

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND
(formerly known as AlAhli Diversified Saudi Riyal 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

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 on review of condensed interim financial statements

To the Unitholders of SNB Capital Diversified Saudi Riyal Fund (formerly known as AIAHli Diversified Saudi Riyal Fund)

Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of **SNB Capital Diversified Saudi Riyal 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 Saudi Riyal 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



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

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

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal Fund)
(Managed by SNB Capital Company)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

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

	<i>Notes</i>	<u>30 June</u> <u>2022</u> <i>(Unaudited)</i>	<i>30 December</i> <u>2021</u> <i>(Audited)</i>
ASSETS			
Cash and cash equivalents	8	8,521	2,690
Investments	9	16,827,078	19,852,766
Other receivables		3,293	300,035
		<hr/>	<hr/>
Total assets		<u>16,838,892</u>	<u>20,155,491</u>
LIABILITIES			
Other payables		<u>24,524</u>	<u>24,821</u>
Equity attributable to the Unitholders		<u>16,814,368</u>	<u>20,130,670</u>
Units in issue in thousands (number)	10	<u>12,072,933</u>	<u>14,519,768</u>
Equity per unit (SAR)		<u>1.3927</u>	<u>1.3864</u>

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

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal 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 Saudi Arabian Riyals '000 (unless otherwise stated)

	For the six-month period ended 30 June		
	<i>Note</i>	<u>2022</u> (Unaudited)	<u>2021</u> (Unaudited)
Special commission income on Murabaha contracts		113,363	99,869
Special commission income on Sukuk		54,992	51,530
Realised gain on FVTPL investments – net		3,811	15,141
Unrealised gain / (loss) FVTPL investments – net		1,254	(14,274)
Other income		5,693	7,856
Total income		<u>179,113</u>	<u>160,122</u>
Management fees	12	(73,764)	(88,918)
Value added tax expense		(11,054)	(13,338)
Administrative expenses		(2,441)	(1,925)
Custody fees		(388)	(231)
Professional fees		(22)	(22)
Shariah audit fees		(15)	(15)
Capital Market Authority fees		(4)	(4)
Fund Board remuneration		(1)	(8)
(Charge) / reversal of allowance for expected credit losses		(1,915)	528
Total operating expenses		<u>(89,604)</u>	<u>(103,933)</u>
Profit for the period		<u>89,509</u>	<u>56,189</u>
Other comprehensive income for the period		<u>--</u>	<u>--</u>
Total comprehensive income for the period		<u>89,509</u>	<u>56,189</u>

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

**SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli
Diversified Saudi Riyal Fund)
(Managed by SNB Capital Company)**

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

For the six-month period ended 30 June 2022

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

	For the six-month period ended 30 June	
	<u>2022</u>	<u>2021</u>
Equity attributable to the Unitholders at the beginning of the period (Audited)	20,130,670	20,876,917
Total comprehensive income for the period	89,509	56,189
(Decrease) / increase in equity from unit transactions during the period		
Proceeds from units issued	9,555,103	12,163,628
Value of units redeemed	(12,960,914)	(10,030,233)
	(3,405,811)	2,133,395
Equity attributable to the Unitholders at the end of the period (Unaudited)	16,814,368	23,066,501

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

**SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli
Diversified Saudi Riyal Fund)
(Managed by SNB Capital Company)**

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

For the six-month period ended 30 June 2022

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

	Notes	For the six-month period ended 30 June	
		<u>2022</u>	<u>2021</u>
Cash flows from operating activities			
Profit for the period		89,509	56,189
<i>Adjustments for:</i>			
Realised gain on FVTPL investments - net		(3,811)	(15,141)
Unrealized (gain) / loss on FVTPL investments – net		(1,254)	14,274
Charge / (reversal) of allowance for expected credit losses		1,915	(528)
		86,359	54,794
<i>Net changes in operating assets and liabilities:</i>			
Investments measured at amortised cost		3,594,352	(2,209,843)
Investments measured at fair value through profit or loss		(565,514)	982,148
Other receivables		296,742	--
Other payables		(297)	43,904
Net cash generated from / (used in) operating activities		3,411,642	(1,128,997)
Cash flows from financing activities			
Proceeds from units issued		9,555,103	12,163,628
Value of units redeemed		(12,960,914)	(10,030,233)
Net cash (used in) / generated from financing activities		(3,405,811)	2,133,395
Net increase in cash and cash equivalents		5,831	1,004,398
Cash and cash equivalents at the beginning of the period	8	2,690	14,331
Cash and cash equivalents at the end of the period	8	8,521	1,018,729

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

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal 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 Saudi Arabian Riyals '000 (unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

SNB Capital Diversified Saudi Riyal Fund (formerly known as AlAhli Diversified Saudi Riyal Fund) (“the Fund”) is a Shariah compliant open-ended investment fund, established under article 31 of the Investment Funds Regulations (“the Regulations”) issued by the Capital Market Authority (“CMA”), managed by SNB Capital Company (“the Fund Manager”), a subsidiary of The Saudi National Bank (“the Bank”), 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 Sukuk 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 18 Dhul Hijja 1429 H (corresponding to 16 December 2008). The Fund commenced its operations on 5 Sha’aban 1424 H (corresponding to 1 October 2003).

The Fund is governed by the Investment Funds 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 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”) that 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 ended 31 December 2021.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on a historical cost convention using 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 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 Saudi Arabian Riyals (“SAR”) which is the Fund’s functional and presentation currency and have been rounded off to the nearest thousand unless otherwise stated.

