

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

**INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

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

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INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**To the Unitholders of Alinma Saudi Government Sukuk ETF Fund – Short Maturity**  
**(Managed by Alinma Investment Company)**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Alinma Saudi Government Sukuk ETF Fund – Short Maturity (“the Fund”) being managed by Alinma Investment Company ( the “Fund Manager”) as at 30 June 2024, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, including other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 – “Interim Financial Reporting (“IAS 34”)” that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” that is endorsed in the Kingdom of Saudi Arabia. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

**Report on Other Legal and Regulatory Requirements**

We draw attention to Note 1 of the interim condensed 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.

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya  
Certified Public Accountant  
License number 473

Riyadh: 2 Safar 1446H  
(6 August 2024)



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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>30 June 2024 (Unaudited) SR</b>	<i>31 December 2023 (Audited) SR</i>
<b>ASSETS</b>			
Bank balance	6	<b>238,360</b>	164,227
Financial assets at fair value at profit or loss (“FVTPL”)	7	<b>94,000,863</b>	-
Financial assets at amortized cost	8	<b>337,515,755</b>	427,016,162
<b>TOTAL ASSETS</b>		<b>431,754,978</b>	427,180,389
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Accrued management fees	9	<b>104,301</b>	103,112
Redemption fees payable	9	<b>728,903</b>	728,903
<b>TOTAL LIABILITIES</b>		<b>833,204</b>	832,015
<b>EQUITY</b>			
Net assets attributable to unitholders of redeemable units		<b>430,921,774</b>	426,348,374
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>431,754,978</b>	427,180,389
Redeemable units in issue (numbers)		<b>40,430,131</b>	40,430,131
Net asset value per unit attributable to unitholders (SR) – IFRS		<b>10.66</b>	10.55
Net asset value per unit attributable to unitholders (SR) – Dealing		<b>10.61</b>	10.46

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



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

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME

	Notes	<i>Unaudited</i>	
		<i>For the six-month period ended</i> 30 June 2024	30 June 2023
		SR	SR
<b>INCOME</b>			
Special commission income	8	<b>7,819,108</b>	10,612,914
Income from financial assets at FVTPL	7	<b>604,550</b>	5,383,259
Loss from early maturity of financial assets at amortised cost		-	(12,566,832)
<b>TOTAL INCOME</b>		<b>8,423,658</b>	3,429,341
<b>OPERATING EXPENSES</b>			
Management fees	9	<b>(606,481)</b>	(1,691,221)
Charge for expected credit loss allowance	8	<b>(1,464)</b>	(30,881)
Other expenses		<b>(7,903)</b>	(24,839)
<b>TOTAL OPERATING EXPENSES</b>		<b>(615,848)</b>	(1,746,941)
<b>NET INCOME FOR THE PERIOD</b>		<b>7,807,810</b>	1,682,400
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>7,807,810</b>	1,682,400

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

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

	<i>Unaudited</i>	
	<i>For the six-month period ended</i> 30 June 2024	<i>30 June 2023</i>
	SR	SR
<b>Operating activities</b>		
Net income for the period	7,807,810	1,682,400
<i>Adjustments for:</i>		
Income from financial assets at FVTPL	(604,550)	(5,383,259)
Special commission income	(8,202,212)	10,612,914
Charge for expected credit loss allowance	1,464	30,881
	<u>(997,488)</u>	<u>6,942,936</u>
<i>Changes in operating assets and liabilities:</i>		
Increase in financial assets at FVTPL	(93,396,313)	(43,500,000)
Decrease in financial assets at amortized cost	221,399,498	251,657,590
Increase (decrease) in accrued management fee	1,189	(53,960)
Decrease in payable to unitholders	-	(10,000,000)
Increase in redemption fees payable	-	728,903
	<u>127,006,886</u>	<u>205,775,469</u>
Special commission income received	8,272,271	21,328,128
	<u>135,279,157</u>	<u>227,103,597</u>
<b>Financing activities</b>		
Distributions	(3,234,410)	-
Payments against redemption of units	-	(306,102,818)
	<u>(3,234,410)</u>	<u>(306,102,818)</u>
Net cash flows used in financing activities	(3,234,410)	(306,102,818)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>132,044,747</b>	<b>(78,999,221)</b>
Cash and cash equivalents at beginning of the period	164,227	104,421,570
<b>Cash and cash equivalents at end of the period (note 6)</b>	<b>132,208,974</b>	<b>25,422,349</b>
<b>Non-cash transactions</b>		
Redemption paid against disposal of financial assets at amortised cost	-	538,895,000

