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## A) Investment Fund Information

## أ) معلومات صندوق الاستثمار

### 1) Name of the Investment Fund

SNB Capital - King Saud University Waqf Fund

### 1) اسم صندوق الاستثمار

صندوق الأهلي وجامعة الملك سعود الوقفي

### 2) Investment Objectives and Policies

### 2) أهداف وسياسات الاستثمار وممارساته

#### • Fund's Objectives:

The Fund aims to achieve medium to long term capital growth and preservation and to distribute a percentage from the returns (Waqf Yield) on an annual basis on the Waqf Disbursement Channels determined to the fund which are: to support the development and research, University education, and community service through the beneficiary party by investing in a portfolio of a medium risk level which invests in various types of assets that comply with the Sharia Committee's guidelines. In addition to achieving a better or equivalent performance to the benchmark on the basis of Rolling three years (to be calculated on an annual basis). Also, the fund aims to support the university to achieve its objectives to provide a sustainably financial future and to encourage scientific research and charity inside the University.

#### • Investment Policies and Practices:

The Fund will invest in variety of assets that comply with the Sharia Committee's guidelines including the following securities:

- Money Markets Instruments: these include, but are not limited to, cash, Money Market Transactions and investment funds investing primarily or partially in Money Market Transactions authorized by the Authority or authorized by another regulatory body according to regulations which are at least equivalent to those applied to investment funds in the Saudi Arabia.
- Sukuk: these includes listed or non-listed Sukuk, Sukuk initial offering, Sukuk funds, and Sukuk-Linked certificates and issued by; including, a government entity or a sovereign entity, or a private entity such as companies and financial institutions.
- Listed Equities: these include equities listed in the capital markets inside the Kingdom – main market – or outside the Kingdom and initial public offerings, and Rights Issue in addition to the exchange-traded funds (ETFs), the certificates, investment funds which will invest in listed equities that are licensed by the Authority or authorized by another regulatory body according to regulations which are at least equivalent to those applied to investment funds in the Saudi Arabia.
- Real Estate Investment Trust (REITs).
- Alternative Investments: investments in securities include: certificates, shares, investment fund's units authorized by the Authority or authorized by another regulatory body according to regulations which are at least equivalent to those applied to

#### • أهداف الصندوق:

يهدف الصندوق إلى المحافظة على رأس المال على المدى المتوسط والطويل وتنميته وتوزيع نسبة من العوائد (غلة الوقف) بشكل سنوي على مصارف الوقف المحددة للصندوق والممثلة في دعم الأبحاث والتطوير، والتعليم الجامعي، وخدمة المجتمع عن طريق الجهة المستفيدة وذلك من خلال الاستثمار في محفظة ذات نسبة مخاطرة متوسطة تستثمر في فئات أصول مختلفة متوافقة مع ضوابط اللجنة الشرعية للصندوق. بالإضافة إلى تحقيق أداء أفضل أو موازي للمؤشر الإرشادي على أساس ثالث سنوات متجددة (ويحسب على أساس سنوي). كما يهدف الصندوق إلى دعم الجامعة في تحقيق أهدافها لتوفير مستقبل مالي مستدام وتشجيع البحث العلمي وإثراء البعد التكافلي وأعمال الخير داخل الجامعة.

#### • سياسات الاستثمار وممارساته:

يستثمر الصندوق في أصول متعددة متوافقة مع ضوابط اللجنة الشرعية، تشمل الأوراق المالية التالية:

- أدوات أسواق النقد: وتشمل على سبيل المثال لا الحصر: صفقات أسواق النقد، وحدات صناديق أسواق النقد التي تستثمر كلياً أو جزئياً في صفقات أسواق النقد والمرخصة من الهيئة أو مرخصة من جهة تنظيمية أخرى لها متطلبات تنظيم تساوي على الأقل لتلك المطبقة على صناديق الاستثمار في المملكة.
- الصكوك: تشمل الصكوك المدرجة وغير المدرجة، والطروحات الأولية للصكوك، وصناديق الصكوك، والشهادات المرتبطة بالصكوك والمصدرة من على سبيل المثال لا الحصر: جهة حكومية، جهة سيادية، جهة خاصة مثل الشركات والمنشآت المالية.
- الأسهم المدرجة: تشمل الأسهم المدرجة في الأسواق المالية داخل المملكة – السوق الرئيسية – أو خارجها، والطروحات العامة الأولية للأسهم، وحقوق الأولوية. بالإضافة إلى صناديق المؤشرات المتداولة والشهادات والصناديق الاستثمارية التي تستثمر في الأسهم المدرجة والمرخصة من الهيئة أو مرخصة من جهة تنظيمية أخرى لها متطلبات تنظيم تساوي على الأقل لتلك المطبقة على صناديق الاستثمار في المملكة.
- صناديق الاستثمار العقارية المتداولة (ريت).
- الاستثمارات الأخرى: الاستثمار في أوراق مالية تشمل على سبيل المثال لا الحصر الشهادات والأسهم ووحدات الصناديق الاستثمارية المرخصة من الهيئة أو مرخصة من جهة تنظيمية أخرى لها متطلبات تنظيم تساوي على الأقل لتلك المطبقة على صناديق الاستثمار في المملكة والتي تستثمر أو توفر عائد يرتبط بالاستثمارات التالية: صفقات تمويل التجارة؛ سلسلة التوريد (Chain Supply)؛ تمويل رأس المال العامل؛ الاستثمارات الزراعية؛ استثمارات الملكية الخاصة؛ أدوات الدين

investment funds in the Saudi Arabia which invest or provide a return associated with the following investments: Trade finance; Supply chain; Working Capital Finance; Agricultural Investments; Private Equity Investments; Private Debt Instruments; Infrastructure Investments; Income Generating Real Estate; Leasing; Asset-Backed Investment and Gold.

الخاصة؛ استثمارات البنية التحتية؛ العقارات المدرة للدخل؛ الإجارة؛ الاستثمارات المدعومة بأصول؛ والذهب.

### 3) Distribution of Income & Gain Policy

The fund will distribute dividends not exceeding 50% of the fund's distributable net profits (Waqf yield) on an annual basis for the benefit of King Saud University Endowments – if any – according to articles (4-1) paragraph (6) of the Instructions for Approval on Establishing Waqf Investment Funds. The fund board of directors will determine the distribution percentage and the payment methods. Also, the fund board of directors will have the right to allocate a part of the Waqf yield for the growth of the Waqf asset provided that such allocation will not exceed 50% of the fund's distributable net profits for each fiscal year.

### 3) سياسة توزيع الدخل والأرباح

سيوزع الصندوق عوائد نقدية لا تقل عن 50% من صافي أرباح الصندوق القابلة للتوزيع (غلة الوقف) بشكل سنوي لصالح أوقاف جامعة الملك سعود – إن وجدت – وفقاً للمادة (4-1) الفقرة (6) من تعليمات الموافقة على إنشاء الصناديق الاستثمارية الوقفية، وسيحدد مجلس إدارة الصندوق نسبة التوزيعات وآلية صرفها، ويحق لمجلس إدارة الصندوق تخصيص جزء من غلة الوقف لنماء الأصل الموقوف بما لا يزيد عن 50% من صافي أرباح الصندوق القابلة للتوزيع لكل سنة مالية.

### 4) The fund's reports are available upon request free of charge.

### 4) تتاح تقارير الصندوق عند الطلب وبدون مقابل.

### 5) The fund's benchmark and the service provider's website (if any)

(15% 1M SAIBID) + (30% Dow Jones Sukuk Index TR) + (15% MSCI ACWI Islamic Composite M Series NTR USD) + (10% IdealRatings Global REITs) + (30% (3M Libor + 350bps)).

