

SNB CAPITAL INTERNATIONAL TRADE 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



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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 International Trade Fund

Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of the **SNB Capital International Trade 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 International Trade 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

إبراهيم عبود باعشن

Ebrahim Oboud Baeshen
License No. 382



Date: 04 Safar 1446H

Corresponding to: 08 August 2024

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كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي للفرزان وشركاء محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة الإنجليزية محدودة بضمان. جميع الحقوق محفوظة.

SNB CAPITAL INTERNATIONAL TRADE 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	560	2,619
Investments – net	10	164,827	113,100
Other receivables		<u>39</u>	<u>28</u>
Total assets		<u>165,426</u>	<u>115,747</u>
LIABILITIES			
Other payables		<u>944</u>	<u>121</u>
Net assets attributable to the Unitholders		<u>164,482</u>	<u>115,626</u>
Units in issue in thousands (number)		<u>54,961</u>	<u>39,662</u>
Net assets value per unit (USD)		<u>2.9927</u>	<u>2.9153</u>

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

SNB CAPITAL INTERNATIONAL TRADE 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>
Special commission income on Murabaha contracts		4,366	2,795
Total income		<u>4,366</u>	<u>2,795</u>
Management fees	12	(335)	(238)
Value added tax expense		(49)	(36)
Administrative expenses		(29)	(38)
Professional fees		(6)	(2)
Auditors' remuneration		(6)	(6)
Shariah audit fees		(4)	(3)
Fund Board remuneration		(1)	(5)
Capital Market Authority fees		(1)	(1)
Tadawul fees		(1)	(1)
Custody fees		--	(3)
Other expenses		(6)	--
Reversal of / (charge) for expected credit loss allowance		<u>(12)</u>	<u>(3)</u>
Total operating expenses		<u>(450)</u>	<u>(336)</u>
Profit for the period		<u>3,916</u>	<u>2,459</u>
Other comprehensive income for the period		<u>--</u>	<u>--</u>
Total comprehensive income for the period		<u><u>3,916</u></u>	<u><u>2,459</u></u>

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

SNB CAPITAL INTERNATIONAL TRADE FUND
(Managed by the SNB Capital Company)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS (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	
	<u>2024</u>	<u>2023</u>
Net assets attributable to the Unitholders at the beginning of the period (Audited)	115,626	102,837
Total comprehensive income for the period	3,916	2,459
Net increase in net assets from unit transactions during the period		
Proceeds from units issued	72,796	19,364
Value of units redeemed	(27,856)	(5,667)
	44,940	13,697
Net assets attributable to the Unitholders at the end of the period (Unaudited)	<u>164,482</u>	<u>118,993</u>

UNITS TRANSACTIONS

Transactions in units during the period are summarized as follows:

	For the six-month period ended 30 June	
	<u>2024</u>	<u>2023</u>
	<u>Units '000</u>	<u>Units'000</u>
Units at the beginning of the period (Audited)	39,662	37,061
Units issued	24,725	6,900
Units redeemed	(9,426)	(2,023)
Net increase in units	<u>15,299</u>	<u>4,877</u>
Units at the end of the period (Unaudited)	<u>54,961</u>	<u>41,938</u>

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

SNB CAPITAL INTERNATIONAL TRADE 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		3,916	2,459
<i>Adjustments for:</i>			
(Reversal) of / charge for expected credit loss allowance		<u>(12)</u>	<u>3</u>
		3,928	2,462
<i>Net changes in operating assets and liabilities:</i>			
Investments measured at amortized cost		(51,739)	(15,611)
Other receivables		(11)	--
Other payables		823	208
Net cash used in operating activities		<u>(46,999)</u>	<u>(12,941)</u>
Cash flows from financing activities			
Proceeds from units issued		72,796	19,364
Value of units redeemed		<u>(27,856)</u>	<u>(5,667)</u>
Net cash generated from financing activities		<u>44,940</u>	<u>13,697</u>
Net (decrease) / increase in cash and cash equivalents		(2,059)	756
Cash and cash equivalents at the beginning of the period	9	<u>2,619</u>	<u>177</u>
Cash and cash equivalents at the end of the period	9	<u><u>560</u></u>	<u><u>933</u></u>

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

SNB CAPITAL INTERNATIONAL TRADE 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 International Trade 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 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 a letter dated 18 Dhul Hijja 1429H (corresponding to 16 December 2008). The Fund commenced its activities on 6 Rajab 1407 H (corresponding to 6 March 1987).

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 comply with the applicable provisions of the Regulations issued by the CMA, and the Fund's terms and conditions.

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

4. BASIS OF MEASUREMENT AND PRESENTATION

The financial statements have been prepared historical cost convention using accrual basis of accounting and the going concern concept.