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

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

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>SR</b>	<b>SR</b>
<b>EQUITY AT THE BEGINNING OF THE PERIOD</b>	<b>426,348,374</b>	<b>1,255,054,891</b>
<b>Comprehensive income:</b>		
Net income for the period	<b>7,807,810</b>	1,682,400
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<b>7,807,810</b>	1,682,400
Distributions (note 11)	<b>(3,234,410)</b>	-
	<b>430,921,774</b>	1,256,737,291
<b>CHANGE FROM UNIT TRANSACTIONS</b>		
Payments against redemption of units	-	(844,997,818)
Net change from unit transactions	-	(844,997,818)
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>430,921,774</b>	<b>411,739,473</b>
<b>REDEEMABLE UNIT TRANSACTIONS</b>		

Transactions in redeemable units for the period are summarised as follows:

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>Units</b>	<b>Units</b>
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>40,430,130</b>	12,500,000
Units redeemed during the period	-	(8,456,987)
Net decrease in units	-	(8,456,987)
<b>UNITS AT THE END OF THE PERIOD (note 12)</b>	<b>40,430,130</b>	<b>4,043,013</b>

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



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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2024

### 1 INCORPORATION AND ACTIVITIES

Alinma Saudi Government Sukuk ETF Fund – Short Maturity (the "Fund") is a shariah compliant exchange-traded fund created under an agreement between Alinma Investment Company (the "Fund Manager"), a subsidiary of Alinma Bank (the "Bank") and investors in the Fund (the "Unitholders") in accordance with Capital Market Authority ("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-1 1441H (corresponding to 1 January 2020). The Fund commenced its operations on 28 Jumada Al-thani 1441H (corresponding to 22 February 2020).

The Fund 's investment in the Sukuk represent approximately 48% (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 period ended 30 June 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 Investment Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the Capital Market Authority of the Kingdom of Saudi Arabia ("CMA") under license number 09134-37.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody, or other administrative services on behalf of the Fund.

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 BASIS OF PREPARATION

#### 4.1 Statement of compliance

These interim condensed financial statements for the six-months period ended 30 June 2024 of the Fund have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

The Fund Manager has prepared the interim condensed financial statements on the basis that the Fund will continue to operate as a going concern. The Fund Manager considers that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Fund's annual financial statements as at 31 December 2023.



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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

### 4 BASIS OF PREPARATION (continued)

#### 4.2 Basis of measurement

These interim condensed financial statements have been prepared under historical cost convention, except for the financial assets at FVTPL which are measured at fair value.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity. All assets and liabilities are current in nature except for financial assets measured at amortised cost, maturities of which are disclosed in note 8 in the interim condensed financial statements.

#### 4.3 Financial and presentation currency

These interim condensed financial statements are presented in Saudi Riyal (SR), which is also the functional currency of the Fund. All financial information has been rounded off to the nearest SR, unless otherwise stated.

#### 4.4 Use of judgements, estimates and assumptions

In preparing these interim condensed financial statements, the Fund Manager has made the judgement, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

### 5 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2023 except for the adoption of new standards effective as of 1 January 2024. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Fund.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

#### *Amendment to IFRS 16 – Lease on sale and leaseback*

In September 2022, the International Accounting Standards Board (“IASB”) issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses 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 transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Fund's interim condensed financial statements.

#### *Amendments to IAS 7 and IFRS 7 on Supplier finance agreements*

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to 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 transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

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

#### *Amendments to IAS 1 – Classification of liabilities as Current vs 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 interim condensed financial statements.



