

ALPHA  
CAPITAL



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# Alpha Capital Public Sukuk Fund

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2023 Annual Report



Dear Unitholder,

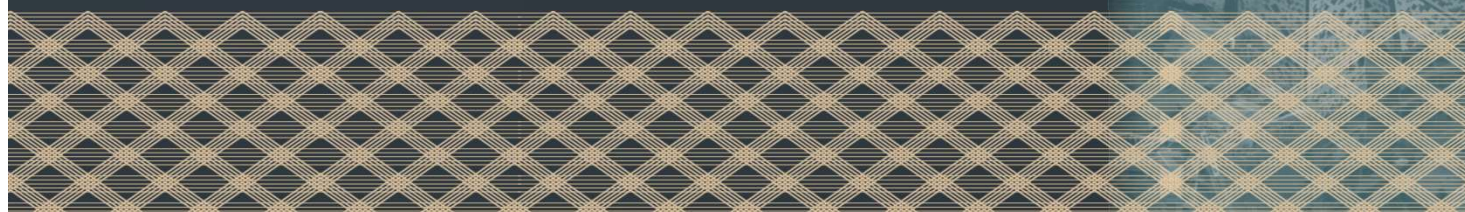
It is with great pleasure to present to you the annual report for Alpha Capital Public Sukuk Fund (the “Fund”), for the financial period ended 31<sup>st</sup> December 2023. This report highlights the Fund’s investment activities as well as its performance record for the period from 4 September 2023 to 31 December 2023.

We would like to take this opportunity and thank you for your trust and support in Alpha Capital. Should you need any further information, please do not hesitate to contact us.

Yours sincerely

Alpha Capital

(the “Fund Manager”)





# Contents

03

Investment details and Fund performance

04

Fund performance and Performance record

05

Performance record

06

Fund's board annual report

11

Fund manager information, investment activities and performance

12

Other key disclosures

13

Custodian information

14

Fund operator

15

Auditor information



# Annual Fund Report

## Investments details

Fund name	Alpha Capital Public Sukuk Fund
Investment objectives & policies	To achieve medium to long term growth by investing mainly in Sukuks issued by sovereign, semi-sovereign or corporate entities. The Fund can also invest in money market funds, fixed income funds, private debt funds, trade finance funds, money market instruments, derivative contracts and structured products that are compliant with Shariah guidelines.
Distributions	The Fund does not make any distributions to its unit holders. Instead, incomes are reinvested.
Fund benchmark and service provider's website	S&P GCC Sukuk Index <a href="https://www.spglobal.com">https://www.spglobal.com</a>

## Fund performance

Net asset value and distributions, SAR	
Description	For the period from 4 September 2023 to 27 December 2023 (Amount in SAR)
Fund Net Asset Value ("NAV") at the end of the financial period	18,825,828
NAV per unit at the end of the financial period	10.17576
Highest NAV per unit for the financial period	10.17576
Lowest NAV per unit for the financial period	9.87866
No. of Units at the end of financial period	1,850,066
Income Distribution per unit - Gross	N/A
Income Distribution per unit - Net	N/A
Total Expense Ratio % - Average NAV	0.41
% of borrowed assets from the total asset value, the period of their exposure and due date	N/A



# Annual Fund Report

## Fund performance

Investment Fund's performance during the period

The Fund's performance for the financial period since inception stood at 1.76% v/s 3.33% for the benchmark. The Fund has underperformed its benchmark for the financial period since inception by 1.57%.

## Performance record <sup>(1)</sup>

Description	1 Year	3 Years	5 Years	Since inception	
Total return for the financial period (%)	N/A	N/A	N/A	1.76	
Description	2018	2019	2020	2021	2023
Annual total return (%)	N/A	N/A	N/A	N/A	N/A

Fund fees and expenses for the financial period <sup>(2)</sup>	SAR
Management fee	24,395.00
Audit fee	10,599.00
Custodian fee	1,233.00
Transactions costs	821.00
Regulatory Fee	2,445.00
Shariah advisory fee	11,016.00
Value added tax expenses	5,557.00
Other expenses	7,640.00
<b>Total</b>	<b>63,708.00</b>

Description	%
Total expense ratio % - Average NAV	0.41

(1) The inception date of the Fund was 4 September 2023. Hence, the performance record for the prior years is not applicable.  
(2) based on the last official valuation day of the financial period as of 27 December 2023.



