

**SNB CAPITAL SAUDI TRADING EQUITY 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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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 on review of condensed interim financial statements

To the Unitholders of the SNB Capital Saudi Trading Equity Fund

## Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of the **SNB Capital Saudi Trading Equity 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 Saudi Trading Equity 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: 26 Muharram 1446 H  
Corresponding to: 1 August 2024

**SNB CAPITAL SAUDI TRADING EQUITY FUND**  
**(Managed by the SNB Capital Company)**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2024

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

	<i>Notes</i>	<b>30 June 2024 (Unaudited)</b>	31 December 2023 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	9	<b>16,065</b>	60,283
Investments measured at fair value through profit or loss (FVTPL investments)	10	<b>889,492</b>	973,542
Other receivables		<b>1,447</b>	61
<b>Total assets</b>		<b>907,004</b>	1,033,886
<b>LIABILITIES</b>			
Other payables		<b>3,329</b>	4,453
<b>Net assets attributable to the Unitholders</b>		<b>903,675</b>	1,029,433
<b>Units in issue in thousands (number)</b>		<b>50,514</b>	53,970
<b>Net assets value per unit (SAR)</b>		<b>17.8896</b>	19.0742

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

**SNB CAPITAL SAUDI TRADING EQUITY 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 Saudi Arabian Riyals '000 (unless otherwise stated)

		<b>For the six-month period ended 30 June</b>	
	<i>Notes</i>	<b><u>2024</u></b>	<b><u>2023</u></b>
Unrealised (loss) / gain on FVTPL investments – net		<b>(117,501)</b>	148,668
Realised gain on FVTPL investments – net		<b>56,707</b>	1,294
Dividend income		<b>11,503</b>	16,804
Other income		<b>--</b>	<b>2</b>
<b>Total income</b>		<b><u>(49,291)</u></b>	<b><u>166,768</u></b>
Management fees	<i>11</i>	<b>(8,592)</b>	(8,865)
Value added tax expense		<b>(1,289)</b>	(1,330)
Administrative expenses		<b>(441)</b>	(434)
Custody fees		<b>(168)</b>	(321)
Auditor's remuneration		<b>(39)</b>	(39)
Shariah audit fees		<b>(14)</b>	(10)
Fund Board remuneration		<b>(7)</b>	(12)
Capital Market Authority fees		<b>(4)</b>	(4)
Tadawul fees		<b>(3)</b>	(3)
Other Expenses		<b><u>(1)</u></b>	<b><u>--</u></b>
<b>Total operating expenses</b>		<b><u>(10,558)</u></b>	<b><u>(11,018)</u></b>
<b>(Loss) / profit for the period</b>		<b><u>(59,849)</u></b>	<b><u>155,750</u></b>
<b>Other comprehensive income for the period</b>		<b><u>--</u></b>	<b><u>--</u></b>
<b>Total comprehensive (loss) / income for the period</b>		<b><u>(59,849)</u></b>	<b><u>155,750</u></b>

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

**SNB CAPITAL SAUDI TRADING EQUITY 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 Saudi Arabian Riyals '000 (unless otherwise stated)

	<b>For the six-month period ended 30 June</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Net assets attributable to the Unitholders at the beginning of the period (Audited)</b>	<b>1,029,433</b>	<b>1,020,612</b>
Total comprehensive (loss) / income for the period	<b>(59,849)</b>	<b>155,750</b>
<b>Net decrease in net assets from unit transactions during the period</b>		
Proceeds from units issued	<b>15,150</b>	<b>25,046</b>
Value of units redeemed	<b>(81,059)</b>	<b>(73,471)</b>
	<b>(65,909)</b>	<b>(48,425)</b>
<b>Net assets attributable to the Unitholders at the end of the period (Unaudited)</b>	<b><u>903,675</u></b>	<b><u>1,127,937</u></b>

**UNITS TRANSACTIONS**

Transactions in units during the period are summarised as follows:

	<b>For the six-month period ended 30 June</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b>-----Units in '000s-----</b>	
<b>Units at the beginning of the period (Audited)</b>	<b>53,970</b>	<b>67,157</b>
Units issued	<b>796</b>	<b>1,552</b>
Units redeemed	<b>(4,252)</b>	<b>(4,510)</b>
<b>Net decrease in units during the period</b>	<b>(3,456)</b>	<b>(2,958)</b>
<b>Units at the end of the period (Unaudited)</b>	<b><u>50,514</u></b>	<b><u>64,199</u></b>

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

**SNB CAPITAL SAUDI TRADING EQUITY FUND**  
**(Managed by the SNB Capital Company)**

**CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the six-month period ended 30 June 2024

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

		<b>For the six-month period ended 30 June</b>	
	<i>Note</i>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Cash flows from operating activities</b>			
(Loss) / profit for the period		<b>(59,849)</b>	155,750
<i>Adjustments for:</i>			
Unrealised loss / (gain) on FVTPL investments – net		<b>117,501</b>	(148,668)
Realised gain on FVTPL investments – net		<b>(56,707)</b>	(1,294)
		<b>945</b>	5,788
<i>Net changes in operating assets and liabilities:</i>			
FVTPL investments		<b>23,256</b>	45,862
Other receivables		<b>(1,386)</b>	(130)
Other payables		<b>(1,124)</b>	4,625
<b>Net cash generated from operating activities</b>		<b><u>21,691</u></b>	<u>56,145</u>
<b>Cash flows from financing activities</b>			
Proceeds from units issued		<b>15,150</b>	25,046
Value of units redeemed		<b>(81,059)</b>	(73,471)
<b>Net cash used in financing activities</b>		<b><u>(65,909)</u></b>	<u>(48,425)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(44,218)</b>	7,720
Cash and cash equivalents at the beginning of the period	9	<b><u>60,283</u></b>	<u>53,536</u>
<b>Cash and cash equivalents at the end of the period</b>	9	<b><u>16,065</u></b>	<u>61,256</u>

