

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS  
AHAHLI DIVERSIFIED US DOLLAR FUND)**

(Managed by SNB Capital Company)

**CONDENSED INTERIM FINANCIAL  
STATEMENTS (UNAUDITED)**

For the six-month period ended 30 June 2022  
together with the

**Independent Auditor's Review Report to the Unitholders**



## KPMG Professional Services

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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 on review of condensed interim financial statements

To the Unitholders of SNB Capital Diversified US Dollar Fund (formerly known as Alahli Diversified US Dollar Fund)

## Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of **SNB Capital Diversified US Dollar 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 Diversified US Dollar 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 مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأسمالها (25,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

إبراهيم عبود باعشن



**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

|   | <i>Notes</i> | <b><i>30 June<br/>2022</i></b><br><b>(Unaudited)</b> | <b><i>31 December<br/>2021</i></b><br><b>(Audited)</b> |
|---|--------------|--|--|
| <b>ASSETS</b>                                 |              |  |  |
| Cash and cash equivalents                     | 8            | 175  | 417  |
| Investments                                   | 9            | 294,647  | 348,861  |
| Other receivables                             |              | 64   | --   |
| <b>Total assets</b>                           |              | <b>294,886</b>                                       | <b>349,278</b>   |
| <b>LIABILITIES</b>                            |              |  |  |
| Other payables                                |              | 385  | 528  |
| <b>Equity attributable to the Unitholders</b> |              | <b>294,501</b>                                       | <b>348,750</b>   |
| <b>Units in issue in thousands (number)</b>   | 10           | <b>215,432</b>                                       | <b>256,102</b>   |
| <b>Equity per unit (USD)</b>                  |              | <b>1.3670</b>  | <b>1.3618</b>  |

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

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

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

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

|   |             | <b>For the six-month period<br/>ended 30 June</b> |                            |
|---|-------------|---|----------------------------|
|   | <i>Note</i> | <b><u>2022</u></b>                                | <b><u>2021</u></b>         |
| Special commission income on Murabaha contracts             |             | <b>1,817</b>                                      | 1,355                      |
| Special commission income on Sukuk                          |             | <b>1,140</b>                                      | 1,735                      |
| Realised gain / (loss) on FVTPL investments – net           |             | <b>27</b>   | (241)                      |
| Unrealised gain / (loss) on FVTPL investments – net         |             | <b>41</b>   | (13)                       |
| Other income  |             | <b>62</b>   | 38                         |
| <b>Total income</b>   |             | <b><u>3,087</u></b>                               | <b><u>2,874</u></b>        |
| Management fees   | 12          | <b>(1,341)</b>                                    | (1,412)                    |
| Value added tax expenses                                    |             | <b>(201)</b>                                      | (212)                      |
| Administrative expenses                                     |             | <b>(51)</b>                                       | (35)                       |
| Professional fees   |             | <b>(6)</b>  | (7)                        |
| Custody Fees  |             | <b>(6)</b>  | (4)                        |
| Shariah audit fees  |             | <b>(4)</b>  | (4)                        |
| Capital Market Authority fees                               |             | <b>(1)</b>  | (1)                        |
| Fund Board remuneration                                     |             | <b>--</b>   | (2)                        |
| (Charge) / reversal of allowance for expected credit losses |             | <b><u>(62)</u></b>                                | <u>18</u>                  |
| <b>Total operating expenses</b>                             |             | <b><u>(1,672)</u></b>                             | <b><u>(1,659)</u></b>      |
| <b>Profit for the period</b>                                |             | <b><u>1,415</u></b>                               | <b><u>1,215</u></b>        |
| <b>Other comprehensive income for the period</b>            |             | <b><u>--</u></b>                                  | <b><u>--</u></b>           |
| <b>Total comprehensive income for the period</b>            |             | <b><u><u>1,415</u></u></b>                        | <b><u><u>1,215</u></u></b> |

