

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)
CONDENSED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2024
together with the
Independent Auditor's Review Report to the Unitholders



KPMG Professional Services

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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 on review of condensed interim financial statements

To the Unitholders of the SNB Capital Multi-Asset Conservative Fund

Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of the **SNB Capital Multi-Asset Conservative Fund** (the "Fund"), managed by the SNB Capital Company (the "Fund Manager"), which comprises:

- the condensed statement of financial position as at 30 June 2024;
- the condensed statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2024;
- the condensed statement of changes in net assets attributable to the Unitholders for the six-month period ended 30 June 2024;
- the condensed statement of cash flows for the six-month period ended 30 June 2024; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Funds Regulations issued by the Capital Market Authority and the Fund's terms and conditions. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed interim financial statements of the **SNB Capital Multi-Asset Conservative Fund** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Ebrahim Oboud Baashen
License No. 382

Date: 26 Muharram 1446 H
Corresponding to 1 August 2024



SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

Expressed in US Dollars ‘000 (unless otherwise stated)

| | <i>Notes</i> | 30 June 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|--------------|---|----------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 9 | 11,192 | 6,291 |
| Investments – net | 10 | 119,358 | 128,403 |
| Other receivables | | 1,863 | 454 |
| Total assets | | 132,413 | 135,148 |
| LIABILITIES | | | |
| Other payables | | 356 | 1,501 |
| Net assets attributable to the Unitholders | | 132,057 | 133,647 |
| Units in issue in thousands (number) | | 67,238 | 70,331 |
| Net assets value per unit (USD) | | 1.9640 | 1.9003 |

The accompanying notes 1 to 16 form an integral part of these condensed interim financial statements

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

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

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

| | | For the six-month period ended 30 June | |
|--|-------------|---|--------------------|
| | <i>Note</i> | <u>2024</u> | <u>2023</u> |
| Realised gain on investments measured at fair value through profit or loss (FVTPL investments) – net | | 2,705 | 2,750 |
| Special commission income on Sukuk | | 1,624 | 1,571 |
| Special commission income on Murabaha contracts | | 267 | 160 |
| Unrealised (loss) / gain on FVTPL investments – net | | (61) | 5,617 |
| Dividend income | | 199 | 292 |
| Other income | | 439 | 233 |
| Total income | | <u>5,173</u> | <u>10,623</u> |
| Management fees | <i>11</i> | (659) | (692) |
| Value added tax expense | | (99) | (104) |
| Administrative expenses | | (34) | (133) |
| Custody fees | | (9) | (38) |
| Auditors' remuneration | | (6) | (5) |
| Professional fees | | (6) | (3) |
| Shariah audit fees | | (2) | -- |
| Fund Board remuneration | | (1) | (4) |
| Capital Market Authority fees | | (1) | (1) |
| Reversal / (charge) of expected credit loss allowance | | 1 | (2) |
| Other expenses | | (3) | (3) |
| Total operating expenses | | <u>(819)</u> | <u>(985)</u> |
| Profit for the period | | <u>4,354</u> | <u>9,638</u> |
| Other comprehensive income for the period | | <u>--</u> | <u>--</u> |
| Total comprehensive income for the period | | <u>4,354</u> | <u>9,638</u> |

The accompanying notes 1 to 16 form an integral part of these condensed interim financial statements

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

| | For the six-month period ended 30 June | |
|--|---|-----------------------|
| | <u>2024</u> | <u>2023</u> |
| Net assets attributable to the Unitholders at the beginning of the period (Audited) | 133,647 | 145,073 |
| Total comprehensive income for the period | 4,354 | 9,638 |
| Net decrease in net assets from unit transactions during the period | | |
| Proceeds from units issued | 1,552 | 2,732 |
| Value of units redeemed | (7,496) | (13,820) |
| | (5,944) | (11,088) |
| Net assets attributable to the Unitholders at the end of the period (Unaudited) | <u>132,057</u> | <u>143,623</u> |

UNITS TRANSACTIONS

Transactions in units during the period are summarised as follows:

| | For the six-month period ended 30 June | |
|---|---|----------------------|
| | <u>2024</u> | <u>2023</u> |
| | -----Units in '000s----- | |
| Units at the beginning of the period (Audited) | 70,331 | 85,646 |
| Units issued | 807 | 1,598 |
| Units redeemed | (3,900) | (7,904) |
| Net decrease in units during the period | (3,093) | (6,306) |
| Units at the end of the period (Unaudited) | <u>67,238</u> | <u>79,340</u> |