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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

**6 CASH AND CASH EQUIVALENTS**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Bank balance	238,360	164,227
Murabaha deposits maturing within 3 months (note 8)	131,970,614	-
	<b>132,208,974</b>	<b>164,227</b>

**7 FINANCIAL ASSETS AT FVTPL**

Financial assets at FVTPL represents investment in 7,334,888 units (31 December 2023: nil) of Alinma Saudi Riyal Liquidity Fund, an open-ended mutual fund managed by the Fund Manager. The primary objective of the investee Fund is to invest in Shariah compliant Murabaha contract.

	<b>30 June 2024 (Unaudited)</b>		<b>31 December 2023 (Audited)</b>	
	<b>Cost (SR)</b>	<b>Market value (SR)</b>	<b>Cost (SR)</b>	<b>Market value (SR)</b>
Alinma Saudi Riyal Liquidity Fund	<b>93,299,780</b>	<b>94,000,863</b>	-	-

The income from financial assets at FVTPL during the period amounted to SR 604,550 (30 June 2023: 5,383,259).

**8 FINANCIAL ASSETS AT AMORTISED COST**

The financial assets at amortised cost comprised of the following:

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Sukuks (i) (note 7.1)	203,014,016	222,787,124
Murabaha deposits (ii)	131,970,614	201,626,390
Accrued special commission income (note 8.3)	2,620,425	2,690,484
	<b>337,605,055</b>	<b>427,103,998</b>
Less: Allowance for expected credit loss (note 8.4)	<b>(89,300)</b>	<b>(87,836)</b>
	<b>337,515,755</b>	<b>427,016,162</b>

(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%) and with a maturity of 1 year to 5 years (31 December 2023: 1 year to 5 years).

(ii) This represents Murabaha deposits placed with several banks operating in Gulf countries with original maturities of 3 months of less and carries an average annual special commission income rate of 5.80% (31 December 2023:6.30%).

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**8 FINANCIAL ASSETS AT AMORTISED COST (continued)**

**8.1 Sukuks**

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Nominal value of Sukuks	<b>203,917,996</b>	223,308,000
Premium	<b>6,884,156</b>	6,884,156
Discount	<b>(2,564,081)</b>	(2,564,081)
Less: Accretion of discount	<b>1,021,206</b>	738,240
Add: Amortisation of premium	<b>(6,245,261)</b>	(5,579,191)
	<b><u>203,014,016</u></b>	<u>222,787,124</u>

**8.1.1** Below is the movement during the period/year:

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Balance at the beginning of the year	<b>222,787,124</b>	1,077,441,220
Sukuks matured during the year	<b>(19,390,004)</b>	(312,824,221)
Disposal of sukuks during the year	<b>-</b>	(538,895,000)
	<b><u>203,397,120</u></b>	<u>225,721,999</u>
Add: Accretion of discount during the period/year	<b>282,966</b>	255,306
Less: Amortisation of premium during the period/year	<b>(666,070)</b>	(3,190,181)
	<b><u>203,014,016</u></b>	<u>222,787,124</u>

The remaining maturity of these sukuk are as follows:

	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>30 June 2024</b>	<b>% of value</b>	<b>31 December 2023</b>	<b>% of value</b>
Within 1 year	<b>129,335,041</b>	<b>64%</b>	102,864,925	46%
Later than 1 year	<b>73,678,975</b>	<b>36%</b>	119,922,199	54%
	<b><u>203,014,016</u></b>	<b><u>100%</u></b>	<u>222,787,124</u>	<u>100%</u>



Alinma Saudi Government Sukuk ETF Fund – Short Maturity  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**8 FINANCIAL ASSETS AT AMORTISED COST (continued)**

8.2 Below is the breakup of income from investments at amortised cost:

	30 June 2024 (Unaudited) SR	30 June 2023 (Unaudited) SR
Special commission income	8,202,212	13,154,593
Add: Accretion of discount	282,966	761,232
Less: Amortisation of premium	(666,070)	(3,302,911)
	<u>7,819,108</u>	<u>10,612,914</u>

8.3 Below is the movement for accrued special commission income:

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Accrued special commission income at the beginning of the period/year	2,690,484	10,701,589
Special commission income earned during the period/year	8,202,212	18,573,327
Less: Special commission income received during the period/year	(8,272,271)	(26,584,432)
	<u>2,620,425</u>	<u>2,690,484</u>

8.4 Allowance for expected credit loss

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

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period/year	87,836	53,848
Charge for allowance for ECL	1,464	33,988
<b>At the end of the period/year</b>	<u>89,300</u>	<u>87,836</u>

**9 RELATED PARTY TRANSACTIONS AND BALANCES**

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are in accordance with the terms and conditions of the Funds. All related party transactions are approved by the Fund's Board of Directors.

