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A) Investment Fund Information
أ) معلومات صندوق الاستثمار

1) Name of the Investment Fund SNB Capital Diversified US Dollar Fund	1) اسم صندوق الاستثمار صندوق الأهلي المتنوع بالدولار الأمريكي
2) Investment Objectives and Policies <ul style="list-style-type: none"> Fund's Objectives: The Fund aims to provide liquidity and enhanced capital appreciation in a Sharia-compliant manner. Investment Policies and Practices: The fund invests primarily in Sharia compliant short, medium, and long-term financial instruments, including but not limited to: trading in money market transactions such as Murabaha, Wakala, Mudaraba and Musharaka, fixed income instruments, and Shariah-compliant alternatives to swaps, repurchase agreements and reverse repurchase agreements, as well as Structured Products and Asset-Backed Securities or Sukuk, lease certificates and contracts, financing deals, Index-linked certificates and any other instruments approved by the Sharia Committee. 	2) أهداف وسياسات الاستثمار وممارساته <ul style="list-style-type: none"> أهداف الصندوق: يهدف الصندوق إلى تنمية رأس المال، وتوفير السيولة بما يتوافق مع الضوابط الشرعية. سياسات الاستثمار وممارساته: يستثمر الصندوق بشكل أساسي في الأدوات المالية قصيرة ومتوسطة وطويلة الأجل المتوافقة مع ضوابط اللجنة الشرعية، وهي على سبيل المثال لا الحصر: المتاجرة في صفقات أسواق النقد مثل المربحة والوكالة والمضاربة والمشاركة، وأدوات الدخل الثابت، والبدايل الشرعية لاتفاقيات المبادلة واتفاقيات إعادة الشراء وإعادة الشراء المعاكس، بالإضافة إلى المنتجات المهيكلية والأوراق المالية المدعومة أو المرتبطة بالأصول أو الصكوك، شهادات وعقود الإجارة وصفقات التمويل، شهادات مرتبطة بمؤشر وأية أدوات أخرى توافق عليها اللجنة الشرعية.
3) Distribution of Income & Gain Policy The Fund does not distribute periodic profits to the unitholders.	3) سياسة توزيع الدخل والأرباح لا يقوم الصندوق بتوزيع أي أرباح دورية على مالكي الوحدات.
4) The fund's reports are available upon request free of charge.	4) تتاح تقارير الصندوق عند الطلب وبدون مقابل.
5) The fund's benchmark and the service provider's website (if any) 60% of the 30-day rolling average of the 1-month term SOFR rate, and 40% of the 30-day rolling average of the 3-year USD SWAP rate. For more information, please visit service provider website Thomson Reuters.	5) المؤشر الاسترشادي للصندوق، والموقع الإلكتروني لمزود الخدمة (إن وجد) مركب من 60% من المعدل المتحرك لآخر (30) يوم لمؤشر سوفر لأجل محدد لمدة شهر واحد بالإضافة إلى 40% من المعدل المتحرك لآخر (30) يوم على اتفاقيات المبادلة بالدولار الأمريكي لثلاث سنوات. ولمزيد من المعلومات، يرجى زيارة موقع مزود الخدمة شركة تومسون رويترز.

B) Fund Performance
ب) أداء الصندوق

- 1) A comparative table covering the last three financial years/or since inception, highlighting: 1) جدول مقارنة يغطي السنوات المالية الثلاث الأخيرة/ أو منذ التأسيس، يوضح:

Year	2023	2022	2021	السنة
NAV*	179,198,332	209,871,324	348,898,631	صافي قيمة أصول الصندوق*
NAV per Unit*	1.44	1.38	1.36	صافي قيمة أصول الصندوق لكل وحدة*
ECL NAV*	1.44	1.38	1.36	سعر الوحدة مع الخسائر الائتمانية المتوقعة*
Highest Price per Unit*	1.44	1.38	1.36	أعلى سعر وحدة*
Lowest Price per Unit *	1.38	1.36	1.35	أقل سعر وحدة*
Number of Units	124,549,776	151,887,554	256,102,283	عدد الوحدات
Income Distribution Per Unit	N/A	N/A	N/A	قيمة الأرباح الموزعة لكل وحدة
Fees & Expense Ratio	0.96%	0.92%	0.88%	نسبة الرسوم والمصروفات
Percentage of borrowed assets from the total asset value, the period of their exposure period and due date (if any)	N/A	N/A	N/A	نسبة الأصول المقرضة من إجمالي قيمة الأصول، ومدة انكشافها وتاريخ استحقاقها (إن وجدت)
*In USD				*بالدولار الأمريكي

- 2) A performance record that covers the following: 2) سجل أداء يغطي ما يلي:

- a. The total return for the fund compared to the benchmark for 1 year, 3 years, 5 years and since inception: أ. العائد الإجمالي للصندوق مقارنة بالمؤشر لسنة واحدة، ثلاث سنوات، خمس سنوات ومنذ التأسيس:

Period	Since Inception منذ التأسيس	5 Years 5 سنوات	3 Years 3 سنوات	1 Year سنة	الفترة
Return %	1.81	1.99	2.05	4.17	عائد الصندوق %
Benchmark %	2.02	1.93	2.35	4.99	عائد المؤشر %

- b. The annual total return for the fund compared to the benchmark for the last 10 years/ or since inception: ب. العائد الإجمالي السنوي للصندوق مقارنة بالمؤشر للعشر سنوات الماضية/ أو منذ التأسيس:

Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	السنة
Return %	4.17	1.43	0.58	1.32	2.47	1.90	1.35	1.12	0.59	0.65	عائد الصندوق %
Benchmark %	4.99	1.91	0.20	0.46	2.14	2.12	1.19	0.55	0.82	0.80	عائد المؤشر %

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

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

Fees and Expenses	ألف دولار USD '000	النسبة المئوية %	الرسوم والمصروفات
Management Fees	1,402	0.75%	أتعاب الإدارة
VAT on Management Fees	210	0.11%	ضريبة القيمة المضافة على أتعاب الإدارة
Custodian Fees	17	0.01%	رسوم الحفظ
Auditor Fees	12	0.01%	أتعاب مراجع الحسابات
Fund Admin Expenses	152	0.08%	مصاريف العمليات الإدارية
CMA Fees	4	0.002%	رسوم هيئة السوق المالية
Tadawul Fees	2	0.001%	رسوم نشر معلومات الصندوق على موقع تداول
Other Expenses	0	0.00%	مصاريف أخرى
Shariah Committee Fees	5	0.003%	أتعاب خدمات اللجنة الشرعية
Independent Fund Board Remunerations	7	0.004%	مكافآت أعضاء مجلس إدارة الصندوق المستقلين
Total Fees and Expenses	1,811	0.96%	مجموع الرسوم والمصاريف

3) Material Changes

- The U.S Federal Open Market Committee (FOMC) maintained a contractionary monetary policy stance going into 2023, raising the short-term fed fund policy rate (FFR) by a total of 100 Bps during the year, however, in a more disperse and steady series of rate hikes in comparison to 2022, reaching a target range of 5.25-5.50% by year-end. Their actions came at the back of higher than target inflation levels – although subduing - and supportive labor market conditions.
- Tightening Monetary policy by central banks continued worldwide 2023, the Saudi Central Bank (SAMA) hiked its policy rates by a total of 100 Bps, taking the Repo and Reverse Repo to 6.00% and 5.50% respectively.
- The U.S treasury yield-curve steepened slightly YoY with short-term yields decreasing while long-term bond yields held steady ;2-year treasury yield decreased by 18 bps to 4.25%, 5-Year treasury yield decreased by 16 bps to 3.85%, while the 10-Year treasury yield remained flat at 3.88%.
- The SAR Sovereign Sukuk broadly shifted upward YoY; 2-year Sukuk yield increased by approximately 66 bps to 5.2%, 5-Year Sukuk yield increased by 38 bps to 4.5%, while the 10-Year Sukuk yield increased by 18 bps to 4.7%.
- The USD LIBOR cessation and market transition to the alternative Secured Overnight Financing Rate (SOFR) completed in June 2023. The transition came as a