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal 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 Saudi Arabian Riyals '000 (unless otherwise stated)

5. CHANGES IN FUND'S TERM AND CONDITIONS

The Fund's name has been changed during the period. There have been no other revisions in the terms and conditions of the Fund during the period.

6. CRITICAL ACCOUNTING JUDGMENTS, 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>Standards, interpretations and amendments</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</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

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal 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 Saudi Arabian Riyals '000 (unless otherwise stated)

7. SIGNIFICANT ACCOUNTING POLICIES

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

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

8. CASH AND CASH EQUIVALENTS

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

9. INVESTMENTS

	<i>Ref</i>	<i>30 June 2022 (Unaudited)</i>	<i>31 December 2021 (Audited)</i>
Investments measured at amortised cost	i)	15,194,442	18,790,709
Investments measured at fair value through profit or loss	ii)	1,632,636	1,062,057
		<u>16,827,078</u>	<u>19,852,766</u>

i) Investments measured at amortised cost

Investments measured at amortised cost include the following:

	<i>Ref</i>	<i>30 June 2022 (Unaudited)</i>	<i>31 December 2021 (Audited)</i>
Investments in Murabaha contracts	a)	11,405,329	14,399,496
Investments in Sukuk	b)	3,792,964	4,393,149
Less: allowance for expected credit losses		(3,851)	(1,936)
Net investments measured at amortised cost		<u>15,194,442</u>	<u>18,790,709</u>

a) Murabaha placements are held with local and international banks. These carry profit rates ranging from 1% to 4.52% (2021: 0.8% to 1.65%) per annum with maturity up till 5 April 2026.

b) Investments in Sukuk carry profit rates ranging from 2.59% to 4.78% (2021: 1.53% to 4.64%) per annum with maturity up till 24 April 2049.

ii) Investments measured at fair value through profit or loss

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

	<i>30 June 2022 (Unaudited)</i>		<i>31 December 2021 (Audited)</i>	
	Cost	Fair Value	Cost	Fair Value
SNB Capital Saudi Riyal Trade Fund – a related party	<u>1,629,997</u>	<u>1,632,636</u>	<u>1,060,672</u>	<u>1,062,057</u>

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal 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 Saudi Arabian Riyals '000 (unless otherwise stated)

10. UNITS TRANSACTIONS

Transactions in units during the period are summarised as follows:

	For the six-month period ended 30 June	
	<u>2022</u> <i>Units'000</i>	<u>2021</u> <i>Units'000</i>
Units at the beginning of the period (Audited)	14,519,768	15,141,040
Units issued	6,876,303	8,812,357
Units redeemed	(9,323,138)	(7,263,970)
Net (decrease) / increase in units during the period	(2,446,835)	1,548,387
Units at the end of the period (Unaudited)	12,072,933	16,689,427

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 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:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Reported equity of the Fund	16,814,369	20,130,670
Add: Allowance for expected credit losses	3,851	1,936
	16,818,220	20,132,606
Less: Provision for incurred credit losses	--	--
Traded equity of the Fund	16,818,220	20,132,606
Number of units in issue	12,072,933	14,519,768
Traded equity per unit of the Fund	1.3931	1.3866

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.

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal 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 Saudi Arabian Riyals '000 (unless otherwise stated)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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 net assets 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% (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 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		(Receivable) / payable balance as at	
		30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
SNB Capital Company	Management fees	73,764	88,918	(1,886)	8,668
	Expenses paid on behalf of the Fund	13,925	15,543		

Transactions with related parties

During the period, other related parties including 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:

Name of related party	Nature of transactions	Amounts of transactions for the period ended (Unaudited)		Balance as at	
		30 June 2022	30 June 2021	30 June 2022 (Unaudited)	31 December 2021 (Audited)
SNB Capital Al Sunbullah SAR	Subscription of Fund units	792,800	--	382,164	--
	Redemption of Fund units	412,220	--		
AlAhli Takaful Company	Subscription of Fund units	--	2,500	20,858	53,594
	Redemption of Fund units	33,200	900		
SNB Capital Multi-Asset Income Plus Fund	Subscription of Fund units	--	11,200	4,332	39,062
	Redemption of Fund units	35,000	10,000		
SNB Capital Multi-Asset Conservative Fund	Subscription of Fund units	--	40,900	53,932	68,436
	Redemption of Fund units	15,000	--		

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal 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 Saudi Arabian Riyals '000 (unless otherwise stated)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with related parties (continued)

Name of related party	Nature of transactions	Amounts of transactions for the period ended		Balance as at	
		30 June 2022 (Unaudited)	30 June 2021 (Unaudited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
SNB Capital Multi-Asset Moderate Fund	Subscription of Fund units	--	600	2,214	2,232
	Redemption of Fund units	--	--		
SNB Capital King Saud University Waqf Fund	Subscription of Fund units	--	--	2,426	2,411
	Redemption of Fund units	--	--		

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 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 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.

SNB CAPITAL DIVERSIFIED SAUDI RIYAL FUND (formerly known as AlAhli Diversified Saudi Riyal 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 Saudi Arabian Riyals '000 (unless otherwise stated)

13. FAIR VALUE MEASUREMENT (CONTINUED)

The Fund classified fair value of cash and cash equivalents as level 1 as per fair value hierarchy while the Fund has determined investments in un-listed open-ended investment funds measured at FVTPL using unadjusted net asset value are classified them as level 2 as per the fair value hierarchy. All other financial assets and liabilities are classified as level 3.

During the period, there have been no transfers in fair value hierarchy. For other financial instruments such as investments at amortised cost, cash and cash equivalents, other receivables and other payables, the carrying values reasonably approximate their 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 1444 H corresponding to 17 August 2022.