourse to the issuer's overall assets and cash flows, rather than specific assets.	<p>The index was changed to a modern index that has several advantages such as a competitive price, reflects the real market situation, and is characterized by flexibility in dealings with the service provider.</p> <p>The following definitions have been added for clarity.</p>
3 Investment Policies and Practices: A) Investment Objectives of the Investment Fund: Listed in the main market Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 years from the date of adding them to the index Sukuk with a fixed return Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals	3 Investment Policies and Practices: A) Investment Objectives of the Investment Fund: Listed in the main market Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 years or less from the date of their issuance Sukuk with a fixed return Sukuk are Equity Based, Debt Based and Hybrid Based Sukuk are Asset Backed and Asset Based Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances	<p>For greater clarity, in line with the indicator change.</p> <p>Additions for greater clarity, in line with the indicator change.</p>
3- C) Any concentrated policy of investment in specific securities, or in an industry or group of sectors, or in a specific country or geographic region: The Fund Manager will adopt the following policy with regards to concentrating the Fund’s investments: The Fund Manager’s founding strategy will be focused on investing mainly in a variety of short-maturity Saudi government sukuk issued by the Saudi government and listed in the main market with a tenure of between zero to 5 years from the date of adding them to the index. The Fund Manager will apply a passive management approach in mirroring the performance of the index (iBoxx Tadawul SAR Government Sukuk index). The Fund Manager will manage to provide continuously the required liquidity to account for any of the Fund’s other fees, expenses and liabilities, including the distributions expected to be distributed to unitholders. The Fund will adopt the passive management method to manage its investments. The review of the weights of the underlying assets will be taken periodically on a quarterly basis to ensure proper tracking of any changes to the benchmark index. If the re-balancing day falls on an official holiday, the re-balancing will be conduct on the next business day.	3- C) Any concentrated policy of investment in specific securities, or in an industry or group of sectors, or in a specific country or geographic region: The Fund Manager’s founding strategy will be focused on investing mainly in a variety of short-maturity Saudi government sukuk issued by the Saudi government and listed in the main market with a tenure of between zero to 5 years from the date of their issuance. The Fund Manager will apply a passive management approach in mirroring the performance of the index (Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings). The Fund Manager will manage to provide continuously the required liquidity to account for any of the Fund’s other fees, expenses and liabilities, including the distributions expected to be distributed to unitholders. The Fund will adopt the passive management method to manage its investments. The review of the weights of the underlying assets will be taken periodically on a monthly basis or on what the Fund manager sees appropriate to ensure proper tracking of any changes to the benchmark index. If the re-balancing day falls on an official holiday, the re-balancing will be conduct on the next business day.	For greater clarity, in line with the indicator change.
The Benchmark, Index Provider, Bases, and Methodology Used to Calculate the Index: The benchmark index: iBoxx Tadawul SAR Government Sukuk Index – Short Maturity. The Index Provider: The Saudi Stock Exchange (Tadawul) and IHS Markit (iBoxx). The methodology used to calculate the index:separate file The index (iBoxx Tadawul SAR Government Sukuk Index – Short Maturity) is designed to reflect the performance of the government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia. The index rules have been set to cover a broad spectrum of government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia. The Fund index will be calculated for the current day as follows: The weight of a single sukuk is calculated as at close of the preceding day The return of each single sukuk is calculated for the current day by comparing the change percentage in the market value of the sukuk and the accumulated returns on the current day to the sukuk market value and accumulated returns on the preceding day (whereas the sukuk market value is the sukuk price as mentioned below in “Sukuk Prices” multiplied by the issuance size). The weight of each single sukuk at the end of the preceding day is multiplied by its return on the current day; then, the obtained outcome is added to each of the index, which will result in the index return on the current day The index return on the current day is multiplied by the index value on the preceding day, which will result in a value that represent the index percentage change in the index on the current day. The index percentage change on the current day is added to the index percentage change on the preceding day, which will result in the index value by the end of the current day. The benchmark index value will be at 100 upon commencement of index operation. The premises of one of the index providers, which is IHS Markit (iBoxx), is located in London; thus, and upon the launch of the index, the service provider’s business days will be from Monday to Friday. Accordingly, Sunday prices of the index components will be available before market trading hours on Monday. The index will be calculated every day except for weekends, Fridays and Saturdays, and market official holidays for the benchmark index (Alinma iBoxx Tadawul SAR Government Sukuk index– Short Maturity). The following standards will be maintained when choosing the index components from the basket of government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia: The type of the single sukuk The issuer The outstanding amount	n) The Benchmark, Index Provider, Bases, and Methodology Used to Calculate the Index: The benchmark index: Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings / Shariah Compliant. The Index Provider: IdealRatings Company(IdealRatings). Eligibility criteria for the Index: Type of Coupon: Fixed Coupons Currency: SAR Issuance Size: The volume of the issuance must be US\$ 100 million or more. Date of entitlement: Sovereign instruments in force for a period of five years or less. Ownership: sovereign. Country: Saudi Arabia. Sukuk are Equity Based, Debt Based and Hybrid Based Sukuk are Asset Backed and Asset Based Liquidity: Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances. The methodology used to calculate the index: The index is an index for short-term sukuk: Saudi Sovereign Sukuk with 5 years or less to maturity at the time of issuance. Shariah Screening Methodology: Sukuk Included will be based on investable universe approved by Alinma shariah board. Index Type: Total Return Index Price Return Index (Excluding coupon re-investment) Pricing: Transaction close prices as reported by Tadawul is used. In case Sukuk has no reported close prices, PAR value is used till Sukuk is matured. Market Value Weighted: The weight for each eligible Sukuk is the Market value of the issue as a percentage of the total index market value. Total Return Calculation: The total return is calculated by aggregating the price changes, accrued and re-invested coupon payments. Both Price Return and Total Return files should be available on the daily delivery files as a separate file. Constituents Modification: Eligible new sukuk issued and tapping Sukuk issuances intra-month are added to the index at the first business day of the following month. Index Re-balance: The Index re-balancing will be monthly at the 1st business day of each month as well as on need bases due to Sukuk maturity. The Fund index will be calculated for the current day as follows: The value of the sakk/sukuk shall be calculated by means of supply rates for the transactions of publications submitted by the Saudi Stock Exchange (Tadawul). In the absence of publications issued about the tender price of the sukuk, the nominal value is used (SAR 100) for the sukuk until the due date. The premises of one of the index providers, which is IdealRatings (IDEALRATINGS), is located in San Francisco; thus, and upon the launch of the index, the service provider’s business days will be from Monday to Friday. Accordingly, Sunday prices of the index components will be available before market trading hours on Monday. The index will be calculated every day except for weekends, Fridays and Saturdays, and market official holidays for the benchmark index (Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings).	<p>For greater clarity, in line with the indicator change.</p> <p>For greater clarity, in line with the indicator change.</p> <p>For greater clarity, in line with the indicator change.</p> <p>For greater clarity, in line with the indicator change.</p> <p>For greater clarity, in line with the indicator change.</p>

