

**SNB CAPITAL MULTI-ASSET MODERATE 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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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 Multi-Asset Moderate Fund

## Introduction

We have reviewed the accompanying 30 June 2022 condensed interim financial statements of **SNB Capital Multi-Asset Moderate 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 Multi-Asset Moderate 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 مغلقة، مسجلة في المملكة العربية السعودية، رأسمالها (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 لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

**SNB CAPITAL MULTI-ASSET MODERATE 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><u>30 June</u></b> <b><u>2022</u></b> <b>(Unaudited))</b>	<b><u>31 December</u></b> <b><u>2021</u></b> <b>(Audited)</b>
<b>ASSETS</b>			
Cash and cash equivalents	8	<b>10,342</b>	7,088
Investments	9	<b>185,123</b>	213,616
Other receivables		<b>237</b>	544
<b>Total assets</b>		<b><u>195,702</u></b>	<u>221,248</u>
<b>LIABILITIES</b>			
Other payables		<b>1,024</b>	2,110
<b>Equity attributable to the Unitholders</b>		<b><u>194,678</u></b>	<u>219,138</u>
<b>Units in issue in thousands (number)</b>	10	<b><u>96,651</u></b>	<u>99,988</u>
<b>Equity per unit (USD)</b>		<b><u>2.0142</u></b>	<u>2.1916</u>

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

**SNB CAPITAL MULTI-ASSET MODERATE 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 ended 30 June</b>	
	<i>Note</i>	<b><u>2022</u></b> <b><i>(Unaudited)</i></b>	<b><u>2021</u></b> <b><i>(Unaudited)</i></b>
Special commission income on Sukuk		530	204
Special commission income on Murabaha		55	--
Realised gain on FVTPL investments – net		12,869	5,975
Unrealised (loss) / gain on FVTPL investments – net		(30,714)	3,300
Other income		1,255	1,521
<b>Total (loss) / income</b>		<b>(16,005)</b>	<b>11,000</b>
Management fees	12	(1,323)	(1,044)
Value added tax expense		(198)	(157)
Administrative expenses		(58)	(14)
Custody fees		(27)	(16)
Professional fees		(7)	(7)
Shariah audit fees		(2)	(2)
Capital Market Authority fees		(1)	(1)
Fund Board remuneration		--	(2)
Reversal / (charge) for allowance for expected credit losses		3	(4)
<b>Total operating expenses</b>		<b>(1,613)</b>	<b>(1,247)</b>
<b>(Loss) / profit for the period</b>		<b>(17,618)</b>	<b>9,753</b>
<b>Other comprehensive income for the period</b>		<b>--</b>	<b>--</b>
<b>Total comprehensive (loss) / income for the period</b>		<b>(17,618)</b>	<b>9,753</b>

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

**SNB CAPITAL MULTI-ASSET MODERATE 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 US Dollars '000 (unless otherwise stated)

	<b>For the six-month period ended 30 June</b>	
	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Equity attributable to the Unitholders at the beginning of the period (Audited)</b>	<b>219,138</b>	154,669
Total comprehensive (loss) / income for the period	<b>(17,618)</b>	9,753
<b>(Decrease) / increase in equity from unit transactions during the period</b>		
Proceeds from units issued	<b>9,829</b>	23,809
Value of units redeemed	<b>(16,671)</b>	(6,035)
	<b>(6,842)</b>	17,774
<b>Equity attributable to the Unitholders at the end of the period (Unaudited)</b>	<b>194,678</b>	182,196

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

**SNB CAPITAL MULTI-ASSET MODERATE 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)

	<i>Notes</i>	<b>For the six-month period ended 30 June</b>	
		<b><u>2022</u></b> <b><u>(Unaudited)</u></b>	<b><u>2021</u></b> <b><u>(Unaudited)</u></b>
<b>Cash flows from operating activities</b>			
(Loss) / profit for the period		<b>(17,618)</b>	9,753
<i>Adjustments for:</i>			
Realized gain on FVTPL investments – net		<b>(12,869)</b>	(5,975)
Unrealized loss / (gain) on FVTPL investments – net		<b>30,714</b>	(3,300)
(Reversal) / charge for allowance for expected credit losses		<b>(3)</b>	4
		<b>224</b>	482
<i>Changes in operating assets and liabilities:</i>			
Investments measured at amortised cost		<b>(259)</b>	(9,646)
Investments measured at fair value through profit or loss		<b>10,910</b>	(4,855)
Other receivables		<b>307</b>	(335)
Other payables		<b>(1,086)</b>	(582)
<b>Net cash generated from / (used in) operating activities</b>		<b>10,096</b>	(14,936)
<b>Cash flows from financing activities</b>			
Proceeds from units issued		<b>9,829</b>	23,809
Payments on redemptions of the units		<b>(16,671)</b>	(6,035)
<b>Net cash (used in) / generated from financing activities</b>		<b>(6,842)</b>	17,774
<b>Net increase in cash and cash equivalents</b>		<b>3,254</b>	2,838
Cash and cash equivalents at the beginning of the period	8	<b>7,088</b>	1,710
<b>Cash and cash equivalents at the end of the period</b>	8	<b>10,342</b>	4,548

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

**SNB CAPITAL MULTI-ASSET MODERATE 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 Multi-Asset Moderate 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"), for the benefit of the Fund's unitholders. The Fund is established under article 31 of the Investment Funds Regulations ("the Regulations") issued by the Capital Market Authority ("CMA").