3) تغيرات جوهرية حدثت خلال الفترة

- واصلت اللجنة الفيدرالية الأمريكية للسوق المفتوحة (FOMC) بتطبيق سياسة نقدية متشددة خلال العام 2023م، بحيث قامت برفع سعر الفائدة الفيدرالي إجمالاً 100 نقطة أساس ليصل نطاق سعر الفائدة بين 5.25% و 5.50%، إلا أنها أتت بوتيرة أكثر ثباتاً وتشتتاً مقارنة بالعام السابق. وعلى خلفية ارتفاع مستويات التضخم عن المستوى المستهدف -على الرغم من انخفاضها خلال العام- ومدعومة بالمستويات القوية لسوق العمل.
- استمرت البنوك المركزية عالمياً بتشديد السياسة النقدية خلال العام، حيث قام البنك المركزي السعودي (ساما) أيضاً برفع معدلات اتفاقيات إعادة الشراء ("الريبو") ومعدلات اتفاقيات إعادة الشراء المعاكس ("الريبو العكسي") إجمالاً 100 نقطة أساس، حيث استقر معدل الريبو عند 6.00%، ومعدل الريبو العكسي عند 5.50%.
- كما انخفض منحني عوائد سندات الخزينة الأمريكية بشكل طفيف مقارنة بإغلاق العام السابق مع انخفاض عوائد السندات قصيرة الأجل وثبات عوائد السندات طويلة الأجل؛ انخفض عائد سندات الخزينة لسنتين بمقدار 18 نقطة أساس إلى 4.25%، وانخفض عائد سندات الخزينة لـ 5 سنوات بمقدار 16 نقطة أساس إلى 3.85%، بينما ظلت عوائد سندات الخزينة لأجل 10 سنوات ثابتة عند مستوى 3.88%.
- شهد منحني عائد الصكوك السيادية السعودية بالريال السعودي تحولاً تصاعدياً عند نهاية العام مقارنة بالعام السابق؛ حيث ارتفع عائد الصكوك لأجل سنتين بما يقارب 66 نقطة أساس ليصل إلى 5.2%، وارتفع عائد الصكوك لأجل 5 سنوات بما يقارب 38 نقطة أساس 4.5%، بينما ارتفع عائد الصكوك لأجل 10 سنوات بمقدار 18 نقطة أساس لتصل إلى 4.7%.
- اكتمل إيقاف نشر واستخدام مؤشر معدل الإقراض بين البنوك بالدولار الأمريكي ("الايبور")، وانتقال السوق لاستخدام معدل التمويل المضمون لليوم الواحد ("السوفر") (البديل في يونيو 2023م. أتى التغيير استجابةً

- response to concerns regarding the sustainability and strength of the benchmark triggering the development of an alternative. The primary differences between the LIBOR and SOFR is while the LIBOR represented the bank lending, forward-looking, uncollateralized, and survey-based rates, the SOFR represents the risk free, backward looking, collateralized, and transaction-based rate.
- Saudi Riyal Interbank Average Offered Rate (SAIBOR) increased across all tenors; 1-Month, 3-Month, and 12-Month SAIBOR increased by 118 Bps, 89 Bps, and 12 Bps reaching levels of 5.9%, 6.2%, and 6.0% respectively.
 - The 1-Month, 3-Month, and 12-Month Term SOFR rates - which are the forward-looking measurement of the SOFR, based on market expectations implied by the derivatives markets- stood at levels of 4.6%, 4.6%, and 4.9% respectively by year-end.
 - Saudi Sovereign new debt issuances amounted to SAR 189 Bln, taking the total outstanding government indebtedness to SAR 1,050 Bln by year-end (25% of GDP).
 - Excess Saudi Riyal liquidity in the banking sector - measured by the net daily average reverse repo volumes - averaged SAR 27 Bln for the year, a decrease of 37% compared to 2022. Broader money supply (M3) steadily increased during the year reaching SAR 2.7 Tln (+7.8% YoY).
 - Brent crude oil prices decreased from an average of \$99 per barrel in 2022 to \$82 per barrel in 2023 (-10% YoY) as crude oil demand fell short of expectation, despite voluntary production cuts and geopolitical tensions in the second half of the year.
- للمخاوف المتعلقة باستدامة ودقة المؤشر مما أدى إلى تحفيز إيجاد بديل له، وتشكل الفروقات الأساسية بين المؤشر وبديلة السوفر؛ حيث يعكس الايبور معدل الإقراض المصرفي الغير المضمون لفترات مستقبلية تطلعية وقائم على آراء الخبراء، بينما يعكس السوفر المعدل الخالي من المخاطر، والقائم على المعاملات المضمونة المنعقدة في السوق.
- شهدت معدلات الإقراض بين البنوك السعودية ("سايبور") ارتفاعاً خلال عام 2023م، حيث ارتفع معدل سايبور لمدة شهر واحد بمقدار 118 نقطة أساس ليصل إلى مستوى 5.9%، وارتفع معدل سايبور لمدة ثلاثة أشهر بمقدار 89 نقطة أساس ليصل إلى مستوى 6.2%، كما ارتفع سايبور لمدة اثنا عشر شهراً بمقدار 12 نقطة أساس ليحقق مستوى 6.0%.
 - بلغت معدلات السوفر لشهر واحد، وثلاثة أشهر، واثنا عشر شهراً (مماثلة المعدل التطلعي لمعدل السوفر المبنية على التوقعات المنعكسة في أسواق المشتقات)، مستوى 4.6% و 4.6% و 4.9% على التوالي بنهاية العام.
 - بلغت إصدارات الدين السيادية السعودية الجديدة 189 مليار ريال سعودي، ليصل إجمالي الديون الحكومية القائمة إلى 1,050 مليار ريال سعودي بنهاية العام (25% من الناتج المحلي الإجمالي).
 - بلغت مستويات سيولة الريال السعودي الفائضة في القطاع المصرفي المتمثلة بصافي المتوسط اليومي لعمليات إعادة الشراء والشراء المعاكس متوسط 27 مليار ريال سعودي خلال العام، بانخفاض قدره 37% مقارنة بمتوسط العام السابق. كما شهد معدل عرض النقود (M3) ارتفاعاً ثابتاً خلال العام ليصل إلى 2.7 ترليون ريال سعودي أو ما يعادل ارتفاعاً بنسبة 8% خلال العام.
 - انخفض متوسط سعر خام برنت من 99 دولاراً للبرميل في عام 2022م إلى 82 دولاراً للبرميل في عام 2023م (ما يعادل -10%)؛ على خلفية انخفاض الطلب دون التوقعات بالرغم من تخفيضات الإنتاج الطوعية والتوترات الجيوسياسية خلال النصف الثاني من العام.

4) Exercising of Voting Rights

No voting rights were exercised during the year.

4) ممارسات التصويت السنوية

لم تتم أي ممارسات تصويت خلال العام.