	<p>The following standards will be maintained when choosing the index components from the basket of government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia:</p> <p>The type of the single sukuk</p> <p>The issuer</p> <p>The outstanding amount</p>	
<p>1-2 Sukuk Prices:</p> <p>The sukuk prices used to calculate the index are provided by the index provider, as per the below method:</p> <p>Government Sukuk listed in the Saudi Stock Exchange (Tadawul) will be valued based on the most recent transaction price conducted in the exchange on the valuation day in question.</p> <p>If no transactions are conducted for the Sukuk in question on that day, the index provider will use the fair value (reference yield curve method) as follows:</p> <p>Sukuk issued by the same issuer, having the same characteristics and of the highest demand price, on the day in question, among the other Sukuk of the Fund investment scope will be separated;</p> <p>The Sukuk separated above will be used to construct a yield curve of those Sukuk in a diagram that clarifies the relationship between the maturity and the yield based on the highest demand price of such Sukuk;</p> <p>Such curves will be updated when there are new higher demand prices of those Sukuk or any other Sukuk with higher demand price on the day in question;</p> <p>The index provider will use the previous curve to compute a linear approximation of the yield of several Sukuk with different maturities to line up and match the previous curves;</p> <p>The single Sukuk in question will be priced based on the maturity yield of such sukuk in the curve.</p>	<p>1-2 Sukuk Prices:</p> <p>The sukuk prices used to calculate the index are provided by the index provider, as per the below method:</p> <p>Government Sukuk listed in the Saudi Stock Exchange (Tadawul) will be valued based on the most recent transaction price conducted in the exchange on the valuation day in question. If no transactions are conducted for the Sukuk in question on that day, the index provider will use the PAR value (SAR 100).</p>	<p>For greater clarity, in line with the indicator change</p>
<p>1-3 Rebalancing:</p> <p>overnment sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia will be rebalanced quarterly on the last business day of the month after trading hours.</p>	<p>1-3 Rebalancing:</p> <p>Index for government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia will be rebalanced monthly on the last business day of the month after trading hours.</p>	<p>For greater clarity, in line with the indicator change.</p>
<p>1-4 Index Information</p> <p>iBoxx Tadawul SAR Government Sukuk Index – Short Maturity is a weighted index comprising local government Sukuk issued by the government of Saudi Arabia and meet the following conditions:</p> <p>Listed in the main market</p> <p>Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 years from the date of adding them to the index</p> <p>Sukuk with a fixed return</p> <p>Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals</p> <p>The components of the index shall be modified when rebalancing the index by the end of each quarter. The index assets shall be valued as detailed in the Article “Valuation and Pricing”.</p>	<p>1-4 Index Information</p> <p>Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings is a weighted index comprising local government Sukuk issued by the government of Saudi Arabia and meet the following conditions:</p> <p>Listed in the main market</p> <p>Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 years or less from the date of their issuance</p> <p>Sukuk with a fixed return</p> <p>Sukuk are Equity Based, Debt Based and Hybrid Based</p> <p>Sukuk are Asset Backed and Asset Based</p> <p>Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals</p> <p>Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances</p> <p>The components of the index shall be modified when rebalancing the index on a monthly basis. The index assets shall be valued as detailed in the Article “Valuation and Pricing”.</p>	<p>For greater clarity, in line with the indicator change.</p> <p>For greater clarity, in line with the indicator change.</p>
<p>Tadawul website www.tadawul.com.sa.</p> <p>3- Investment Policies and Practices</p> <p>4-1</p> <p>10- Valuation and Pricing</p> <p>3)C</p> <p>13- Reporting to Unitholders</p> <p>B</p> <p>C</p> <p>15- Meeting of unitholders</p> <p>B</p> <p>16- Unitholders’ rights</p> <p>B</p> <p>19- Changes to the Fund’s Terms and Conditions</p> <p>1),2)</p> <p>B</p> <p>20 Termination and liquidation of the investment fund</p> <p>1</p> <p>2),4),6)10)14)</p> <p>21) Fund Manager</p> <p>D</p> <p>31- Additional Information Requirements for Certain Types of Funds (ETF):</p> <p>1-4</p>	<p>Saudi Stock Exchange (Tadawul) website www.saudiexchange.sa.</p> <p>3- Investment Policies and Practices</p> <p>4-1</p> <p>10- Valuation and Pricing</p> <p>3)C</p> <p>13- Reporting to Unitholders</p> <p>B</p> <p>C</p> <p>15- Meeting of unitholders</p> <p>B</p> <p>16- Unitholders’ rights</p> <p>B</p> <p>19- Changes to the Fund’s Terms and Conditions</p> <p>1),2)</p> <p>B</p> <p>20 Termination and liquidation of the investment fund</p> <p>1</p> <p>2),4),6)10)14)</p> <p>21) Fund Manager</p> <p>D</p> <p>31- Additional Information Requirements for Certain Types of Funds (ETF):</p> <p>1-4</p>	<p>Change the official website of the Saudi Stock Exchange</p> <p>Change the official website of the Saudi Stock Exchange</p>
<p>4) The Main Risks of Investing in the Fund:</p> <p>2) Risks Associated with the Market:</p>	<p>4) The Main Risks of Investing in the Fund:</p> <p>2) Risks Associated with the Market:</p> <p>Risks of lack of investment opportunities: The Fund manager seeks to have a minimum investment in sovereign sukuk of 90%, but investment in sukuk depends mainly on the existence of adequate issuances of sukuk that are in accordance with the standards of the Fund’s Shariah Board. Therefore, in the absence of sufficient sovereign sukuk, the Fund manager will have to drop the investment ratio below the minimum. In this case, the Fund manager will invest the funds specified for the sukuk in Commodity Murabaha transactions that might be less profitable than the return on investment in the sukuk, thereby adversely affecting the unit price and the performance of the Fund, where the situation continues until the Fund manager has sufficient issuances of investable sukuk.</p> <p>Risks of increased investment in money markets: Because investment in sovereign sukuk depends mainly on the existence of adequate issuances of sukuk that are compatible with the shariah oversight committee and therefore in the absence of investment opportunities, the fund manager will increase the proportion of his investments in money markets to manage liquidity, according to the fund manager.</p>	<p>For greater clarity, in line with the indicator change.</p>
<p>4) The Main Risks of Investing in the Fund:</p> <p>4) Risks Associated with the Fund’s Strategy:</p>	<p>4) The Main Risks of Investing in the Fund:</p> <p>4) Risks Associated with the Fund’s Strategy:</p> <p>Risks of High Deviation Factor: The Fund Manager seeks to maintain a margin of deviation compared with the index performance of a maximum of 1.00% annually, while reducing the margin of deviation between the Fund’s performance and the index performance to a minimum, and there is no assurance that the Fund Manager can match the performance of the index.</p> <p>Risk of Not Achieving Returns Similar to the Indicator: The fund manager will seek to follow the index in line with what the fund manager sees and approves by the Fund’s Shariah committee, and therefore some of the investments of the index may not coincide, which may affect the performance of the Fund and limit the ability to achieve returns similar to the index. There is no assurance to the unit owners that the performance of the fund against the indicative index will be similar.</p>	<p>For greater clarity, in line with the indicator change.</p>
<p>9. Fees, Charges and Expenses:</p> <p>B) A table showing all fees and expenses, how the fees, charges and expenses are calculated and when it is paid by the investment fund:</p>	<p>9. Fees, Charges and Expenses:</p> <p>B) A table showing all fees and expenses, how the fees, charges and expenses are calculated and when it is paid by the investment fund:</p>	<p>Correction of a typo in the management fee percentage.</p>