# Annual Fund Report

## Performance record

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### Disclosure

Total expense ratio is calculated based on the average NAV over the period.

The last valuation day of the period was 27 December 2023. Hence, this annual report of the Fund has been prepared for the period from 4 September 2023 to 27 December 2023.

### Basis of performance calculation & assumptions

The performance data is calculated on NAV/unit basis on each valuation day.

### Material changes affecting Fund performance

There were no material changes affecting the Fund's performance during the period.



# Annual Fund Report

## Fund's board annual report

Names of Fund's board members and their membership type

Name	Membership type
Abdulrahman Abdulmohsen AISheikh	Non-Independent member
Ahmed Abdullah AlJomaih	Non-independent member
Ali Asgar Lilamwala	Non-independent member
Abdulrahman Khaled AISaghri	Independent member
Talal Nasir Ibrahim AIDakheel	Independent member
Bandar Mohammed AIDamer	Independent member

A brief about Fund board member's qualification

▪ *Abdulrahman Abdulmohsen AISheikh*

Abdulrahman is the Chief Commercial Officer in Alpha Capital Company. Prior to his current position, Abdulrahman was a deputy team leader of Banque Saudi Fransi's corporate banking group. Abdulrahman holds a BS degree in Finance from King Saud University and MS in Business Economics, Finance and Banking from the University of Portsmouth.

▪ *Ahmed Abdullah AlJomaih:*

Ahmed is the Co-Head of Asset management at Alpha Capital Company. Prior to his current position, Ahmed managed to accumulate more than ten years of extensive Asset Management experience where he was heading the Equity team at HSBC Saudi Arabia, managing local & GCC Equities. He holds a BA degree in Finance from King Fahd University of Petroleum and Minerals and MS in Corporate Finance from Henley Business School at the University of Reading in Britain.



# Annual Fund Report

## Fund's board annual report

A brief about Fund board member's qualification

- *Ali Asgar Lilamwala*

Ali is the Co-Head of Asset management at Alpha Capital Company. He has more than 14 years of experience in investment management. He previously led all functions of asset management business in EFG-Hermes Saudi Arabia. Prior to that, he was at MASIC where he developed internal reporting structure, asset allocation for Funds, evaluation and performance analysis. Ali holds MS from University of Oklahoma, and he is a CFA Charter holder.

- *Abdulrahman Khaled AlSaghri:*

Abdulrahman is the Executive Vice President, Member of the Board of Directors and Chief Financial Officer of Al Ittihad and Takaful Investment Company. He has more than ten years of experience in the areas of establishing and financially managing companies and projects within the real estate, contracting and food & beverage sectors. He participated in establishing the Najd Real Estate Building Company and serves as its CEO. In addition, he previously worked as a Relationship Manager in the Financial Institutions Department at Al Rajhi Bank for the Middle East and North Africa region. Abdulrahman holds a bachelor's degree in financial sciences from Prince Sultan University.

- *Talal Nasir Ibrahim AlDakhil:*

Talal Al-Dakheel is a member of the Board of Directors of the Sustained Infrastructure Holding Co (SISCO Holding), and the Washmen Holding Company. Talal held several leadership positions in the Banque Saudi Fransi and has experience in the fields of management. Talal holds a Bachelor's degree in Finance from King Saud University in Riyadh.





# Annual Fund Report

## Fund's board annual report

A brief about Fund board member's qualification

- *Bandar Mohammed AlDamer:*

Bandar is the Chairman of Mira Food Company since 2008, and the Chairman of Union Investment Joint Stock Company. He also held several administrative and investment positions in the private sector during his twenty years of practical experience. Bandar holds a Bachelor degree in Political Sciences from King Saud University in Riyadh.