5) Fund Board Annual Report

a. Names of Fund Board Members

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

5) تقرير مجلس إدارة الصندوق السنوي

أ. أسماء أعضاء مجلس إدارة الصندوق

- محمد السقاف - رئيس مجلس إدارة الصندوق - عضو غير مستقل
- لويد كورا - عضو غير مستقل
- د. بسمه التويجري - عضو مستقل
- عبدالعزيز أبا الخيل - عضو مستقل

b. A brief about the fund board members' qualifications

Mohammad AlSaggaf: Head of Wealth Management Division at SNB Capital Company. He has 25 years of experience in the banking and financial institutions sector. Muhammad joined Saudi National Group in 1994 G in the Retail Banking Services Department, then he joined the Investment Department in 2004 G. He was also a part of the establishment team of SNB Capital Company in 2007 G as a Head of the Elite Clients and Individuals for the Central Region. During his presidency of the division, he held several positions as a member and chairman in some internal committees and in the board of directors of

ب. نبذة عن مؤهلات أعضاء مجلس إدارة الصندوق

محمد السقاف: رئيس إدارة الثروات في شركة الأهلي المالية. يتمتع بخبرة 25 سنة في قطاع البنوك والمؤسسات المالية. التحق محمد بمجموعة الأهلي السعودي عام 1994 م في إدارة الخدمات المصرفية للأفراد ومن ثم التحق بإدارة الاستثمار عام 2004، كما كان من فريق العمل المؤسس لشركة الأهلي المالية عام 2007 كرئيس لعملاء النخبة والأفراد للمنطقة الوسطى وخلال فترة رئاسته للإدارة شغل عدة مناصب كعضو ورئيس في بعض اللجان الداخلية ومجالس إدارات الصناديق الاستثمارية قبل توليه منصب مدير إدارة الثروات في 2021.

some investment funds before assuming the position of Head of Wealth Management Division in 2021G.

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

Basmah Al-Tuwaijri: Retired from academic work at King Saud University, independent researcher, member of the Financial Sector and Finance Committee in the Riyadh Chamber, a Member in the SBWA – Saudi Business Women Association (A private association), member of the supervisory board of the Think Tank Forum. Dr. Basmah worked as a faculty member in the Finance Department of the College of Business Administration in King Saudi University for more than (20); during which, she taught different courses in the topics of corporate finance, investment, portfolio management and financial markets. In addition, she held several leadership positions in academics and administration, and contributed in developing the strategic plan for King Saud University and conducting the internal studies for academic accreditation. She holds a PhD in finance from King Saud University. She has several publications in the field of corporate governance and financial markets.

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

c. Roles and responsibilities of the Fund Board

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

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

بسمة التويجري: متقاعدة من العمل الأكاديمي في جامعة الملك سعود، باحثة مستقلة، عضو لجنة القطاع المالي والتمويل في غرفة الرياض، عضو مجلس إدارة الجمعية السعودية لسيدات الأعمال وتمكين المنشآت النسائية (جمعية أهلية)، عضو الهيئة الإشرافية بملتقى أسبار (Think Tank). عملت الدكتورة بسمة كعضو هيئة تدريس في قسم المالية بكلية إدارة الأعمال، بجامعة الملك سعود لأكثر من (20) عاماً، قامت خلالها بتدريس العديد من المواد في مالية الشركات، الاستثمار، إدارة المحافظ الاستثمارية والأسواق المالية. إضافة إلى ذلك، تقلدت العديد من المناصب القيادية الأكاديمية والإدارية، وشاركت في وضع الخطة الاستراتيجية للجامعة وإعداد الدراسات الذاتية للاعتماد الأكاديمي. حصلت على درجة الدكتوراه في المالية من جامعة الملك سعود. لديها عدة أبحاث منشورة في مجال حوكمة الشركات والأسواق المالية.

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

ج. أدوار مجلس إدارة الصندوق ومسؤولياته

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

1. Approving material contracts, decisions and reports involving the fund.
2. Approve a written policy in regards to the voting rights related to the fund assets.
3. Overseeing and, where appropriate, approving or ratifying any conflicts of interest the fund manager has identified.
4. Meeting at least twice annually with the fund manager's compliance committee or its compliance officer to review the fund manager's compliance with all applicable rules, laws and regulations.
5. Approving all changes stipulated in Articles (62) and (63) of the Investment Funds Regulations "IFRs" before the fund manager obtains the approval or notification of the unitholders and the Authority (as applicable).
6. Confirming the completeness and accuracy (complete, clear, accurate, and not misleading), and compliance with the IFRs, of the Terms and Conditions and of any other document, contractual or otherwise.
7. Ensuring that the fund manager carries out its obligations in the best interests of the unitholders, in accordance with the IFRs and the Fund's Terms and Conditions.
8. Reviewing the report that includes assessment of the performance and quality of services provided by the parties involved in providing significant services to the fund referred to in Paragraph (l) of Article (9) of IFRs, in order to ensure that the fund manager fulfils his responsibilities in the interest of unitholders in accordance with the Fund's Terms and Conditions and the provisions stipulated in IFRs.
9. Assessing the mechanism of the fund manager's handling of the risks related to the fund's assets in accordance with the fund manager's policies and procedures that detect the fund's risks and how to treat such risks.
10. Have a fiduciary duty to unitholders, including a duty to act in good faith, a duty to act in the best interests of the unitholders and a duty to exercise all reasonable care and skill.
11. Approving the appointment of the external Auditor nominated by the Fund Manager.
12. Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the fund's board of director.
13. Review the report containing all complaints and the measures taken regarding them referred to in Paragraph (m) of Article (9) of IFRs, in order to ensure that the fund manager carries out his responsibilities in a way that serves the interest of unitholders in accordance with the Fund's Terms and Conditions and what contained in this Regulation.

d. Remuneration of fund board members

Each Independent Board Member shall receive USD (533.33) for every meeting the member attends, and a minimum of two meetings shall be held per year.

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

د. مكافآت أعضاء مجلس إدارة الصندوق

يتقاضى كل عضو مستقل مبلغ (533.33) دولار عن كل اجتماع يعقد بحضوره، ويتم عقد اجتماعين سنوياً بحد أدنى.

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

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

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

هـ. تعارض المصالح بين مصالح عضو مجلس إدارة الصندوق

ومصالح الصندوق

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

و. جدول يوضح جميع مجالس إدارة الصناديق التي يشارك فيها

عضو مجلس الصندوق

Fund's/ Member's Name	عبدالعزیز أبأ الخيل Abdulaziz Abalkhail	د. بسمة التويجري Dr.Basmah AlTuwaijri	لويد كورا Lloyd Kawara	محمد السقاف Mohammad AlSaggaf	اسم الصندوق / العضو
SNB Capital Saudi Riyal Trade Fund	✓	✓	✓	✓	صندوق الأهلي للمتاجرة بالريال السعودي
SNB Capital Sadaqqat Fund	✓	✓	✓	✓	صندوق الأهلي للصداقات
SNB Capital Diversified Saudi Riyal Fund	✓	✓	✓	✓	صندوق الأهلي المتنوع بالريال السعودي
SNB Capital Multi-Asset Conservative Fund	✓	✓	✓	✓	صندوق الأهلي متعدد الأصول المتحفّظ
SNB Capital Multi-Asset Income Plus Fund	✓	✓	✓	✓	صندوق الأهلي متعدد الأصول للدخل الإضافي
SNB Capital Multi-Asset Moderate Fund	✓	✓	✓	✓	صندوق الأهلي متعدد الأصول المتوازن
SNB Capital Multi-Asset Growth Fund	✓	✓	✓	✓	صندوق الأهلي متعدد الأصول للنمو
SNB Capital International Trade Fund	✓	✓	✓	✓	صندوق الأهلي للمتاجرة العالمية
SNB Capital Diversified USD Fund	✓	✓	✓	✓	صندوق الأهلي المتنوع بالدولار الأمريكي
SNB Capital USD Sukuk Fund	✓	✓	✓	✓	صندوق الأهلي للصكوك بالدولار الأمريكي
SNB Capital – King Saud University Waqf Fund	✓	✓	✓	✓	صندوق الأهلي وجامعة الملك سعود الوقفي
AlAhli SEDCO Residential Development Fund				✓	صندوق الأهلي سدكو للتطوير السكني
AlAhli REIT Fund (1)				✓	صندوق الأهلي ريت (1)
AlAhli Makkah Hospitality Fund				✓	صندوق الأهلي للضيافة بمكة المكرمة
SNB Capital Real Estate Opportunistic Fund				✓	صندوق الأهلي العقاري للفرص
SNB Capital Tier One Sukuk Fund III				✓	صندوق الأهلي للصكوك ذات الفئة (1) الثالث
SNB Capital Real Estate Income Fund				✓	صندوق الأهلي العقاري للدخل
SNB Capital Danat Aljanob Real Estate Fund				✓	صندوق الأهلي دانة الجنوب العقاري
SNB Capital AlJawhara Real Estate Fund				✓	صندوق الأهلي الجوهرة العقاري
SNB Capital AlJawhara Real Estate Fund II				✓	صندوق الأهلي الجوهرة العقاري الثاني