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

**SNB CAPITAL SAUDI TRADING EQUITY 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 Saudi Arabian Riyals '000 (unless otherwise stated)

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**1. THE FUND AND ITS ACTIVITIES**

SNB Capital Saudi Trading Equity Fund (the "Fund") is an open-ended Shariah compliant 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 objective of the Fund is to achieve long-term capital growth through investing in listed companies in the Saudi equity market that complies with Shariah guidelines. 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 their letter dated 18 Dhul Hijja 1429 H (corresponding to 16 December 2008).

**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 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"). These condensed interim financial statements are presented in Saudi Arabian Riyal ("SAR") which is the Fund's functional and presentation currency and have been rounded off to the nearest thousand unless otherwise stated.

**6. CHANGES IN THE FUND'S TERMS AND CONDITIONS**

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

**SNB CAPITAL SAUDI TRADING EQUITY 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 Saudi Arabian Riyals '000 (unless otherwise stated)

**7. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the condensed interim financial statements requires 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 principal accounting policies applied in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements of the Fund for the year ended 31 December 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 transaction*

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

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

<i><b><u>Standards, interpretations and amendments</u></b></i>	<i><b><u>Description</u></b></i>	<i><b><u>Effective from periods beginning on or after the following date</u></b></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 SAUDI TRADING EQUITY FUND**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six-month period ended 30 June 2024

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

**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.

**10. FVTPL INVESTMENTS**

The composition of investments measured at FVTPL by industry sector is summarised below:

<b><u>Industry Sector</u></b>	<b><u>30 June 2024 (Unaudited)</u></b>		
	<b><u>% of total</u></b>	<b><u>Cost</u></b>	<b><u>Fair value</u></b>
	<b><u>investments</u></b>		
	<b><u>(fair value)</u></b>		
Banks	24.26	154,831	215,766
Materials	17.27	190,600	153,588
Energy	13.86	81,454	123,318
Food and Beverages	10.83	101,270	96,320
Insurance	7.02	39,210	62,459
Health Care Equipment and Services	6.81	41,414	60,610
Financial Services	5.02	45,243	44,611
Telecommunication services	4.42	36,526	39,291
Real Estate Management and Development	4.21	34,608	37,488
Transportation	3.19	25,608	28,407
Consumer Services	3.11	25,809	27,634
	<b>100</b>	<b>776,573</b>	<b>889,492</b>

<b><u>Industry Sector</u></b>	<b><u>31 December 2023 (Audited)</u></b>		
	<b><u>% of total</u></b>	<b><u>Cost</u></b>	<b><u>Fair Value</u></b>
	<b><u>Investment</u></b>		
	<b><u>(fair value)</u></b>		
Banks	31.31	206,160	304,793
Materials	17.04	190,659	165,935
Energy	22.81	135,888	222,030
Health Care Equipment and Services	10.49	61,762	102,078
Insurance	3.97	18,536	38,686
Real Estate Management and Development	3.91	37,346	38,075
Food and Beverages	3.17	28,814	30,892
Consumer Services	3.02	26,965	29,420
Telecommunication Services	2.52	23,181	24,502
Transportation Services	1.76	13,811	17,131
	<b>100</b>	<b>743,122</b>	<b>973,542</b>

**SNB CAPITAL SAUDI TRADING EQUITY 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 Saudi Arabian Riyals '000 (unless otherwise stated)

**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 1.75% (2023: 1.75 %) per annum of the Fund's daily net assets value 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 value at the respective valuation days. These expenses are 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 balance payable 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)	9,881	10,195	2,357	2,633
	Expenses paid on behalf of the Fund	677	823		

**12. 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.

**SNB CAPITAL SAUDI TRADING EQUITY 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 Saudi Arabian Riyals '000 (unless otherwise stated)

**12. 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>					
<u><i>Financial assets measured at fair value</i></u>	<u><i>Carrying amount</i></u>	<u><i>Fair value</i></u>			<u><i>Total</i></u>
		<u><i>Level 1</i></u>	<u><i>Level 2</i></u>	<u><i>Level 3</i></u>	
FVTPL investments	<u>889,492</u>	<u>889,492</u>	<u>--</u>	<u>--</u>	<u>889,492</u>

  

<i>As at 31 December 2023 (Audited)</i>					
<u><i>Financial assets measured at fair value</i></u>	<u><i>Carrying amount</i></u>	<u><i>Fair Value</i></u>			<u><i>Total</i></u>
		<u><i>Level 1</i></u>	<u><i>Level 2</i></u>	<u><i>Level 3</i></u>	
FVTPL investments	<u>973,542</u>	<u>973,542</u>	<u>--</u>	<u>--</u>	<u>973,542</u>

The Fund has classified the investments measured at FVTPL as per the fair value hierarchy as level 1. During the period, there has been no transfer in fair value hierarchy. For other financial assets and liabilities not measured at fair value such as 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.

**13. 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)

**14. 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.

**15. 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.