### 5) المؤشر الاسترشادي للصندوق، والموقع الإلكتروني لمزود الخدمة (إن وجد)

(15% سايبيد لمدة شهر) + (30% مؤشر داو جونز للصكوك (العائد الإجمالي)) + (15% مؤشر إم إس سي آي الإسلامي لجميع دول العالم من الفئة إم بالدولار الأمريكي (صافي العائد الإجمالي)) + (10% مؤشر آيديل رايتنغ العالمي للصناديق العقارية المتداولة) + (30% (لايبور لمدة 3 أشهر + 350 نقطة أساس)).

## B) Fund Performance

## ب) أداء الصندوق

### 1) A comparative table covering the last three financial years/or since inception, highlighting:

### 1) جدول مقارنة يغطي السنوات المالية الثلاث الأخيرة/ أو منذ التأسيس، يوضح:

Year	Since Inception منذ التأسيس	السنة
NAV*	10,200,570	صافي قيمة أصول الصندوق*
NAV per Unit*	1.01	صافي قيمة أصول الصندوق لكل وحدة*
Highest Price per Unit*	1.01	أعلى سعر وحدة*
Lowest Price per Unit *	0.99	أقل سعر وحدة*
Number of Units	10,063,134	عدد الوحدات
Income Distribution Per Unit	N/A	قيمة الأرباح الموزعة لكل وحدة
Fees & Expense Ratio	0.99%	نسبة الرسوم والمصروفات
Percentage of borrowed assets from the total asset value, the period of their exposure period and due date (if any)	N/A	نسبة الأصول المقرضة من إجمالي قيمة الأصول، ومدة انكشافها وتاريخ استحقاقها (إن وجدت)

\*In Saudi Riyal

\*بالريال السعودي

2) A performance record that covers the following:

(2) سجل أداء يغطي ما يلي:

- a. The total return for the fund compared to the benchmark for 1 year, 3 years, 5 years and since inception:

أ. العائد الإجمالي للصندوق مقارنة بالمؤشر لسنة واحدة، ثلاث سنوات، خمس سنوات ومنذ التأسيس:

Period	Since Inception منذ التأسيس	5 Years 5 سنوات	3 Years 3 سنوات	1 Year سنة	الفترة
Return %	1.34%	N/A	N/A	N/A	عائد الصندوق %
Benchmark %	1.62%	N/A	N/A	N/A	عائد المؤشر %

- b. The annual total return for the fund compared to the benchmark for the last 10 years/ or since inception:

ب. العائد الإجمالي السنوي للصندوق مقارنة بالمؤشر للعشر سنوات الماضية/ أو منذ التأسيس:

Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	السنة
Return %	1.34%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	عائد الصندوق %
Benchmark %	1.62%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	عائد المؤشر %

- c. Actual fees and fund expenses paid by the investment fund during the year as a percentage of average Net Asset Value:

ج. مقابل الخدمات والعمولات والأتعاب التي تحملها الصندوق على مدار العام كنسبة مئوية من متوسط صافي قيمة أصول الصندوق:

Fees and Expenses	ألف ريال SAR '000	النسبة المئوية %	الرسوم والمصروفات
Management Fees	14	0.75%	أتعاب الإدارة
VAT on Management Fees	2	0.11%	ضريبة القيمة المضافة على أتعاب الإدارة
Custodian Fees	0	0.00%	رسوم الحفظ
Auditor Fees	6	0.06%	أتعاب مراجع الحسابات
Fund Admin Expenses	0	0.00%	مصاريف العمليات الإدارية
CMA Fees	1	0.01%	رسوم هيئة السوق المالية
Tadawul Fees	1	0.01%	رسوم نشر معلومات الصندوق على موقع تداول
Shariah Committee Fees	5	0.05%	أتعاب خدمات اللجنة الشرعية
Independent Fund Board Remunerations	0	0.00%	مكافآت أعضاء مجلس إدارة الصندوق المستقلين
<b>Total Fees and Expenses</b>	<b>29</b>	<b>0.99%</b>	<b>مجموع الرسوم والمصاريف</b>

### 3) Material Changes

No material changes occurred during the period.

### 3) تغيرات جوهرية حدثت خلال الفترة

لا يوجد تغيرات جوهرية خلال الفترة.

### 4) Exercising of Voting Rights

No voting rights were exercised during the year.

### 4) ممارسات التصويت السنوية

لم تتم أي ممارسات تصويت خلال العام.

### 5) Fund Board Annual Report

### 5) تقرير مجلس إدارة الصندوق السنوي

#### a. Names of Fund Board Members

- Mohammad AlSaggaf – Chairman – Non-Independent Member
- Lloyd Kawara - Non-Independent Member
- Dr. Basmah Al-Tuwaijri - Independent Member
- Abdulaziz Abalkhail - Independent Member
- Dr. Khalid AlGahtani - Non-Independent Member
- Khalid Shareef - Non-Independent Member

#### أ. أسماء أعضاء مجلس إدارة الصندوق

- محمد السقاف - رئيس مجلس إدارة الصندوق - عضو غير مستقل
- لويد كورا - عضو غير مستقل
- د. بسمة التويجري - عضو مستقل
- عبدالعزيز أبا الخيل - عضو مستقل
- د. خالد القحطاني - عضو غير مستقل
- خالد شريف - عضو غير مستقل

#### b. A brief about of the fund board members' qualifications

**Mohammad AlSaggaf:** Head of Wealth Management at SNB Capital. He joined SNB Capital at its inception in 2007 and worked with SNB Group in several departments including the Investment Department, and the Branch Management. He has more than (24) years of experience in the financial sector. He has a diploma in Personal Financial Planning and Wealth Management from IOB, Dalhousie Alum, Canada.

**Lloyd Kawara:** Chief Risk Officer at SNB Capital and he was hired as Vice President of Market Risk at SNB Capital in February 2015. Prior to that he worked at the African Development Bank where he was Principal Treasury Risk Officer, managing counterparty risk, market risk, investment and asset liability risks, and he has over (13) years of banking experience, of which (9) years were spent in senior risk management roles within the region, including as Chief Risk Officer for Bank Alkhair BSC Bahrain and Head of Risk for Bahrain Middle East Bank and Risk Management Officer with Riyadh Bank. Lloyd is a CFA charter holder, a Certified Financial Risk Manager (FRM) with Global Association of Risk Professionals (USA), a Chartered Alternative Investment Analyst with CAIA (USA) and an Associate Chartered Management Accountant with CIMA (UK).

**Basmah Al-Tuwaijri:** Retired from academic work at King Saud University, independent researcher, member of the Financial Sector and Finance Committee in the Riyadh Chamber, a Member in the SBWA – Saudi Business Women Association (A private association), member of the supervisory board of the Think Tank Forum. Dr. Basmah worked as a faculty member in the Finance Department of the College of Business Administration in King Saudi University for more than (20); during which, she taught different

#### ب. نبذة عن مؤهلات أعضاء مجلس إدارة الصندوق

**محمد السقاف:** رئيس إدارة الثروات في شركة الأهلي المالية. انضم إلى شركة الأهلي المالية منذ تأسيسها في عام 2007م، عمل في البنك الأهلي السعودي في عدة إدارات منها إدارة الاستثمار وإدارة الفروع. لديه أكثر من (24) عاماً من الخبرة في القطاع المالي. وهو حاصل على شهادة دبلوم التخطيط المالي الشخصي وإدارة الثروات من المعهد المصرفي من دلهانوسي، كندا.

**لويد كورا:** رئيس إدارة المخاطر وتم تعيينه بمنصب نائب رئيس إدارة مخاطر السوق بشركة الأهلي المالية في فبراير 2015م. وعمل قبل ذلك في البنك الإفريقي للتنمية بوظيفة مسؤول إدارة المخاطر المالية، حيث تولى مهام وإدارة مخاطر الغير والسوق والاستثمار والموجودات والمطلوبات، ولديه أكثر من (13) سنة من الخبرة المصرفية أمضى (9) منها في أدوار عليا في إدارة المخاطر في المنطقة، ومنها رئيس إدارة المخاطر في بنك الخير، البحرين، ورئيس إدارة المخاطر في بنك البحرين والشرق الأوسط، ومسؤول إدارة المخاطر في بنك الرياض. يحمل لويد شهادات محلل مالي معتمد (CFA)، مدير مخاطر مالية معتمد (FRM)، زمالة الرابطة العالمية لمحترفي إدارة المخاطر (الولايات المتحدة الأمريكية)، محلل استثمارات بديلة معتمد، (الولايات المتحدة الأمريكية)، وزميل محاسب إداري معتمد من معهد المحاسبين الإداريين القانونيين (CIMA) المملكة المتحدة.

