

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by SNB Capital Company)
CONDENSED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
For the six months period ended 30 June 2022
together with the
Independent Auditor's Review Report to the Unitholders



KPMG Professional Services

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كي بي إم جي للاستشارات المهنية

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صندوق بريد 92876
الرياض 11663
المملكة العربية السعودية
سجل تجاري رقم 1010425494

المركز الرئيسي في الرياض

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

To the Unitholders of SNB Capital Asia Pacific Index Fund

Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of **SNB Capital Asia Pacific Index Fund** ("the Fund"), managed by SNB Capital Company ("the Fund Manager"), which comprises:

- the condensed statement of financial position as at 30 June 2022;
- the condensed statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2022;
- the condensed statement of changes in equity attributable to the Unitholders for the six-month period ended 30 June 2022;
- the condensed statement of cash flows for the six-month period ended 30 June 2022; 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 International Accounting Standard 34, 'Interim Financial Reporting' ("IAS 34"), that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority and the Fund's terms and conditions. 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 International Standards on Auditing ("ISAs") 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 2022 condensed interim financial statements of **SNB Capital Asia Pacific Index Fund** are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Ebrahim Oboud Baeshen
License No. 382

Date: 19 Muharram 1444H
Corresponding to: 17 August 2022



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

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by SNB Capital Company)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

	Notes	30 June 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Cash and cash equivalents	8	891	318
Investments	9	47,073	83,254
Other receivables		187	207
Total assets		48,151	83,779
LIABILITY			
Other payables		443	143
Equity attributable to the Unitholders		47,708	83,636
Units in issue in thousands (number)	10	29,819	38,103
Equity per unit (USD)		1.5999	2.1950

The accompanying notes 1 to 14 form integral part of these condensed interim financial statements.

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by SNB Capital Company)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

		For the six-month period ended 30 June	
	Note	<u>2022</u>	<u>2021</u>
		(Unaudited)	(Unaudited)
Dividend income		863	584
Other income		359	--
Unrealised loss on FVTPL investments – net		(21,601)	(4,782)
Realised (loss) / gain on sale of FVTPL investments – net		(611)	1,454
Total loss		<u>(20,990)</u>	<u>(2,744)</u>
Management fees	11	(100)	(109)
Custody fees		(16)	(19)
Value added tax expense		(15)	(16)
Administrative expenses		(9)	(9)
Professional fees		(5)	(5)
Shariah audit fees		(4)	(4)
Fund Board remuneration		(3)	(3)
Capital Market Authority fees		<u>(1)</u>	<u>(1)</u>
Total operating expenses		<u>(153)</u>	<u>(166)</u>
Loss for the period		<u>(21,143)</u>	<u>(2,910)</u>
Other comprehensive income for the period		<u>--</u>	<u>--</u>
Total comprehensive loss for the period		<u>(21,143)</u>	<u>(2,910)</u>

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by SNB Capital Company)

CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
	(Unaudited)	(Unaudited)
Equity attributable to the Unitholders at the beginning of the period (Audited)	83,636	70,403
Total comprehensive loss for the period	(21,143)	(2,910)
(Decrease) / increase in equity from unit transactions during the period		
Proceeds from units sold	14,476	18,169
Value of units redeemed	(29,261)	(6,918)
	(14,785)	11,251
Equity attributable to the Unitholders at the end of the period (Unaudited)	<u>47,708</u>	<u>78,744</u>

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by SNB Capital Company)

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

	Note	For the six months period ended 30 June	
		<u>2022</u>	<u>2021</u>
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Loss for the period		(21,143)	(2,910)
<i>Adjustments for:</i>			
Unrealised loss on FVTPL investments – net		21,601	4,782
Realised loss / (gain) on sale of FVTPL investments – net		611	(1,454)
		1,069	418
<i>Changes in operating assets and liabilities:</i>			
Investments		13,969	(11,572)
Other receivables		20	(19)
Other payables		300	(285)
Net cash generated from / (used in) operating activities		15,358	(11,458)
Cash flows from financing activities			
Proceeds from units sold		14,476	18,169
Value of units redeemed		(29,261)	(6,918)
Net cash (used in) / generated from financing activities		(14,785)	11,251
Increase / (decrease) in cash and cash equivalents		573	(207)
Cash and cash equivalents at the beginning of the period	8	318	762
Cash and cash equivalents at the end of the period	8	891	555

The accompanying notes 1 to 14 form an integral part of these condensed interim financial statements.

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

SNB Capital Asia Pacific Index Fund (the “Fund”) is a Shariah compliant, open-ended investment fund, managed by SNB Capital Company (“the Fund Manager”), a subsidiary of The Saudi National Bank (“the Bank”), established under article 31 of the Investment Funds Regulations (“the Regulations”) issued by the Capital Market Authority (“CMA”), for the benefit of the Fund's Unitholders.