The accompanying notes 1 to 16 form an integral part of these condensed interim financial statements

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

| | | For the six-month period ended 30 June | |
|---|-------------|---|---------------------|
| | <i>Note</i> | <u>2024</u> | <u>2023</u> |
| Cash flows from operating activities | | | |
| Profit for the period | | 4,354 | 9,638 |
| <i>Adjustments for:</i> | | | |
| Unrealised loss / (gain) on FVTPL investments – net | | 61 | (5,617) |
| Realised gain on FVTPL investments – net | | (2,705) | (2,750) |
| (Reversal) / charge of allowance for expected credit losses | | (1) | 2 |
| | | <u>1,709</u> | <u>1,273</u> |
| <i>Net changes in operating assets and liabilities:</i> | | | |
| FVTPL investments – net | | (4,861) | (11,054) |
| Investments measured at amortised cost | | 16,551 | 25,036 |
| Other receivables | | (1,409) | 232 |
| Other payables | | (1,145) | (1,672) |
| | | <u>10,845</u> | <u>13,815</u> |
| Net cash generated from operating activities | | | |
| Cash flows from financing activities | | | |
| Proceeds from units issued | | 1,552 | 2,732 |
| Value of units redeemed | | (7,496) | (13,820) |
| | | <u>(5,944)</u> | <u>(11,088)</u> |
| Net cash used in financing activities | | | |
| Net increase in cash and cash equivalents | | 4,901 | 2,727 |
| Cash and cash equivalents at the beginning of the period | 9 | <u>6,291</u> | <u>5,445</u> |
| Cash and cash equivalents at the end of the period | 9 | <u><u>11,192</u></u> | <u><u>8,172</u></u> |

The accompanying notes 1 to 16 form an integral part of these condensed interim financial statements

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

SNB Capital Multi-Asset Conservative 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”) and 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’s objective is to achieve capital growth over the medium to long term to protect the capital by investing in a diversified portfolio of asset classes.

The terms and conditions of the Fund were initially approved by the Saudi Central Bank (“SAMA”) and subsequently endorsed by the CMA through their letter dated 18 Dhul Hijja 1429 H (corresponding to 16 December 2008). The Fund commenced its activities on 6 Shaban 1424 H (corresponding to 2 October 2003).

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulation”) published 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 condensed interim financial statements of the Fund have been prepared in accordance with International Accounting Standard (“IAS 34”) ‘Interim Financial Reporting’ that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Regulations and the Fund’s terms and conditions.

These condensed interim financial statements do not include all information and disclosures required for a complete set financial statements and should be read in conjunction with annual audited financial statements of the Fund as at and for the year ended 31 December 2023.

4. BASIS OF MEASUREMENT AND PRESENTATION

These condensed interim financial statements have been prepared on a historical cost convention using the accrual basis of accounting and going concern concept except for investments measured at fair value through profit or loss (“FVTPL”) which are recorded at fair value.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the condensed statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

5. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). If indicators of the primary economic environment are mixed, then the Fund Manager uses judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The Fund’s investments transactions are denominated in United States Dollar (“USD”) and Saudi Riyal (“SAR”). Subscriptions and redemptions in the units of the Fund are determined based on the net assets value and received and paid in USD and expenses of the Fund are also paid in USD. Accordingly, the Fund Manager has determined that the functional currency of the Fund is USD.

These condensed interim financial statements are presented in USD which is the Fund’s functional and presentation currency and have been rounded off to the nearest thousand unless otherwise stated.

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

6. CHANGES IN THE FUND'S TERMS AND CONDITIONS

During the period, there has been no significant changes to the terms and conditions of the Fund.

7. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim financial statements requires the Fund Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The basis and the methods used for critical accounting judgements, estimates and assumptions adopted are consistent with those used in the preparation of the annual audited financial statements of the Fund for the year ended 31 December 2023.

8. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements of the Fund for the year ended 31 December 2023.

a. 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 2024. The Fund Manager has assessed that the amendments have no significant impact on the Fund's condensed interim financial statements.

