

ALAHLI MULTI-ASSET MODERATE FUND
(Managed by SNB Capital Company-
formerly known as NCB Capital Company)
CONDENSED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
For the six month 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

وأجفة 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 Moderate Fund

Introduction

We have reviewed the accompanying 30 June 2021 condensed interim financial statements of **AIAhli Multi-Asset Moderate 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 Moderate 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 مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (١٥,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة الجائزة محدودة بضمان. جميع الحقوق محفوظة.

ALAHLI MULTI-ASSET MODERATE 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>Notes</i>	30 June 2021 (Unaudited)	<i>31 December 2020 (Audited)</i>
ASSETS			
Cash and cash equivalents	8	4,548	1,710
Investments	9	177,465	153,693
Other receivables		<u>376</u>	<u>41</u>
Total assets		<u>182,389</u>	<u>155,444</u>
LIABILITY			
Other payables		<u>193</u>	<u>775</u>
Equity attributable to unitholders		<u>182,196</u>	<u>154,669</u>
Units in issue (number in thousand)	11	<u>88,569</u>	<u>79,574</u>
Equity per unit (USD)		<u>2.0571</u>	<u>1.9437</u>

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

ALAHLI MULTI-ASSET MODERATE 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>	<i>30 June</i> <u>2021</u>	<i>30 June</i> <u>2020</u>
Special commission income from sukuk		204	29
Realised gain on investments at FVTPL		5,975	2,354
Unrealised gain / (loss) on investments at FVTPL		3,300	(3,262)
Other income		1,521	746
Total income / (loss)		<u>11,000</u>	<u>(133)</u>
Management fee	12	(1,044)	(808)
VAT		(157)	(40)
Administrative expenses		(14)	(13)
Custody fees		(16)	(11)
Professional fees		(7)	(6)
Fund Board remuneration		(2)	(2)
Shariah audit fee		(2)	(1)
CMA fee		(1)	(1)
Impairment charge		(4)	(4)
Total operating expenses		<u>(1,247)</u>	<u>(886)</u>
Net profit / (loss) for the period		<u>9,753</u>	<u>(1,019)</u>
Other comprehensive income for the period		--	--
Total comprehensive income / (loss) for the period		<u>9,753</u>	<u>(1,019)</u>

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

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

CONDENSED 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>30 June 2021</i>	<i>30 June 2020</i>
Equity attributable to unitholders at the beginning of the period (Audited)	154,669	120,718
Total comprehensive income / (loss) for the period	9,753	(1,019)
Increase in equity from unit transactions during the period		
Proceeds from units issued	23,809	23,859
Value of units redeemed	(6,035)	(4,302)
	17,774	19,557
Equity attributable to unitholders at the end of the period (Unaudited)	182,196	139,256

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

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

CONDENSED 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>	<i>30 June</i> <u>2021</u>	<i>30 June</i> <u>2020</u>
Cash flow from operating activities			
Net profit / (loss) for the period		9,753	(1,019)
<i>Adjustment for:</i>			
Unrealised (gain) / loss on investments at FVTPL		(3,300)	3,262
Realized gain on investments at FVTPL		(5,975)	(2,354)
Impairment charge		4	4
		<u>482</u>	<u>(107)</u>
Net Changes in operating assets and liabilities:			
Investments measured at amortized cost		(9,646)	(7,529)
Investments measured at fair value through profit or loss		(4,855)	(4,767)
Other receivables		(335)	(249)
Other payables		(582)	(1)
		<u>(14,936)</u>	<u>(12,653)</u>
Cash flow from financing activities			
Proceeds from units issued		23,809	23,859
Value of units redeemed		(6,035)	(4,302)
		<u>17,774</u>	<u>19,557</u>
Net cash generated from financing activities			
		2,838	6,904
Cash and cash equivalents at the beginning of the period	8	1,710	778
Cash and cash equivalents at the end of the period	8	<u>4,548</u>	<u>7,682</u>

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

ALAHLI MULTI-ASSET MODERATE 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

AlAhlī Multi-Asset Moderate 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 31 of the Investment Fund Regulations (“the Regulations”) issued by the Capital Market Authority (“CMA”).

As defined in CMA Regulation No. 2-83-2005 dated 21 Jumada Awal 1426H (28 June, 2005), the Fund Manager conducts following securities activities:

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

The Fund’s objective is to achieve a balance between capital growth and capital preservation over the medium to long term, by investing in a diversified portfolio of asset classes.

The terms and conditions of the Fund were initially approved by the Saudi Central Bank (“SAMA”) and subsequently endorsed by the CMA through their letter dated 16 December 2008. The Fund commenced its activities on 2 October 2003.

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).

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 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.

ALAHLI MULTI-ASSET MODERATE 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)

3. BASIS OF MEASUREMENT

These 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 ("FVTPL") 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 nearest thousand USD, unless otherwise stated.

4. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in U.S. Dollars (US\$), which is the Fund's functional currency. All financial information presented in U.S. Dollars has been rounded to the nearest thousand.

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.

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 is 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.

ALAHLI MULTI-ASSET MODERATE 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)

6. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Fair value estimation (continued)

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, other receivable and other payables, carrying value is a reasonable approximation of the fair value.

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.