Fee type	Calculation Method of Fees and Expenses			Notes	
Management Fees	calculated daily from the net asset value of the Fund and paid on a monthly basis (The Fund's Net Asset Value x Percentage)	0.25%	Monthly	Incurring by the Fund	
Dealing fees which includes the following: Sukuk trading fees. Deposit fees. Fees of creating or canceling the Fund's units. Other fees incurred by the market maker when making the market Buying and selling the index stocks. Fees of dealing in the other assets where the Fund invests. Any other fees that apply to trading in other assets where the Fund invests.	Calculated separately with each transaction conducted by the Fund (Transaction net value multiplied by the transaction cost percentage)	%		Incurring by the Fund	
Total expenses		%		Incurring by the Fund	
Average Net Asset Value for the year xxxxxx					
9. Fees, Charges and Expenses:					
C) A hypothetical table showing the percentage of Fund expenses against the total Fund asset value for the Fund and the unitholder throughout the lifespan of the fund. Such Fund shall include percentage of recurring and non-recurring expenses:					
	Fee type	Minimum limit of fees (annually)	% Fees	Repeat payment	Currency
	Managing Director Fee	36,000.00	0.0125%	Monthly	USD
	Managing Director Fee (Apex), Financial Statements	10,000.00	0.0000%	Semi-annual	USD
	Custody Fees	375,000.00	0.0125%	Quarterly	SAR
	Index providers' fees (IHS)	100,000.00	0.0300%	annually	USD
	Audit Fees (Auditor's fees)	45,000.00	0.0000%	annually	SAR
	Remunerations of the Fund Board	12,000.00	0.0000%	annually	SAR
	Tadawul Fees	-	0.0000%	For each deal	SAR
	CAPITAL MARKET AUTHORITY	7,500.00	0.0000%	annually	SAR
	"Tadawul"	50,000.00	0.0000%	annually	SAR
	Other fees (Phi)	154,000.00	0.0000%	annually	SAR
Valuation and Pricing:					
The Fund net asset value will be calculated in general pursuant to Investment Funds Regulations as follows:					
2) If no transactions are conducted for the Sukuk in question on that day, the Fund Manager will use the fair value (reference yield curve method) as follows:					
Sukuk issued by the same issuer, having the same characteristics and of the highest demand price, on the day in question, among the other Sukuk of the Fund investment scope will be separated.					
The Sukuk separated above will be used to construct a yield curve of those Sukuk in a diagram that clarifies the relationship between the maturity and the yield based on the highest demand price of such Sukuk.					
Such curves will be updated when there are new higher demand prices of those Sukuk or any other Sukuk with higher demand price on the day in question.					
The Fund Manager will use the previous curve to compute a linear approximation of the yield of several Sukuk with different maturities to line up and match the previous curves.					
The single Sukuk in question will be priced based on the maturity yield of such sukuk in the curve.					
31. Additional Information Requirements for Certain Types of Funds (ETF):					
Exchange Traded Fund:					
Circumstances that may lead to errors in tracking the performance of the index:					
The premises of one of the index providers, which is IHS Markit (iBoxx), is located in London; thus, and upon the launch of the index, the service provider's business days will be from Monday to Friday. Accordingly, Sunday prices of the index components will be available before market trading hours on Monday. The index will be calculated every day except for weekends, Fridays and Saturdays, and market official holidays for the benchmark index (Alinma iBoxx Tadawul SAR Government Sukuk index– Short Maturity).					
The information used in the index calculations are obtained from the sukuk prospectus. The accuracy of such information shall be verified by comparing such information against the Tadawul metadata base.					
A brief description of index methodology\rules with an indication of the means by which the unitholders could obtain the latest information, news and components of the index:					
The benchmark (Alinma iBoxx Tadawul SAR Government Sukuk index – Short Maturity) is designed to reflect the performance of the government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia. The index rules have been set to cover a broad spectrum of government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia.					
The Fund index will be calculated for the current day as follows:					
The weight of a single sukuk is calculated as at close of the preceding day					
The return of each single sukuk is calculated for the current day by comparing the change percentage in the market value of the sukuk and the accumulated returns on the current day to the sukuk market value and accumulated returns on the preceding day (whereas the sukuk market value is the sukuk price as mentioned below in "Sukuk Prices" multiplied by the issuance size).					
The weight of each single sukuk at the end of the preceding day is multiplied by its return on the current day; then, the obtained outcome is added to each of the benchmark, which will result in the benchmark return on the current day					
The index return on the current day is multiplied by the benchmark value on the preceding day, which will result in a value that represent the index percentage change in the benchmark on the current day					
The index percentage change on the current day is added to the index percentage change on the preceding day, which will result in the index value by the end of the current day					
The benchmark index value will be at 100 upon commencement of index operation					
The benchmark value was updated on 31/10/2021 G. as per a nominal value after fragmenting the unit.					
Therefore, the value of the benchmark becomes 10.					
The premises of one of the index providers, which is IHS Markit (iBoxx), is located in London; thus, and upon the launch of the index, the service provider's business days will be from Monday to Friday. Accordingly, Sunday prices of the index components will be available before market trading hours on Monday. The index will be calculated every day except for weekends, Fridays and Saturdays, and market official holidays for the benchmark index (Alinma iBoxx Tadawul SAR Government Sukuk index– Short Maturity).					
The following standards will be maintained when choosing the index components from the basket of government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia:					
Fee type	Calculation Method of Fees and Expenses			Notes	
Management Fees	calculated daily from the net asset value of the Fund and paid on a monthly basis (The Fund's Net Asset Value x Percentage)	25%	Monthly	Incurring by the Fund	
Dealing fees which includes the following: Sukuk trading fees. Deposit fees. Fees of creating or canceling the Fund's units. Other fees incurred by the market maker when making the market Buying and selling the index stocks. Fees of dealing in the other assets where the Fund invests. Any other fees that apply to trading in other assets where the Fund invests.	Calculated separately with each transaction conducted by the Fund (Transaction net value multiplied by the transaction cost percentage)	%		Incurring by the Fund	
Total expenses		%		Incurring by the Fund	
Average Net Asset Value for the year xxxxxx					
9. Fees, Charges and Expenses:					
C) A hypothetical table showing the percentage of Fund expenses against the total Fund asset value for the Fund and the unitholder throughout the lifespan of the fund. Such Fund shall include percentage of recurring and non-recurring expenses:					
	Type of Fee	Percentage %	Payment Frequency		It is enough to mention the costs borne by the unit owner and the fund in particular, for greater clarity.
	Dealing Fees	Each transaction is accounted for separately by multiplying the total value of the transaction by the percentage of the cost of the operation	-		
	Fund's Management Fees	0.25%*	Monthly		
	Total Expense and Fees	-	-		
	* Value added tax (VAT) is variable as determined from time to time by the government.				
Valuation and Pricing:					
The Fund net asset value will be calculated in general pursuant to Investment Funds Regulations as follows:					
If no transactions are conducted for the Sukuk in question on that day, the Fund Manager will use the PAR value (SAR 100).					
31. Additional Information Requirements for Certain Types of Funds (ETF):					
Exchange Traded Fund:					
Circumstances that may lead to errors in tracking the performance of the index:					
Circumstances that may lead to errors in tracking the performance of the index:					
Due to the lack of sufficient liquidity in the market for the constituent sukuk of the index followed, this may lead to errors in tracking the performance of the index.					
In the case of pricing errors at the Saudi Stock Exchange (Tadawul) website, which may cause errors in tracking the performance of the index.					
6) A brief description of index methodology\rules with an indication of the means by which the unitholders could obtain the latest information, news and components of the index:					
The benchmark (Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings) is designed to reflect the performance of the government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia. The index rules have been set to cover a broad spectrum of government sukuk denominated in Saudi Riyal and issued by the government of Saudi Arabia.					
The Fund index will be calculated for the current day as follows:					
The weight of a single sukuk is calculated as at close of the preceding day					
The return of each single sukuk is calculated for the current day by comparing the change percentage in the market value of the sukuk and the accumulated returns on the current day to the sukuk market value and accumulated returns on the preceding day (whereas the sukuk market value is the sukuk price as mentioned below in "Sukuk Prices" multiplied by the issuance size).					
The weight of each single sukuk at the end of the preceding day is multiplied by its return on the current day; then, the obtained outcome is added to each of the benchmark, which will result in the benchmark return on the current day					
The index return on the current day is multiplied by the benchmark value on the preceding day, which will result in a value that represent the index percentage change in the benchmark on the current day					
The index percentage change on the current day is added to the index percentage change on the preceding day, which will result in the index value by the end of the current day					
The benchmark index value will be at 100 upon commencement of index operation					
The benchmark value was updated on 31/10/2021 G. as per a nominal value after fragmenting the unit.					
The benchmark value was updated on 31/10/2021 G. as per a nominal value after fragmenting the unit. Therefore, the value of the benchmark becomes 10.					
The premises of one of the index providers, which is IdealRatings company (IDEALRATINGS), is located in San Francisco; thus, and upon the launch of the index, the service provider's business days will be from Monday to Friday. Accordingly, Sunday prices of the index components will be available before market trading hours on Monday. The index will be calculated every day except for weekends, Fridays and Saturdays, and market official holidays for the benchmark index (Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings).					
For greater clarity, in line with the indicator change.					
For greater clarity, in line with the indicator change.					

<p>The type of the single sukuk</p> <p>The issuer</p> <p>The outstanding amount</p> <p>1-2 Sukuk Prices:</p> <p>The sukuk prices used to calculate the index are provided by the index provider, as per the below method:</p> <p>Government Sukuk listed in the Saudi Stock Exchange (Tadawul) will be valued based on the most recent transaction price conducted in the exchange on the valuation day in question.</p> <p>If no transactions are conducted for the Sukuk in question on that day, the index provider will use the fair value (reference yield curve method) as follows:</p> <p>Sukuk issued by the same issuer, having the same characteristics and of the highest demand price, on the day in question, among the other Sukuk of the Fund investment scope will be separated;</p> <p>The Sukuk separated above will be used to construct a yield curve of those Sukuk in a diagram that clarifies the relationship between the maturity and the yield based on the highest demand price of such Sukuk;</p> <p>Such curves will be updated when there are new higher demand prices of those Sukuk or any other Sukuk with higher demand price on the day in question;</p> <p>The index provider will use the previous curve to compute a linear approximation of the yield of several Sukuk with different maturities to line up and match the previous curves;</p> <p>The single Sukuk in question will be priced based on the maturity yield of such Sukuk in the curve.</p> <p>Index Information:</p> <p>iBoxx Tadawul SAR Government Sukuk index– Short Maturity is a weighted index comprising local government Sukuk issued by the government of Saudi Arabia and meet the following conditions:</p> <p>Listed in the main market</p> <p>Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 years from the date of adding them to the index</p> <p>Sukuk with a fixed return</p> <p>Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals</p>	<p>Sukuk Prices:</p> <p>The sukuk prices used to calculate the index are provided by the index provider, as per the below method:</p> <p>Government Sukuk listed in the Saudi Stock Exchange (Tadawul) will be valued based on the most recent transaction price conducted in the exchange on the valuation day in question.</p> <p>If no transactions are conducted for the Sukuk in question on that day, the index provider will use the PAR value</p> <p>Rebalancing:</p> <p>The Sukuk constituting the Fund shall be rebalanced on mothy basis, on the last working day of the month after closing the transaction in line with the rebalancing process applied for the index. Such a process will aim to ensure that the Fund's objectives for distributing long-term returns can be appropriately met.</p> <p>1-4 Index Information:</p> <p>Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings is a weighted index comprising local government Sukuk issued by the government of Saudi Arabia and meet the following conditions:</p> <p>Listed in the main market</p> <p>Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 or less from the date of their issuance</p> <p>Sukuk with a fixed return</p> <p>Sukuk are Equity Based, Debt Based and Hybrid Based</p> <p>Sukuk are Asset Backed and Asset Based</p> <p>Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals</p>	<p>For greater clarity, in line with the indicator change.</p> <p>For greater clarity, in line with the indicator change.</p>
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2- 17/12/2024