Amendments to IAS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants

Amendments to IAS 7 and IFRS 7 - Supplier finance agreements

Amendments to IFRS 16 - Lease liability in a sale and leaseback

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

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

| <i><u>Standards, interpretations and amendments</u></i> | <i><u>Description</u></i> | <i><u>Effective from periods beginning on or after the following date</u></i> |
|--|--|--|
| Amendments to IAS 21 | Lack of exchangeability | 1 January 2025 |
| Amendments to IFRS 18 | Presentation and disclosure in financial statements | 1 January 2027 |
| Amendments to IFRS 19 | Reducing disclosures for subsidiaries | 1 January 2027 |
| Amendments to IFRS 10 and IAS 28 | Sale or contribution of assets between investor and its associate or joint venture | Available for optional adoption / effective date deferred indefinitely |

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

9. CASH AND CASH EQUIVALENTS

This comprises of balances held with a local bank having Moody's credit rating of A3 which is in line with globally understood definition of investment grade.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

10. INVESTMENTS – NET

Investments comprise of the following:

| | Notes | 30 June 2024 (Unaudited) | 31 December 2023 (Audited) |
|--|-------|--------------------------------|----------------------------------|
| FVTPL investments | i) | 72,597 | 65,092 |
| Investments measured at amortised cost | ii) | 46,761 | 63,311 |
| | | <u>119,358</u> | <u>128,403</u> |

i) FVTPL investments

The composition of FVTPL investments measured at fair value through profit or loss by currency is summarized below:

| Currency | Country | 30 June 2024 (Unaudited) | | | 31 December 2023 (Audited) | | |
|----------------------|---|---|---------------|---------------|---|---------------|---------------|
| | | % of total investments (fair value) | Cost | Fair value | % of total investments (fair value) | Cost | Fair value |
| US Dollars | United Kingdom, Kingdom of Saudi Arabia | 42.45 | 26,365 | 30,815 | 39.89 | 26,743 | 25,964 |
| Saudi Arabian Riyals | Kingdom of Saudi Arabia | 57.55 | 41,996 | 41,782 | 60.11 | 34,052 | 39,128 |
| | | <u>100</u> | <u>68,361</u> | <u>72,597</u> | <u>100</u> | <u>60,795</u> | <u>65,092</u> |

The FVTPL investments includes the following:

| | 30 June 2024 (Unaudited) | | |
|--|---|--------|------------|
| | % of total investments (fair value) | Cost | Fair value |
| Funds managed by the Fund Manager (related parties) | | | |
| SNB Capital Multi-Asset Income Plus Fund | 13.08 | 15,257 | 15,613 |
| SNB Capital North America Index Fund | 10.47 | 6,809 | 12,502 |
| SNB Capital Diversified Saudi Riyal Fund | 7.92 | 8,609 | 9,456 |
| SNB Tier 1 Sukuk Fund | 4.03 | 4,791 | 4,810 |
| SNB Capital Emerging Markets Index Fund | 1.76 | 2,204 | 2,106 |
| SNB Capital Tier One Sukuk Fund III | 1.56 | 1,866 | 1,866 |
| SNB Capital Europe Index Fund | 0.79 | 676 | 940 |
| SNB Capital Global REITs Fund | 0.55 | 726 | 654 |
| SNB Capital Asia Pacific Index Fund | 0.38 | 427 | 455 |
| SNB Capital International Trade Fund | 0.03 | 28 | 31 |
| Investment in Exchange Traded Funds and REITs | | | |
| Morgan Stanley Capital International EM | 3.27 | 3,944 | 3,905 |
| Jadwa REIT Saudi Fund | 1.02 | 1,101 | 1,212 |
| Other Exchange traded funds and REITs | 0.71 | 1,023 | 842 |

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

10. INVESTMENTS – NET (CONTINUED)

i) FVTPL investments (continued)