**بسمة التويجري:** متقاعدة من العمل الأكاديمي في جامعة الملك سعود، باحثة مستقلة، عضو لجنة القطاع المالي والتمويل في غرفة الرياض، عضو مجلس إدارة الجمعية السعودية لسيدات الأعمال وتمكين المنشآت النسائية (جمعية أهلية)، عضو الهيئة الإشرافية بملتقى أسبار (Think Tank). عملت الدكتوراة بسمة كعضو هيئة تدريس في قسم المالية بكلية إدارة الأعمال، بجامعة الملك سعود لأكثر من (20) عاماً، قامت خلالها بتدريس العديد من المواد في مالية



courses in the topics of corporate finance, investment, portfolio management and financial markets. In addition, she held several leadership positions in academics and administration, and contributed in developing the strategic plan for King Saud University and conducting the internal studies for academic accreditation. She holds a PhD in finance from King Saud University. She has several publications in the field of corporate governance and financial markets.

**Abdulaziz Abalkhail:** General Director of the Internal Audit Department at Arabian Internet and Communications Services Co. (Solutions by STC). He was the Chief Audit Executive of the National Industrialization Co. "TASNEE" and serves as an independent member of the Audit Committee of the Arabian Cement Company. Prior to TASNEE, he held several managerial positions at CMA's Continuous Disclosure Department and Market Institutions Compliance, the Industrial Development Fund, and the Arab Petroleum Investment Company. Eng. Abdulaziz has joined specialized programs in recognized international institutions such as U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority and Chase Manhattan Bank. He has more than (20) years of experience in financial institutions and markets. He holds an MBA from University of Nottingham in Britain.

**Dr. Khalid AlGahtani:** Associate Professor at the Department of Civil Engineering at King Saud University from 2014-present. He previously worked as an Assistant Professor at the Missouri University of Science and Technology in the Engineering & Management collage from 2009-present. He holds a PhD in Civil Engineering from The State University of New York College at Buffalo.

**Khalid Shareef:** Head of Alternative Financing at Debt Management Office ("DMO") and the head of Sustainability Support Program in Ministry of Finance of Saudi Arabia ("MoF"). Member of MoF Credit Committee, Housing Program Financial and Monitoring Committee, member of Budget Liabilities and Government Expenditures Committee and member of the Experts Committee for privatizing Saudi Grains Organization. In addition to active role on number of initiatives and transactions with different stakeholders within MoF and other government bodies. Prior joining DMO in July 2016, Khalid was an associate at Macquarie Capital in Abu Dhabi Office, where he was responsible for developing the business case to enter the Saudi market and establishing of their advisory business in the Kingdom. Khalid holds a

الشركات، الاستثمار، إدارة المحافظ الاستثمارية والأسواق المالية. إضافة إلى ذلك، تقلدت العديد من المناصب القيادية الأكاديمية والإدارية، وشاركت في وضع الخطة الاستراتيجية للجامعة وإعداد الدراسات الذاتية للاعتماد الأكاديمي. حصلت على درجة الدكتوراه في المالية من جامعة الملك سعود. لديها عدة أبحاث منشورة في مجال حوكمة الشركات والأسواق المالية.

**عبدالعزیز أبا الخلیل:** مدير عام المراجعة الداخلية في الشركة العربية لخدمات الإنترنت والاتصالات. عمل كمدير المراجعة الداخلية في شركة التصنيع الوطنية، بالإضافة إلى كونه عضو مستقل في لجنة المراجعة الخاصة بشركة أسمنت العربية. عمل قبل ذلك في هيئة السوق المالية متقلداً عدة مناصب إدارية في إدارة الإفصاح المستمر، وإدارة الإشراف على مؤسسات السوق المالية، كما عمل في صناديق التنمية الصناعية والشركة العربية للاستثمارات البترولية. التحق المهندس عبد العزيز في برامج متخصصة في مؤسسات عالمية مرموقة مثل هيئة الأوراق المالية الأمريكية، وهيئة تنظيم الصناعة المالية، وبنك تشيس مانهاتن. لديه أكثر من (20) عاماً من الخبرة في المؤسسات والأسواق المالية، حصل على الماجستير في إدارة الأعمال من جامعة نوتنغهام في بريطانيا.

**د. خالد القحطاني:** يعمل الدكتور خالد كاستاذ مشارك في كلية الهندسة المدنية بجامعة الملك سعود من العام 2014-حالياً. وعمل كاستاذ مساعد في جامعة ميزوري للعلوم والتكنولوجيا في كلية الإدارة والهندسة من العام 2009-حالياً. حصل على درجة الدكتوراه في الهندسة المدنية من جامعة ولاية بافلو نيويورك.

**خالد شريف:** رئيس إدارة التمويل الحكومي البديل في المركز الوطني لإدارة الدين العام ورئيس برنامج دعم استدامة الشركات بوزارة المالية. يشارك في عضوية عدد من اللجان منها، لجنة الائتمان لوزارة المالية، ولجنة مراقبة أسعار الفائدة لمنتجات التمويل العقاري، ولجنة الالتزامات والنفقات الحكومية، للجنة المتخصصة لتخصيص مطاحن الدقيق، وقد تم ضمه مؤخراً في اللجنة التنفيذية لبرنامج ريادة الشركات بالإضافة إلى دوره الفعال في عدد من المبادرات والملفات مع مختلف الجهات داخل وزارة المالية ومع الجهات والهيئات والصناديق الحكومية الأخرى. التحق بمكتب الدين العام بوزارة المالية في منتصف عام 2016، كان يعمل في شركة ماكوارى كابيتال في مكتبها في أبو ظبي بالإمارات. حيث كان مسؤولاً عن تطوير العمل الموجه لدخول السوق السعودي وتأسيس عمل الشركة الاستشاري في المملكة. حصل على بكالوريوس في العلوم المالية من كلية الإدارة الصناعية بجامعة الملك فهد للبترول والمعادن.

BSc in Finance from King Fahad University of Petroleum and Minerals in Dhahran, Saudi Arabia.

### c. Roles and responsibilities of the Fund Board

The responsibilities of the members of the fund board shall include the following:

1. Approving material contracts, decisions and reports involving the fund.
2. Approve a written policy in regards to the voting rights related to the fund assets.
3. Overseeing and, where appropriate, approving or ratifying any conflicts of interest the fund manager has identified.
4. 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.
5. Approving all changes stipulated in Articles (62) and (63) of the Investment Funds Regulations "IFRs" before the fund manager obtains the approval or notification of the unitholders and the Authority (as applicable).
6. Confirming the completeness and accuracy (complete, clear, accurate, and not misleading), and compliance with the IFRs, of the Terms and Conditions and of any other document, contractual or otherwise.
7. Ensuring that the fund manager carries out its obligations in the best interests of the unitholders, in accordance with the IFRs and the Fund's Terms and Conditions.
8. 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 Paragraph (I) of Article (9) of IFRs, in order to ensure that the fund manager fulfils his responsibilities in the interest of unitholders in accordance with the Fund's Terms and Conditions and the provisions stipulated in IFRs.
9. 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.
10. 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.
11. Approving the appointment of the external Auditor nominated by the Fund Manager.