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"). These condensed interim financial statements are presented in United States 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 INTERNATIONAL TRADE 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)

6. CHANGES IN FUND'S TERMS AND CONDITIONS

During the period, there have been no changes in the terms and conditions of the Fund.

7. CRITICAL ACCOUNTING JUDGMENTS, 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 effective during the period

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 significant impact on the Fund's condensed interim financial statements.

SNB CAPITAL INTERNATIONAL TRADE 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)

9. CASH AND CASH EQUIVALENTS

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

10. INVESTMENTS - NET

Investments measured at amortized cost include the following:

		30 June 2024 (Unaudited)	31 December 2023 (Audited)
	<i>Note</i>		
Investments in Murabaha contracts	<i>a)</i>	164,866	113,127
Less: Allowance for expected credit loss		(39)	(27)
Net investments measured at amortized cost		164,827	113,100

- a) Murabaha placements are held with local and international banks. These carry profit rates ranging from 5.35% to 6.68% per annum (2023: 5.2% to 6% per annum) with maturity up till 3 March 2025 (2023: 10 June 2024).

11. 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 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 0.45% (2023: 0.45%) per annum of the Fund's daily net assets as set out in the Fund's terms and conditions.

The Fund Manager is also entitled to recover expenses incurred on behalf of the Fund relating to audit, custody, advisory, data processing and other similar charges. The maximum amount of such expenses that can be recovered from the Fund by the Fund Manager is restricted to 0.5% (2023: 0.5%) per annum of the Fund's net assets at the respective valuation days. These expenses have been recovered by the Fund Manager on an actual basis.

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

<i>Name of related party</i>	<i>Nature of transactions</i>	<i>Amounts of transactions for the six-month period ended</i>		<i>Net payable as at</i>	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
SNB Capital Company	Management fees (including value added tax)	384	274	140	83
	Expenses paid on behalf of the Fund	54	59		

SNB CAPITAL INTERNATIONAL TRADE 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)

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Transactions and balances with related parties

During the period, 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.

Following are the details of transactions and closing balance in the units of the Fund:

Name of related party	Nature of transactions	Amounts of transactions for the period ended		Closing investment as at	
		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
SNB Capital Multi-Asset Conservative Fund	Subscription of Fund units	--	--	31	30
	Redemption of Fund units	--	--		
SNB Capital Diversified US Dollar Fund	Subscription of Fund units	--	250	19,404	18,920
	Redemption of Fund units	--	--		
SNB Capital Multi-Asset Income Plus Fund	Subscription of Fund units	250	--	--	3,017
	Redemption of Fund units	1,078	--		
SNB Capital Al Razeen USD Liquidity Fund	Subscription of Fund units	--	--	1,070	1,042
	Redemption of Fund units	--	198		
SNB Capital Al Sunbullah USD Fund	Subscription of Fund units	--	2,000	6,929	6,750
	Redemption of Fund units	--	--		
SNB Capital King Saud University Waqf Fund	Subscription of Fund units	--	--	--	203
	Redemption of Fund units	55	402		
SNB Capital Corporate Sukuk Fund	Subscription of Fund units	--	--	298	1,168
	Redemption of Fund units	890	--		
SNB Capital Global Sukuk Fund	Subscription of Fund units	--	--	1,175	1,214
	Redemption of Fund units	70	--		

SNB CAPITAL INTERNATIONAL TRADE 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. RECONCILIATION OF CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNTHOLDERS

As per the requirements of CMA circular dated 31 December 2017, the Fund calculates provision for impairment in respect of debt 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 has resulted 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 reported net assets and trading net assets:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Reported net assets of the Fund	164,482	115,626
Add: Allowance for expected credit losses	39	27
Less: Provision for incurred credit losses	--	--
Traded net assets of the Fund	164,521	115,653
Number of units in issue	54,961	39,662
Traded net assets per unit of the Fund	2.9934	2.9160

13. FAIR VALUE MEASUREMENT

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

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

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

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

The fair value hierarchy has the following levels:

- Level 1: 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.

SNB CAPITAL INTERNATIONAL TRADE 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)

13. FAIR VALUE MEASUREMENT (CONTINUED)

These investments are in short-term murabaha contracts with different banks. Due to their short-term nature, the carrying values were determined to be a reasonable approximation of fair value. For other financial assets and liabilities such as cash and cash equivalents, other receivables and other payables, the carrying values were determined to be a reasonable approximation of fair value.

14. LAST VALUATION DAY

The last valuation day for the purpose of preparation of these 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 financial statements or notes thereto.

16. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Board on 03 Safar 1446 H corresponding to 07 August 2024.