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

The terms and conditions of the Fund were initially approved by the Saudi Central Bank ("SAMA") and subsequently endorsed by the CMA through their letter dated 18 Dhul Hijja 1429 H (corresponding to 16 December 2008). The Fund commenced its activities on 6 Sha'ban 1424 H (corresponding to 2 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 the 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 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 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 US Dollars ("US\$") which is the Fund's functional and presentation currency and have been rounded off 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.

**SNB CAPITAL MULTI-ASSET MODERATE 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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**6. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the condensed interim 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. 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 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 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><b>Standards, interpretations and amendments</b></i>	<i><b>Description</b></i>	<i><b>Effective from periods beginning on or after the following date</b></i>
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 IAS 1	Classification of liabilities as current or non-current	January 1, 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 financial statements.



**SNB CAPITAL MULTI-ASSET MODERATE 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 sound credit rating.

**9. INVESTMENTS**

	<i>Ref</i>	<i>30 June 2022 (Unaudited)</i>	<i>31 December 2021 (Audited)</i>
Investments measured at fair value through profit or loss	i)	154,938	183,693
Investments measured at amortised cost	ii)	30,185	29,923
		<u>185,123</u>	<u>213,616</u>

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

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

		<i>30 June 2022 (Unaudited)</i>	
	<i>% of total investments (fair value)</i>	<i>Cost</i>	<i>Fair value</i>
<b><i>Other Funds managed by the Fund Manager (related parties)</i></b>			
SNB Capital North America Index Fund	13.88	17,241	25,696
SNB Capital Multi-Asset Income Plus Fund	6.86	12,737	12,692
SNB Capital Diversified US Dollar Fund	5.90	10,596	10,917
SNB Capital Europe Index Fund	4.99	8,544	9,247
SNB Capital Emerging Markets Index Fund	4.77	9,019	8,835
SNB Capital Global Real Estate Income Fund	2.39	4,222	4,421
SNB Capital Tier One Sukuk Fund II	1.87	3,466	3,465
SNB Capital Tier One Sukuk Fund III	1.85	3,424	3,439
SNB Capital Saudi Riyal Trade Fund	0.54	988	995
SNB Capital Diversified Saudi Riyal Fund	0.32	579	590
SNB Capital Asia Pacific Index Fund	0.31	630	582
SNB Capital International Trade Fund	0.22	399	403
<b><i>Investments in Exchange Traded Funds and REITs</i></b>			
iShares MSCI USA Islamic	15.88	31,228	29,389
iShares MSCI World Islamic	7.46	16,125	13,810
iShares MSCI EM Islamic	3.38	7,490	6,258
Invesco Physical Gold ETC Fund	1.57	2,592	2,906
Jadwa REIT Saudi Fund	1.04	1,672	1,916
AlAhli REIT Fund 1 – a related party	0.51	938	943

**SNB CAPITAL MULTI-ASSET MODERATE 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)

**9. INVESTMENTS (CONTINUED)**

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

	<b>30 June 2022 (Unaudited)</b>		
	<i>% of total investments (fair value)</i>	<i>Cost</i>	<i>Fair value</i>
<i>Other investments in equity</i>			
Nahdi Medical Company	3.08	4,621	5,706
Retal Urban Development Company	1.41	2,549	2,613
Saudi Arabian Mining Company	1.13	1,660	2,096
Al Rajhi Bank	1.12	2,678	2,076
Microsoft Corporation	0.79	1,489	1,471
Tesla Inc.	0.68	1,442	1,253
Nvidia Corporation	0.41	843	759
Meta Platforms Inc Class A	0.37	782	682
ITE Rail Leasing SP	0.26	485	485
Cisco Systems Inc.	0.19	399	346
Adobe Inc.	0.18	355	340
Salesforce Inc.	0.17	302	310
Intel Corporation	0.16	346	297
	<b>83.69</b>	<b>149,841</b>	<b>154,938</b>
	<b>31 December 2021 (Audited)</b>		
	<i>% of total investments (fair value)</i>	<i>Cost</i>	<i>Fair value</i>
<i>Other Funds managed by the Fund Manager (related parties)</i>			
SNB Capital North America Index Fund	15.91	17,241	33,994
SNB Capital Europe Index Fund	7.96	11,677	16,999
SNB Capital Diversified US Dollar Fund	7.82	16,287	16,711
SNB Capital Multi-Asset Income Plus Fund	6.05	12,737	12,917
SNB Emerging Markets Index Fund	5.27	9,019	11,262
SNB Asia Pacific Index Fund	2.97	5,003	6,342
SNB Capital Global Real Estate Income Fund	2.68	4,222	5,729
SNB Capital Tier One Sukuk Fund II	1.62	3,466	3,462
SNB Capital Tier One Sukuk Fund III	1.61	3,439	3,435
SNB Capital International Trade Fund	0.89	1,891	1,900
SNB Capital Saudi Riyal Trade Fund	0.46	988	992
SNB Capital Diversified Saudi Riyal Fund	0.27	579	587
<i>Investments in Exchange Traded Funds and REITs</i>			
Morgan Stanley Capital International (MSCI) Islamic	13.14	24,264	28,075
iShares Morgan Stanley Capital International (MSCI)	7.76	16,049	16,572
iShares MSCI EM Islamic	2.34	5,060	4,995
Invesco Physical Gold ETC Fund	1.37	2,592	2,921
Jadwa REIT Saudi Fund	1.15	1,672	2,452
Alahli REIT Fund 1 – a related party	0.49	938	1,047