Fund's/ Member's Name	عبدالعزیز أبا الخیل Abdulaziz Abalkhail	د. بسمة التویجری Dr.Basmah AlTuwaijri	لوید کورا Lloyd Kawara	محمد السقاف Mohammad AlSaggaf	اسم الصندوق / العضو
SNB Capital Logistic Fund				✓	صندوق الأهلي اللوجستي
SNB Capital Real Estate Fund				✓	صندوق الأهلي العقاري

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

The Fund's Board of Directors held three meetings during 2023. The following is a summary of the key decisions approved and the matters discussed by the Fund's Board of Directors:

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

ز. الموضوعات التي تمت مناقشتها والقرارات الصادرة بشأنها بما في ذلك أداء الصندوق وتحقيق الصندوق لأهدافه

عقد مجلس إدارة الصندوق ثلاثة اجتماعات خلال العام 2023م، وفيما يلي ملخصاً لأهم القرارات التي تم إقرارها والمواضيع التي تمت مناقشتها من قبل مجلس إدارة الصندوق:

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

C) Fund Manager

ج) مدير الصندوق

1) Name and address of the Fund Manager SNB Capital Company King Saud Road, P.O. Box 22216, Riyadh 11495, Saudi Arabia Tel: +966 920000232 Website: www.alahlicapital.com	1) اسم مدير الصندوق، وعنوانه شركة الأهلي المالية طريق الملك سعود، ص.ب. 22216، الرياض 11495، المملكة العربية السعودية هاتف: +966 920000232 الموقع الإلكتروني: www.alahlicapital.com
2) Names and addresses of Sub-Manager / Investment Adviser None.	2) اسم وعنوان مدير الصندوق من الباطن و/أو مستشارين الاستثمار (إن وجد) لا يوجد.
3) Investment Activities during the period - During the year 2023, The majority of the funds' assets focused on Murabaha placements with local banks and investment-grade GCC Counterparties on the money market side, and corporate issuers on the fixed income side. - The funds' liquidity and maturity profile was managed with a strategy that enabled it to take advantage of periods of higher rates on deposits on the Money Market side. On the fixed income side, locking in competitive rates of return within the fund's guidelines and CMA regulations.	3) أنشطة الاستثمار خلال الفترة - خلال العام 2023م، تركزت أغلب أصول الصندوق على صفقات المراجعة مع نظراء محليين ونظراء ذوي تصنيفات ائتمانية عالية من دول مجلس التعاون الخليجي من جانب صفقات أسواق النقد، وعلى الأوراق المالية المصدرة من الشركات من جانب الدخل الثابت للصندوق . - تدار سيولة ومدة استحقاق ودائع الصندوق باستراتيجية تمكن الصندوق من الاستفادة من فترات ارتفاع أسعار الفائدة من جانب صفقات أسواق النقد، ومن ناحية أخرى، الاستفادة من عوائد دخل تنافسية من جانب الدخل الثابت ووفقاً لضوابط إدارة الصندوق ولوائح هيئة السوق المالية.
4) Performance Fund Performance 4.17% Benchmark Performance 4.99%	4) تقرير الأداء خلال الفترة أداء الصندوق 4.17% أداء المؤشر 4.99%
The fund underperformed the benchmark by 82 bps.	انخفض أداء الصندوق عن أداء المؤشر بفارق 82 نقطة أساس.

5) Terms & Conditions Material Changes

1. Non-fundamental Changes: as shown below:
First: Amending subparagraph (n) of paragraph (3) "Investment Policies and Practices".
Second: Amending subparagraph (a) of paragraph (9) "Fees, Charges and Expenses".
Third: Amending subparagraph (b) of paragraph (11) "Dealing".
Fourth: Amending subparagraph (b, f) of paragraph (24) "Fund Board".
Fifth: Amending subparagraph (a) of paragraph (25) "Shariah Committee".
Sixth: Updating subparagraph (a) of paragraph (28) "Auditor" (Where applicable)."
2. Non-fundamental Changes: as shown below:
First: Amending the Fund's summary.
Second: Appointing Tax adviser and Adding his information (where applicable).
Third: Amending subparagraphs (a, f) in paragraph (9) "Fees, Charges and Expenses".
Fourth: Amending subparagraph (a) in paragraph (21) "Fund Manager".
Fifth: Amending subparagraph (f) in paragraph (4) "The Main Risks of Investing in the Fund".
3. Non-fundamental Changes: as shown below:
First: Mentioning the fund's classification -where applicable- in the fund's Terms & Conditions.
Second: Amending and updating the definitions table.
Third: Amending and updating the fund's summary table.
Fourth: Amending Subparagraphs (b,c,d,e,f,g,i,j,k,l,m,n,o,p) under the paragraph (3) "Investment Policies and Practices".
Fifth: Amending Subparagraph (f) under the paragraph (4) "The Main Risks of Investing in the Fund".
Sixth: Updating the main paragraph (6) "Targeted Class for Investing in the Fund".
Seventh: Updating Subparagraph (c) "Hypothetical Example" under the paragraph (9) "Fees, Charges and Expenses".
Eighth: Amending Subparagraphs (a,b,d) under the paragraph (10) "Valuation and Pricing".
Ninth: Amending Subparagraphs (b,c,d) under the paragraph (11) "Dealings".
Tenth: Amending Subparagraph (f) under the main paragraph (24) "Fund Board".

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

None.

5) تغييرات حدثت في شروط وأحكام الصندوق

1. تغييرات غير أساسية: كما هو موضح أدناه:
أولاً: تعديل الفقرة الفرعية (ن) " المؤشر الاسترشادي" من الفقرة الرئيسية (3) " سياسات الاستثمار وممارساته" (وحيثما ينطبق).
ثانياً: تعديل الفقرة الفرعية (أ) " من الفقرة الرئيسية (9) " مقابل الخدمات والعمولات والأتعاب".
ثالثاً: تعديل الفقرة الفرعية (ب) من الفقرة الرئيسية (9) "التعاملات".
رابعاً: تعديل الفقرات الفرعية (ب، و) من الفقرة الرئيسية (24) "مجلس إدارة الصندوق".
خامساً: تحديث الفقرة الفرعية (أ) من الفقرة الرئيسية (25) "اللجنة الشرعية".
سادساً: تحديث الفقرة الفرعية (أ) "اسم مراجع الحسابات" من الفقرة الرئيسية (28) "مراجع الحسابات" (وحيثما ينطبق).
2. تغييرات غير أساسية: كما هو موضح أدناه:
أولاً: تحديث ملخص الصندوق.
ثانياً: تعيين مستشار ضريبي وإضافة المعلومات اللازمة له حيثما ينطبق.
ثالثاً: تحديث الفقرات الفرعية (أ، و) من الفقرة الرئيسية (9) "مقابل الخدمات والعمولات والأتعاب".
رابعاً: تحديث الفقرة الفرعية (أ) من الفقرة الرئيسية (21) " اسم مدير الصندوق وواجباته ومسؤولياته".
خامساً: تعديل الفقرة الفرعية (و) من الفقرة الرئيسية (4) " قائمة المخاطر الرئيسية للاستثمار في الصندوق".
3. تغييرات غير أساسية: كما هو موضح أدناه:
أولاً: ذكر نوع وفئة صندوق الاستثمار -حيثما ينطبق- في شروط وأحكام الصندوق.
ثانياً: إضافة وتحديث بعض التعاريف.
ثالثاً: تحديث ملخص الصندوق.
رابعاً: تعديل الفقرات الفرعية (ب، ج، د، هـ، و، ز، ط، ي، ك، ل، م، ن، س، ع) من الفقرة الرئيسية (3) "سياسات الاستثمار وممارساته".
خامساً: تعديل الفقرة الفرعية (و) من الفقرة الرئيسية (4) "المخاطر الرئيسية للاستثمار في الصندوق".
سادساً: تحديث الفقرة الرئيسية (6) "الفئة المستهدفة للاستثمار في الصندوق".
سابعاً: تحديث الفقرة الفرعية (ج) "المثال الافتراضي" من الفقرة الرئيسية (9) "مقابل الخدمات والعمولات والأتعاب".
ثامناً: تعديل الفقرات الفرعية (أ، ب، د) من الفقرة الرئيسية (10) "التقييم والتسعير".
تاسعاً: تعديل الفقرات الفرعية (ب، ج، د) من الفقرة الرئيسية (11) "التعاملات".
عاشرًا: تحديث الفقرة الفرعية (و) من الفقرة الرئيسية (24) "مجلس إدارة الصندوق".