Current formula	Suggested formula	Justifications for change
<p>Terms and Conditions</p> <p>Alinma Saudi Government Sukuk ETF – Short Maturity</p> <p>Alinma Saudi Government Sukuk ETF – Short Maturity has been certified as being Shariah compliant by the Shariah Committee appointed for the investment Fund.</p>	<p>Terms and Conditions</p> <p>Alinma Saudi Government Sukuk ETF</p> <p>Alinma Saudi Government Sukuk ETF has been certified as being Shariah compliant by the Shariah Committee appointed for the investment Fund.</p>	<p>The fund's name has been changed to reflect the fund's new strategy.</p>
<p>Fund Summary:</p> <p>Investment Fund name: Alinma Saudi Government Sukuk ETF – Short Maturity</p> <p>Fund Objectives: Alinma Saudi Government Sukuk ETF – Short Maturity, is a ETF Fund that invests through the passive management of a basket of Shariah-approved local government sukuk issued by the Saudi government and listed in the main market to generate a performance that mimics the performance of the index (before fees and expenses), distribute periodic returns, reduce cost, increase efficiency, as well as enhancing liquidity by concentrating on such income-generating investment instruments which enable individuals to invest in debt capital market instruments with more flexibility, resulting in the promotion of the saving culture among investors which is one of the Saudi Vision 2030 key objectives.</p>	<p>Fund Summary:</p> <p>Investment Fund name: Alinma Saudi Government Sukuk ETF</p> <p>Fund Objectives: Alinma Saudi Government Sukuk ETF, is a ETF Fund that invests through the passive management of a basket of Shariah-approved local government sukuk issued by the Saudi government and listed in the main market to generate a performance that mimics the performance of the index (before fees and expenses), distribute periodic returns, reduce cost, increase efficiency, as well as enhancing liquidity by concentrating on such income-generating investment instruments which enable individuals to invest in debt capital market instruments with more flexibility, resulting in the promotion of the saving culture among investors which is one of the Saudi Vision 2030 key objectives.</p>	<p>The fund's name has been changed to reflect the fund's new strategy.</p>
<p>Glossary:</p> <p>The Fund: Means Alinma Saudi Government Sukuk ETF – Short Maturity which is managed by Alinma Investment Company.</p>	<p>Glossary:</p> <p>The Fund: Means Alinma Saudi Government Sukuk ETF which is managed by Alinma Investment Company.</p>	<p>The fund's name has been changed to reflect the fund's new strategy.</p>
<p>1. Investment Fund:</p> <p>a) Investment Fund Name, Type and Class:</p> <p>Alinma Saudi Government Sukuk ETF Fund – Short Maturity</p>	<p>1. Investment Fund:</p> <p>a) Investment Fund Name, Type and Class:</p> <p>Alinma Saudi Government Sukuk ETF Fund</p>	<p>The fund's name has been changed to reflect the fund's new strategy.</p>
<p>Investment Policies and Practices:</p> <p>Investment Objectives of the Investment Fund:</p> <p>Alinma Saudi Government Sukuk ETF – Short Maturity,</p> <p>Listed in the main market</p> <p>Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 years or less from the date of their issuance</p> <p>Sukuk with a fixed return</p> <p>Sukuk are Equity Based, Debt Based and Hybrid Based</p> <p>Sukuk are Asset Backed and Asset Based</p> <p>Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals</p> <p>Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances</p> <p>Any concentrated policy of investment in specific securities, or in an industry or group of sectors, or in a specific country or geographic region:</p> <p>The Fund Manager’s founding strategy will be focused on investing mainly in a variety of short-maturity Saudi government sukuk issued by the Saudi government and listed in the main market with a tenure of between zero to 5 years from the date of their issuance. The Fund Manager will apply a passive management approach in mirroring the performance of the index (Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings).</p> <p>N) The Benchmark, Index Provider, Bases, and Methodology Used to Calculate the Index:</p> <p>The benchmark index: Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings / Shariah Compliant.</p> <p>The Index Provider: IdealRatings Company(IdealRatings).</p> <p>Eligibility criteria for the Index:</p> <p>Type of Coupon: Fixed Coupons</p> <p>Currency: SAR</p> <p>Issuance Size: The volume of the issuance must be US\$ 100 million or more.</p> <p>Date of entitlement: Sovereign instruments in force for a period of five years or less.</p> <p>Ownership: sovereign.</p> <p>Country: Saudi Arabia.</p> <p>Sukuk are Equity Based, Debt Based and Hybrid Based</p> <p>Sukuk are Asset Backed and Asset Based</p> <p>Liquidity: Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances.</p> <p>The methodology used to calculate the index:</p> <p>The Index is an index for short-term sukuk:</p> <p>Saudi Sovereign Sukuk with 5 years or less to maturity at the time of issuance.</p> <p>Index Re-balance:</p> <p>The Index re-balancing will be monthly at the 1st business day of each-month. As well as on need bases due to sukuk maturity.</p> <p>In the absence of publications issued about the tender price of the sukuk, the nominal value is used (SAR 100)for the sukuk until the due date.</p> <p>Index Information:</p> <p>Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings is a weighted index comprising local government Sukuk issued by the government of Saudi Arabia and meet the following conditions:</p> <p>Listed in the main market</p> <p>Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 years or less from the date of their issuance</p> <p>Sukuk with a fixed return</p> <p>Sukuk are Equity Based, Debt Based and Hybrid Based</p> <p>Sukuk are Asset Backed and Asset Based</p> <p>Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals</p>	<p>Investment Policies and Practices:</p> <p>Investment Objectives of the Investment Fund:</p> <p>Alinma Saudi Government Sukuk ETF – Short Maturity,</p> <p>Listed in the main market</p> <p>Sukuk with a fixed return</p> <p>Sukuk are Equity Based, Debt Based and Hybrid Based</p> <p>Sukuk are Asset Backed and Asset Based</p> <p>Each issuance of such Sukuk must be worth one hundred (100) million US dollars or more, or its equivalent in Saudi riyals.</p> <p>Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances</p> <p>Any concentrated policy of investment in specific securities, or in an industry or group of sectors, or in a specific country or geographic region:</p> <p>The Fund Manager’s founding strategy will be focused on investing mainly in a variety of Saudi government sukuk issued by the Saudi government and listed in the main market The Fund Manager will apply a passive management approach in mirroring the performance of the index (Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings).</p> <p>N) The Benchmark, Index Provider, Bases, and Methodology Used to Calculate the Index:</p> <p>The benchmark index: Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings / Shariah Compliant.</p> <p>The Index Provider: IdealRatings Company(IdealRatings).</p> <p>Eligibility criteria for the Index:</p> <p>Type of Coupon: Fixed Coupons</p> <p>Currency: SAR</p> <p>Issuance Size: Must be worth one hundred (100) million US dollars or more, or its equivalent in Saudi riyals..</p> <p>Date of entitlement: Sovereign instruments in force which has a fixed return..</p> <p>Ownership: sovereign.</p> <p>Country: Saudi Arabia.</p> <p>Sukuk are Equity Based, Debt Based and Hybrid Based</p> <p>Sukuk are Asset Backed and Asset Based</p> <p>Liquidity: Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances.</p> <p>The methodology used to calculate the index:</p> <p>The Index :</p> <p>Alinma Saudi Domestic Sovereign Sukuk Index By Ideal Ratings.</p> <p>Index Re-balance:</p> <p>The Index re-balancing will be monthly at the 1st business day of each-month.</p> <p>In the absence of publications issued about the bid price of the sukuk, the value is used latest trade price for the sukuk until the due date.</p> <p>Index Information:</p> <p>Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings is a weighted index comprising local government Sukuk issued by the government of Saudi Arabia and meet the following conditions:</p> <p>Listed in the main market</p> <p>Sukuk with a fixed return</p> <p>Sukuk are Equity Based, Debt Based and Hybrid Based</p> <p>Sukuk are Asset Backed and Asset Based</p> <p>Each issuance of such Sukuk must be worth one hundred (100) million US dollars or more, or its equivalent in Saudi riyals.</p> <p>Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances</p>	<p>The fund's name has been changed to reflect the fund's new strategy.</p> <p>The fund's name has been changed to reflect the fund's new strategy.</p> <p>The language defining short-term sukuks has been deleted, to reflect the Fund's new strategy.</p> <p>The currency has been adjusted to the stated value, in line with the indicator service provider contract.</p> <p>The wording of short-term sukuks has been removed from the investment concentration policy, to reflect the Fund's new strategy.</p> <p>The currency wording has been adjusted to the stated value.</p> <p>The wording of the maturity date has been modified to reflect the Fund's new strategy.</p> <p>The index has been modified to reflect the fund's new strategy.</p> <p>The market capitalization-weighted formulation has been revised to reflect the Fund's new strategy</p> <p>Modifying the method of calculating sukuk prices to reflect the fund’s new strategy.</p>