Other investments

| | <i>30 June 2024 (Unaudited)</i> | | |
|----------------------------|--|---------------|-------------------|
| | <i>% of total investments (fair value)</i> | <i>Cost</i> | <i>Fair value</i> |
| Emirates Global Sukuk Fund | 3.70 | 4,210 | 4,420 |
| Channel Trade Finance | 2.56 | 4,713 | 3,052 |
| Guidance ATEL GCC Leasing | 2.46 | 4,007 | 2,941 |
| ITE Rail Leasing | 2.16 | 2,503 | 2,583 |
| Saudi Arabian Oil Company | 1.84 | 2,145 | 2,194 |
| Others | 2.52 | 3,322 | 3,015 |
| | 60.81 | 68,361 | 72,597 |

| | <i>31 December 2023 (Audited)</i> | | |
|--|--|---------------|-------------------|
| | <i>% of total investments (fair value)</i> | <i>Cost</i> | <i>Fair value</i> |
| <i>Funds managed by the Fund Manager (related parties)</i> | | | |
| SNB Capital Multi-Asset Income Plus Fund | 12.03 | 15,257 | 15,449 |
| SNB Capital North America Index Fund | 8.69 | 6,809 | 11,159 |
| SNB Capital Diversified Saudi Riyal Fund | 7.19 | 8,609 | 9,238 |
| SNB Tier 1 Sukuk Fund | 3.75 | 4,792 | 4,813 |
| SNB Capital Emerging Markets Index Fund | 1.61 | 2,204 | 2,073 |
| SNB Capital Tier 1 Sukuk Fund III | 1.45 | 1,866 | 1,867 |
| SNB Capital Europe Index Fund | 0.68 | 676 | 880 |
| SNB REIT Fund 1 | 0.62 | 897 | 796 |
| SNB Capital Global REITs Fund | 0.53 | 726 | 679 |
| SNB Capital Asia Pacific Index Fund | 0.35 | 427 | 454 |
| SNB Capital International Trade Fund | 0.02 | 28 | 30 |
| <i>Investment in Exchange Traded Funds and REITs</i> | | | |
| Jadwa REIT Saudi Fund | 1.46 | 1,432 | 1,882 |
| Invesco Physical Gold | 0.11 | 126 | 147 |
| <i>Other investments</i> | | | |
| Emirates Global Sukuk Fund | 3.42 | 4,210 | 4,397 |
| Channel Trade Finance | 2.68 | 5,027 | 3,441 |
| Guidance ATEL GCC Leasing | 2.30 | 4,007 | 2,949 |
| ITE Rail Leasing | 2.10 | 2,503 | 2,704 |
| Ades Holding Company | 1.66 | 1,199 | 2,134 |
| | 50.65 | 60,795 | 65,092 |

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

10. INVESTMENTS – NET (CONTINUED)

ii) Investments measured at amortised cost

The composition of investments measured at amortised cost by currency is summarized below:

| <i>Currency</i> | <i>Country</i> | 30 June 2024 (Unaudited) | 31 December 2023 (Audited) |
|-----------------------|--|-------------------------------------|---------------------------------------|
| Saudi Arabian Riyals | Kingdom of Saudi Arabia | 10,808 | 24,176 |
| United States Dollars | Kingdom of Saudi Arabia, United Kingdom, Switzerland | 28,192 | 31,187 |
| Australian Dollars | Australia | 7,804 | 7,992 |
| | | 46,804 | 63,355 |

Investments measured at amortised cost include the following:

| | <i>Notes</i> | 30 June 2024 (Unaudited) | 31 December 2023 (Audited) |
|---|--------------|---|---|
| Investments in Sukuk | <i>a)</i> | 34,457 | 46,992 |
| Investments in Murabaha contracts | <i>b)</i> | 12,347 | 16,363 |
| Gross carrying value | | 46,804 | 63,355 |
| Less: expected credit loss allowance | | (43) | (44) |
| Net investment measured at amortised cost | | 46,761 | 63,311 |

- a) Investments in Sukuk carry profit rates ranging from 3.17% to 7.89% (2023: 3.17% to 9.01%) per annum with varying maturities up till 8 April 2043 (2023: 8 April 2043)
- b) Investments in Murabaha contracts carry profit rates ranging from 8.50% to 8.88% (2023: 8.50% to 8.88%) per annum with varying maturities up till 17 March 2029.

11. RECONCILIATION OF CHANGES IN NET ASSETS

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

| | 30 June 2024 (Unaudited) | 31 December 2023 (Audited) |
|--|-------------------------------------|---------------------------------------|
| Reported net assets of the Fund | 132,057 | 133,647 |
| Add: Expected credit loss allowance | 43 | 44 |
| | 132,100 | 133,691 |
| Less: Provision for incurred credit losses | -- | -- |
| Traded net assets of the Fund | 132,100 | 133,691 |
| Number of units in issue | 67,238 | 70,331 |
| Traded net assets value per unit of the Fund | 1.9647 | 1.9009 |

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

12. RELATED PARTY TRANSACTIONS AND BALANCES

The related party of the Fund includes the Fund Manager, Fund Board, other funds managed by the Fund Manager, and 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 six-month period ended 30 June 2024.