The Fund's investments are held by Northern Trust Corporation, a custodian appointed by the Fund Manager.

The Fund Manager has appointed an international investment house, Amundi - France, as sub-manager to the Fund. Their duties include opening separate independent investment accounts and managing the Fund's assets in line with the investment strategies and Shariah guidelines.

The objective of the Fund is to invest in securities of Shariah compliant companies listed on major South-East Asian, Asia Pacific and Japanese stock exchanges, complying with Shariah principles for investment. Surplus cash balances may be held in Shariah compliant money market and Murabaha funds and / or be placed in Murabaha contracts.

The terms and conditions of the Fund were originally approved by the Saudi Central Bank (SAMA) and subsequently endorsed by CMA through its letter dated 18 Dhul Hijja 1429H (corresponding to 16 December 2008).

The Fund is governed by the Regulations published by the 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 became effective 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”) is endorsed in the Kingdom of Saudi Arabia and comply with the applicable provisions of the Regulations and the Fund's terms and conditions.

These condensed interim financial statements do not include all information and disclosures required for a complete set of financial statements and should be read in conjunction with the Fund's annual audited financial statements of the Fund as at and for the year ended 31 December 2021.

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on going concern concept and 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 condensed statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

4. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). These condensed interim financial statements are presented in United States Dollar ("USD") which is the Fund's functional and presentation currency and have been rounded off to the nearest thousand unless otherwise stated.

5. CHANGES IN FUND'S TERMS AND CONDITIONS

During the period, there have been no changes in the terms and conditions of the Fund.

6. CRITICAL ACCOUNTING 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 basis and the methods used for critical accounting judgements, estimates and assumptions adopted are consistent with those used in the preparation of the annual audited financial statements of the Fund for the year ended 31 December 2021.

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 audited financial statements of the Fund for the year ended 31 December 2021.

a. Standards, interpretations and amendments effective during the year

Below amendments to accounting standard or after, interpretations and amendments became applicable for annual reporting periods commencing on or after 1 January 2022. The Fund manager has assessed that the amendments have no significant impact on the Fund's condensed interim financial statements.

Amendments to IFRS 16 – Covid - 19 Related Rent Concessions beyond 30 June 2021

Amendments to IAS 37 - Onerous Contracts – Cost of fulfilling a contract

Annual Improvements to IFRS Standards 2018-2020

Amendments to IFRS 3 - Reference to the Conceptual Framework

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Standards, interpretations and amendments issued but not yet effective

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

<i><u>Standards, interpretations and amendments</u></i>	<i><u>Description</u></i>	<i><u>Effective from periods beginning on or after the following date</u></i>
Amendments to IAS 1 and IFRS practice statement 2	Disclosure of accounting policies	1 January 2023
Amendments to IAS 8	Definition of accounting estimates	1 January 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2024
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 standards, interpretations and amendments are not expected to have a significant impact on the Fund's condensed interim financial statements.

8. CASH AND CASH EQUIVALENTS

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

9. INVESTMENTS - MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The composition of equity investments measured at FVTPL by currency is summarized below:

		30 June 2022 (Unaudited)		
<u>Currency</u>	<u>Country</u>	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair Value</u>
Japanese Yen	Japan	69.79	37,457	32,853
Australian Dollar	Australia, Ireland, New Zealand	21.43	11,050	10,090
Hong Kong Dollar	Cayman Islands, Hong Kong	4.71	2,554	2,216
New Zealand Dollar	New Zealand	1.48	791	696
United States Dollar	Cayman Islands	1.48	2,001	695
Singapore Dollar	Singapore	1.11	615	523
		100.00	54,468	47,073

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

9. INVESTMENTS - MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS
(CONTINUED)

		31 December 2021 (Audited)		
<u>Currency</u>	<u>Country</u>	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair Value</u>
Japanese Yen	Japan	71.84	47,857	59,810
Australian Dollar	Australia, Ireland, New Zealand	20.09	14,563	16,726
Hong Kong Dollar	Cayman Islands, Hong Kong	4.47	3,227	3,717
New Zealand Dollar	New Zealand	1.45	1,022	1,207
United States Dollar	Cayman Islands	1.37	1,592	1,144
Singapore Dollar	Singapore	0.78	787	650
		100.00	69,048	83,254

The composition of equity investments measured at FVTPL by industry sector is summarized below:

