

ALAHLI MULTI-ASSET CONSERVATIVE FUND

(Managed by SNB Capital Company –
formerly known as NCB Capital Company)

**CONDENSED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)**

For the six-months period ended 30 June 2021
together with the

Independent Auditor's Review Report



KPMG Professional Services

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كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

Independent auditor's report on review of condensed interim financial statements

To the Unitholders of AIAhli Multi-Asset Conservative Fund

Introduction

We have reviewed the accompanying 30 June 2021 condensed interim financial statements of **AIAhli Multi-Asset Conservative Fund** ("the Fund"), managed by SNB Capital Company (formerly known as NCB Capital Company) ("the Fund Manager"), which comprises:

- the condensed statement of financial position as at 30 June 2021;
- the condensed statement of comprehensive income for the six-month period ended 30 June 2021;
- the condensed statement of changes in equity attributable to the Unitholders for the six-month period ended 30 June 2021;
- the condensed statement of cash flows for the six-month period ended 30 June 2021; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by Capital Market Authority, the Fund's Terms and Conditions and the Information Memorandum. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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 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 the 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 30 June 2021 condensed interim financial statements of **AIAhli Multi-Asset Conservative Fund** are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Dr. Abdullah Hamad Al Fozan
License No. 348

Date: 9 Muharram 1443H
Corresponding to: 17 August 2021



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كي بي إم جي للاستشارات المهنية شركة مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (١٥,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للقران وشركاء محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

ALAHLI MULTI-ASSET CONSERVATIVE FUND
(Managed by SNB Capital Company - formerly known as NCB Capital Company)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

		<i>30 June</i> <u>2021</u> (Unaudited)	<i>31 December</i> <u>2020</u> (Audited)
	<i>Note</i>		
ASSETS			
Cash and bank balance	8	6,516	13,090
Investments	9	167,558	161,808
Other receivables		327	24
Total assets		<u>174,401</u>	<u>174,922</u>
LIABILITY			
Other payables		219	203
Equity attributable to Unitholders		<u>174,182</u>	<u>174,719</u>
Units in issue (number in thousand)	10	<u>106,723</u>	<u>110,721</u>
Equity per unit (USD)		<u>1.6321</u>	<u>1.5780</u>

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

ALAHLI MULTI-ASSET CONSERVATIVE FUND
(Managed by SNB Capital Company - formerly known as NCB Capital Company)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

	<i>Note</i>	<u>30 June</u> <u>2021</u>	<u>30 June</u> <u>2020</u>
Special commission income on			
- Sukuk		1,186	1,570
- Murabaha contracts		91	16
Realised gain on investments at FVTPL		5,924	1,542
Unrealised loss on investments at FVTPL		(990)	(5,852)
Other income		1,228	1,026
Total income / (loss)		7,439	(1,698)
Management fees	12	(881)	(877)
Value Added Tax		(132)	(44)
Administrative expenses		(65)	(21)
Custody fees		(16)	(11)
Professional fees		(7)	(6)
Fund Board remuneration		(2)	(2)
Shariah audit fee		(2)	(1)
CMA fee		(1)	(1)
Impairment charge on investments		(323)	(7,870)
Total operating expenses		(1,429)	(8,833)
Net profit / (loss) for the period		6,010	(10,531)
Other comprehensive income for the period		--	--
Total comprehensive income / (loss) for the period		6,010	(10,531)

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

ALAHLI MULTI-ASSET CONSERVATIVE FUND
(Managed by SNB Capital Company - formerly known as NCB Capital Company)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

	<i><u>30 June</u></i> <i><u>2021</u></i>	<i><u>30 June</u></i> <i><u>2020</u></i>
Equity attributable to Unitholders at the beginning of the period (Audited)	174,719	171,210
Total comprehensive income / (loss) for the period	6,010	(10,531)
(Decrease) / increase in net assets (equity) from unit transactions during the period		
Proceeds from units issued	9,905	17,314
Value of units redeemed	(16,452)	(7,874)
	(6,547)	9,440
Equity attributable to Unitholders at the end of the period (Unaudited)	<u>174,182</u>	<u>170,119</u>

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

ALAHLI MULTI-ASSET CONSERVATIVE FUND
(Managed by SNB Capital Company - formerly known as NCB Capital Company)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

