

GIB SAUDI SMALL AND MID-CAP EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
Interim condensed financial statements (Un-audited)
For the six-months period ended 30 June 2026
Together with the
Independent Auditor's Review Report to the Unitholders

GIB SAUDI SMALL AND MID-CAP EQUITY FUND

Open-Ended Mutual Fund

(Managed by GIB Capital)

Interim Condensed Financial Statements (Un-audited)

For the six-months period ended 30 June 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE UNITHOLDERS OF GIB SAUDI SMALL AND MID-CAP EQUITY FUND
OPEN-ENDED MUTUAL FUND
(MANAGED BY GIB CAPITAL COMPANY)**

(1 / 1)

INTRODUCTION

We have reviewed the accompanying interim condensed financial statements of GIB Saudi Small and Mid-Cap Equity Fund (the "Fund") managed by GIB Capital Company (the "Fund Manager") as at 30 June 2026 which comprises:

- The interim statement of financial position as at 30 June 2026;
- The interim statement of comprehensive (loss) / income for the six-months period then ended;
- The interim statement of changes in net assets (equity) attributable to the unitholders for the six-months period then ended;
- The interim statement of cash flows for the six-months period then ended; and
- The notes to the interim condensed financial statements.

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 Engagement 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 interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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.

PKF Al-Bassam
Chartered Accountants

Abdullellah Al Bassam
Certified Public Accountant
License No. 703
Riyadh, Kingdom of Saudi Arabia
21 Safar 1448H
Corresponding to: 04 August 2026G



RIYADH

Tel. +966 11 206 5333 P.O.Box 69658
Fax +966 11 206 5444 Riyadh 11557

JEDDAH

Tel. +966 12 652 5333 P.O.Box 15651
Fax +966 12 652 2894 Jeddah 21454

AL KHOBAR

Tel. +966 13 893 3378 P.O.Box 4636
Fax +966 13 893 3349 Al Khobar 31952

GIB SAUDI SMALL AND MID-CAP EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)

INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDTED)

As at 30 June 2026

(Amounts in Saudi Riyal)

	Notes	30 June 2026 (Un-audited)	31 December 2025 (Audited)
ASSETS			
Cash and cash equivalents	6	878,455	3,373,034
Investments carried at fair value through profit or loss (FVTPL)	7	140,350,328	165,646,850
Prepayments & other receivables		358,765	-
Total assets		141,587,548	169,019,884
LIABILITIES			
Management fees payable	11	292,493	359,442
Accrued expenses		74,446	85,843
Total liabilities		366,939	445,285
Net assets (equity) attributable to the Unitholders		141,220,609	168,574,599
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS:			
Class A		100,644,647	127,969,687
Class B		11,298,791	11,431,555
Class C		29,277,171	29,173,357
		141,220,609	168,574,599
UNITS IN ISSUE (number):			
Class A	8	11,556,686	14,688,867
Class B		1,229,858	1,237,126
Class C		3,110,554	3,103,682
		15,897,098	19,029,675
NET ASSETS ATTRIBUTABLE TO EACH UNIT:			
Class A		8.71	8.71
Class B		9.19	9.24
Class C		9.41	9.40

The accompanying notes 1 to 16 form an integral part of these interim condensed financial statements.

GIB SAUDI SMALL AND MID-CAP EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
INTERIM STATEMENT OF COMPREHENSIVE (LOSS) / INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026
(Amounts in Saudi Riyal)

		For the six-months period ended	
	Notes	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
<u>Investment (loss) / income</u>			
Net (loss) / gain from investments carried at FVTPL	9	(1,702,959)	1,560,501
Dividend income		1,296,266	882,344
		(406,693)	2,442,845
<u>Expenses</u>			
Management fees	11	(622,939)	(404,724)
Custody fees		(25,007)	(19,371)
Other expenses	10	(151,507)	(133,672)
		(799,453)	(557,767)
Net (loss) / income for the period		(1,206,146)	1,885,078
Other comprehensive income for the period		-	-
Total comprehensive (loss) / income for the period		(1,206,146)	1,885,078

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.