30 June 2022 (Unaudited)			
<i>Industry Sector</i>	<i>% of Total Investment (Fair Value)</i>	<i>Cost</i>	<i>Fair Value</i>
Industrials	29.25	17,186	13,768
Health Care	20.72	10,281	9,755
Materials	12.92	7,008	6,081
Consumer Goods	11.56	6,407	5,443
Technology	11.21	5,688	5,276
Consumer Services	8.25	4,640	3,883
Financial Services	2.89	1,422	1,361
Utilities	1.94	1,156	915
Telecommunications	1.26	680	591
	100.00	54,468	47,073

31 December 2021 (Audited)			
<i>Industry Sector</i>	<i>% of Total Investment (Fair Value)</i>	<i>Cost</i>	<i>Fair Value</i>
Industrials	31.98	20,265	26,629
Health Care	18.82	13,228	15,665
Technology	12.39	6,804	10,317
Basic Materials	11.85	9,479	9,866
Consumer Goods	10.93	8,736	9,098
Consumer Services	8.26	6,269	6,875
Financial Services	2.84	1,723	2,365
Utilities	1.83	1,482	1,520
Telecommunications	0.88	872	732
Oil & Gas	0.22	190	187
	100.00	69,048	83,254

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

10. UNIT TRANSACTIONS

Transactions in units during the period are summarized as follows:

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
	-----Units' in 000-----	
Units at the beginning of the period (Audited)	38,103	31,118
Units sold	7,580	8,253
Units redeemed	(15,864)	(3,128)
Net (decrease) / increase in units during the period	<u>(8,284)</u>	<u>5,125</u>
Units at the end of the period (Unaudited)	<u>29,819</u>	<u>36,243</u>

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 The Saudi National Bank, being parent of the Fund Manager.

Management fees 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 0.3% (2021: 0.3%) p.a. of the Fund's daily equity as set out in the Fund's terms and conditions.

The Fund Manager is also entitled to recover administrative expenses incurred on behalf of the Fund. The maximum amount of such expenses that can be recovered from the Fund by the Fund Manager is restricted to 0.5% (2021: 0.5%) per annum of the Fund's equity at the respective valuation days. These expenses have been recovered by the Fund Manager on an actual basis. Following are the details of transactions and balances and closing balance with the Fund manager related to management fees and other expenses

<u>Related party</u>	<u>Nature of transactions</u>	Amounts of transactions for the six-month period ended 30 June		<u>Balance as at</u>	
		<u>30 June 2022</u> (Unaudited)	<u>30 June 2021</u> (Unaudited)	<u>30 June 2022</u> (Unaudited)	31 December 2021 (Audited)
SNB Capital Company	Management fees	100	109	95	238
	Expenses paid on behalf of the Fund	<u>53</u>	<u>57</u>	<u></u>	<u></u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six months period ended 30 June 2022

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Transactions with related parties

During the period, other funds managed by the Fund Manager invested in the units of the Fund 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. Following are the details of transactions and closing balance in the units of the Fund:

<u>Related party</u>	<u>Nature of transaction</u>	<u>Amounts of transactions for the six-month period ended 30 June</u>		<u>Balance as at</u>	
		<u>2022</u> <u>(Unaudited)</u>	<u>2021</u> <u>(Unaudited)</u>	<u>30 June</u> <u>2022</u> <u>(Unaudited)</u>	<u>31 December</u> <u>2021</u> <u>(Audited)</u>
SNB Capital Multi Asset Conservative Fund	Subscription of units	--	86		
	Redemption of units	<u>1918</u>	<u>400</u>	<u>376</u>	<u>2824</u>
SNB Capital Multi Asset Moderate Fund	Subscription of units	--	687		
	Redemption of units	<u>4,606</u>	<u>270</u>	<u>582</u>	<u>6,342</u>
SNB Capital Multi Asset Growth Fund	Subscription of units	--	300		
	Redemption of units	<u>3,014</u>	<u>480</u>	<u>851</u>	<u>4795</u>
SNB Capital King Saud University Waqf Fund	Subscription of units	3	--		
	Redemption of units	<u>23</u>	<u>--</u>	<u>24</u>	<u>122</u>

12. FAIR VALUE MEASUREMENT

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 assessed to be a 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 transfers between levels of fair value at the end of the reporting period during which the change has occurred.

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six months period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

12. FAIR VALUE MEASUREMENT(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 cash and cash equivalents and investments measured at fair value through profit or loss (FVTPL) as level 1 as per the fair value hierarchy, while the remaining financial assets and liabilities are classified as level 3. During the period, there has been no transfer in fair value hierarchy. For other financial assets and liabilities, such as cash and cash equivalents, other receivables and other payables, the carrying values were determined to be a reasonable approximation of fair value due to their nature.

13. LAST VALUATION DAY

The last valuation day for the purpose of these condensed interim financial statements was 30 June 2022 (2021: 31 December 2021).

14. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 19 Muharram, 1444H corresponding to 17 August 2022.