Related parties of the Fund include the Fund's Board of Directors, 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.

**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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**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 period.

**9.1 Related party transactions**

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

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>Unaudited</i>	
			<i>For the six-month period ended 30 June 2024</i>	<i>30 June 2023</i>
			<i>SR</i>	<i>SR</i>
Alinma Investment Company	Fund Manager	Management fees	<b>(606,481)</b>	(1,691,221)
Alinma Bank	Parent Company of the Fund Manager	Disposal of sukuk against redemption of units	-	497,067,000
		Loss from derecognition of financial assets at amortised cost (i)	-	(12,566,832)

(i) During the period ended 30 June 2023, the Fund has derecognised the financial assets at amortised cost amounting to SR 538.9 million, due to which the Fund has incurred a loss amounting to SR 12.57 million

**9.2 Related party balances**

Period/year end balances receivable (payable) arising from transactions with related parties are as follows:

<i>Name of related party</i>	<i>Nature of balances</i>	<i>30 June</i>	<i>31 December</i>
		<i>2024</i>	<i>2023</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>SR</i>	<i>SR</i>
Alinma Investment Company	Management fees payable	<b>(104,301)</b>	(103,112)
Alinma Bank	Net assets (Equity) Attributable to Unit Holders (3,697,835 units (31 December 2023: 3,697,835 units)	<b>39,662,813</b>	39,244,519
	Redemption fees payable	<b>(728,903)</b>	(728,903)



Alinma Saudi Government Sukuk ETF Fund – Short Maturity  
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
30 June 2024

**10 FAIR VALUE MEASUREMENT**

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

The following table shows the fair values of financial assets at FVTPL and financial assets at amortised cost, including their levels in the fair value hierarchy:

	<i>Level 1</i> SR	<i>Level 2</i> SR	<i>Level 3</i> SR	<i>Total</i> SR
<i>As at 30 June 2024 (unaudited)</i>				
Financial assets at FVTPL (note 6)	-	94,000,863	-	94,000,863
Financial assets at amortised cost	<u>217,902,892</u>	<u>-</u>	<u>-</u>	<u>217,902,892</u>
<i>As at 31 December 2023 (audited)</i>				
Financial assets at amortised cost	<u>216,776,258</u>	<u>-</u>	<u>-</u>	<u>216,776,258</u>

The value of financial assets at FVTPL amounting to SR 94,000,863 (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.

The value of financial assets at amortised cost amounting to SR 217,902,892 (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.

Management believes that at the reporting date the fair value of all other financial assets and liabilities that are classified as amortized cost approximate their carrying values owing to their short-term tenure and the fact that these are readily realizable. 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 period or prior year.

**11 DISTRIBUTIONS**

For the period ended 30 June 2024, The Fund Manager announced distributions comprising of SR 0.8 per unit, amounting to SR 3.2 million.

For the year ended 31 December 2023, The Fund Manager announced distributions comprising of SR 0.8 per unit, amounting to SR 3.2 million and was settled on 26 July 2023.

**12 REDEEMABLE UNITS SPLIT**

During the year ended 31 December 2023, the unitholders 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.

**13 SUBSEQUENT EVENT**

There are no events subsequent to the reporting date which require adjustments of or disclosure in the interim condensed financial statements or notes thereto.

**14 LAST VALUATION DATE**

The last valuation date of the period was 30 June 2024 (31 December 2023: 31 December 2023).

**15 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements were approved by the Fund Manager on 2 Safar 1446H (corresponding to 6 August 2024).