### ج. أدوار مجلس إدارة الصندوق ومسؤولياته

تشمل مسؤوليات أعضاء مجلس إدارة الصندوق، على سبيل المثال لا الحصر، الآتي:

1. الموافقة على جميع العقود والقرارات والتقارير الجوهرية التي يكون الصندوق طرفاً فيها.
2. اعتماد سياسة مكتوبة فيما يتعلق بحقوق التصويت المتعلقة بأصول الصندوق.
3. الإشراف، ومتى كان ذلك مناسباً، الموافقة أو المصادقة على أي تعارض مصالح يفصح عنه مدير الصندوق وفقاً لللائحة صناديق الاستثمار.
4. الاجتماع مرتين سنوياً على الأقل مع لجنة المطابقة والالتزام لدى مدير الصندوق أو مسؤول المطابقة والالتزام لديه، للتأكد من التزام مدير الصندوق بجميع اللوائح والأنظمة المتبعة.
5. الموافقة على جميع التغييرات المنصوص عليها في المادتين (62) و (63) من لائحة صناديق الاستثمار وذلك قبل حصول مدير الصندوق على موافقة مالكي الوحدات والهيئة أو إشعارهم (حيثما ينطبق).
6. التأكد من اكتمال ودقة شروط وأحكام الصندوق وأي مستند آخر (سواء أكان عقداً أم غيره) يتضمن إفصاحات تتعلق بالصندوق ومدير الصندوق وإدارته للصندوق، إضافةً إلى التأكد من توافق ما سبق مع أحكام لائحة صناديق الاستثمار.
7. التأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لشروط وأحكام الصندوق، وأحكام لائحة صناديق الاستثمار.
8. الاطلاع على التقرير المتضمن تقييم أداء وجودة الخدمات المقدمة من الأطراف المعنية بتقديم الخدمات الجوهرية للصندوق المشار إليه في الفقرة (ل) من المادة (9) من لائحة صناديق الاستثمار؛ وذلك للتأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالك الوحدات وفقاً لشروط وأحكام الصندوق وما ورد في لائحة صناديق الاستثمار.
9. تقييم آلية تعامل مدير الصندوق مع المخاطر المتعلقة بأصول الصندوق وفقاً لسياسات وإجراءات مدير الصندوق حيال رصد المخاطر المتعلقة بالصندوق وكيفية التعامل معها.
10. العمل بأمانة وحسن نية واهتمام ومهارة وعناية وحرص وبما يحقق مصلحة مالكي الوحدات.
11. الموافقة على تعيين مراجع الحسابات بعد ترشيحه من قبل مدير الصندوق.
12. تدوين محاضر الاجتماعات التي تشمل على جميع وقائع الاجتماعات والقرارات التي اتخذها مجلس إدارة الصندوق.
13. الاطلاع على التقرير المتضمن جميع الشكاوى والإجراءات المتخذة حيالها المشار إليه في الفقرة (م) من المادة (9) من لائحة صناديق الاستثمار؛ وذلك للتأكد من قيام مدير الصندوق بمسؤولياته بما يحقق مصلحة مالكي الوحدات وفقاً لشروط وأحكام الصندوق وما ورد في لائحة صناديق الاستثمار.



12. Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the fund's board of director.
13. Review the report containing all complaints and the measures taken regarding them referred to in Paragraph (m) of Article (9) of IFRs, in order to ensure that the fund manager carries out his responsibilities in a way that serves the interest of unitholders in accordance with the Fund's Terms and Conditions and what contained in this Regulation.

**d. Remuneration of fund board members**

Each Independent Board Member shall receive SAR (2,000) for every meeting the member attends, and a minimum of two meetings shall be held per year.

**e. A statement of any conflict or potential conflict of interest between the interests of a fund board member and the interests of the fund**

Members of the Fund Board may be members of other funds that may seek investment objectives similar to those of the Fund. Therefore, in the exercise of its business, a member of the Fund Board may find himself in a situation of potential conflict of duties or interests with one or more funds. However, in such cases, the member shall take into account his obligations to act in the best interests of the Unitholders to the maximum practicable extent and not to overlook his obligations to his other clients when he considers any investment that may involve a potential conflict of interest, and in situations requiring voting, that Member shall refrain from doing so. To the date of issuing the Terms and Conditions, there is no significant business or other interest to the members of the Fund Board, which is likely to conflict with the interests of the Fund.

**د. مكافآت أعضاء مجلس إدارة الصندوق**

يتقاضى كل عضو مستقل مبلغ (2,000) ريال عن كل اجتماع يعقد بحضوره، ويتم عقد اجتماعين سنوياً بحد أدنى.

**هـ. تعارض المصالح بين مصالح عضو مجلس إدارة الصندوق ومصالح الصندوق**

يجوز لأعضاء مجلس إدارة الصندوق أن يكونوا أعضاء من حين لآخر لصناديق أخرى قد تنشأ أهدافاً استثمارية مماثلة لتلك الخاصة بالصندوق. ولذلك، فمن الممكن أن يجد أحد أعضاء مجلس إدارة الصندوق، في نطاق ممارسته لأعماله، أنه في موقف ينطوي على تعارض محتمل في الواجبات أو المصالح مع واحد أو أكثر من الصناديق. وعلى أي حال، ففي تلك الحالات سوف يراعي عضو مجلس الإدارة التزاماته بالتصرف بما يحقق أقصى مصالح مالكي الوحدات المعنيين إلى أقصى درجة ممكنة عملياً، وعدم إغفال التزاماته تجاه عملائه الآخرين عند الاطلاع بأي استثمار قد ينطوي على تعارض محتمل في المصالح، وفي الحالات التي تتطلب التصويت سوف يمتنع ذلك العضو عن ذلك. علماً أنه إلى تاريخ إعداد الشروط والأحكام، لا يوجد أي نشاط عمل أو مصلحة أخرى مهمة لأعضاء مجلس إدارة الصندوق أو أعضاء مجلس إدارة الصندوق يُحتمل تعارضها مع مصالح الصندوق.

f. A statement showing all the funds boards that the relevant board member is participating in

و. جدول يوضح جميع مجالس إدارة الصناديق التي يشارك

Fund's/ Member's Name	خالد شريف Khalid Shareef	د. خالد القحطاني Dr.Khalid Al-Gahtani	عبدالعزیز أبا الخيل Abdulaziz Abalkhail	د. بسمة التويجري Dr.Basmah Al-Tuwaijri	لويد كورا Lloyd Kawara	محمد السقاف Mohammad AlSaggaf	فيها عضو مجلس الصندوق
							اسم الصندوق / العضو
SNB Capital Saudi Riyal Trade Fund			✓	✓	✓	✓	صندوق الأهلي للمتاجرة بالريال السعودي
SNB Capital Sadaqqat Fund			✓	✓	✓	✓	صندوق الأهلي للصدقات
AlAhli Diversified Saudi Riyal Fund			✓	✓	✓	✓	صندوق الأهلي المتنوع بالريال السعودي
SNB Capital Multi- Asset Conservative Fund			✓	✓	✓	✓	صندوق الأهلي متعدد الأصول المتحفظ
SNB Capital Multi- Asset Income Plus Fund			✓	✓	✓	✓	صندوق الأهلي متعدد الأصول للدخل الإضافي
SNB Capital Multi- Asset Moderate Fund			✓	✓	✓	✓	صندوق الأهلي متعدد الأصول المتوازن
SNB Capital Multi- Asset Growth Fund			✓	✓	✓	✓	صندوق الأهلي متعدد الأصول للنمو
SNB Capital International Trade Fund			✓	✓	✓	✓	صندوق الأهلي للمتاجرة العالمية
AlAhli Diversified US Dollar Fund			✓	✓	✓	✓	صندوق الأهلي المتنوع بالدولار الأمريكي
SNB Capital US Dollar Sukuk Fund			✓	✓	✓	✓	صندوق الأهلي للصكوك بالدولار الأمريكي
SNB Capital – King Saud University Waqf Fund	✓	✓	✓	✓	✓	✓	صندوق الأهلي وجامعة الملك سعود الوقفي
AlAhli Sedco Residential Development Fund						✓	صندوق الأهلي سدكو للتطوير السكني
AlAhli REIT Fund 1						✓	صندوق الأهلي ريت (1)
AlAhli Makkah Hospitality Fund						✓	صندوق الأهلي للضيافة بمكة المكرمة
SNB Capital Real Estate Opportunistic Fund						✓	صندوق الأهلي العقاري للفرص
SNB Capital Tier One Sukuk Fund II						✓	صندوق الأهلي للصكوك ذات الفئة (1) الثاني
SNB Capital Tier One Sukuk Fund III						✓	صندوق الأهلي للصكوك ذات الفئة (1) الثالث
BLOOM Capital Investment Fund - Maskan Arabia						✓	صندوق بلوم للاستثمار - مسكن العربية للتطوير العقاري
SNB Capital Real Estate Fund						✓	صندوق الأهلي العقاري