6) أي معلومة أخرى من شأنها أن تُمكن مالكي الوحدات من اتخاذ قرار مدروس ومبني على معلومات كافية بشأن أنشطة الصندوق خلال الفترة

لا يوجد.

7) Investments in other Investment Funds The fund management fee is 0.75% of NAV. Management fees charged by investments in the following fund have been rebated: - SNB Capital International Trade Fund.	7) الاستثمار في صناديق استثمارية أخرى رسوم الإدارة المحتسبة على الصندوق هي 0.75% سنوياً من صافي قيمة أصول الصندوق. وقد تم التنازل عن رسوم الإدارة للصناديق الاستثمارية التي يستثمر بها الصندوق الموضحة أدناه: - صندوق الأهلي للمتاجرة العالمية.
8) Special commission received by the fund manager during the period No special commissions were received during the period.	8) العمولات الخاصة التي حصل عليها مدير الصندوق خلال الفترة لم يحصل مدير الصندوق على أي عمولات خاصة خلال الفترة.
9) Any other data and other information required by Investment Fund Regulations to be included in this report a. Conflict of Interests There is no conflict of interests. b. Fund Distribution During The Year No income or dividends will be distributed to Unitholders. c. Incorrect Valuation or Pricing None. d. Investment Limitation Breaches None.	9) أي بيانات ومعلومات أخرى أوجبت لائحة صناديق الاستثمار تضمينها بهذا التقرير أ. تعارض في المصالح لا يوجد تعارض مصالح. ب. توزيعات الصندوق خلال العام لا يتم توزيع أي دخل وأرباح على مالكي الوحدات. ج. خطأ في التقويم والتسعير لا يوجد. د. مخالفة قيود الاستثمار لا يوجد.
10) Period for the management of the person registered as fund manager Since August – 2021.	10) مدة إدارة الشخص المسجل كمدير للصندوق منذ أغسطس – 2021.
11) A disclosure of the expense ratio of each underlying fund at end of year and the weighted average expense ratio of all underlying funds that invested in (where applicable) As shown in the sub-paragraph (7) of paragraph (C) in this Annual Report.	11) الإفصاح عن نسبة مصروفات كل صندوق بنهاية العام والمتوسط المرجح لنسبة مصروفات كل الصناديق الرئيسة المستثمر فيها (حيثما ينطبق) كما هو موضح في الفقرة الفرعية (7) من الفقرة (ج) من هذا التقرير السنوي.

D) Custodian	د) أمين الحفظ
1) Name and address of custodian AlBilad Investment Company King Fahad Road, P.O. Box 140, Riyadh 11411, Kingdom of Saudi Arabia. Tel: +966 92000 3636 Website: www.albilad-capital.com	1) اسم أمين الحفظ، وعنوانه شركة البلاد للاستثمار طريق الملك فهد، ص.ب. 140، الرياض 11411، المملكة العربية السعودية هاتف: +966 92000 3636 الموقع الإلكتروني: www.albilad-capital.com
2) Custodian's duties and responsibilities - Notwithstanding the delegation by a custodian to one or more third parties under the provisions of Investment Funds Regulations or the Capital Market Institutions Regulations, the custodian shall remain fully responsible for compliance with its responsibilities in accordance to the provisions of Investment Funds Regulations.	2) واجبات ومسؤوليات أمين الحفظ - يعد أمين الحفظ مسؤولاً عن التزاماته وفقاً لأحكام لائحة صناديق الاستثمار، سواء قام بتأدية مسؤولياته بشكل مباشر أم كلف بها طرفاً ثالثاً بموجب أحكام لائحة صناديق الاستثمار أو لائحة مؤسسات السوق المالية. - يعد أمين الحفظ مسؤولاً تجاه مدير الصندوق ومالكي الوحدات عن خسائر الصندوق الناجمة بسبب احتياله أو إهماله أو سوء تصرفه المتعمد أو تقصيره المتعمد.

- The custodian shall be held responsible to the fund manager and unitholders for any losses caused to the investment fund due to the custodian fraud, negligence, misconduct or willful default.
- The custodian shall be responsible for taking custody and protecting the fund's assets on behalf of unitholders, and taking all necessary administrative measures in relation to the custody of the fund's assets.

E) Fund Operator

٥ مشغل الصندوق

1) Name and address of fund operator

1 اسم مشغل الصندوق، وعنوانه

SNB Capital Company

King Saud Road, P.O. Box 22216, Riyadh 11495,

Saudi Arabia

Tel: +966 920000232

Website: www.alahlicapital.com

شركة الأهلي المالية

طريق الملك سعود، ص.ب. 22216، الرياض 11495،

المملكة العربية السعودية

هاتف: +966 920000232

الموقع الإلكتروني: www.alahlicapital.com

2) Operator's duties and responsibilities

2 واجبات ومسؤوليات مشغل الصندوق

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

F) Auditor

٦ مراجع الحسابات

Name and Address of Auditor

KPMG Professional Services

Riyadh Front – Airport Road P.O Box. 92876, Riyadh 11663,

Saudi Arabia

Tel: +966118748500

Website: www.kpmg.com/sa

اسم مراجع الحسابات، عنوانه

كي بي ام جي للخدمات المهنية

واجهة الرياض – طريق المطار ص.ب 92876، الرياض 11663 المملكة العربية

السعودية

هاتف: +966118748500

الموقع الإلكتروني: www.kpmg.com/sa

G) Financial Statements

٧ القوائم المالية

As shown below in the financial statements section.

كما هو موضح أدناه في قسم القوائم المالية.

H) Zakat Calculations**ح) حساب الزكاة****New regulations effective during the year**

"The Minister of Finance via Ministerial Resolution No. (29791) dated 9 Jumada-al-Awwal 1444 H (corresponding to 3 December 2022) approved the Zakat Rules for Investment Funds permitted by the CMA.

The Rules are effective from 1 January 2023 requiring Investment Funds to register with Zakat, Tax and Customs Authority (ZATCA). The Rules also require the Investment Funds to submit an information declaration to ZATCA within 120 days from the end of their fiscal year, including audited financial statements, records of related party transactions and any other data requested by ZATCA. Under the Rules, Investment Funds are not subject to Zakat provided they do not engage in unstipulated economic or investment activities as per their CMA approved Terms and Conditions. Unitholders are obliged to pay due ZAKAT based on their unit owned.

During the current year, the Fund Manager has completed the registration of the Fund with ZATCA and submitted information declaration on time and the due ZAKAT amount for the year ended 31 December 2023 for the fund units was amounted to 0.1383 Saudi Riyal per unit".

الوائح الجديدة سارية المفعول خلال العام

"وافق وزير المالية بموجب القرار الوزاري رقم (29791) وتاريخ 9 جمادى الأولى 1444 هـ (الموافق 3 ديسمبر 2022م) على قواعد الزكاة لصناديق الاستثمار المسموح بها من قبل هيئة السوق المالية.