Sukuk is traded at least 4 days within the past 30 days for new issuances, and 10 days within the last 90 days for existing issuances		
6- Targeted Class for Investing in the Fund: The Fund is targeting natural or legal persons, and government bodies who wish to invest in a basket of short maturity local government sukuk issued by the Saudi government who meet the eligibility criteria to invest in the Fund after considering the Fund’s investment objectives and the risks associated to such investment. In case of any doubt with regards to the valuation of the suitability of the Fund, potential investors shall seek a personal professional consultation.	6- Targeted Class for Investing in the Fund: The Fund is targeting natural or legal persons, and government bodies who wish to invest in a basket of local government sukuk issued by the Saudi government who meet the eligibility criteria to invest in the Fund after considering the Fund’s investment objectives and the risks associated to such investment. In case of any doubt with regards to the valuation of the suitability of the Fund, potential investors shall seek a personal professional consultation.	The wording of short-term sukuk has been removed from the Fund's investment target category, to reflect the Fund's new strategy.
Fees, Charges and Expenses: Details on all payments from the assets of the investment Fund, and the method for calculating them: In Alinma Saudi Government Sukuk ETF – Short Maturity, investors in the Fund shall bear the VAT expenses. The Fund will collect VAT and any other taxes and fees imposed on the Fund, the Unitholders, or the Fund subcontracts, and the fees and expenses due to be paid by the Fund Manager for managing the Fund, and for other parties for the provision of their services to the Fund, in accordance with the related laws and regulations. f) Zakat and / or Tax: - The Fund will calculate a VAT of any percentage modified by the government from time to time on all the fees and expenses mentioned in the “Services, Commissions and Fees” of the Fund Terms and Conditions of Alinma Saudi Government Sukuk ETF – Short Maturity throughout the lifetime of the Fund. In Alinma Saudi Government Sukuk ETF – Short Maturity, investors in the Fund shall bear the VAT expenses. The Fund will collect VAT and any other taxes and fees imposed on the Fund, the Unitholders, or the Fund subcontracts, and the fees and expenses due to be paid by the Fund Manager for managing the Fund, and for other parties for the provision of their services to the Fund, in accordance with the related laws and regulations.	Fees, Charges and Expenses: Details on all payments from the assets of the investment Fund, and the method for calculating them: In Alinma Saudi Government Sukuk ETF, investors in the Fund shall bear the VAT expenses. The Fund will collect VAT and any other taxes and fees imposed on the Fund, the Unitholders, or the Fund subcontracts, and the fees and expenses due to be paid by the Fund Manager for managing the Fund, and for other parties for the provision of their services to the Fund, in accordance with the related laws and regulations. f) Zakat and / or Tax: - The Fund will calculate a VAT of any percentage modified by the government from time to time on all the fees and expenses mentioned in the “Services, Commissions and Fees” of the Fund Terms and Conditions of Alinma Saudi Government Sukuk ETF throughout the lifetime of the Fund. - In Alinma Saudi Government Sukuk ETF, investors in the Fund shall bear the VAT expenses. The Fund will collect VAT and any other taxes and fees imposed on the Fund, the Unitholders, or the Fund subcontracts, and the fees and expenses due to be paid by the Fund Manager for managing the Fund, and for other parties for the provision of their services to the Fund, in accordance with the related laws and regulations.	The name of the Fund has been amended as stated in paragraphs “A and F,” of Clause 9, to reflect the Fund’s new strategy.
Valuation and Pricing: The Fund net asset value will be calculated in general pursuant to Investment Funds Regulations as follows: Government Sukuk shall be valued as follows: Government Sukuk listed in Tadawul will be valued based on the most recent transaction price conduct Tadawul on the valuation day in question. If no transactions are conducted for the Sukuk in question on that day, the Fund Manager will use the PAR value (SAR 100).	Valuation and Pricing: The Fund net asset value will be calculated in general pursuant to Investment Funds Regulations as follows: 7. Government Sukuk shall be valued as follows: 1) Government Sukuk listed in Tadawul will be valued based on the most recent transaction price conduct Tadawul on the valuation day in question. 2) If no transactions are conducted for the Sukuk in question on that day, the Fund Manager will use the PAR value latest trade price.	Modifying the method of calculating sukuk prices to reflect the fund’s new strategy.
Additional Information Requirements for Certain Types of Funds (ETF): Exchange Traded Fund: By subscribing to the Units of Alinma Saudi Government Sukuk ETF – Short Maturity, the Unitholders agree to the Fund’s terms and conditions. Index Information: Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings is a weighted index comprising local government Sukuk issued by the government of Saudi Arabia and meet the following conditions: Listed in the main market Sukuk of short maturity; i.e. Sukuk with a tenure of up to 5 or less from the date of their issuance Sukuk with a fixed return Sukuk are Equity Based, Debt Based and Hybrid Based Sukuk are Asset Backed and Asset Based Each issuance of such Sukuk shall not value less than a hundred (100) million Saudi Riyals	Additional Information Requirements for Certain Types of Funds (ETF): Exchange Traded Fund: By subscribing to the Units of Alinma Saudi Government Sukuk ETF, the Unitholders agree to the Fund’s terms and conditions. 1-4 Index Information: Alinma Saudi Domestic Sovereign Sukuk Index – By IdealRatings is a weighted index comprising local government Sukuk issued by the government of Saudi Arabia and meet the following conditions: - Listed in the main market - Sukuk with a fixed return - Sukuk are Equity Based, Debt Based and Hybrid Based - Sukuk are Asset Backed and Asset Based - Each issuance of such Sukuk must be worth one hundred (100) million US dollars or more, or its equivalent in Saudi riyals.	The fund's name has been changed to reflect the fund's new strategy. The wording “short-term instruments” has been deleted from Paragraph 6.4 Indicator Data of Item 31, to reflect the Fund’s new strategy. The currency wording has been adjusted to the stated value.
Unitholder Declaration: I declare that I have read the Terms and Conditions of Alinma Saudi Government Sukuk ETF – Short Maturity, and agree to consent to the Units characteristics in which I subscribed, have understood and agreed thereon and have received a copy of these Terms and Conditions, and will sign accordingly.	32. Unitholder Declaration: I declare that I have read the Terms and Conditions of Alinma Saudi Government Sukuk ETF, and agree to consent to the Units characteristics in which I subscribed, have understood and agreed thereon and have received a copy of these Terms and Conditions, and will sign accordingly.	The fund's name has been changed to reflect the fund's new strategy.

**ALINMA SAUDI GOVERNMENT SUKUK ETF FUND
– SHORT MATURITY
(Managed by Alinma Capital Company)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
AND INDEPENDENT AUDITOR'S REPORT**

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

FINANCIAL STATEMENTS

31 December 2024

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

Opinion

We have audited the financial statements of Alinma Saudi Government Sukuk ETF Fund – Short Maturity (the "Fund") managed by Alinma Capital Company – formerly known as Alinma Investment Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2024, and the related statements of profit or loss and other comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code"), that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Fund's financial statements and we have fulfilled our ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

Key Audit Matter	How the key matter was addressed in the audit
<p><u>Incorrect recognition of special commission income from financial assets at amortised cost</u></p> <p>As at 31 December 2024, the Fund has investments in financial assets at amortised cost comprising of Sukuks and Murabaha instruments amounting to SR 158 million (31 December 2023: SR 427 million).</p> <p>For the year ended 31 December 2024, the special commission income from financial assets at amortised cost of SR 11.9 million (for the year ended 31 December 2023: SR 15.6 million) was recognised in the statement of profit or loss and other comprehensive income.</p> <p>We considered this as a key audit matter as there is a risk of inaccurate recognition of revenue through the failure to apply an appropriate accounting treatment.</p> <p><i>The Fund's accounting policy for special commission revenue recognition is disclosed in note 4.5 and 4.11 and the related disclosures about the financial assets at amortised costs is included in note 8 of the accompanying financial statements.</i></p>	<p>Our audit procedures related to special commission income from financial assets at amortized cost included:</p> <ul style="list-style-type: none"> - We have obtained an understanding of the process and controls surrounding recognition of special commission income from financial assets at amortised cost by performing walkthrough procedures. - We verified the existence of the financial assets at amortised cost by agreeing the holdings to an independent custodian confirmation; - On sample basis, we also agreed a sample of coupon rates and maturity dates to independent third-party sources; - On sample basis, we have performed recalculation of the special commission using the Effective Interest Rate ("EIR") method and verified the data inputs such as discounts or premium on acquisition, coupon rates and maturity dates;

INDEPENDENT AUDITOR'S REPORT

**To the Unitholders of Alinma Saudi Government Sukuk ETF Fund – Short Matity
(Managed by Alinma Capital Company)**

Other Information included in the Fund's 2024 Annual Report

The Fund Manager is responsible for the other information. The other information comprises the information included in the Fund's 2024 annual report, but does not include the financial statements and our auditor's report thereon. The Fund's 2024 annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Fund's 2024 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA and the applicable provisions of the Investment Funds Regulations issued by the Board of Capital Market Authority, and the Fund's terms and conditions and the 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.