**g. Topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives**

The Fund's Board of Directors held one meeting during 2021. The following is a summary of the key decisions approved and the matters discussed by the Fund's Board of Directors:

- Fund's objectives achievement and performance review.
- Risks related to the funds; including: liquidity, market, and operational risks.
- Ensuring fund's compliance to all applicable rules and regulations.

**ز. الموضوعات التي تمت مناقشتها والقرارات الصادرة بشأنها**

بما في ذلك أداء الصندوق وتحقيق الصندوق لأهدافه

عقد مجلس إدارة الصندوق اجتماع واحد خلال العام 2021م، وفيما يلي ملخصاً لأهم القرارات التي تم إقرارها والمواضيع التي تمت مناقشتها من قبل مجلس إدارة الصندوق:

- مناقشة تحقيق الصندوق لأهدافه وأدائه خلال العام.
- المخاطر المتعلقة بالصندوق بما في ذلك مخاطر السيولة، السوق، والتشغيل.
- التزام الصناديق بلوائح هيئة السوق المالية مع مسؤول المطابقة والالتزام.

**C) Fund Manager**

**(ج) مدير الصندوق**

**1) Name and address of the Fund Manager**

**SNB Capital Company**

King Saud Road, P.O. Box 22216, Riyadh 11495, Saudi Arabia  
Tel: +966 920000232

Website: [www.alahlicapital.com](http://www.alahlicapital.com)

**(1) اسم مدير الصندوق، وعنوانه**

**شركة الأهلي المالية**

طريق الملك سعود، ص.ب. 22216، الرياض 11495، المملكة العربية السعودية  
هاتف: +966 920000232

الموقع الإلكتروني: [www.alahlicapital.com](http://www.alahlicapital.com)

**2) Names and addresses of Sub-Manager / Investment Adviser**

**(2) اسم وعنوان مدير الصندوق من الباطن و/أو مستشارين الاستثمار (إن وجد)**

None.

لا يوجد.

**3) Investment Activities during the period**

**(3) أنشطة الاستثمار خلال الفترة**

- The fund closed the year with an allocation of 51% to money market, 12% to sukuk, 17% to equities and 20% to alternative investments such as REITs, operating leases, trade finance, agricultural investments and gold.
- During the year, the fund had an overweight stance on equity as the global economy recovered from COVID-19 crisis. Within equity, the Fund had an overweight stance on European and Emerging Markets.

- أغلق الصندوق السنة بتخصيص 51% إلى أسواق النقد، و12% إلى الصكوك، و17% إلى الأسهم و20% إلى الاستثمارات البديلة مثل الصناديق العقارية المتداولة (ريت)، عقود الإيجار التشغيلية، تمويل التجارة، الاستثمار الزراعي والذهب.
- خلال العام، زادت استثمارات الصندوق في أسواق الأسهم بسبب التعافي الاقتصادي بعد جائحة كوفيد-19. وضمن مركز الأسهم، زاد الصندوق وزن استثماراته في أسهم الأسواق الأوروبية والناشئة.

**4) Report of investment fund's performance during the period**

**(4) تقرير الأداء خلال الفترة**

Fund Performance 1.34%

أداء الصندوق 1.34%

Benchmark Performance 1.61%

أداء المؤشر 1.61%

The fund underperformed the benchmark by 27 bps.

انخفض أداء الصندوق عن أداء المؤشر بفارق 27 نقطة أساس.

**5) Terms & Conditions Material Changes**

**(5) تغيرات حدثت في شروط وأحكام الصندوق**

1. Non-fundamental Changes: Change the fund's English name, Update Fund Manager Information, Update Sharia Committee Name – Members - and Guidelines, Update the info of Fund Manager Board of Directors – the members' bio and their memberships.
2. Non-fundamental Changes: Change: Amend the offering period, Amend the fund's commencement date, Amend the paragraph regarding the investment in private funds and Sukuk funds, Amend the paragraph regarding the

1. تغييرات غير أساسية: تغيير اسم الصندوق باللغة الإنجليزية، تحديث معلومات مدير الصندوق، تحديث اسم الهيئة الشرعية – الأعضاء - المعايير الشرعية، تحديث معلومات مجلس إدارة مدير الصندوق - نبذة عن الأعضاء وعضوياتهم.
2. تغييرات غير أساسية: تعديل فترة الطرح، تعديل تاريخ بدء الصندوق، تعديل فترة الاستثمار في الصناديق الخاصة وصناديق الصكوك، تعديل فترة استثمار الصندوق في صناديق استثمارية أخرى، حذف فترة الحد الأعلى للتعامل مع أي طرف نظير.

investment in other investment funds, delete the paragraph of maximum limit for dealing with any counterparty.

- 6) Any other information that would enable unitholders to make an informed judgment about the fund's activities during the period

لا يوجد.

## 7) Investments in other Investment Funds

The fund management fee is 0.75% of NAV. Management fees charged by investments in the following funds have been rebated:

Fund Name	اسم الصندوق
SNB Capital Asia Pacific Index Fund	صندوق الأهلي لمؤشر أسهم آسيا والباسيفيك
SNB Capital Emerging Markets Index Fund	صندوق الأهلي لمؤشر أسهم الأسواق الناشئة
SNB Capital Europe Index Fund	صندوق الأهلي لمؤشر أسهم أوروبا
SNB Capital Global REITs Fund	صندوق الأهلي العالمي للريت
SNB Capital North America Index Fund	صندوق الأهلي لمؤشر أسهم أمريكا الشمالية
AlAhli Diversified Saudi Riyal Fund	صندوق الأهلي المتنوع بالريال السعودي
SNB Capital Saudi Riyal Trade Fund	صندوق الأهلي للمتاجرة بالريال السعودي

The Fund also has invested in the following investment funds, and the management fees were as follows:

Fund Name	رسوم الإدارة Management Fess	اسم الصندوق
INVESCO PHYSICAL GOLD ETC	0.12%	صندوق انفسكو للذهب
EMIRATES GLOBAL SUKUK-IUSDA	1.10%	صندوق الإمارات للصكوك العالمية

- 8) Special commission received by the fund manager during the period

No special commissions were received during the period.

- 9) Any other data and other information required by Investment Fund Regulations to be included in this report

### a. Conflict of Interests

Participating in the IPO of Saudi Tadawul Group Holding Company whereas SNB Capital Company is the Lead Manager and one of the Financial Advisors, Book-Runners and Underwriters. The fund board approval was obtained.

أ. تعارض في المصالح  
المشاركة في اكتتاب شركة مجموعة تداول السعودية القابضة حيث أن شركة الأهلي المالية هي مدير الاكتتاب وأحد المستشارون الماليون ومديرو سجل الاكتتاب ومتعهدو التغطية وقد تم الحصول على موافقة مجلس إدارة الصندوق على ذلك.

### b. Fund Distribution During The Year

None.

ب. توزيعات الصندوق خلال العام  
لا يوجد.

**c. Incorrect Valuation or Pricing**

None.

**ج. خطأ في التقويم والتسعير**

لا يوجد.