**SNB CAPITAL MULTI-ASSET MODERATE 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)

**9. INVESTMENTS (CONTINUED)**

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

	31 December 2021 (Audited)		
	<i>% of total investments (fair value)</i>	<i>Cost</i>	<i>Fair value</i>
<i>Other investments in equity</i>			
ACWA Power Company	3.65	5,204	7,797
Bank Albilad	1.05	2,242	2,246
Saudi Arabian Mining Company	0.77	1,651	1,649
Saudi Arabian Oil Company	0.49	1,105	1,055
ITE Rail Leasing SP	0.23	485	485
Al Munajem Foods Company	0.03	71	69
	<u>100</u>	<u>147,882</u>	<u>183,693</u>

**ii) Investments measured at amortised cost**

	<i>Ref</i>	<i>30 June 2022 (Unaudited)</i>	<i>31 December 2021 (Audited)</i>
Investments in Sukuk	a)	22,185	29,933
Investments in Murabaha	b)	8,007	--
Less: allowance for expected credit losses		(7)	(10)
<b>Net investments measured at amortised cost</b>		<u><b>30,185</b></u>	<u><b>29,923</b></u>

- a) Investments in Sukuk carry profit rates ranging from 2.67% to 9.75% (2021: 2.3% to 9.12%) with maturity up to 8 December 2031.
- b) Murabaha placements are with local banks and carry profit rates ranging from 2.15% to 2.20% with maturity up to 14 July 2022.

**SNB CAPITAL MULTI-ASSET MODERATE 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)

**10. UNITS TRANSACTIONS**

Transactions in units during the period are summarized as follows:

	<b>For the six-month period ended 30 June</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b>Units'000</b>	<b>Units'000</b>
<b>Units at the beginning of the period (Audited)</b>	<b>99,988</b>	<b>79,574</b>
Units issued	<b>4,573</b>	12,011
Units redeemed	<b>(7,910)</b>	(3,016)
<b>Net (decrease) / increase in units during the period</b>	<b>(3,337)</b>	<b>8,995</b>
<b>Units at the end of the period (Unaudited)</b>	<b><u>96,651</u></b>	<b><u>88,569</u></b>

**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:

	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Reported equity of the Fund	<b>194,678</b>	219,138
Add: Allowance for expected credit losses	<b>7</b>	10
	<b>194,685</b>	219,148
Less: Provision for incurred credit losses	<b>--</b>	--
Traded equity of the Fund	<b><u>194,685</u></b>	<u>219,148</u>
Number of units in issue	<b><u>96,651</u></b>	<u>99,988</u>
Traded equity per unit of the Fund	<b><u>2.0143</u></b>	<u>2.1917</u>

**SNB CAPITAL MULTI-ASSET MODERATE 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**

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 1.25% (2021: 1.25%) 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 30 June		Balance as at	
		<u>2022</u> <u>(Unaudited)</u>	<u>2021</u> <u>(Unaudited)</u>	<u>30 June 2022</u> <u>(Unaudited)</u>	<u>31 December 2021</u> <u>(Unaudited)</u>
SNB Capital Company	Management fees	1,323	1,044	186	--
	Expenses paid on behalf of the Fund	293	199		

**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.

**SNB CAPITAL MULTI-ASSET MODERATE 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 (CONTINUED)**

The fair value hierarchy has the following levels:

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

The Fund has classified the investment measured at FVTPL per the fair value hierarchy as level 1 except for investments in unlisted open ended investment funds which are measured using unadjusted net asset value and are classified as level 2 as per fair value hierarchy. During the period, there has been no transfer in fair value hierarchy. For other assets and liabilities, such as cash and cash equivalents, investments measured at amortised cost, other receivables and other payables, the carrying values are assessed to reasonably approximate to the fair value. The Fund has classified cash and cash equivalents as level 1 while remaining financial assets and liabilities are classified as level 3 as per the fair value hierarchy.

**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 Board on 19 Muharram 1444 H corresponding to 17 August 2022.