The 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 ISAs 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 the 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 ISAs 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 for 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.

INDEPENDENT AUDITOR'S REPORT (continued)

**To the Unitholders of Alinma Saudi Government Sukuk ETF Fund – Short Matity
(Managed by Alinma Capital Company)**

Auditor's Responsibilities for the Audit of the Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

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

Report on Other Legal and Regulatory Requirements

The Fund has not complied with the following requirements, as at 31 December 2024 and 2023:

- 1) We draw attention to Note 1 of the financial statements, which describe that the Fund was not in compliance with the Article 3(d) of the terms and conditions of the Fund, which requires that the Fund must hold not less than 90% of the Fund's investment in Sukuk issued by the Government of the Kingdom of Saudi Arabia.
- 2) As per Article 24 of the Investment Funds Regulations, the Fund Manager must appoint an independent custodian to take custody of the Fund's assets. However, the cash balance amounting to SR 178,204,351 (2023: SR 164,227) and investment balance amounting to SR 96,563,614 (2023: SR nil) was not held with the custodian of the Fund.

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya
Certified Public Accountant
License No. 473

Riyadh: 27 Ramadan 1446H
(27 March 2025)



Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 SR	2023 SR
ASSETS			
Bank balance	6	178,204,351	164,227
Financial assets at fair value through profit or loss ("FVTPL")	7	96,563,614	-
Financial assets at amortized cost	8	158,091,755	427,016,162
TOTAL ASSETS		432,859,720	427,180,389
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued management fees	9	121,906	103,112
Redemption fees payable		704,760	728,903
TOTAL LIABILITIES		826,666	832,015
EQUITY			
Net assets attributable to unitholders of redeemable units		432,033,054	426,348,374
TOTAL LIABILITIES AND EQUITY		432,859,720	427,180,389
Redeemable units in issue (numbers)		40,430,131	40,430,131
Net asset value attributable to unit holders (SR) – IFRS		10.69	10.55
Net asset value per unit attributable to unitholders (SR) – Dealing		10.66	10.46

The attached notes 1 to 18 form an integral part of these financial statements

Alinma Saudi Government Sukuk ETF Fund – Short Maturity

(Managed by Alinma Capital Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 SR	2023 SR
INCOME			
Special commission income		11,974,824	15,638,452
Income from financial assets at FVTPL	7	3,167,301	6,212,355
TOTAL INCOME		15,142,125	21,850,807
EXPENSES			
Management fees	9	(1,232,638)	(2,270,008)
Reversal of (charge for) expected credit loss ("ECL")	8	13,704	(33,988)
Other expenses		(4,101)	(21,100)
TOTAL EXPENSES		(1,223,035)	(2,325,096)
NET INCOME FOR THE YEAR		13,919,090	19,525,711
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		13,919,090	19,525,711

The attached notes 1 to 18 form an integral part of these financial statements

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 SR	2023 SR
Operating activities		
Net income for the year	13,919,090	19,525,711
<i>Adjustments for:</i>		
Income from financial assets at FVTPL	(3,167,301)	(6,212,355)
Special commission income	(11,974,824)	(15,638,452)
(Reversal of) charge for allowance of ECL	(13,704)	33,988
	<u>(1,236,739)</u>	<u>(2,291,108)</u>
<i>Changes in operating assets and liabilities:</i>		
(Increase) decrease in financial assets at FVTPL	(93,396,313)	79,058,889
Decrease in financial assets at amortised cost	173,385,592	205,765,329
Increase (decrease) in accrued management fees	18,794	(199,063)
(Decrease) increase in redemption fees payable	(24,143)	728,903
Decrease in payable to unitholders	-	(10,000,000)
	<u>78,747,191</u>	<u>273,062,950</u>
Special commission income received	12,959,846	26,584,432
Net cash flows from operating activities	<u>91,707,037</u>	<u>299,647,382</u>
Financing activities		
Payments against redemption of units	-	(306,102,818)
Distributions	(8,234,410)	(3,234,410)
Net cash flows used in financing activities	<u>(8,234,410)</u>	<u>(309,337,228)</u>
Net increase (decrease) in cash and cash equivalents	<u>83,472,627</u>	<u>(9,689,846)</u>
Cash and cash equivalents at beginning of the year	94,731,724	104,421,570
Cash and cash equivalents at end of the year	<u>178,204,351</u>	<u>94,731,724</u>
Non-cash transactions		
Redemption settled against disposal of financial assets at amortised cost	-	538,895,000

The attached notes 1 to 18 form an integral part of these financial statements

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	2024 SR	2023 SR
EQUITY AT THE BEGINNING OF THE YEAR	426,348,374	1,255,054,891
Comprehensive income:		
Net income for the year	13,919,090	19,525,711
Other comprehensive income for the year	-	-
Total comprehensive income for the year	13,919,090	19,525,711
Distributions (note 12)	(8,234,410)	(3,234,410)
	432,033,054	1,271,346,192
CHANGE FROM UNIT TRANSACTIONS		
Settlement against redemption of units	-	(844,997,818)
Net change from unit transactions	-	(844,997,818)
EQUITY AT THE END OF THE YEAR	432,033,054	426,348,374
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units for the year are summarised as follows:		
	2024 Units	2023 Units
UNITS AT THE BEGINNING OF THE YEAR	40,430,130	12,500,000
Increase in units due to unit split (note 13)	-	36,387,118
Units redeemed during the year	-	(8,456,988)
Net increase in units	-	27,930,130
UNITS AT THE END OF THE YEAR	40,430,130	40,430,130

The attached notes 1 to 18 form an integral part of these financial statements

Alinma Saudi Government Sukuk ETF Fund – Short Maturity (Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1 INCORPORATION AND ACTIVITIES

Alinma Saudi Government Sukuk ETF Fund – Short Maturity (the "Fund") is an exchange-traded Shariah compliant fund created under an agreement between Alinma Capital Company – formerly known as Alinma Investment Company (the "Fund Manager"), a subsidiary of Alinma Bank (the "Bank") and investors in the Fund (the "Unitholders"), in accordance with the Capital Market Authority (the "CMA") regulations.

The Fund invests through the passive management of a basket of Shariah-approved local government sukuk issued by the government authorities in the Kingdom of Saudi Arabia ("KSA") and listed in the main market to generate a performance that mirrors the performance of the index and distribute periodic returns among others. Capital Market Authority ("CMA") granted approval for the establishment of the Fund on dated 6 Jumada-I 1441 H (corresponding to 1 January 2020). The Fund commenced its operations on 28 Jumada Al-thani 1441 H (corresponding to 22 February 2020).

The Fund's investment in the Sukuk represent approximately 36.5% (31 December 2023: 52%) of the total assets as at the reporting date. Article 3(d) of the terms and conditions of the Fund requires that the Fund must hold not less than 90% of the Fund's investment in Sukuk issued by the Government of the Kingdom of Saudi Arabia. Consequently, the Fund was not in compliance with the aforementioned clause of the terms and conditions for the year ended 31 December 2024. The Fund Manager has reported the non-compliance to the CMA and is taking necessary steps to bring the Fund's investment allocation in compliance based on the availability of Sukuk meeting the Fund's investment criteria.

The Fund is managed by Alinma Capital Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the CMA of the Kingdom of Saudi Arabia under license number 09134-37.

The Fund has appointed Credit Suisse Saudi Arabia (the "Custodian") to act as its custodian.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the CMA detailing requirements for all Investment Funds within the Kingdom of Saudi Arabia.

3 PRIMARY MARKET OPERATION (CREATION AND REDEMPTION OF UNITS)

The primary market operations are only carried out by the Fund Manager who is the authorized Market Maker. The creation and redemption activities are done on the basis of blocks of exchange traded fund (ETF) units (*for the Fund, one block equals 10,000 ETF units*), referred to as "creation unit and redemption unit" respectively. The process of creation and redemption of ETF units is on an in-kind basis whereby the Fund Manager and the Market Maker interexchange ETF units with the Fund and the basket of assets, through the custodian, for the purpose of creation and redemption of ETF units. The created units are then freely floated on Tadawul for public trading.

4 MATERIAL ACCOUNTING POLICIES INFORMATION

4.1 Basis of preparation

These financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement that are endorsed by the Saudi Organization for Chartered and Professional Accountants, (collectively hereafter referred to as IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia).

The financial statements have been prepared under the historical cost convention using the accrual basis of accounting except for financial assets held at FVTPL which are measured at fair value.

Alinma Saudi Government Sukuk ETF Fund – Short Maturity (Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

4.1 Basis of preparation (continued)

The Fund Manager has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Fund presents its statement of financial position in order of liquidity based on the Fund Manager's intention and perceived ability to recover/settle the majority of assets/liabilities of the corresponding financial statement line item. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 11.