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 1% (2023: 1%) 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 investment in other Funds managed by the Fund Manager. This is included in rebate 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% (2023: 0.5%) per annum of the Fund's net assets value at the respective valuation days. These expenses have been recovered by the Fund Manager on an actual basis.

Following are the details of transactions and balances with Fund Manager related to management fees and other expenses:

| <i>Related party</i> | <i>Nature of transactions</i> | <i>Amount of transactions for the six-month period ended</i> | | <i>Net payable balance as at</i> | |
|----------------------|---|--|---------------------------------|----------------------------------|-----------------------------------|
| | | <i>30 June 2024 (Unaudited)</i> | <i>30 June 2023 (Unaudited)</i> | <i>30 June 2024 (Unaudited)</i> | <i>31 December 2023 (Audited)</i> |
| SNB Capital Company | Management fees (including value added tax) | 758 | 796 | 350 | 1,492 |
| | Expenses paid on behalf of the Fund | 62 | 187 | | |
| | Rebate income | 182 | -- | | |

13. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market at a market price, because this price is assessed to be a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Fund recognises transfer between levels of fair value at the end of the reporting period during which the change has occurred.

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(Managed by the SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

13. FAIR VALUE MEASUREMENT (CONTINUED)

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.

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:

| | <i>As at 30 June 2024 (Unaudited)</i> | | | | |
|---|---------------------------------------|-------------------|----------------|----------------|---------------|
| | <i>Carrying amount</i> | <i>Fair value</i> | | | <i>Total</i> |
| | | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | |
| <u>Financial assets measured at fair value</u> | | | | | |
| FVTPL investments | <u>72,597</u> | <u>10,326</u> | <u>62,271</u> | <u>--</u> | <u>72,597</u> |

Financial assets measured at amortised cost

| | | | | | |
|--|---------------|-----------|---------------|-----------|---------------|
| Investments measured at amortised cost | <u>46,761</u> | <u>--</u> | <u>45,393</u> | <u>--</u> | <u>45,393</u> |
|--|---------------|-----------|---------------|-----------|---------------|

| | <i>As at 31 December 2023 (Audited)</i> | | | | |
|---|---|-------------------|----------------|----------------|---------------|
| | <i>Carrying amount</i> | <i>Fair value</i> | | | <i>Total</i> |
| | | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | |
| <u>Financial assets measured at fair value</u> | | | | | |
| FVTPL investments | <u>65,092</u> | <u>2,029</u> | <u>63,063</u> | <u>--</u> | <u>65,092</u> |

Financial assets measured at amortised cost

| | | | | | |
|--|---------------|-----------|---------------|-----------|---------------|
| Investments measured at amortised cost | <u>63,311</u> | <u>--</u> | <u>63,311</u> | <u>--</u> | <u>63,311</u> |
|--|---------------|-----------|---------------|-----------|---------------|

The Fund has classified investments measured at fair value through profit or loss ("FVTPL") as level 1 as per the fair value hierarchy except for investments in unlisted open ended investment funds which are measured using unadjusted net asset value and are classified as level 2 as per fair value hierarchy.

The Fund has classified investments measured at amortised cost as level 2 as per the fair value hierarchy, the Fund uses values obtained from reputable third parties where they use valuation techniques. Those valuation techniques use observable market inputs embedded in the models that include risk adjusted discount rates, marketability, and liquidity discounts.

During the period, there has been no transfer in fair value hierarchy for investments at FVTPL. For other assets and liabilities, such as other receivables and other payables, the carrying values were determined to be a reasonable approximation of fair value due to their short-term nature and frequent repricing.

SNB CAPITAL MULTI-ASSET CONSERVATIVE FUND
(Managed by the SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2024

Expressed in US Dollars '000 (unless otherwise stated)

14. LAST VALUATION DAY

The last valuation date for the purpose of preparation of condensed interim financial statements was 30 June 2024 (2023: 31 December 2023)

15. 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 condensed interim financial statements or notes thereto.

16. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Board on 26 Muharram 1446 H corresponding to 1 August 2024.