تسري القواعد اعتبارًا من 1 يناير 2023 وتتطلب من صناديق الاستثمار التسجيل لدى هيئة الزكاة والضرائب والجمارك (الهيئة). كما تلزم القواعد أيضًا من صناديق الاستثمار تقديم إقرار معلومات إلى (الهيئة) خلال 120 يومًا من نهاية سنتها المالية، بما في ذلك القوائم المالية المدققة وسجلات المعاملات الأطراف ذات العلاقة وأي بيانات أخرى تطلبها الهيئة بموجب القواعد، لا تخضع صناديق الاستثمار للزكاة بشرط ألا تمارس أنشطة اقتصادية أو استثمارية غير مشروطة وفقًا للشروط والأحكام المعتمدة من هيئة أسواق المال. سيتحمل كل مالك في حدود ملكيته سداد الزكاة عن تلك الوحدات.

خلال العام الحالي، أكمل مدير الصندوق عملية تسجيل الصندوق لدى الهيئة وتم تقديم إعلان المعلومات في الوقت المناسب وكان مبلغ الزكاة الواجب أدائه للعام المالي المنتهي في 31 ديسمبر 2023 عن وحدات الصندوق 0.1383 ريال سعودي عن كل وحدة".

SNB CAPITAL DIVERSIFIED US DOLLAR FUND
(Managed by the SNB Capital Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2023
with
Independent Auditor's Report to the Unitholders



KPMG Professional Services

Roshn 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 روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Unitholders of the SNB Capital Diversified US Dollar Fund

Opinion

We have audited the financial statements of the **SNB Capital Diversified US Dollar Fund** (the "Fund") managed by the SNB Capital Company (the "Fund Manager"), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in net assets attributable to the Unitholders and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

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

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

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

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

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

Independent Auditor's Report

To the Unitholders of the SNB Capital Diversified US Dollar Fund (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

KPMG Professional Services



Ebrahim Oboud Baeshen
License No. 382



Riyadh: 3 Sha'ban 1445H
Corresponding to 13 February 2024

SNB CAPITAL DIVERSIFIED US DOLLAR FUND
(Managed by the SNB Capital Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Expressed in US Dollars '000 (unless otherwise stated)

	<i>Notes</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
ASSETS			
Cash and cash equivalents	9	445	1,541
Investments – net	10	178,951	209,784
Other receivables		60	59
Total assets		<u>179,456</u>	<u>211,384</u>
LIABILITIES			
Other payables		258	1,682
Net assets attributable to the Unitholders		<u>179,198</u>	<u>209,702</u>
Units in issue in thousands (number)		<u>124,550</u>	<u>151,888</u>
Net assets value per unit (USD)		<u>1.4388</u>	<u>1.3806</u>

The accompanying notes 1 to 18 form an integral part of these financial statements.

SNB CAPITAL DIVERSIFIED US DOLLAR FUND
(Managed by the SNB Capital Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

Expressed in US Dollars '000 (unless otherwise stated)

	<i>Note</i>	<i>For the year ended 31 December</i>	
		<u>2023</u>	<u>2022</u>
Special commission income on Murabaha contracts		6,380	4,376
Special commission income on Sukuk		1,999	2,198
Unrealised gain on investments measured at fair value through profit or loss (FVTPL investments) – net		911	261
Other income		83	105
Total income		<u>9,373</u>	<u>6,940</u>
Management fees	12	(1,402)	(2,334)
Value added tax expense		(210)	(350)
Administrative expenses		(154)	(119)
Auditors' remuneration	13	(12)	(10)
Custody fees		(17)	(12)
Shariah audit fees		(5)	(8)
Fund board remuneration		(7)	(3)
Capital Market Authority fees		(4)	(2)
Other expenses		--	(43)
Reversal / (charge) of expected credit loss allowance		97	(33)
Total operating expenses		<u>(1,714)</u>	<u>(2,914)</u>
Profit for the year		<u>7,659</u>	<u>4,026</u>
Other comprehensive income for the year		<u>--</u>	<u>--</u>
Total comprehensive income for the year		<u>7,659</u>	<u>4,026</u>

The accompanying notes 1 to 18 form an integral part of these financial statements.

SNB CAPITAL DIVERSIFIED US DOLLAR FUND
(Managed by the SNB Capital Company)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

For the year ended 31 December 2023

Expressed in US Dollars '000 (unless otherwise stated)

	<i>For the year ended 31 December</i>	
	<u>2023</u>	<u>2022</u>
Net assets attributable to the Unitholders at the beginning of the year	209,702	348,750
Total comprehensive income for the year	7,659	4,026
Net decrease in net assets from unit transactions during the year		
Proceeds from units issued	79,091	136,608
Value of units redeemed	(117,254)	(279,382)
	(38,163)	(143,074)
Net assets attributable to the Unitholders at the end of the year	179,198	209,702

UNITS TRANSACTIONS

Transactions in units during the year are summarized as follows:

	<i>For the year ended 31 December</i>	
	<u>2023</u>	<u>2022</u>
	<i>-----Units in '000s-----</i>	
Units at the beginning of the year	151,888	256,102
Units issued	56,144	99,684
Units redeemed	(83,482)	(203,898)
Net decrease in units	(27,338)	(104,214)
Units at the end of the year	124,550	151,888

As at 31 December 2023, the top 5 unitholders represented 65.12% (2022: 52.11%) of the Fund's units.

The accompanying notes 1 to 18 form an integral part of these financial statements.

SNB CAPITAL DIVERSIFIED US DOLLAR FUND
(Managed by the SNB Capital Company)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

Expressed in US Dollars '000 (unless otherwise stated)

	<i>Notes</i>	For the year ended 31 December	
		<u>2023</u>	<u>2022</u>
Cash flows from operating activities			
Profit for the year		7,659	4,026
<i>Adjustments for:</i>			
Unrealised gain on FVTPL investment – net		(911)	(261)
(Reversal) / charge of expected credit loss allowance		(97)	33
		6,651	3,798
<i>Net changes in operating assets and liabilities:</i>			
Investments measured at amortised cost – net		(250)	132,885
FVTPL investments		32,091	6,420
Other receivables		(1)	(59)
Other payables		(1,424)	1,154
Net cash generated from operating activities		37,067	144,198
Cash flows from financing activities			
Proceeds from units issued		79,091	136,308
Value of units redeemed		(117,254)	(279,382)
Net cash used in financing activities		(38,163)	(143,074)
Net (decrease) / increase in cash and cash equivalents		(1,096)	1,124
Cash and cash equivalents at the beginning of the year	9	1,541	417
Cash and cash equivalents at the end of the year	9	445	1,541

The accompanying notes 1 to 18 form an integral part of these financial statements.

SNB CAPITAL DIVERSIFIED US DOLLAR FUND
(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Expressed in US Dollars '000 (unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

SNB Capital Diversified US Dollar 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 the 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 Fund does not make any distributions to the Unitholders. Instead, capital gains and dividends are reinvested.

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).

2. REGULATING AUTHORITY

The Fund is governed by the Regulations issued by the CMA's Board Resolution no. (1-219-2006) dated 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended pursuant to the CMA's Board Resolution no. (2-22-2021) dated 12 Rajab 1442 H (corresponding to 24 February 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. BASIS OF ACCOUNTING

These financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), and to comply with the applicable provisions of the Investment Funds Regulations issued by the CMA and the Fund's terms and conditions.

4. BASIS OF MEASUREMENT AND PRESENTATION

These 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.

5. FUNCTIONAL AND PRESENTATION CURRENCY

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

SNB CAPITAL DIVERSIFIED US DOLLAR FUND
(Managed by the SNB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Expressed in US Dollars '000 (unless otherwise stated)

6. CHANGES IN FUND'S TERMS AND CONDITIONS

During the year, there have been no significant changes to the terms and conditions of the Fund.

7. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires the Fund Manager 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

a) Measurement of expected credit loss ('ECL') allowance

The measurement of ECL allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL allowance, such as:

- Choosing appropriate models and assumptions for the measurement of ECL allowance;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product / market;
- Determining criteria for significant increase in credit risk.