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires the Fund Manager to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

4.2 New and amended standards and interpretations

The Fund applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated).

Amendments to IAS 7 and IFRS 7: Supplier Finance Agreement

The amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Fund's financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee used in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Fund's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Fund's financial statements.

4.3 Standards and amendments issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and endorsed by SOCPA.

Standards / amendments to standards / interpretations

Amendments to IAS 21: Lack of exchangeability

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

IFRS 18: Presentation and disclosure in Financial Statements

IFRS 19: Subsidiaries without Public Accountability: Disclosures

Effective date

1 January 2025

1 January 2026

1 January 2027

1 January 2027

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

4.4 Cash and Cash Equivalents

Cash and cash equivalents include cash with a bank and other short-term highly liquid investments, if any, with original maturities of three months or less from the purchase date.

4.5 Financial Instruments - Initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e., the date that the Fund executes purchase or sale of the assets). Regular way purchase or sale of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace.

Financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognized on trade date at which the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. For all other financial assets and financial liabilities transaction costs are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss

Financial assets measured at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Fund's financial assets at amortised cost includes bank balance and investments in sukuk.

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

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes investment in listed equities and units of mutual funds.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

4.5 Financial Instruments - Initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Impairment

The Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2');
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Fund's financial assets fall into this category.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For financial assets at amortised costs, the Fund applies the low credit risk simplification. At every reporting date, the Fund evaluates whether the financial assets at amortised cost is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Fund reassesses the internal credit rating of the financial asset at amortised cost. In addition, the Fund considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Fund's financial assets at amortised cost comprise of bank balance, Murabaha deposits, Sukuks and advance for acquisition of financial assets at FVTPL. It is the Fund's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Fund uses the ratings from the credit rating agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

ii) Financial liabilities

Initial recognition and measurement

The Fund's financial liabilities includes management fees payable and other liabilities. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified at amortised cost:

Financial liabilities at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. This is the category most relevant to the Fund. After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

4.5 Financial Instruments - Initial recognition and subsequent measurement (continued)

i) Financial liabilities (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

4.6 Fair value measurement

The Fund measures financial instruments such as units of mutual funds at fair value at each statement of financial position date.

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in financial statements at fair value on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year. The Fund determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

Alinma Saudi Government Sukuk ETF Fund – Short Maturity (Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

4.6 Fair value measurement (continued)

At each reporting date, the Fund analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Fund's accounting policies. For this analysis, the Fund verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Fund also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are discussed in note 5.

4.7 Redeemable units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the Unitholder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the Unitholder's rights to a pro rata share of the Fund's net assets
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument

In addition to the redeemable units having all of the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund
- The effect of substantially restricting or fixing the residual return to the redeemable unitholders

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in net assets attributable to the Unitholders. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. No gain or loss is recognised in the statement of comprehensive income on the purchase, issuance or cancellation of the Fund's own equity instruments.

4.8 Net assets value per unit

The net assets value per unit disclosed in the statement of financial position is calculated by dividing the net assets value of the Fund by the number of units in issue at the year end.

4.9 Management fees, custodian fees and other expenses

Management fees, administration fees, custodian fees and other expenses are charged at rates / amounts within limits mentioned in terms and conditions of the Fund.

Alinma Saudi Government Sukuk ETF Fund – Short Maturity (Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

4 MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

4.10 Zakat and income tax

Fund is not liable to pay any zakat or income tax which are considered to be the obligation of the Unitholders and are as such not provided in the accompanying financial statements.

4.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the amount can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts and taxes.

Special commission income on financial assets at amortized cost, i.e., Sukuk and Murabaha deposits, is calculated using EIR method and is recognized in the statement of profit or loss. Special commission income is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Special commission income is calculated by applying the EIR to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset i.e., after deduction of the loss allowance.

Gain on disposal of financial assets at FVTPL sold are determined on a weighted average cost basis.

Unrealised gains and losses comprise changes in the fair value of financial assets at FVTPL for the year and from reversal of the prior year's unrealised gains and losses for financial instruments, which were realised in the reporting year.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Fund's financial statements in conformity with the IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

Going concern

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

Impairment of financial instruments

The measurement of ECL requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values for financial assets at amortised cost, when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- i) Determining criteria for significant increase in credit risk;
- ii) Choosing appropriate models and assumptions for the measurement of ECL;
- iii) Establishing the number and relative weights of forward-looking scenarios for each type of product/market and the associated ECL; and
- iv) Establishing groups of similar financial assets for the purposes of measuring ECL.

**Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Fair value measurement

The Fund measures its investments in units of mutual funds at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For all financial instruments not traded in an active market, if any, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

The Fund measures financial instruments at fair value at each statement of financial position date. The Fund holds units of public fund which are fair valued using the net assets value, as of the reporting date. Fair values of those financial instruments are disclosed in note 7.

6 CASH AND CASH EQUIVALENTS

	<i>31 December 2024 SR</i>	<i>31 December 2023 SR</i>
Bank balance	178,204,351	164,227
Murabaha deposits maturing within 3 months	-	94,567,500
	<u>178,204,351</u>	<u>94,731,727</u>

7 FINANCIAL ASSETS AT FVTPL

Financial assets classified at FVTPL comprised of investments in units of public mutual funds as detailed below which are registered in the Kingdom of Saudi Arabia.

	<i>31 December 2024</i>		<i>31 December 2023</i>	
	<i>Cost (SR)</i>	<i>Market value (SR)</i>	<i>Cost (SR)</i>	<i>Market value (SR)</i>
Public fund	<u>93,396,313</u>	<u>96,563,614</u>	<u>-</u>	<u>-</u>

The income from financial assets at FVTPL during the year amounted to SR 3,167,301 (31 December 2023: SR 6,212,355).

**Alinma Saudi Government Sukuk ETF Fund – Short Maturity
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

8 FINANCIAL ASSETS AT AMORTISED COST

	<i>31 December 2024 SR</i>	<i>31 December 2023 SR</i>
Sukuks (i)	156,460,425	222,787,124
Murabaha deposit (ii)	-	201,626,390
Accrued special commission income	1,705,462	2,690,484
	<u>158,165,887</u>	<u>427,103,998</u>
Less: Allowance for ECL (note 8.1)	(74,132)	(87,836)
	<u>158,091,755</u>	<u>427,016,162</u>

- (i) The Fund has invested in Saudi Government Sukuks, which have fixed annual special commission income rate ranging from 2.2% to 3.7% (31 December 2023: 2.2% to 3.7%). The remaining maturity of these sukuks are as follows:

	<i>As at 31 December 2024 SR</i>	<i>% of value</i>	<i>As at 31 December 2023 SR</i>	<i>% of value</i>
Within one year	57,369,749	36.67%	101,821,124	45.70%
Later than 1 year and no later than 5 years	99,090,676	63.33%	120,966,000	54.30%
	<u>156,460,425</u>	<u>100.00%</u>	<u>222,787,124</u>	<u>100.00%</u>

- (ii) This represented Murabaha deposits placed with several banks operating in Gulf countries with original maturities from 3 months up to a year and carried an average annual special commission income rate of 6.30%.

8.1 Allowance for expected credit loss

The movement in allowance of ECL on financial assets at amortised cost during the year is as follows:

	<i>31 December 2024 SR</i>	<i>31 December 2023 SR</i>
At the beginning of the year	87,836	53,848
Charge for ECL	(13,704)	33,988
At the end of the year	<u>74,132</u>	<u>87,836</u>

9 TRANSACTIONS WITH RELATED PARTIES

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are governed by limit set by the terms and conditions. All related party transactions are disclosed to the Fund Board of Director.

Related parties of the Fund include the Fund Manager, the Bank, entities related to the Bank and the Fund Manager and any party that has the ability to control other party or exercise significant influence over the party in making financial or operational decisions.

Alinma Saudi Government Sukuk ETF Fund – Short Maturity (Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

9 TRANSACTIONS WITH RELATED PARTIES (continued)

a) Management fees

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager charges management fee at the rate of 0.25% per annum from the Fund's net assets after deducting dealing expenses, financing expenses and value added taxes (VAT).

b) Board of Directors remuneration

The Board of Directors are allowed maximum remuneration of SR 50,000 for all board members in one year. No board remuneration was charged during the year.

9.1 Related party transactions

The following are the details of the significant transactions with related parties during the year:

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>31 December 2024 SR</i>	<i>31 December 2023 SR</i>
Alinma Capital Company	Fund Manager	Management fees	(1,232,638)	(2,270,008)
Alinma Bank	Parent Company of Fund Manager	Disposal of sukuk against redemption of units	-	497,067,000

9.2 Related party balances

Year end balances payable arising from transactions with related parties are as follows:

<i>Name of related party</i>	<i>Nature of balances</i>	<i>31 December 2024 SR</i>	<i>31 December 2023 SR</i>
Alinma Capital Company	Management fees payable	(121,906)	(103,112)
Alinma Bank	Redemption fees payable	(704,760)	(728,903)

(i) As at 31 December 2024 and 2023, Alinma Bank held 3,697,835 units of the Fund.