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

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

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

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

|  | <b>For the six-month period ended 30 June</b> |                    |
|--|---|--------------------|
|  | <b><u>2022</u></b>                            | <b><u>2021</u></b> |
| <b>Equity attributable to the Unitholders at the beginning of the period (Audited)</b> | <b>348,750</b>                                | 402,869            |
| Total comprehensive income for the period  | <b>1,415</b>                                  | 1,215              |
| <b>Decrease in equity from unit transactions during the period</b>                     |   |                    |
| Proceeds from units issued   | <b>83,066</b>                                 | 125,233            |
| Value of units redeemed  | <b>(138,730)</b>                              | (133,405)          |
|  | <b><u>(55,664)</u></b>                        | <u>(8,172)</u>     |
| <b>Equity attributable to the Unitholders at the end of the period (Unaudited)</b>     | <b><u>294,501</u></b>                         | <u>395,912</u>     |

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

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

**CONDENSED STATEMENT OF CASH FLOWS (Unaudited)**

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

|   |              | <b>For the six-month period<br/>ended 30 June</b> |                    |
|---|--------------|---|--------------------|
|   | <i>Notes</i> | <b><u>2022</u></b>                                | <b><u>2021</u></b> |
| <b>Cash flows from operating activities</b>                   |              |   |                    |
| Profit for the period   |              | <b>1,415</b>                                      | 1,215              |
| <u>Adjustments for:</u>                                       |              |   |                    |
| Charge / (reversal) of allowance for expected credit losses   |              | <b>62</b>   | (18)               |
| Realised (gain) / loss on FVTPL investments – net             |              | <b>(27)</b>                                       | 241                |
| Unrealized (gain) / loss on FVTPL investments - net           |              | <b>(41)</b>                                       | 13                 |
|   |              | <b>1,409</b>                                      | 1,451              |
| <u>Net changes in operating assets and liabilities:</u>       |              |   |                    |
| Investments measured at amortised cost                        |              | <b>41,561</b>                                     | (5,095)            |
| Investment measured at fair value through profit or loss      |              | <b>12,659</b>                                     | 845                |
| Other receivables   |              | <b>(64)</b>                                       | --                 |
| Other payables  |              | <b>(143)</b>                                      | 12,337             |
| <b>Net cash generated from operating activities</b>           |              | <b>55,422</b>                                     | 9,538              |
| <b>Cash flows from financing activities</b>                   |              |   |                    |
| Proceeds from unit issued                                     |              | <b>83,066</b>                                     | 125,233            |
| Value of units redeemed                                       |              | <b>(138,730)</b>                                  | (133,405)          |
| <b>Net cash used in financing activities</b>                  |              | <b>(55,664)</b>                                   | (8,172)            |
| <b>Net (decrease) / increase in cash and cash equivalents</b> |              | <b>(242)</b>                                      | 1,366              |
| Cash and cash equivalents at the beginning of the period      | 8            | <b>417</b>  | 97                 |
| <b>Cash and cash equivalents at the end of the period</b>     | 8            | <b>175</b>  | 1,463              |

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

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

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**1. THE FUND AND ITS ACTIVITIES**

SNB Capital Diversified US Dollar Fund (formerly known as Alahli Diversified US Dollar 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 Fund Regulations ("the Regulations") issued by the Capital Market Authority ("CMA"), for the benefit of the Fund's Unitholders.

The Fund offers investors the opportunity to participate in trade transactions which conform to Shariah principles, invests in Sukuks and other mutual funds or instruments that comply with Islamic Shariah investment principles.

The terms and conditions of the Fund were originally approved by the Saudi Central Bank ("SAMA") and subsequently endorsed by the CMA through its letter dated 16 December 2008. The Fund commenced its operations on 1 October 2003.