	<i>Note</i>	<u>30 June</u> <u>2021</u>	<u>30 June</u> <u>2020</u>
Cash flows from operating activities			
Net profit / (loss) for the period		6,010	(10,531)
<i>Adjustments for:</i>			
Realised gain on investments at FVTPL		(5,924)	(1,542)
Unrealised loss on investments at FVTPL		990	5,852
Impairment charge on investment		323	7,870
		1,399	1,649
Changes in operating assets and liabilities:			
Investments measured at FVTPL		1,207	4,122
Investments measured at amortised cost		(2,346)	(10,155)
Other receivables		(303)	(269)
Other payables		16	(35)
Net cash used in operating activities		(27)	(4,688)
Cash flows from financing activities			
Proceeds from units issued		9,905	17,314
Value of units redeemed		(16,452)	(7,874)
Net cash (used in) / generated from financing activities		(6,547)	9,440
(Decrease) / increase in cash and cash equivalents during the period		(6,574)	4,752
Cash and cash equivalents at the beginning of the period	8	13,090	2,699
Cash and cash equivalents at the end of the period	8	6,516	7,451

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

ALAHLI MULTI-ASSET CONSERVATIVE FUND
(Managed by SNB Capital Company - formerly known as NCB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

AlAhli Multi-Asset Conservative Fund ("the Fund") is a Shariah compliant, open-ended investment fund, managed by SNB Capital Company – formerly known as NCB Capital Company ("the Fund Manager"), a subsidiary of The Saudi National Bank (formerly known as National Commercial Bank) ("the Bank"), for the benefit of the Fund's Unitholders. NCB Capital Company has completed its merger proceedings with the Samba Capital & Investment Management Company effective July 9, 2021 and the name has been changed to SNB Capital Company. The Fund is established under article 30 of the Investment Fund Regulations ("the Regulations") issued by the Capital Market Authority ("CMA").

As defined in Capital Market Authority's Regulation No. 2-83-2005 dated 21 Jumada Awal 1426H (28 June 2005) the Fund Manager conducts following security activities:

- a) Dealing;
- b) Arranging;
- c) Managing;
- d) Advising; and
- e) Custody.

The Fund's objective is to achieve capital growth over the medium to long term, with a focus as much as possible to protect the capital by investing in a diversified portfolio of asset classes.

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by Capital Market Authority ("CMA") on 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended on 16 Sha'ban 1437 H (corresponding to 23 May 2016). The Regulation was further amended (the "Amended Regulations") on 17 Rajab 1442 H (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 1442 H (corresponding to 1 May 2021).

The terms and conditions of the Fund were originally approved by the Saudi Central Bank ("SAMA") and subsequently endorsed by CMA through their letter dated 16 December 2008 corresponding to 18 Dhul Hijjah 1429. The Fund commenced its activities on 2 October 2003.

2. BASIS OF ACCOUNTING

These condensed interim financial statements 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 issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and to comply with the applicable provisions of the Investment Funds Regulations issued by Capital Market Authority, the Fund's terms and conditions and the Information Memorandum.

The interim condensed financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Fund's annual financial statements as at 31 December 2020. Further, the results for the six months period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

3. BASIS OF MEASUREMENT

The condensed interim financial statements have been prepared on a historical cost convention using the accrual basis of accounting and going concern concept except for investments measured at fair value through profit or loss which are recorded 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 amounts have been rounded to the nearest thousand USD, unless otherwise indicated.

ALAHLI MULTI-ASSET CONSERVATIVE FUND
(Managed by SNB Capital Company - formerly known as NCB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

4. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). These condensed interim financial statements are presented in US Dollar ("US\$") which is the Fund's functional and presentation currency.

5. CHANGES IN FUND'S TERMS AND CONDITIONS

During the period, the Fund Manager did not make any revisions to the terms and conditions of the Fund.

6. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant assumptions made by the Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2020.

a) Fair value estimation

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.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market at a market price, because this price reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Fund recognizes transfer between levels of fair value at the end of the reporting year during which the change has occurred.

The fair value hierarchy has the following levels:

- 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.

The fund has classified the investment measured at FVTPL per the fair value hierarchy as level 2 except for investments in exchange traded funds which are classified as Level 1. During the year there has been no transfer in fair value hierarchy for investments at FVTPL. For other assets and liabilities such as cash and cash equivalents, investments measured at amortised cost, other receivable and other payables, the carrying values reasonably approximate the fair value.

ALAHLI MULTI-ASSET CONSERVATIVE FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

6. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

(Continued)

b) Assumptions and estimation uncertainties

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

A number of significant judgments are also required in applying the accounting requirements for measuring expected credit loss ("ECL"), such as:

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

7. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2020.

a. New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Fund

Below amendments to accounting standards and interpretations became applicable for annual reporting periods commencing on 1 January 2021. The Fund manager has assessed that the amendments have no significant impact on the Fund's financial statements.