Fund board member's roles and duties

- Approving material contracts, decisions and reports involving the Fund.
- Approve a written policy with regards 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.
- 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 applicable rules, laws and regulations.
- Approving all changes stipulated in Articles (62) and (63) of investment Fund regulations before the Fund Manager obtains the approval or notification of the unitholders and the Authority.
- Confirming the completeness and accuracy (complete, clear, accurate, and not misleading), and compliance with investment Fund Regulations, of the Fund's terms and conditions and of any other document.
- Ensuring that the Fund Manager carries out its obligations in the best interests of the unitholders, in accordance with investment Fund regulations, the Fund's terms and conditions.
- Reviewing the report that includes assessment of the performance and quality of services provided by the parties involved in providing significant services to the Fund referred to in investment Fund regulations.



# Annual Fund Report

## Fund's board annual report

### Fund board member's roles and duties

- Assessing the mechanism of the Fund Manager's handling of the risks related to the Fund's assets in accordance with the Fund Manager's policies and procedures that detect the Fund's risks and how to treat such risks.
- Have a fiduciary duty to unitholders, including a duty to act in good faith, a duty to act in the best interests of the unitholders and a duty to exercise all reasonable care and skill.
- Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the Fund's board of director.
- Review the report containing all complaints and the measures taken regarding them referred to in investment Fund regulations and Fund terms and conditions.

### Fund board members remuneration

The remuneration for independent directors is 2,000 SAR per meeting and a maximum of 10,000 SAR per period for each independent member.

### Conflict of interest

The Fund Manager, its shareholders and affiliates, any of their respective directors, officers, employees and agents may be involved in other financial, investment or professional activities which may on occasion cause conflicts of interest with the Fund. The Fund's board shall use reasonable endeavors to avoid any such conflict. However, when and if any such conflict arises, the Fund Manager and the Fund's board will make a full disclosure to the unitholders as soon as feasible and will endeavor to resolve the conflict fairly in accordance with the applicable laws and regulations. As of the date of this report, there were no material conflict of interests which may adversely affect the Fund boards and Fund Manager's performance of their duties towards the Fund.



# Annual Fund Report

## Fund's board annual report

	Name	Membership into other Funds
Membership relevant to other Funds	Abdulrahman Abdulmohsen AISheikh	<ul style="list-style-type: none"><li>Alpha Murabaha Fund</li><li>Alpha Saudi Freestyle Equity Fund</li></ul>
	Ahmed Abdullah AlJomaih	<ul style="list-style-type: none"><li>Alpha Saudi Equity Fund</li><li>Alpha Saudi Freestyle Equity Fund</li></ul>
	Ali Asgar Lilamwala	<ul style="list-style-type: none"><li>Alpha Saudi Equity Fund</li></ul>
	Abdulrahman Khaled AISaghri	<ul style="list-style-type: none"><li>Alpha Saudi Freestyle Equity Fund</li></ul>
	Talal Nasir Ibrahim AIDakhil	<ul style="list-style-type: none"><li>Alpha Saudi Freestyle Equity Fund</li></ul>
	Bandar Mohammed AIDamer	<ul style="list-style-type: none"><li>Alpha Saudi Equity Fund</li><li>Alpha Saudi Freestyle Equity Fund</li></ul>

### Fund board annual report

There was one Fund board meeting held during the period as follows:

- The meeting for APSF was held on 9 August 2023 with the following agenda items:
  - Approval of terms and conditions of the Fund.
  - Approval of all contracts, decisions and essential reports relating to the Fund.



# Annual Fund Report

## Fund Manager information

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Fund Manager	Alpha Capital Company
Address	12371 PO BOX: 8596 Riyadh, Prince Turki Bin Abdulaziz AlAwwal, King Saud University. Tel: 920033594 <a href="http://www.alphacapital.com.sa">www.alphacapital.com.sa</a>
Fund Manager and sub-manager	The Fund Manager is Alpha Capital Company which is responsible for managing the Fund's assets. There is no sub-manager of the Fund.