Explanation of the inputs, assumptions and estimation techniques used in measuring ECL allowance are further detailed in note 14.2 (a) of these financial statements.

b) Fair value measurement (note 15)

8. MATERIAL ACCOUNTING POLICIES

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements unless otherwise stated. In addition, the Fund adopted *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of material, rather than significant, accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

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

8.1 *Financial assets and liabilities*

Classification of financial assets

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

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8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.2 *Financial assets and liabilities (continued)*

Classification of financial assets (continued)

Financial assets measured at amortised cost

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

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

Financial assets measured at FVOCI

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

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

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

Financial assets measured at FVTPL

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

Business model assessment

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

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

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

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8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.1 *Financial assets and liabilities (continued)*

Classification of financial assets (continued)

Business model assessment (continued)

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

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

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

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

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

Impairment of financial assets

The Fund assesses on a forward-looking basis the ECL allowance associated with its financial assets carried at amortised cost. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. In case of significant increase in credit risk since origination, allowance at an amount equal to lifetime ECLs is recorded.

Classification of financial liabilities

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

Recognition and initial measurement

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

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

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8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.1 *Financial assets and liabilities (continued)*

Subsequent measurement

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

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

Derecognition

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

On derecognition of the financial asset, the difference between the carrying amount of the asset and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit or loss and other comprehensive income.

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

8.2 *Net Assets Value per unit*

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

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8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.3 *Units in issue*

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

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

Redeemable units are classified as equity as these meet all of the following conditions:

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

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

8.4 *Special commission income and expense*

Special commission income and expense presented in the statement of profit or loss and other comprehensive income comprises of commission on financial assets and financial liabilities measured at amortised cost calculated on an effective interest / commission.

The 'effective interest / commission rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument:

- to the carrying amount of the financial assets; or
- the amortised cost of the financial liability.

In calculating special commission income and expense, the effective interest / commission rate is applied to the gross carrying amount of the asset (when the assets is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, special commission income is calculated by applying the effective interest / commission rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of special commission income reverts to the gross basis.

8.5 *Management fee expense*

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

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8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

8.6 New IFRS standards, interpretations and amendments thereof, adopted by the Fund

Below amendments to accounting standards, interpretations and amendments became applicable for annual reporting periods commencing on or after 1 January 2023. The Fund manager has assessed that the amendments have no significant impact on the Fund's financial statements.

Standards / interpretations and amendments

Amendments to IAS 1 and IFRS practice statement 2 - *Disclosure of accounting policies*

Amendments to IAS 8 - *Definition of accounting estimates*

Amendments to IAS 12 - *Deferred tax related to assets and liabilities arising from a single transaction*

Amendments to IAS 12 - *International tax reform – Pillar Two Model Rules*

Amendments to IFRS 17 - *Insurance Contracts*

During the year, the Minister of Finance approved Ministerial Resolution No. (29791) dated 9 Jumada-al-Awwal 1444 H (corresponding to 3 December 2022) the Zakat rules for investment funds approved by the CMA effective from 1 January 2023. While the Zakat collection on funds will be applied to the Fund's Unitholders, under these rules, investment funds are required to register with Zakat, Tax and Customs Authority (ZATCA), even though funds are not subject to Zakat.

Funds must register with ZATCA before the end of their fiscal year, and funds approved on or after 1 January 2023 must register with ZATCA before the end of their first fiscal year from the date of approval of incorporation.

Funds are also required to submit an information declaration to ZATCA within 120 days from the end of their fiscal year, including audited financial statements, records of related party transactions and any other data requested by ZATCA during the filing period.

8.7 Standards issued but not yet effective

Standards, interpretations and amendments issued but not yet effective are listed below. The Fund intends to adopt these standards when they become effective.

<u>Standards, interpretations and amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 1	Classification of liabilities as current or non-current and non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16	Lease liability in a sale and leaseback transaction	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	1 January 2024
Amendments to IAS 21	Lack of exchangeability	1 January 2025
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associates 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.

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9. CASH AND CASH EQUIVALENTS

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

10. INVESTMENTS – NET

	<i>Notes</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Investments measured at amortised cost – net	<i>i)</i>	160,049	192,043
Investments measured at fair value through profit or loss	<i>ii)</i>	18,902	17,741
		178,951	209,784

i) Investments measured at amortised cost – net

Investments measured at amortised cost include the following:

	<i>Notes</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Investments in Murabaha contracts	<i>a)</i>	111,242	138,316
Investments in Sukuk	<i>b)</i>	48,880	53,897
Gross carrying value		160,122	192,213
Less: Allowance for expected credit loss		(73)	(170)
Net investments measured at amortised cost		160,049	192,043

a) Murabaha placements are held with local and international banks. These carry profit rates ranging from 5.5% to 6.2% per annum (2022: 1. 5% to 5.9% per annum) with maturity up till 17 June 2024 (2022: 31 May 2023).

b) Investments in Sukuk carry profit rates ranging from 2.98% to 5.63% per annum (2022: 3.17% to 5.63% per annum) with maturity up till 28 October 2030 (2022: 28 October 2030)

ii) Investments measured at fair value through profit or loss

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

	<i>31 December 2023</i>		<i>31 December 2022</i>	
	<i>Cost</i>	<i>Fair value</i>	<i>Cost</i>	<i>Fair value</i>
Units of SNB Capital International Trade Fund – a related party	17,720	18,902	17,470	17,741

11. RECONCILIATION OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

As per the requirements of CMA circular dated 31 December 2017, the Fund calculates provision for impairment in respect of financial investments measured at amortized cost using the incurred loss model, whereas IFRS 9 requires provisions to be measured using the Expected Credit Loss (“ECL”) method. This results in a difference between net assets calculated as per the requirements of IFRS 9 (“reported net assets value”) and as per CMA circular (“trading net assets value”).

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11. RECONCILIATION OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

The following table shows the reconciliation between the Fund's reported net assets and trading net assets:

	31 December 2023	31 December 2022
Reported net assets of the Fund	178,951	209,702
Add: Expected credit loss allowance	73	170
	179,024	209,872
Less: Provision for incurred credit losses	--	--
Traded net assets of the Fund	179,024	209,872
Number of units in issue	124,550	151,888
Traded net value per unit of the Fund	1.4374	1.3818

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.

Following are the details of transactions and balances with related parties not disclosed elsewhere in these financial statements as at and for the year ended 31 December 2023:

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 up to 0.75% (2022: 0.75%) per annum of the Fund's daily net assets value as set out in the Fund's terms and conditions. The Fund Manager may waive management fees to the extent of the Fund's investments in other Funds managed by the Fund Manager. This is included in other income in the statement of profit or loss.

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% (2022: 0.5%) per annum of the Fund's net assets value at the respective valuation days. These expenses are recovered by the Fund Manager on an actual basis.

During the year, the Fund has entered into following transactions, other than those disclosed elsewhere in these financial statements, with related parties in the ordinary course of business. These transactions were carried out on the basis of approved terms and conditions of the Fund.