**d. Investment Limitation Breaches**

None.

**د. مخالفة قيود الاستثمار**

لا يوجد.

**10) Period for the management of the person registered as fund manager**

Since Fund's inception in October 2021.

**10) مدة إدارة الشخص المسجل كمدير للصندوق**

منذ إنشاء الصندوق في أكتوبر 2021م.

**11) A disclosure of the expense ratio of each underlying fund at end of year and the weighted average expense ratio of all underlying funds that invested in (where applicable)**

As shown in the sub-paragraph (7) of paragraph (C) in this Annual Report.

**11) الإفصاح عن نسبة مصروفات كل صندوق بنهاية العام والمتوسط المرجح لنسبة مصروفات كل الصناديق الرئيسة المستثمر فيها (حيثما ينطبق)**

كما هو موضح في الفقرة الفرعية (7) من الفقرة (ج) من هذا التقرير السنوي.

**D) Custodian**

**د) أمين الحفظ**

**1) Name and address of custodian**

**AlBilad Investment Company**

King Fahad Road, P.O. Box 140, Riyadh 11411, Kingdom of Saudi Arabia.

Tel: + 966 92000 3636

Website: [www.albilad-capital.com](http://www.albilad-capital.com)

**1) اسم أمين الحفظ، وعنوانه**

**شركة البلاد للاستثمار**

طريق الملك فهد، ص.ب. 140، الرياض 11411،

المملكة العربية السعودية

هاتف: + 966 92000 3636

الموقع الإلكتروني: [www.albilad-capital.com](http://www.albilad-capital.com)

**2) Custodian's duties and responsibilities**

- Notwithstanding the delegation by a custodian to one or more third parties under the provisions of Investment Funds Regulations or the Capital Market Institutions Regulations, the custodian shall remain fully responsible for compliance with its responsibilities in accordance to the provisions of Investment Funds Regulations.
- The custodian shall be held responsible to the fund manager and unitholders for any losses caused to the investment fund due to the custodian fraud, negligence, misconduct or willful default.
- The custodian shall be responsible for taking custody and protecting the fund's assets on behalf of unitholders, and taking all necessary administrative measures in relation to the custody of the fund's assets.

**2) واجبات ومسؤوليات أمين الحفظ**

- يعد أمين الحفظ مسؤولاً عن التزاماته وفقاً لأحكام لائحة صناديق الاستثمار، سواء قام بتأدية مسؤولياته بشكل مباشر أم كلف بها طرفاً ثالثاً بموجب أحكام لائحة صناديق الاستثمار أو لائحة مؤسسات السوق المالية.
- يعد أمين الحفظ مسؤولاً تجاه مدير الصندوق ومالكي الوحدات عن خسائر الصندوق الناجمة بسبب احتياله أو إهماله أو سوء تصرفه المتعمد أو تقصيره المتعمد.
- يعد أمين الحفظ مسؤولاً عن حفظ أصول الصندوق وحمايتها لصالح مالكي الوحدات، وهو مسؤول كذلك عن اتخاذ جميع الإجراءات الإدارية اللازمة فيما يتعلق بحفظ أصول الصندوق.

## E) Fund Operator

## ٥) مشغل الصندوق

### 1) Name and address of fund operator

#### SNB Capital Company

King Saud Road, P.O. Box 22216, Riyadh 11495,  
Saudi Arabia  
Tel: +966 920000232  
Website: [www.alahlicapital.com](http://www.alahlicapital.com)

### 1) اسم مشغل الصندوق، وعنوانه

شركة الأهلي المالية  
طريق الملك سعود، ص.ب. 22216، الرياض 11495،  
المملكة العربية السعودية  
هاتف: +966 920000232  
الموقع الإلكتروني: [www.alahlicapital.com](http://www.alahlicapital.com)

### 2) Operator's duties and responsibilities

- In relation to investment funds, the fund operator shall be responsible for operating the investment fund.
- The fund operator must maintain the books and records related to the operation of the fund it operates.
- The fund operator must establish a register of unitholders and must maintain it in the Kingdom in accordance to the Investment Funds Regulations.
- The fund operator shall be responsible for the process of dividends distribution (if available) to unitholders.
- The fund operator must process requests for subscriptions or redemption according to the fund's Terms & Conditions.
- The fund operator shall be responsible for calculating the price of the units and valuing the assets of the fund. In so doing, the fund operator shall conduct a full and fair valuation according to the fund's Terms & Conditions.

### 2) واجبات ومسؤوليات مشغل الصندوق

- يكون مشغل الصندوق مسؤولاً عن تشغيل الصندوق.
- يقوم مشغل الصندوق بالاحتفاظ بالدفاتر والسجلات ذات الصلة بتشغيل الصندوق.
- يقوم مشغل الصندوق بإعداد وتحديث سجل المالكين والوحدات وحفظه في المملكة وفقاً لمتطلبات لائحة صناديق الاستثمار.
- يُعدّ مشغل الصندوق مسؤولاً عن عملية توزيع الأرباح (إن وجدت) حسب سياسة التوزيع المنصوص عليها في شروط وأحكام الصندوق.
- يقوم مشغل الصندوق بإجراءات الاشتراك حسب المنصوص عليها في شروط وأحكام الصندوق.
- يُعدّ مشغل الصندوق مسؤولاً عن تقييم أصول الصندوق تقييماً كاملاً وعادلاً وحساب سعر وحدات الصندوق حسب ما ورد في شروط وأحكام الصندوق.

## F) Auditor

## ٦) مراجع الحسابات

### Name and Address of Auditor

#### KPMG Al Fozan & Partners

Riyadh Front – Airport Road P.O Box. 92876, Riyadh 11663,  
Saudi Arabia  
Tel: +966118748500  
Website: [www.kpmg.com/sa](http://www.kpmg.com/sa)

### اسم مراجع الحسابات، عنوانه

كي بي ام جي الفوزان وشركاه  
واجهة الرياض – طريق المطار ص.ب. 92876، الرياض 11663 المملكة العربية  
السعودية  
هاتف: +966118748500  
الموقع الإلكتروني: [www.kpmg.com/sa](http://www.kpmg.com/sa)

## G) Financial Statements

## ٧) القوائم المالية

As shown below in the financial statements section.

كما هو موضح أدناه في قسم القوائم المالية.



**SNB Capital - King Saud University Waqf Fund**

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

**FINANCIAL STATEMENTS**

For the period from 4 October 2021 to 31 December 2021  
with

**Independent Auditor's Report To The Unitholders**



## KPMG Professional Services

Riyadh Front, Airport Road  
P. O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No. 1010425494

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار  
صندوق بريد 92876  
الرياض 11663  
المملكة العربية السعودية  
سجل تجاري رقم 1010425494

المركز الرئيسي في الرياض

# Independent Auditor's Report

## To the Unitholders of SNB Capital - King Saud University Waqf Fund

### Opinion

We have audited the financial statements of **SNB Capital - King Saud University Waqf Fund** ("the Fund") managed by **SNB Capital Company** (formerly known as **NCB Capital Company**) (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity attributable to unitholders and cash flows for the period from 4 October 2021 to 31 December 2021, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority ("CMA"), the Fund's terms and conditions, and the Information Memorandum, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Fund Board, are responsible for overseeing the Fund's financial reporting process.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with the paid-up capital of SAR (25,000,000). Previously known as "KPMG Al Fozan & Partners Certified Public Accountants". A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأسمالها (25,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للفران وشركاء محاسبين ومراجعين قانونيين". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة التطويرية محدودة بضمان. جميع الحقوق محفوظة.



## Independent Auditor's Report

To the Unitholders of SNB Capital - King Saud University Waqf Fund (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **SNB Capital - King Saud University Waqf Fund** ("the Fund").