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by Capital Market Authority ("CMA") on 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended on 16 Sha'ban 1437 H (corresponding to 23 May 2016). The Regulation was further amended (the "Amended Regulations") on 17 Rajab 1442 H (corresponding to 1 March 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations 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 financial statements and should be read in conjunction with annual audited financial statements of the Fund as at and for the year end 31 December 2021.

**3. BASIS OF MEASUREMENT**

The condensed interim financial statements have been prepared on a historical cost convention using the accrual basis of accounting and going concern concept except for investments measured at fair value through profit or loss ("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.

**4. FUNCTIONAL AND PRESENTATION CURRENCY**

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

**5. CHANGES IN FUND'S TERMS AND CONDITIONS**

During the period, there has been no change in the Terms and Conditions of the Fund other than the change in name of the Fund.

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

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

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The 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 standards, 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

*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.



**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

**8. CASH AND CASH EQUIVALENTS**

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

**9. INVESTMENTS**

|   | <i>Ref</i> | <b>30 June<br/>2022</b> | <b>31 December<br/>2021</b> |
|---|------------|-------------------------|-----------------------------|
| Investments measured at fair value through profit or loss | i)         | <b>11,309</b>           | 23,900                      |
| Investments measured at amortised cost                    | ii)        | <b>283,338</b>          | 324,961                     |
|   |            | <b>294,647</b>          | <b>348,861</b>              |

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

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

|  | <b>30 June<br/>2022</b> | <b>31 December<br/>2021</b> |
|--|-------------------------|-----------------------------|
| SNB Capital International Trade Fund – a related party | <b>11,309</b>           | 23,900                      |

**ii) Investments measured at amortised cost**

Investments measured at amortised cost include the following:

|  | <i>Ref</i> | <b>30 June<br/>2022<br/>(Unaudited)</b> | <b>31 December<br/>2021<br/>(Audited)</b> |
|--|------------|---|---|
| Investments in Murabaha contract           | a)         | <b>232,016</b>                          | 255,397                                   |
| Investments in Sukuk                       | b)         | <b>51,521</b>                           | 69,701                                    |
| Less: allowance for expected credit loss   |            | <b>(199)</b>                            | (137)                                     |
| Net investments measured at amortised cost |            | <b>283,338</b>                          | <b>324,961</b>                            |

- a) Murabaha placements are held with local and international Banks. They carry profit rate ranging from 1.20% to 3.65% with maturity up to 21 June 2023 (2021: 0.3% to 1.5% having maturities up to 5 December 2022).
- b) Investments in Sukuk carry profit rate ranging from 2.98% to 5.63% with maturity up to 28 October 2030 (2021: 2.89% to 5.63% having maturities up till 28 October 2030).

**10. UNITS TRANSACTIONS**

Transactions in units during the period are summarized as follows:

|   | <b>For the six-month ended<br/>30 June</b> |                |
|---|--|----------------|
|   | <b>2022</b>                                | <b>2021</b>    |
|   | <b>-----Units' in 000-----</b>             |                |
| <b>Units at the beginning of the period (Audited)</b> | <b>256,102</b>                             | <b>297,558</b> |
| Units issued  | <b>60,885</b>                              | 92,305         |
| Units redeemed  | <b>(101,555)</b>                           | (98,378)       |
| <b>Net increase in units during the period</b>        | <b>(40,670)</b>                            | <b>(6,073)</b> |
| <b>Units at the end of the period (Unaudited)</b>     | <b>215,432</b>                             | <b>291,485</b> |

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

**11. RECONCILIATION OF CHANGE IN EQUITY**

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

|  | As at 30<br>June 2022 | As at 31<br>December<br>2021 |
|--|-----------------------|------------------------------|
| Reported equity of the Fund                | <u>294,501</u>        | <u>348,750</u>               |
| Add: Allowance for expected credit losses  | <u>199</u>            | <u>137</u>                   |
|  | <u>294,700</u>        | <u>348,887</u>               |
| Less: Allowance for incurred credit losses | <u>--</u>             | <u>--</u>                    |
| Traded equity of the Fund                  | <u>294,700</u>        | <u>348,887</u>               |
| Number of units in issue                   | <u>215,432</u>        | <u>256,102</u>               |
| Traded equity per unit of the Fund         | <u>1.3680</u>         | <u>1.3623</u>                |

**12. RELATED PARTY TRANSACTIONS AND BALANCES**

The related parties of the Fund include the Fund Manager, the 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 0.75% (2021: 0.75%) per annum of the Fund's daily equity as set out in the Fund's terms and conditions.