GIB SAUDI SMALL AND MID-CAP EQUITY FUND**Open-Ended Mutual Fund**

(Managed by GIB Capital)

**INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO UNITHOLDERS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026****(Amounts in Saudi Riyal)**

	For the six-months period ended	
	30 June 2026	30 June 2025
	(Un-audited)	(Un-audited)
Net assets (equity) attributable to the Unitholders at the beginning of the period	168,574,599	92,618,047
Total comprehensive (loss) / income for the period	(1,206,146)	1,885,078
Contributions and redemptions by the Unitholders:		
Issuance of units		
Class A	-	41,818,076
Class B	-	123,000
Class C	83,250	17,238,742
	83,250	59,179,818
Redemption of units		
Class A	(16,618)	(500,000)
Class B	(64,208)	(15,476)
Class C	(26,150,268)	(152,666)
	(26,231,094)	(668,142)
Net changes from unit transactions	(26,147,844)	58,511,676
Net assets (equity) attributable to the Unitholders at the end of the period	141,220,609	153,014,801

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.

GIB SAUDI SMALL AND MID-CAP EQUITY FUND
Open-Ended Mutual Fund
(Managed by GIB Capital)
INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
(Amounts in Saudi Riyal)

		For the six-month period ended	
	Notes	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Cash flows from operating activities:			
Net (loss) / income for the period		(1,206,146)	1,885,078
Adjustments for:			
Unrealized loss / (gain) from investments carried at FVTPL	9	3,031,026	(866,192)
		1,824,880	1,018,886
Net changes in operating assets and liabilities:			
Investments carried at FVTPL		22,265,496	(63,448,890)
Prepayments and other receivables		(358,765)	8,623
Management fees payable		(66,949)	47,917
Accrued expenses		(11,397)	33,844
Advance to purchase investments		-	4,160,860
Net cash generated from / (used) in operating activities		23,653,265	(58,178,760)
Cash flows from financing activities:			
Proceeds from issuance of units		83,250	59,179,818
Redemptions of the units		(26,231,094)	(668,142)
Net cash (used) in / generated from financing activities		(26,147,844)	58,511,676
Net (decrease) / increase in cash and cash equivalents		(2,494,579)	332,916
Cash and cash equivalents at beginning of the period		3,373,034	340,818
Cash and cash equivalents at end of the period		878,455	673,734

The accompanying notes 1 to 17 form an integral part of these interim condensed financial statements.

GIB Saudi Small and Mid-Cap Equity Fund
Open-Ended Mutual Fund
(Managed by GIB Capital)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026
(All amounts in Saudi Riyal)

1 FUND AND ITS ACTIVITIES

The GIB Saudi Small and Mid-Cap Equity Fund (“the Fund”) is an open-ended investment fund to invest in Saudi stocks. It was established and managed by GIB Capital (“Fund Manager”), which is a one-person company in accordance with the laws in the Kingdom of Saudi Arabia under the Commercial Registration No. 1010244294 dated 6/2 / 1429H and Capital Market Authority License No. 37-07078.

The fund aims to achieve capital growth in the medium and long term by investing in shares of Saudi companies listed on the main Saudi stock market or the parallel Saudi stock market (Nomu).

The fund's units are divided into three categories A, B, and C as follows:

- Category (A), which is for institutional and individual investors, who are those whose subscription amount exceeds or equals 10,000,000 Saudi riyals.
- Category (B), which is for institutional and individual investors, who are those whose subscription amount is equal to or more than 10,000 and less than 10,000,000 Saudi riyals.
- Category (C), which is for the employees of the fund manager, Gulf International Bank, and the investment portfolio of the fund manager and Gulf International Bank.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Management prepares a separate Financial Statement for the Fund. The management of the Fund is the responsibility of the Fund Manager. However, in accordance with the Fund's Agreement, the Fund Manager can delegate or assign its duties to one or more of the financial institutions in the Kingdom of Saudi Arabia and overseas.

The Fund Manager and administrator of the Fund is GIB Capital. The Custodian of the fund is Albilad Capital. Date of approval of the Capital Market Authority for the establishment of the fund and the offering of its units: 15 May, 2025.