## Investment activities and performance

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Review of the investment activities during the period	From the date of inception (4 September 2023) until the date of the report (27 December 2023), the Fund has invested its assets mainly in Sukuks and some in Murabaha deposits that are compliant with the Shariah principles.
Investment fund's performance during the period	The Fund's performance since inception stood at 1.76% v/s 3.33% for the benchmark. The Fund has underperformed from its benchmark since inception by 1.57%.
Details of changes during the period in Fund T&Cs and information memorandum	There were no changes in Fund's terms and conditions during the period.



# Annual Fund Report

## Other key disclosures

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Other Information for Unit Holders

There was no other information which needs to be disclosed during the period for the unit holders.

Investments into other Funds

There was no investment made into any other Fund during the period.

Special commission arrangements

There were no special commission received during the period.

Other data and other information required by the investment Funds regulations

There was no other data or information which needs to be disclosed during the period as required by the Investments Funds Regulations.

Period of service of the person registered as a manager for the Fund

Since 21<sup>st</sup> of May 2019



# Annual Fund Report

## Custodian information

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Custodian Name	AlBilad Investment Company
Address	Smart Tower, King Fahad Road, Riyadh 8162 King Fahad Road – Olaya, Riyadh 12313-3701, Saudi Arabia. Tel: +966920003636. Email: <a href="mailto:Clientservices@albilad-capital.com">Clientservices@albilad-capital.com</a> <a href="http://www.albilad-capital.com">www.albilad-capital.com</a>
Custodian Main Duties and Responsibilities	<ul style="list-style-type: none"><li>▪ Safekeeping of Securities</li><li>▪ Statement of Trades</li><li>▪ Corporate Action Management</li><li>▪ Income Booking</li><li>▪ Funds Transfers</li><li>▪ Foreign Exchange</li></ul>



# Annual Fund Report

## Fund operator

Fund Operator  
Name

Alpha Capital Company

Address

12371 PO BOX: 8596 Riyadh, Prince Turki Bin Abdulaziz AlAwwal,  
King Saud University.

Tel: 920033594

[www.alphacapital.com.sa](http://www.alphacapital.com.sa)

Operator Main  
Duties and  
Responsibilities

- The Fund operator is responsible for valuing the assets of the public Fund. In so doing, the Fund operator shall conduct a full and fair valuation.
- The asset of Fund is valued by the Fund operator each dealing day at such time as specified in the Terms and Conditions of such public Fund, and for the duration not exceeding one day from the deadline for submission of requests for subscription or redemption.
- The Fund operator must comply with the Annex (5) in the investment Fund regulations in relation to valuation of the Fund.
- The Fund operator shall be responsible for calculating the price of the units in a public Fund that it operates. The price of units for subscriptions and redemptions on any dealing day shall be calculated by reference to the net asset value per unit of the public Fund at the valuation point on the relevant dealing day.
- The Fund operator must record each instance where an asset of the Fund is valued incorrectly, or the price of a unit is calculated incorrectly.
- The Fund operator is responsible for operating investment Funds.
- The Fund Manager and Fund operator must maintain all books and records in accordance with the regulations.
- The Fund operator must maintain all times records of all units issued and cancelled and must maintain an up-to-date record of the balance of outstanding units for each Fund under its operation.



# Annual Fund Report

## Auditor information

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Auditor Name	Alluhaid & Alyahya Chartered Accountants
Address	Grand Tower, King Fahad Road, Al Muhammadiyah district. P.O. Box 85453, Riyadh 11691. Tel: +96611 269 3516 Fax: +966 11 488 9639 <a href="http://www.lyca.com.sa">www.lyca.com.sa</a>
Auditor's report regarding the Fund's latest Audited Financial Statements	Not applicable, as the Fund has commenced its operations from 4 September 2023. The first audited financial period for the Fund would be from 4 September 2023 to 31 December 2024.

*Note: Fund's annual report is available upon request free of charge.*