ALAHLI MULTI-ASSET MODERATE 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)

7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Standards issued but not yet effective (continued)

<u>Standards / Interpretations and amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
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 any 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

	<i>Ref</i>	<i>30 June</i> <u>2021</u>	<i>31 December</i> <u>2020</u>
Investments measured at amortised cost	i)	22,327	12,685
Investments measured at fair value through profit or loss	ii)	155,138	141,008
		<u>177,465</u>	<u>153,693</u>

ALAHLI MULTI-ASSET MODERATE 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 amortised cost

	<i>30 June</i> <u>2021</u> (Unaudited)	<i>31 December</i> <u>2020</u> (Audited)
Investment in Sukuks	18,026	12,690
Investment in Certificate	4,310	--
Less: Allowance for Expected Credit Loss	(9)	(5)
Net investments measured at amortised cost	<u>22,327</u>	<u>12,685</u>

ii) Investments measured at fair value through profit or loss

The composition of investments measured at fair value through profit or loss by industry sector is summarized below:

	<u>30 June 2021 (Unaudited)</u>		
	<u>% of Total Investment (Fair Value)</u>	<u>Cost</u>	<u>Carrying value</u>
<i>Funds managed by Fund Manager – a related party</i>			
AlAhli North America Index Fund	19.40	17,241	30,096
AlAhli Diversified US Dollar Fund	10.74	16,287	16,667
AlAhli Europe Index Fund	10.41	11,677	16,146
AlAhli Multi-Asset Income Plus Fund	8.65	12,737	13,412
AlAhli Emerging Markets Index Fund	8.12	9,019	12,593
AlAhli Asia Pacific Index Fund	4.55	5,621	7,052
AlAhli Global Real Estate Income Fund	3.23	4,222	5,016
AlAhli Tier One Sukuk Fund II	2.23	3,466	3,466
AlAhli Tier One Sukuk Fund III	2.22	3,439	3,440
AlAhli International Trade Fund	1.22	1,891	1,897
AlAhli REIT 1 (related party)	0.83	1,042	1,281
Alahli Saudi Riyal Trade Fund	0.64	988	991
Alahli Diversified Saudi Riyal Fund	0.38	579	586
<i>Investment in Exchange Traded Funds</i>			
MSCI USA Islamic	17.73	24,477	27,504
MSCI World Islamic ETF	4.10	6,298	6,357
Source Physical Gold P-Etc	3.33	4,709	5,184
MSCI EM Islamic ETF	0.56	644	871
Jadwa Saudi REIT	1.66	1,672	2,579
	<u>100</u>	<u>126,009</u>	<u>155,138</u>

ALAHLI MULTI-ASSET MODERATE 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)

ii) INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	31 December 2020 (Audited)		
	<u>% of Total Investment (Fair Value)</u>	<u>Cost</u>	<u>Fair value</u>
<i>Funds managed by Fund Manager (related parties)</i>			
AlAhli North America Index Fund	27.31	25,097	38,508
AlAhli Diversified US dollar Trade Fund	11.78	16,287	16,615
AlAhli Multi-Asset Income Plus Fund	9.51	12,737	13,407
AlAhli Europe Index Fund	9.17	9,881	12,937
AlAhli Emerging Markets Index fund	7.68	7,877	10,828
AlAhli Asia Pacific Index Fund	4.89	5,133	6,889
AlAhli Global Real-Estate Equity Fund	3.13	4,222	4,413
Tier One Sukuk Fund II	2.46	3,466	3,475
Tier One Sukuk Fund III	2.44	3,439	3,439
AlAhli International Fund	1.77	2,490	2,493
AlAhli Saudi Riyal Trade Fund	0.56	788	790
AlAhli Diversified Saudi Riyal Trade Fund	0.30	419	424
<i>Investment in Exchange Traded Funds and REITs</i>			
SGLD LN	6.57	8,560	9,271
Jadwad Saudi REIT	1.63	1,672	2,293
AlAhli Reit 1	0.65	1,042	911
MSCI USA Islamic	0.59	644	827
	100	115,179	141,008

10. 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:

ALAHLI MULTI-ASSET MODERATE 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)

10. RECONCILIATION OF CHANGE IN EQUITY (continued)

	As at 30 June 2021	As at 31 December 2020
Reported equity of the Fund	<u>182,196</u>	154,669
Add: Provision for expected credit losses	<u>9</u>	5
	182,205	154,674
Less: Provision for incurred credit losses	<u>--</u>	<u>--</u>
	182,205	154,674
Traded equity of the Fund	<u>182,205</u>	154,674
Number of units in issue	<u>88,569</u>	79,574
Traded equity per unit of the Fund	<u>2.0572</u>	1.9438

11. UNIT 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)	79,574	68,467
Units issued	<u>12,011</u>	13,666
Units redeemed	<u>(3,016)</u>	(2,507)
Net increase in units during the period	<u>8,995</u>	11,159
Units at the end of the period (Unaudited)	<u>88,569</u>	79,626

As at 30 June 2021, top 5 unit holders (30 June 2020: top 5) represented 69.87% (30 June 2020: 75.47%) of the Fund's units.

ALAHLI MULTI-ASSET MODERATE 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)

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 1.25% 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 except for custody fees, which is borne by the Fund Manager.

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>	<u>31 December 2020</u>
				(Unaudited)	(Audited)
SNBC	Management fee	1,044	808	193	85
	Expenses paid on behalf of the Fund	199	74	--	--

ALAHLI MULTI-ASSET MODERATE 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)

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.

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.