SUBSCRIPTION / REDEMPTION

Subscription / redemption requests are accepted on Sunday and Tuesday on which Tadawul is open. The value of the Fund's portfolio is determined on Monday and Wednesday. The net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the net assets (fair value of the Fund's assets minus fund's liabilities) of the Fund by the total number of outstanding units on the following day.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) thereafter amended on 16 Sha'ban 1437H (corresponding to 23 May 2016). The regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442H (corresponding to 1 May 2021).

3 BASIS OF PREPARATION

3.1 Statement of compliance

These interim condensed financial statements of the Fund have been prepared in accordance with International Accounting Standard (IAS) 34 – “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncement issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and should be read in conjunction with the Fund's last audited financial statements for the year ended 31 December 2025. The results for the six-months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

3.2 Basis of measurement

These interim condensed financial statements have been prepared under the historical cost convention, using the accrual basis of accounting except for investments carried at fair value through profit or loss which are carried at their fair value. The Fund presents its interim statement of financial position in the order of liquidity.

GIB Saudi Small and Mid-Cap Equity Fund
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(All amounts in Saudi Riyal)

3 BASIS OF PREPARATION (CONTINUED)

3.2 Functional and Presentation Currency

Items included in the interim condensed financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These interim condensed financial statements are presented in Saudi Riyal (“SR”) which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into SR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SR using the exchange rates prevailing at date of the interim statement of financial position. Foreign exchange gains and losses, if any, arising from translation are included in the interim statement of comprehensive income

3.3 Critical accounting judgments, estimates and assumption

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. The Fund based its assumptions and estimates on parameters available when the interim condensed financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Going concern

The Fund Manager has made an assessment of the Fund’s ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund’s ability to continue as a going concern.

4 MATERIAL ACCOUNTING POLICIES

4.1 New standards, interpretations and amendments

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those used and disclosed in the financial statements of the Fund for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2026, but do not have a significant impact on the interim condensed financial statements of the Fund.

4.1.1 New amendments to standards issued and applied effective January 1, 2026

Standard/ interpretation	Description	Effective from periods beginning on or after	Fund manager assessment
Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026.	Fund manager has performed a preliminary assessment and does not expect the adoption of these amendments to have a material impact on the Fund’s financial statements.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments (Continued)

4.1.1 New amendments to standards issued and applied effective January 1, 2026 (Continued)

Standard/interpretation	Description	Effective from periods beginning on or after	Fund manager assessment
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.	1 January 2026	Based on the nature of the Fund's operations and contractual arrangements, Fund manager does not expect these amendments to have any impact on the Fund's financial statements.
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026	Fund manager has performed a preliminary assessment and does not expect the adoption of these amendments to have a material impact on the Fund's financial statements.

4.1.2 New standards, amendments and revised IFRS issued but not yet effective

Standard/interpretation	Description	Effective from periods beginning on or after	Fund manager assessment
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely	Based on the nature of the Fund's operations and contractual arrangements, Fund manager does not expect these amendments to have any impact on the Fund's financial statements.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments (Continued)

4.1.2 New standards, amendments and revised IFRS issued but not yet effective (Continued)

Standard/ interpretation	Description	Effective from periods beginning on or after	Fund manager assessment
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences. The Bank is currently assessing the detailed presentation and disclosure requirements of IFRS 18 and has initiated a gap assessment to evaluate the expected impact on the financial statements upon its effective date of 1 January 2027 (Modify based on specific progress of each bank).	January 2027	Fund manager is currently assessing the impact of IFRS 18. While the standard is expected to result in changes to presentation and disclosures, it is not expected to have a material impact on the recognition or measurement of the Company's assets, liabilities, income or expenses.
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027	Based on the nature of the Fund's operations, Fund manager does not expect these amendments to have any impact on the Fund's financial statements.

GIB Saudi Small and Mid-Cap Equity Fund
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5 MANAGEMENT FEE, AND OTHER CHARGES

The Fund Manager charges the management fees for categories A, B and C at 0.8%, 1.75% and 0.5% per annum respectively of the net asset value of the Fund, calculated on a daily basis and payable on a quarterly basis. The Fund bears other expenses such as custodian fees of 0.015% as maximum per annum of the net asset value of the Fund and transaction fees of USD 8 as maximum per transaction.