### KPMG Professional Services

**Dr. Abdullah Hamad Al Fozan**  
License No. 348

Riyadh: 28 Sha'ban 1443H  
Corresponding to 31 March 2022



**SNB Capital - King Saud University Waqf Fund**  
**(Managed by SNB Capital Company - formerly known as NCB Capital Company)**

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2021

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

	<i>Notes</i>	<i>31 December 2021</i>
<b>ASSETS</b>		
Cash and cash equivalents	8	<b>610</b>
Investments	9	<b>9,606</b>
Other receivables		<u>12</u>
<b>Total assets</b>		<u><b>10,228</b></u>
<b>LIABILITY</b>		
Other payables		<u>30</u>
<b>Equity attributable to the Unitholders</b>		<u><b>10,198</b></u>
<b>Units in issue in thousands (number)</b>	10	<u><b>10,063</b></u>
<b>Equity per unit (SAR)</b>		<u><b>1.0134</b></u>

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

**SNB Capital - King Saud University Waqf Fund**  
**(Managed by SNB Capital Company - formerly known as NCB Capital Company)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the period from 4 October 2021 to 31 December 2021

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

	<i>Note</i>	<i>For the period from 4 October 2021 to 31 December 2021</i>
Special commission income from Murabaha		2
Realised gain on FVTPL investments – net		31
Unrealised gain on FVTPL investments – net		121
Other income		<u>11</u>
<b>Total income</b>		<u><b>165</b></u>
Management fees	11	(15)
Professional fees		(7)
Shariah audit fees		(5)
Value added tax expense		(2)
Capital Market Authority fees		<u>(1)</u>
<b>Total operating expenses</b>		<u><b>(30)</b></u>
<b>Profit for the period</b>		<u><b>135</b></u>
<b>Other comprehensive income for the period</b>		<u><b>--</b></u>
<b>Total comprehensive income for the period</b>		<u><u><b>135</b></u></u>

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

**SNB Capital - King Saud University Waqf Fund**  
**(Managed by SNB Capital Company - formerly known as NCB Capital Company)**

**STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS**

For the period from 4 October 2021 to 31 December 2021

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

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	<i>For the period from 4 Oct 2021 to 31 December <u>2021</u></i>
<b>Total comprehensive income for the period</b>	<b>135</b>
Proceeds from issuance of units	<b>10,063</b>
	<hr/>
<b>Net assets attributable to unitholders at the end of the period</b>	<b><u><u>10,198</u></u></b>

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

**STATEMENT OF CASH FLOWS**

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**SNB Capital - King Saud University Waqf Fund**  
**(Managed by SNB Capital Company - formerly known as NCB Capital Company)**

For the period from 4 October 2021 to 31 December 2021  
Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

	<i><b>For the period from 4 Oct 2021 to 31 December 2021</b></i>
<i><u>Note</u></i>	
<b>Cash flows from operating activities</b>	
Profit for the period	135
<i><u>Adjustments for:</u></i>	
Realized gain on FVTPL investments – net	(31)
Unrealized loss on FVTPL investments – net	(121)
	<u>(17)</u>
<i><u>Changes in operating assets and liabilities:</u></i>	
FVTPL investments	(9,454)
Other receivables	(12)
Other payables	30
	<u>(9,453)</u>
<b>Net cash used in operating activities</b>	<u>(9,453)</u>
<b>Cash flows from financing activities</b>	
Proceeds from units sold	10,063
Value of units redeemed	--
	<u>10,063</u>
<b>Net cash generated from financing activities</b>	<u>10,063</u>
<b>Net increase in cash and cash equivalents</b>	610
<b>Cash and cash equivalents at the end of the period</b>	8 <u><u>610</u></u>

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

**SNB Capital - King Saud University Waqf Fund**  
**(Managed by SNB Capital Company - formerly known as NCB Capital Company)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 4 October 2021 to 31 December 2021

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

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**1 THE FUND AND ITS ACTIVITIES**

SNB Capital – King Saud University Waqf 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 9 July 2021 and the name has been changed to SNB Capital Company

The Fund’s objective is to preserve and develop capital in the medium and long term and distributing a percentage of the returns on an annual basis to the specified endowment banks for the Fund and represented in support of research and development, university education, and community service through the beneficiary, by investing in a portfolio with a percentage medium risk investing in different asset classes in line with the committee's controls legitimacy of the fund.

The terms and conditions of the Fund were approved by the Capital Markets Authority (CMA) dated 4<sup>th</sup> July 2021. The Fund commenced its activities on 4 October 2021.

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 Regulations were 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 Fund is established under article 31 of the Investment Fund Regulations (“the Regulations”) issued by the Capital Market Authority (“CMA”).

**2. BASIS OF ACCOUNTING**

These financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (“IFRS”) 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.

**3. BASIS OF PRESENTATION**

These financial statements are prepared for the period from 4 October 2021 to 31 December 2021 and accordingly no comparatives have been presented.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 4 October 2021 to 31 December 2021

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

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**4. BASIS OF MEASUREMENT**

The financial statements have been prepared on going concern concept and a historical cost convention using accrual basis of accounting 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.

**5. FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These financial statements are presented in Saudi Arabian Riyal ("SAR") which is the Fund's functional and presentation currency.

**6. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgments, 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.

*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 Fair Value Through Profit or Loss (FVTPL) per the fair value hierarchy as level 1. During the year there has been no transfer in fair value hierarchy for FVTPL investments. The carrying values of other financial instruments such as cash and cash equivalents and other payables, the carrying values are a reasonable amounts approximation of the fair value.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 4 October 2021 to 31 December 2021

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

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**7. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

**7.1 *Cash and cash equivalents***

Cash equivalents include cash at bank and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**7.2 *Receivables***

Receivables are initially recognised when they are originated. A receivable without a significant financing component is initially measured at the transaction price and subsequently at their amortised cost using effective interest rate method. Loss allowance for receivables is always measured at an amount equal to lifetime expected credit losses.

**7.3 *Financial assets and liabilities***

***Classification of financial assets***

On initial recognition, a financial asset is measured at its fair value and classified at amortised cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI").

***Financial assets measured at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

***Financial assets measured at fair value through other comprehensive income ("FVOCI")***

A financial asset is measured at fair value through FVOCI only if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund Manager may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

***Financial assets measured at fair value through profit or loss ("FVTPL")***

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 4 October 2021 to 31 December 2021

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

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**7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**7.3 *Financial assets and liabilities (continued)***

***Classification of financial assets (continued)***

**Business model assessment**

The Fund Manager assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Fund Manager;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly purchased financial assets going forward.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

**Assessment whether contractual cash flows are solely payments of principal and commission**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' or 'Commission' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (for example: liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and commission, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (for example: non-recourse asset arrangements); and
- features that modify consideration of the time value of money – for example: periodical reset of interest rates.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period from 4 October 2021 to 31 December 2021

Expressed in Saudi Arabian Riyals '000 (unless otherwise stated)

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**7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**7.3 *Financial assets and liabilities (continued)***

***Classification of financial assets (continued)***

***Reclassifications***

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

***Classification of financial liabilities***

The Fund classifies its financial liabilities at amortised cost unless it has designated liabilities at FVTPL.

***Recognition and initial measurement***

An entity shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. Financial assets measured at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial asset or financial liability is measured initially at fair value plus or minus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition issue.

***Subsequent measurement***

Financial assets measured at FVTPL are subsequently measured at fair value. Net gain or losses including any foreign exchange gains and losses, are recognized in profit or loss in 'realised or unrealised gains / (losses) on investments – net' in the statement of comprehensive income.

Financial assets and financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method and is recognized in the statement of comprehensive income. Any gain or loss on de-recognition is also recognized in the statement of comprehensive income. The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative interest using effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

***Derecognition***

The Fund derecognizes a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss and other comprehensive income. Any interest in such transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognized on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risk and rewards are retained, then the transferred assets are not derecognized. The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.



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**7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**7.3 *Financial assets and liabilities (continued)***

***Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle them liability simultaneously.

Income and expenses are presented on a net basis for gain and losses from financial instruments at FVTPL and foreign exchange gains and losses.