Standards / Interpretations and Amendments

Amendments to IFRS 16 – COVID – 19 Related Rent Concessions

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform – Phase 2

b. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Fund's financial statements are listed below. The Fund intends to adopt these standards when they become effective.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. *Standards issued but not yet effective (continued)*

<i>Standards / Interpretations and amendments</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IAS 37	Onerous Contracts: Cost of fulfilling a contract	1 January 2022
Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IAS 41	Annual improvements to IFRS standards 2018-2020	1 January 2022
Amendments to IFRS 3	Reference to the conceptual Framework	1 January 2022
Amendments to IAS 1	Classification of liabilities as current and non-current	1 January 2023
IFRS 17	Insurance contracts	1 January 2023
Amendments to IAS 8	Definition of accounting estimates	1 January 2023
Amendments to IAS 1 and IFRS practice statements 2	Disclosure of accounting policies	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor or Joint Venture	Available for optional adoption / effective date deferred indefinitely

The above amended standards and interpretations are not expected to have a significant impact on the Fund's financial statements

8. CASH AND CASH EQUIVALENTS

This comprises of balances held with a local bank having a sound credit rating.

9. INVESTMENTS

Investments comprises of the following:

	<i>Ref</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
Investments measured at fair value through profit or loss	i)	113,394	109,667
Investments measured at amortised cost	ii)	54,164	52,141
		<u>167,558</u>	<u>161,808</u>

ALAHLI MULTI-ASSET CONSERVATIVE FUND**(Managed by SNB Capital Company - formerly known as NCB Capital Company)****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

9. INVESTMENTS (CONTINUED)**(i) Investments measured at fair value through profit or loss**

Investments measured at fair value through profit or loss comprises of the following:

	30 June 2021 (Unaudited)		
	<u>% of Total Investments (Fair Value)</u>	<u>Cost</u>	<u>Fair Values</u>
<i>Funds managed by Fund Manager (related parties)</i>			
AlAhli Diversified Saudi Riyal Fund	10.88	18,038	18,237
AlAhli Multi Asset Income Plus Fund	9.44	15,257	15,817
AlAhli North America Index Fund	8.82	10,057	14,772
AlAhli Europe Index Fund	4.67	5,888	7,817
AlAhli Emerging Markets Index Fund	4.18	5,195	7,002
AlAhli Asia Pacific Index Fund	2.18	3,054	3,656
AlAhli International Trade Fund	1.61	2,700	2,703
AlAhli Saudi Riyal Trade Fund	0.62	1,031	1,033
AlAhli Global Real Estate Fund	0.49	726	821
AlAhli Diversified US Dollar Fund	0.44	734	737
NCB Capital Tier One Sukuk Fund III	1.11	1,866	1,866
NCB Capital Tier One Sukuk Fund II	0.95	1,600	1,600
AlAhli REIT Fund I	0.73	996	1,225
<i>Investment in Exchange Traded Funds</i>			
MSCI USA Islamic	8.28	13,196	13,882
Jadwa Saudi REIT Fund	2.39	2,590	3,997
MSCI World Islamic ETF	2.15	3,562	3,596
Source Physical Gold P-Etc	2.11	3,143	3,539
<i>Other Investments</i>			
Certificate	4.34	8,900	7,272
Guidance ATEL GCC Leasing (OEIC) Limited	2.28	4,006	3,822
	67.67	102,539	113,394

ALAHLI MULTI-ASSET CONSERVATIVE FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

9. INVESTMENTS (CONTINUED)

(i) Investments measured at fair value through profit or loss

	31 December 2020 (Audited)		
	% of Total Investments (Fair value)	Cost	Fair Values
<i>Funds managed by Fund Manager (related parties)</i>			
AlAhli US Trade Equity Fund	17.25	22,225	28,696
AlAhli Multi-Asset Income Plus Fund	9.50	15,257	15,810
AlAhli Diversified Saudi Riyal Trade Fund	4.39	7,133	7,300
Al Ahli Europe Trading Equity Fund	4.65	6,436	7,728
AlAhli Emerging Markets Index Fund	4.20	5,432	6,994
AlAhli Asia Pacific Index Fund	2.47	3,283	4,111
AlAhli International Trade Fund	1.13	1,863	1,872
AlAhli Diversified US Dollar Trade Fund	0.74	1,216	1,223
AlAhli Saudi Riyal Trade Fund	0.49	813	815
AlAhli Global Real Estate Fund	0.43	726	723
NCB Capital Tier One Sukuk Fund II	0.98	1,600	1,623
NCB Capital Tier One Sukuk Fund III	1.12	1,866	1,867
<i>Investment in Exchange Traded Funds</i>			
SGLD LN	6.49	8,939	10,804
REIT	2.66	3,622	4,425
<i>Other Investments</i>			
Guidance ATEL GCC Leasing (OEIC) Limited	4.99	8,513	8,306
Certificate	4.43	8,900	7,371
	<u>65.92</u>	<u>97,824</u>	<u>109,667</u>