10 FINANCIAL RISK MANAGEMENT

10.1 FINANCIAL RISK FACTORS

The Fund's activities are exposed to variety of financial risks such as: market risk, credit risk and liquidity risk. The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. The Fund Manager has in place policies and procedures to identify risks affecting the Fund's investments and to ensure that such risks are addressed as soon as possible, which include conducting a risk assessment at least once a year.

The Fund Manager also applies a prudent spread of risk while taking into consideration the Fund's investment policies and the terms and conditions. Furthermore, the Fund Manager shall make every effort to ensure that sufficient liquidity is available to meet any anticipated recovery request. The Board of the Fund plays a role in ensuring that the Fund Manager fulfils its responsibilities to the benefit of the unitholders in accordance with the provisions of the Investment Funds Regulations and the terms and conditions of the Fund.

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

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
(Managed by Alinma Capital Company)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

10 FINANCIAL RISK MANAGEMENT (continued)

10.1.1 Market risk

a) Special commission rate risk

Special commission rate risk arises from the possibility that changes in market special commission rates will affect future profitability or the fair value of the financial instruments. The Fund's investment in Sukuk are at fixed rate and are carried at amortised cost, therefore as of the date of the statement of financial position, a change in special commission rates would not affect statement of profit or loss and other comprehensive income.

b) Currency risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate due to a change in foreign exchange rates. The Fund's management believe that there is a minimal risk of significant losses due to exchange rate fluctuation as the majority of monetary assets and liabilities are in Saudi Riyals, hence the impact of foreign exchange gains and losses are not significant.

c) Price risk

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

The price risk arises primarily from uncertainty about the future prices of the financial instruments that the Fund holds. The Fund Manager closely monitors the price movement of its financial instruments listed on stock exchange. The Fund manages the risk through diversification of its investment portfolio by investing in various industry sectors.

Sensitivity analysis

The Fund's financial assets at FVTPL are subject to price risk. According to the Fund's management, the effect on the statement of profit or loss and other comprehensive income as a result of a change in fair value of financial instruments due to a reasonable possible change in net assets value of the mutual fund, with all other variables held constant is as follows:

	31 December 2024 SR	31 December 2023 SR
5% increase	965,636	-
5% decrease	(965,636)	-

10.1.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in realizing funds to meet commitments associated with financial liabilities.

Liquidity risk may arise from inability to realise the financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The undiscounted value of all financial liabilities of the Fund at the reporting date approximate to their carrying values and all are to be settled within one year from the reporting date.

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

10 FINANCIAL RISK MANAGEMENT (continued)

10.1 FINANCIAL RISK FACTORS (continued)

10.1.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund does not have a formal internal grading mechanism.

Credit risk is managed and controlled by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Credit risks are generally managed on the basis of external credit ratings of the counterparties. The Fund Manager seeks to limit its credit risk by monitoring credit exposure and by dealing with reputed counterparties.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position:

	<i>31 December 2024 SR</i>	<i>31 December 2023 SR</i>
Financial assets at amortised cost	158,091,755	427,016,162
Bank balance	178,204,351	164,227
	<u>336,296,106</u>	<u>427,180,389</u>

The Fund's bank balance is held with the Bank, having sound credit ratings as at reporting date. The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. The ECL disclosure is included in note 8.

10.2 CAPITAL RISK MANAGEMENT

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The amount of net asset attributable to holders of redeemable units can change significantly on each valuation day, as the Fund is subject to subscriptions and redemptions at the discretion of unitholders on every valuation day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong net asset base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to monitor the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate.

The Fund Board and the Fund Manager monitor capital on the basis of the value of net assets attributable to redeemable unitholders.

Alinma Saudi Government Sukuk ETF Fund – Short Maturity
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

10 FINANCIAL RISK MANAGEMENT (continued)

10.3 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets consist of bank balance, financial assets at FVTPL and financial assets at amortized cost. Financial liabilities consists of accrued management fees and redemption fees payable.

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position.

	<i>Level 1</i> SR	<i>Level 2</i> SR	<i>Level 3</i> SR	<i>Total</i> SR
<i>As at 31 December 2024</i>				
Financial assets at FVTPL	-	96,563,614	-	96,563,614
Financial assets at amortized cost	-	155,402,577	-	155,402,577
	<u>-</u>	<u>251,966,191</u>	<u>-</u>	<u>251,966,191</u>
<i>As at 31 December 2023</i>				
Financial assets at amortized cost	-	216,776,258	-	216,776,258
	<u>-</u>	<u>216,776,258</u>	<u>-</u>	<u>216,776,258</u>

The value of financial assets at amortised cost amounting to SR 155,402,577 (31 December 2023: SR 216,776,258) are based on quoted prices in active markets for identical assets and therefore classified within Level 1 of the fair value hierarchy.

The value of financial assets at FVTPL amounting to SR 96,563,614 (31 December 2023: nil) are based on the net assets value of the mutual fund and therefore classified within Level 2 of the fair value hierarchy.

Management believes that the fair value of all other financial assets and liabilities approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current or prior year.

11 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

	<i>Within</i> <i>12 months -</i> <i>Current</i> <i>(SR)</i>	<i>After</i> <i>12 months -</i> <i>Non-current</i> <i>(SR)</i>	<i>Total</i> SR
<i>As at 31 December 2024</i>			
ASSETS			
Bank balance	178,204,351	-	178,204,351
Financial assets at FVTPL	96,563,614	-	96,563,614
Financial assets at amortized cost	59,001,079	99,090,676	158,091,755
TOTAL ASSETS	<u>333,769,044</u>	<u>99,090,676</u>	<u>432,859,720</u>
LIABILITIES			
Accrued management fees	121,906	-	121,906
Redemption fees payable	704,760	-	704,760
TOTAL LIABILITIES	<u>826,666</u>	<u>-</u>	<u>826,666</u>

**Alinma Saudi Government Sukuk ETF Fund – Short Maturity
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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

11 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

<i>As at 31 December 2023</i>	<i>Within 12 months - Current (SR)</i>	<i>After 12 months - Non-current (SR)</i>	<i>Total SR</i>
ASSETS			
Bank balance	164,227	-	164,227
Financial assets at amortized cost	306,050,164	120,966,000	427,016,164
TOTAL ASSETS	306,214,391	120,966,000	427,180,391
LIABILITIES			
Accrued management fees	103,112	-	103,112
Redemption fees payable	728,903	-	728,903
TOTAL LIABILITIES	832,015	-	832,015

12 DISTRIBUTION

On 26 July 2023, in accordance with the terms and conditions of the Fund, the Fund's Board has declared dividends of SR 0.80 per unit amounting to SR 3,234,410, which has been paid during the period ended 31 December 2023.

On 1 January 2024, in accordance with the terms and conditions of the Fund, the Fund's Board has declared dividends of SR 0.08 per unit amounting to SR 3,234,410, which has been paid during the year ended 31 December 2024.

On 9 July 2024, in accordance with the terms and conditions of the Fund, the Fund's Board has declared dividends of SR 0.123 per unit amounting to SR 5,000,000, which has been paid during the year ended 31 December 2024.

13 REDEEMABLE UNITS SPLIT

During the prior year, the unitholders in its meeting, held on 21 Jumada al-Ula 1445H (corresponding to 5 December 2023), approved the split of the Fund's units from 4,043,013 to 40,430,131 units at a nominal value of SR 100 for each unit to SR 10 for each unit. This has not resulted in a change in the value of the Fund's NAV.

14 CONTINGENCIES

In the opinion of the Fund Manager there are no contingencies as at the reporting date.

15 ZAKAT AND INCOME TAX

The Ministry of Finance has issued a resolution ("MR") numbered 29791, dated 9 Jumada Al-Awwal 1444H (corresponding to 3 December 2022) publishing certain zakat filing rules to be complied by investment funds in the Kingdom of Saudi Arabia. According to the MR the Fund is not subject to zakat or tax, however, will be required to file certain financial information with Zakat, Tax and Customs Authority ("ZATCA"). The filing with ZATCA is due by 30 April 2025.

16 LAST VALUATION DAY

The last valuation day for the purpose of the preparation of these financial statements is 31 December 2024 (2023: 31 December 2023).

17 SUBSEQUENT EVENTS

The Unitholders of the Fund on 3 December 2024 approved to change the name of the Fund from Alinma Saudi Government Sukuk ETF Fund – Short Maturity to Alinma Saudi Government Sukuk ETF Fund, which became effective from 27 Rajab 1446H (corresponding to 27 January 2025).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

31 December 2024

18 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 27 Ramadan 1446H (corresponding to 27 March 2025).