The Fund Manager is also entitled to recover expenses incurred on behalf of the Fund relating to audit, custody, advisory, data processing and other similar charges. The maximum amount of such expenses that can be recovered from the Fund by the Fund Manager is restricted to 0.5% per annum of the Fund's 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

| Related party       | Nature of transactions             | Amounts of transactions for the six-month period ended 30 June |                            | Balance as at                                |   |
|---------------------|------------------------------------|--|----------------------------|--|---|
|                     |                                    | <u>2022</u><br>(Unaudited)                                     | <u>2021</u><br>(Unaudited) | <u>30 June</u><br><u>2022</u><br>(Unaudited) | <u>31 Dec</u><br><u>2021</u><br>(audited) |
| SNB Capital Company | Management fees                    | 1,341  | 1,412                      | (165)  | 59  |
|                     | Expense paid on behalf of the Fund | 269  | 265                        |  |   |

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

**12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

*Transactions with related parties*

During the period, other funds managed by the Fund Manager invested in or redeemed 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:

| Name of related party                      | Nature of transactions | Amounts of transactions for the period ended 30 June |             | Balance as at |                  |
|--|------------------------|--|-------------|---------------|------------------|
|  |                        | 2022   | 2021        | 30 June 2022  | 31 December 2021 |
|  |                        | (Unaudited)  | (Unaudited) | (Unaudited)   | (Audited)        |
| SNB Capital Multi Asset Opportunities Fund | Subscription of units  | 3,976  | --          |               |                  |
|  | Redemption of units    | 5,182  | --          | --            | 1,201            |
| SNB Capital Corporate Sukuk Fund           | Subscription of units  | 6,240  | --          |               |                  |
|  | Redemption of units    | 18,170   | --          | 2,038         | 13,940           |
| SNB Capital US Dollar Sukuk Fund           | Subscription of units  | 325  | 2,320       |               |                  |
|  | Redemption of units    | 2,040  | 1,710       | 2,102         | 3,807            |
| SNB Takaful Company                        | Subscription of units  | --   | --          |               |                  |
|  | Redemption of units    | 11,214   | 800         | --            | 11,198           |
| SNB Capital Multi-Asset Income Plus Fund   | Subscription of units  | --   | 2,900       |               |                  |
|  | Redemption of units    | 10,801   | 16,000      | 4,421         | 15,173           |
| SNB Capital Multi-Asset Conservative Fund  | Subscription of units  | --   | 7,000       |               |                  |
|  | Redemption of units    | --   | 6,500       | 741           | 738              |
| SNB Capital Multi-Asset Moderate Fund      | Subscription of units  | --   | --          |               |                  |
|  | Redemption of units    | 5,863  | --          | 10,918        | 16,711           |

**SNB CAPITAL DIVERSIFIED US DOLLAR FUND (FORMERLY KNOWN AS ALAHLI DIVERSIFIED US DOLLAR FUND)**  
**(Managed by SNB Capital Company)**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the six-month period ended 30 June 2022

Expressed in US Dollars '000 (unless otherwise stated)

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**13. 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 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 period during which the change has occurred.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fund has classified the investment measured at FVTPL per the fair value hierarchy as level 2 as per the fair value hierarchy, Cash and cash equivalents are classified under level 1 and the remaining financial assets and liabilities are classified under level 3. During the year 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.

**14. LAST VALUATION DAY**

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

**15. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

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