(ii) INVESTMENTS MEASURED AT AMORTISED COST

Investments measured at amortised cost under IFRS 9 includes the following:

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Investment in Sukuks	62,018	59,672
Less: Provision for expected credit loss	(7,854)	(7,531)
Net investments measured at amortised cost	<u>54,164</u>	<u>52,141</u>

ALAHLI MULTI-ASSET CONSERVATIVE FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

10. UNITS TRANSACTIONS

Transactions in units during the period are summarized as follows:

	<i>For the period ended 30 June 2021 Units '000</i>	<i>For the period ended 30 June 2020 Units '000</i>
Units at the beginning of the period (Audited)	110,721	108,795
Units issued	6,060	11,022
Units redeemed	(10,058)	(5,148)
Net (decrease) / increase in units during the period	(3,998)	5,874
Units at the end of the period (Unaudited)	106,723	114,669

As at 30 June 2021, top 5 unit holders (30 June 2020: top 5) represented 70.12% (30 June 2020: 70.18%) of the Fund's units.

11. RECONCILIATION OF CHANGE IN EQUITY

As per the requirements of CMA circular dated 31 December 2017, the Fund calculates provision for impairment in respect of debt investments measured at amortised cost using the incurred loss model, whereas IFRS 9 requires provisions to be measured using the Expected Credit Loss (ECL) method. This has resulted in a difference between equity calculated as per the CMA circular ("trading equity") and as per requirements of IFRS 9 ("reported equity"). The Fund's units in issue are classified as equity in accordance with IAS 32, and therefore equate to the residual value of the Fund. The following table shows the reconciliation between the Fund's reported equity and trading equity:

	As at 30 June 2021	As at 31 December 2020
Reported equity of the Fund	174,182	174,719
Add: Provision for expected credit losses	7,854	7,531
	182,036	182,250
Less: Provision for incurred credit losses	(2,948)	(2,948)
Traded equity of the Fund	179,088	179,302
Number of units in issue	106,723	110,721
Traded equity per unit of the Fund	1.6781	1.6194

ALAHLI MULTI-ASSET CONSERVATIVE FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

12. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The related party of the Fund includes Fund Manager, Fund Board, funds managed by the Fund Manager, and Saudi National Bank, being major shareholder of the Fund Manager.

Management fee and other expenses

The Fund is managed and administered by the Fund Manager. For these services, the Fund accrues, daily a management fee, as determined by the Fund Manager, which should not be more than the maximum annual rate of 1% p.a. of the Fund's daily net assets (equity) as set out in the Fund's terms and conditions.

The Fund Manager is also entitled to recover expenses incurred on behalf of the Fund relating to audit, custody, advisory, data processing and other similar charges. The maximum amount of such expenses that can be recovered from the Fund by the Fund Manager is restricted to 0.5% per annum of the Fund's net assets (equity) at the respective valuation days. These expenses have been recovered by the Fund Manager on an actual basis.

Transactions with related parties

During the period, the Fund entered into the following transactions, other than those disclosed elsewhere in the financial statements, with related parties in the ordinary course of business. These transactions were carried out on the basis of approved terms and conditions of the Fund. All related party transactions are approved by the Fund Board.

<u>Related party</u>	<u>Nature of Transaction</u>	<u>Amount of transactions</u>		<u>Balance as at</u>	
		<u>2021</u>	<u>2020</u>	<u>30 June 2021</u> (Unaudited)	<u>31 December 2020</u> (Audited)
SNB Capital Company	Management fee	881	877	191	80
	Expenses paid on behalf of the Fund	225	87	--	--

13. IMPACT OF COVID-19

The COVID-19 pandemic continues to disrupt global markets as many geographies are experiencing re swinging waves of infections despite having previously controlled the outbreak through aggressive precautionary measures such as imposing restrictions on travel, lockdowns and strict social distancing rules. The Government of the Kingdom of Saudi Arabia ("the Government") however, has managed to successfully control the outbreak to date, owing primarily to the effective measures taken by the Government. The Government's vaccination drive is in full swing and it is expected that the majority of the population will be vaccinated in the near future.

The Fund Manager however continues to be cognizant of both the micro and macroeconomic challenges that COVID-19 has posed, the effects of which may be felt for some time and is closely monitoring it's exposures.

ALAHLI MULTI-ASSET CONSERVATIVE FUND

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

Expressed in US Dollars '000 (unless otherwise stated)

14. LAST VALUATION DAY

The last valuation day of the period was 30 June 2021 (2020: 31 December 2020).

15. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 8 Muharram 1443H corresponding to 16 August 2021.