Name of related party	Nature of transactions	Amount of transactions for the year ended		Net payable balance as at	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
SNB Capital Company	Management fees (including value added tax)	1,612	2,684	194	250
	Expenses paid on behalf of the Fund	199	197		
	Rebate income	83	105		

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12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions with other related parties

During the year, 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 transaction	Amounts of transactions for the year ended		Investments as at	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
SNB Capital Multi-Asset Conservative Fund	Subscription of fund units	--	--	--	--
	Redemption of fund units	--	744		
SNB Capital Multi-Asset Moderate Fund	Subscription of fund units	--	--	--	--
	Redemption of fund units	--	16,854		
SNB Capital US Dollar Sukuk Fund	Subscription of fund units	490	685	325	2,125
	Redemption of fund units	2,330	2,400		
Arabian Shield Cooperative Insurance Company	Subscription of fund units	927	--	--	--
	Redemption of fund units	930	11,214		
SNB Capital Corporate Sukuk Fund	Subscription of fund units	100	7,580	45	2,201
	Redemption of fund units	2,285	19,295		
SNB Capital Multi-Asset Income Plus Fund	Subscription of fund units	9,578	--	1,840	--
	Redemption of fund units	8,002	15,235		
SNB Capital Multi-Asset Opportunities Fund	Subscription of fund units	4,008	5,085	--	--
	Redemption of fund units	4,059	6,297		

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13. AUDITORS' REMUNERATION

	<i>31 December</i> 2023	<i>31 December</i> 2022
Fee for:		
Statutory audit	7	7
Interim review	3	3
Zakat services	2	--
	<u>12</u>	<u>10</u>

14. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks including market risks, credit risks, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks are primarily set up to be performed based on the limits established by the Fund Board. The Fund's terms and conditions set out its overall business strategies, its tolerance of risks and its general risk management philosophy. Compliance with the limits are monitored by the Fund Board on a quarterly basis. In instances where portfolio has diverged from limits, the Fund Manager is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

14.1 *Market risks*

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

a) *Foreign exchange risk*

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

The Fund does not have any foreign exchange risk since all the transactions are carried out in USD.

b) *Commission rate risk*

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

At 31 December 2023, the Fund is exposed to commission rate risk on its investments in Murabaha contracts and Sukuks. A reasonably possible change of 10 basis points in interest rates at the reporting date would have increased (decreased) net assets and profit or loss by USD 1.60 million (2022: USD 1.92 million).

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

13 *Market risks (continued)*

c) *Other market price risk*

Other market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements. This other price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund Manager daily monitors concentration of risk in securities and industries in line with defined limits while closely tracking the portfolio level volatilities. As of the statement of financial position date, the Fund has investments in SNB Capital International Trade Fund ("Investee Fund") which is exposed to other price risk.

The effect on the net assets (as a result of the change in the fair value of investments) as at 31 December due to a reasonably possible notional change in market value of Investee Fund's units by 10%, with all other variables held constants is as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Effect on net assets attributable to the Unitholders.	±10% <u>1,890</u>	±10% <u>1,774</u>

14.2 *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Fund Manager seeks to manage credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

The Fund is exposed to credit risk from its investments measured at amortised cost and bank balances. The bank balance is held with a local bank having Moody's credit rating of A3 which is in line with globally understood definition of investment grade. Accordingly, there is no material impact of expected credit loss allowance on this balance

a) *General approach for expected credit loss allowance*

The Fund recognizes loss allowance for ECL on the financial assets that are not measured at FVTPL. The Fund measures loss allowances at an amount equal to lifetime ECL.

The Fund measures loss allowance at an amount equal to lifetime ECL for Stage 2 & Stage 3 exposures while loss allowance for Stage 1 exposures is measured at 12-month ECL.

12-month ECLs are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.2 Credit risk (continued)

a) General approach for expected credit loss allowance (continued)

The Fund categorizes its financial assets into following three stages in accordance with the IFRS 9 methodology:

- Stage 1 – financial assets that are not significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on 12 months PD.
- Stage 2 – financial assets that has significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on lifetime ECL. The impairment allowance is recorded based on lifetime PD.
- Stage 3 – financial assets that are credit impaired, the Fund recognizes the impairment allowance based on lifetime PD.

In assessing whether credit risk has increased significantly, the Fund examines the change in the risk of default occurring over the expected life of the financial instrument. The staging criteria considers strong indicators of associated credit risk for each respective portfolio. Though the Fund has historically experienced no defaults across the funds, the Stage 2 criteria seeks to identify triggers indicative of a higher propensity to default while the finalized Stage 3 criteria lists objective indicators of default. The Fund also considers the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurement of ECL allowance.

b) Expected credit loss allowance measurement

ECL allowance represents probability-weighted estimates of credit losses. These are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

The table below shows financial instruments subject to impairment:

	As at 31 December 2023				As at 31 December 2022
	Stage 1	Stage 2	Stage 3	Total	Total
Investments measured at amortised cost	149,457	10,665	--	160,122	192,213
Expected credit loss allowance	(43)	(30)	--	(73)	(170)
Carrying amount	149,414	10,635	--	160,049	192,043

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.2 Credit risk (continued)

b) Expected credit loss allowance measurement (continued)

- As IFRS 9 requires entities to adopt a futuristic outlook of the macroeconomic scenarios in their estimates of risk parameters, the usage of a scenario framework for the same is imperative. The Fund has adopted scenario weights for three scenarios – baseline, upturn and downturn in line with external economic outlook and industry practice.
- The risk estimates derived are used along with the cashflows to arrive at the probability weighted ECL allowance across different stages.

The Fund Manager reviews credit concentration of the investment portfolio based on counterparties. The credit quality of the financial assets is managed using the ratings from reputable credit ratings agencies.

As at 31 December, the Fund has investments measured at amortized cost with the following credit quality:

Credit ratings	31 December 2023	31 December 2022
A+	2%	13%
A	26%	10%
A-	50%	39%
B+	7%	6%
BBB+	--	19%
BB+	4%	--
BB	2%	2%
BBB-	9%	11%
	100%	100%

The Fund Manager also reviews the credit concentration of the investment portfolio based on counterparties' geographical locations. The geographical concentration of the investment measured at amortised cost is as follows:

	31 December 2023	31 December 2022
Kuwait	78,056	13,169
Kingdom of Saudi Arabia	54,394	93,383
Bahrain	11,195	11,076
Qatar	10,395	53,129
United Arab Emirates	6,082	21,456
	160,122	192,213

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.2 Credit risk (continued)

b) Expected credit loss allowance measurement (continued)

Investments measured at amortised cost

The following table explains the changes in the expected credit loss allowance for Murabaha contracts and Sukuk:

	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance as at 1 January 2023	54	116	--	170
Reversal of expected credit loss allowance	(11)	(86)	--	(97)
Expected credit loss allowance as at 31 December 2023	43	30	--	73

	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance as at 1 January 2022	58	79	--	137
Reversal / (charge) during the year	(4)	37	--	33
Expected credit loss allowance as at 31 December 2022	54	116	--	170

There was no movement in stages of financial instruments during the year.

14.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's terms and conditions provide for subscription and redemption of units on every Saudi business day and it is, therefore, exposed to the liquidity risk of not being able to meet Unitholders' redemption requests on these days. The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions or liquidation of the investment portfolio and by investing predominantly in securities that it expects to be able to liquidate within a short period of time..

14.4 Operational risk

Operational risk is the risk of direct or indirect losses arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, market and liquidity risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of maximising returns to the Unitholders.

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14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.4 *Operational risk (continued)*

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

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

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

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15 FAIR VALUE MEASUREMENT (CONTINUED)

Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. All fair value measurements below are recurring.

	As at 31 December 2023				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u><i>Financial assets measured at fair value</i></u>					
FVTPL investments	<u>18,902</u>	<u>--</u>	<u>18,902</u>	<u>--</u>	<u>18,902</u>
	As at 31 December 2022				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u><i>Financial assets measured at fair value</i></u>					
FVTPL investments	<u>17,741</u>	<u>--</u>	<u>17,741</u>	<u>--</u>	<u>17,741</u>

The Fund determined fair value of investments in un-listed open-ended investment funds measured at FVTPL using unadjusted net asset value and classified them as level 2 as per the fair value hierarchy. The fair value of investments measured at amortized cost is classified as level 3 as per fair value hierarchy and has been determined using expected cash flows discounted at relevant current effective interest rate.

During the year, there has been no transfer in fair value hierarchy for any financial assets or liabilities. For other financial assets and liabilities such as investments at amortised cost, 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.

16. LAST VALUATION DAY

The last valuation of day for the year was 31 December 2023 (2022: 29 December 2022).

17. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

18. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund Board on 1 Sha'ban 1445H corresponding to 11 February 2024.