6 CASH AND CASH EQUIVALENTS

	Note	30 June 2026 (Un-audited)	31 December 2025 (Audited)
Cash in investment account	6.1	878,455	3,373,034
		<u>878,455</u>	<u>3,373,034</u>

6.1 Cash in investment account is held in an investment account with Al-Bilad Capital. The Fund does not earn profit on these investment accounts.

7 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

7.1 The Fund invests primarily in equity of listed Saudi companies. The market value of trading investment portfolio by sector wise is summarized as follows:

	30 June 2026 (Un-audited)	31 December 2025 (Audited)
Sectors		
Capital Goods	30,802,295	49,598,078
Insurance	23,312,638	27,315,522
Materials	21,606,014	12,526,926
Energy	12,415,928	7,143,424
Utilities	11,442,702	14,834,880
Pharmaceuticals, Biotechnology & Life Sciences	11,350,804	5,369,514
Commercial & Professional Services	7,581,966	9,135,622
Transportation	6,976,713	11,680,157
Telecommunication Services	5,479,236	6,913,567
Software & Services	5,156,622	1,378,101
Consumer Discretionary Distribution & Retail	4,225,410	-
Retailing	-	13,737,867
Consumer Services	-	6,013,192
Total Market value	<u>140,350,328</u>	<u>165,646,850</u>
Total cost	<u>158,384,021</u>	<u>185,514,890</u>

7.2 The movement during the period / year is as follows:

	30 June 2026 (Un-audited)	31 December 2025 (Audited)
Balance at start of the period / year	<u>165,646,850</u>	<u>88,333,348</u>
Additions during the period / year	60,663,278	342,279,882
Sold during the period / year	(84,256,841)	(238,886,314)
Unrealized loss	(3,031,026)	(4,546,393)
Realized gain / (loss)	<u>1,328,067</u>	<u>(21,533,673)</u>
Balance at end of the period / year	<u>140,350,328</u>	<u>165,646,850</u>

GIB Saudi Small and Mid-Cap Equity Fund
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8 UNIT TRANSACTIONS

Transactions in units for the period / year are summarized as follows:

	30 June 2026 (Un-audited)	31 December 2025 (Audited)
	<i>(Units in numbers)</i>	
Units at the beginning of the period / year	19,029,674	8,934,527
Units issued during the period / year		
Class A	-	7,507,647
Class B	-	1,198,036
Class C	8,553	1,472,416
	8,553	10,178,099
Units redeemed during the period / year		
Class A	(3,132,181)	(45,553)
Class B	(7,269)	(3,032)
Class C	(1,679)	(34,366)
	(3,141,129)	(82,951)
Net change in units	(3,132,576)	10,095,148
Units at the end of the period / year	15,897,098	19,029,675

9 NET (LOSS) / GAIN FROM INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Realized gain from sale of investments carried at FVTPL	1,328,067	694,309
Unrealized (loss) / gain from revaluation of investments carried at FVTPL	(3,031,026)	866,192
	(1,702,959)	1,560,501

GIB Saudi Small and Mid-Cap Equity Fund
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10 OTHER EXPENSES

	30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
Board of Directors' fee	4,959	4,946
Transaction fee	3,660	11,420
VAT expense	102,756	68,048
Other expenses	40,132	49,258
	151,507	133,672

11 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include "GIB Capital" being the Fund Manager, "GIB Bank" being the shareholder of GIB Capital and the Fund's Board of Directors.

In the ordinary course of its activities, the Fund transacts business with related parties. All related party transactions are approved by the Fund's Board of Directors.