**7.4 *Provisions***

A provision is recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provision is not recognized for future operating losses.

**7.5 *Equity per unit***

The Fund is open for subscription and redemption of units on every Saudi business day. The equity per unit is calculated by dividing the equity attributable to unitholders included in the statement of financial position by the number of units outstanding at the year end.

**7.6 *Distributions to the Unitholders***

Distribution to the Unitholders is accounted for as a deduction from equity attributable to the Unitholders.

**7.7 *Units in issue***

The Fund classified financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Fund has redeemable units in issue. On liquidation of the Fund, they entitle the holders to the residual net assets. They rank pari passu in all respects and have identical terms and conditions. The redeemable units provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each redemption date as well as in the event of the Fund's liquidation.

Redeemable units are classified as equity as it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument

Incremental costs directly attributable to the issue or redemption of redeemable units are recognized directly in equity as a deduction from the proceeds or part of the acquisition cost.

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**7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**7.8 *Taxation / zakat***

Under the current system of zakat and income tax in the Kingdom of Saudi Arabia, the Fund is exempt from paying any zakat and income tax. Zakat and income tax are considered to be the obligation of the Unitholders and are not provided in the financial statements.

The Value Added Tax ("VAT") applicable for fees and expenses are recognized in the statement of profit or loss and other comprehensive income.

**7.9 *Dividend income***

Dividend income is recognized in statement of profit or loss and other comprehensive income on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend. Dividend income from equity securities designated as at fair value through profit or loss ("FVTPL") is recognized in statement of profit or loss and other comprehensive income in a separate line item.

**7.10 *Management fee expense***

Management fee expense is recognized in the statement of profit or loss and other comprehensive income as the related services are performed.

**7.11 *Accrued expenses and other payables***

Accrued expenses and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective commission rate method.

**7.13 *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.

<b><i>Standards / Interpretations and amendments</i></b>	<b><i>Description</i></b>	<b><i>Effective from periods beginning on or after the following date</i></b>
Amendments to IAS 1	Classification of Liabilities as current or non-current	January 1, 2022
Amendments to IAS 37	Onerous contracts – Cost of Fulfilling a contract	January 1, 2022
Annual Improvements to IFRS standards 2018 - 2020		January 1, 2022
Amendments to IFRS 3	Reference to Conceptual Framework	January 1, 2022
Amendments to IAS 1 and IFRS practice statement 2	Disclosure of accounting policies	January 1, 2023
Amendments to IAS 8	Definition of accounting estimates	January 1, 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 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.

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**8. CASH AND CASH EQUIVALENTS**

These comprise of bank balances held with a local Bank having a sound credit rating.

**9. INVESTMENTS**

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

	<b>31 December 2021</b>		
	<b><u>% of Total</u></b>		<b><u>Carrying</u></b>
	<b><u>Investment</u></b>	<b><u>Cost</u></b>	<b><u>value</u></b>
<b><i>Other Funds managed by the Fund Manager</i></b>			
<b><i>(related parties)</i></b>			
Alahli Diversified Saudi Riyal Fund	25.15	2,412	2,415
Alahli Saudi Riyal Trade Fund	22.83	2,192	2,193
SNB Capital Global Real Estate Income Fund	13.45	1,206	1,292
SNB Capital North America Index Fund	9.23	848	887
SNB Capital Europe Index Fund	3.35	317	322
SNB Capital Emerging Markets Index Fund	3.02	296	290
SNB Capital Asia pacific index Fund	1.28	124	123
<b><i>Other Investments</i></b>			
Emirates Global Sukuk Fund	12.44	1,200	1,195
ASAS RE SP	3.12	300	300
ITE Rail Leasing SP	3.12	300	300
SGLD LN	2.11	203	203
Bank Albilad	0.41	39	39
Saudi Arabian Mining Company	0.30	29	29
Saudi Arabian Oil Company	0.19	19	18
	<b>100</b>	<b>9,485</b>	<b>9,606</b>

**10. UNITS TRANSACTIONS**

The Fund has issued 10,063 units at the time of initial subscription. As at 31 December 2021, top 5 unitholders represented 99.95% of the Fund's units.

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**11. RELATED PARTY TRANSACTIONS AND BALANCES**

The related party of the Fund includes Fund Manager, Fund Board, other funds managed by the Fund Manager, and Saudi National Bank, being parent 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, which should not be more than the maximum annual rate of 0.75% p.a. of the Fund's 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 1.5% 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 year, the Fund entered into the following transactions 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.

***Transactions with related parties (continued)***

<b><u>Related party</u></b>	<b><u>Nature of transaction</u></b>	<b>Amount of</b>	<b>Balance as at</b>
		<b>transactions for</b>	<b>31 December</b>
		<b>the period from</b>	<b>2021</b>
		<b>4 October 2021</b>	<b>2021</b>
		<b>to 31 December</b>	<b>2021</b>
		<b>2021</b>	<b>2021</b>
SNBC	Management fee	15	--
	Expenses paid on behalf of the Fund	15	--

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**12. FINANCIAL RISK MANAGEMENT**

**12.1 *Financial risk factors***

The Fund's activities expose it to a variety of financial risks including 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 are 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.

**12.1.1 *Market risk***

'Market Risk' is the risk that changes in market prices – such as commission rates, foreign exchange rates, equity prices and credit spreads – will affect the Fund's income or the fair value of its holdings in financial instruments.

**a) *Foreign exchange risk***

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

The Fund does not have any significant foreign exchange risk since majority of the transactions are carried out in SAR.

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**12. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**12.1 *Financial risk factors (continued)***

**12.1.1 *Market risk (continued)***

**b) *Commission rate risk***

Commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates.

All the assets and liabilities of the Fund are non-commission bearing therefore the Fund is not exposed to commission rate risk.

**c) *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 closely monitors the price movement of its investments in financial instruments. As of the statement of financial position date, the Fund has investments in mutual funds.

The effect on the equity (as a result of the change in the fair value of investments) due to a reasonably possible notional change in market price of the investments, with all other variables held constants is as follows:

	<b><u>31 December 2021</u></b>
Effect on equity	<b>±10% <u><u>961</u></u></b>

**12.1.2 *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 Manager seeks to manage credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. As at the statement of financial position date, the Fund's maximum exposure to credit risk is represented by the carrying amount of cash and cash equivalents, which represent balances with a local Bank having Moody's credit rating of A3 and other receivables. There is no impact of ECL on these financial assets.



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**12. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**12.1 *Financial risk factors (continued)***

**12.1.3 *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 every Saudi business day and it is, therefore, exposed to the liquidity risk of meeting unitholder redemptions on these days. 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 facilities obtained by the Fund Manager.

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within short period.

**12.1.4 *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 of financial losses and damage to its reputation with achieving its investment objective of maximising returns to unitholders.

The primary responsibility for the development and implementation of control over operational risks rests with the Risk Management Team. This responsibility is supported by the development of overall standard for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- documentation of controls and procedures
  - requirements for
    - appropriate segregation of duties between various functions, roles and responsibilities;
    - reconciliation and monitoring of transactions; and
    - periodic assessment of operational risks faced,
  - the adequacy of controls and procedures to address the risks identified;
  - compliance with regulatory and other legal requirements;
  - development of contingency plans;
  - training and professional development;
  - ethical and business standards; and
  - risk mitigation.

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**12. FINANCIAL RISK MANAGEMENT (CONTINUED)**

***12.2 Considerations due to 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. 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 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 its exposures.

**13. LAST VALUATION DAY**

The last valuation day of the period was 30 December 2021.

**14. EVENTS AFTER THE END OF THE REPORTING PERIOD**

There was no event subsequent to the statement of financial position date which required adjustment of or disclosure in the financial statements or notes thereto.

**15. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved by the Fund Manager on 28 Sha'ban 1443H corresponding to 31 March 2022.