The significant related party transactions entered into by the Fund during the period and the balances resulting from such transactions are as follows:

Related party	Nature of transactions	Amount of transactions during the six-month period ended		Closing balance (payable)	
		30 June 2026 (Un-audited)	30 June 2025 (Un-audited)	30 June 2026 (Un-audited)	31 December 2025 (Audited)
GIB Capital	Management fees	(622,939)	(404,724)	(292,493)	(359,442)
	Board of Directors' Fees	(4,959)	(4,946)	(4,959)	(10,000)

12 FINANCIAL INSTRUMENTS BY CATEGORY

30 June 2026 (Un-audited)	Amortized cost	FVTPL
Assets as per interim statement of financial position		
Cash and cash equivalents	878,455	-
Investments carried at fair value through profit or loss (FVTPL)	-	140,350,328
Prepayment & other receivables	358,765	-
Total	1,237,220	140,350,328
31 December 2025 (Audited)	Amortized cost	FVTPL
Assets as per statement of financial position		
Cash and cash equivalents	3,373,034	-
Investments carried at fair value through profit or loss (FVTPL)	-	165,646,850
Total	3,373,034	165,646,850

All financial liabilities as at 30 June 2026 and 31 December 2025 were classified as financial liabilities carried at amortized cost.

GIB Saudi Small and Mid-Cap Equity Fund
Open-Ended Mutual Fund
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(All amounts in Saudi Riyal)

13 FINANCIAL RISK MANAGEMENT

13.1 Financial risk factors

The objective of the Fund is to safeguard its ability to continue as a going concern so that it can continue to provide optimum returns to its Unitholders and to ensure reasonable safety to the Unitholders.

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

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

(i) 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 financial instruments that the Fund holds. The Fund Manager diversifies the investment portfolio and closely monitors the price movement of its investments in financial instruments. As of the interim statement of financial position date, the Fund has equity investments.

The effect on the net assets value (as a result of the change in the fair value of investments as at 30 June 2026 and 31 December 2025 due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constant is as follows:

	30 June 2026		31 December 2025	
	(Un-audited)		(Audited)	
	Potential reasonable change %	Effect on NAV	Potential reasonable change %	Effect on NAV
Capital Goods	1%	308,023	1%	495,981
Insurance	1%	233,126	1%	273,155
Materials	1%	216,060	1%	125,269
Energy	1%	124,159	1%	71,434
Utilities	1%	114,427	1%	148,349
Pharmaceuticals, biotechnology & life sciences	1%	113,508	1%	53,695
Commercial & professional services	1%	75,820	1%	91,356
Transportation	1%	69,767	1%	116,802
Telecommunication services	1%	54,792	1%	69,136
Software & services	1%	51,566	1%	13,781
Consumer discretionary distribution & retail	1%	42,254	1%	-
Retailing	1%	-	1%	137,379
Consumer services	1%	-	1%	60,132

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13 FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (Continued)

(b) 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 is exposed to credit risk for its cash and cash equivalent and receivables. Bank balances are deposited in investment account in Albilad Capital which is Bank with sound financial rating. Hence, the expected credit loss is immaterial.

The following table shows the Fund's maximum exposure to credit risk for components of the interim statement of financial position.

	30 June 2026	31 December 2025
	(Un-audited)	(Audited)
Cash and cash equivalents	878,455	3,373,034
Prepayments & other receivables	358,765	-

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's Terms and Conditions provide for subscription and redemption of units on Sunday and Tuesday, therefore, it is exposed to the liquidity risk of meeting Unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the interim statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short-term loans from the Fund Manager.

The expected maturity of the assets and liabilities of the Fund is less than 12 months.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting financial losses and damage to its reputation with achieving its investment objective of generating returns to Unitholders.

13.2 Fair value estimation

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying values of the Fund's financial instruments carried at amortized cost are assumed to approximate their fair values.

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13 FINANCIAL RISK MANAGEMENT (CONTINUED)

13.2 Fair value estimation (Continued)

The Fund classifies its financial instruments in the following levels of fair value hierarchy:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equity and debt instruments. The Fund does not adjust the quoted price for these instruments.

There has been no transfers between level 1,2 and 3 fair value hierarchy of the fund.

Fund classifies all of its financial assets except for those carried at amortized cost, at fair value as level 1.

14 SUBSEQUENT EVENTS

As of the date of approval of these interim condensed financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these interim condensed financial statements.

15 LAST VALUATION DAY

The last valuation day for the period was 30 June 2026 (comparative: 31 December 2025).

16 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were authorized for issue by the Fund's Board of Directors on 03 August 2026G (corresponding to 20 Safar 1448H)