

SNB CAPITAL GLOBAL HEALTHCARE 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 Global Healthcare Fund

Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of the **SNB Capital Global Healthcare 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.

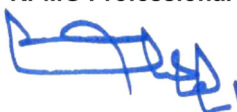
Scope of review

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 Global Healthcare Fund** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Ebrahim Oboud Baeshen
License No. 382



Date: 02 Safar 1446H
Corresponding to: 06 August 2024

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

SNB CAPITAL GLOBAL HEALTHCARE 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>	<u>30 June 2024</u> <i>(Unaudited)</i>	<u>31 December 2023</u> <i>(Audited)</i>
ASSETS			
Cash and cash equivalents	9	747	363
Investments measured at fair value through profit or loss (FVTPL investments)	10	50,693	51,408
Other receivables		24	19
Total assets		<u>51,464</u>	<u>51,790</u>
LIABILITIES			
Other payables		<u>717</u>	<u>449</u>
Net assets attributable to the Unitholders		<u>50,747</u>	<u>51,341</u>
Units in issue in thousands (number)		<u>13,861</u>	<u>15,448</u>
Net assets value per unit (USD)		<u>3.6611</u>	<u>3.3235</u>

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

SNB CAPITAL GLOBAL HEALTHCARE 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)

		<i>For the six-month period ended 30 June</i>	
	<i>Note</i>	<u>2024</u>	<u>2023</u>
Realised gain on FVTPL investments – net		4,270	1,122
Unrealised gain / (loss) on FVTPL investments – net		944	(329)
Dividend income		<u>323</u>	<u>435</u>
Total income		<u>5,537</u>	<u>1,228</u>
Management fees	<i>11</i>	(496)	(509)
Value added tax expense		(59)	(76)
Custody fees		(10)	(26)
Auditors' remuneration		(10)	(5)
Administrative expenses		(6)	(5)
Fund Board remuneration		(3)	(3)
Tadawul fees		(3)	(3)
Shariah audit fees		(2)	(4)
Capital Market Authority fees		<u>(1)</u>	<u>(1)</u>
Total operating expenses		<u>(590)</u>	<u>(632)</u>
Profit for the period		<u>4,947</u>	<u>596</u>
Other comprehensive income for the period		<u>--</u>	<u>--</u>
Total comprehensive income for the period		<u>4,947</u>	<u>596</u>

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

SNB CAPITAL GLOBAL HEALTHCARE 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)	51,341	60,183
Total comprehensive income for the period	4,947	596
Net decrease in net assets from unit transactions during the period		
Proceeds from units issued	1,307	1,114
Value of units redeemed	(6,848)	(5,338)
	(5,541)	(4,224)
Net assets attributable to the Unitholders at the end of the period (Unaudited)	<u>50,747</u>	<u>56,555</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>
	-----Units in '000s-----	
Units at the beginning of the period (Audited)	15,448	18,881
Units issued	372	352
Units redeemed	(1,959)	(1,697)
Net decrease in units during the period	(1,587)	(1,345)
Units at the end of the period (Unaudited)	<u>13,861</u>	<u>17,536</u>

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

SNB CAPITAL GLOBAL HEALTHCARE 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)

		<i>For the six-month period ended 30 June</i>	
	<i>Note</i>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities			
Profit for the period		4,947	596
<u>Adjustments for:</u>			
Realised gain on FVTPL investments – net		(4,270)	(1,122)
Unrealised (gain) / loss on FVTPL investments – net		(944)	329
		(267)	(197)
<u>Net changes in operating assets and liabilities:</u>			
FVTPL investments		5,929	3,831
Other receivables		(5)	(14)
Other payables		268	(129)
Net cash generated from operating activities		5,925	3,491
Cash flows from financing activities			
Proceeds from units issued		1,307	1,114
Value of units redeemed		(6,848)	(5,338)
Net cash used in financing activities		(5,541)	(4,224)
Net increase / (decrease) in cash and cash equivalents		384	(733)
Cash and cash equivalents at the beginning of the period	9	363	1,027
Cash and cash equivalents at the end of the period	9	747	294

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

SNB CAPITAL GLOBAL HEALTHCARE 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 Global Healthcare 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's investments are held by Northern Trust Corporation, a custodian appointed by the Fund Manager.

The Fund Manager has appointed an international investment house, Acadian Assets Management, United States of America as sub-manager to the Fund. Their duties include opening separate independent investment accounts and managing the Fund's assets in line with the investment strategies and Shariah guidelines.

The Fund invests in securities of Shariah compliant companies involved in healthcare services and related activities, listed on major international stock exchanges. Surplus cash balances may be placed in Murabaha contracts.

The terms and conditions of the Fund were originally approved by the Saudi Arabian Monetary Authority ("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 activities on 3 Shaban 1421 H (corresponding to 30 October 2000).

2. REGULATING AUTHORITY

The Fund is governed by the Investment Funds 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

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.

SNB CAPITAL GLOBAL HEALTHCARE 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)

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 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"), Swiss Franc and certain other foreign currencies. Investor subscriptions and redemptions are determined based on the net assets value and received and paid in United States Dollar ("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.

6. CHANGES IN THE FUND'S TERMS AND CONDITIONS

During the period, there have 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 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, 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

SNB CAPITAL GLOBAL HEALTHCARE 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)

8. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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 equity investments measured at FVTPL by currency is summarized below:

<i><u>Currency</u></i>	<i><u>Country</u></i>	<i><u>30 June 2024 (Unaudited)</u></i>		
		<i><u>% of total investments (fair value)</u></i>	<i><u>Cost</u></i>	<i><u>Fair value</u></i>
United States Dollar	Bermuda, Cayman Islands, United Kingdom and United States of America	66.29	27,270	33,604
Swiss Franc	Netherlands and Switzerland	12.80	6,360	6,490
Danish Krone	Denmark	9.49	2,418	4,811
Australian Dollar	Australia	3.95	1,218	2,001
Pound Sterling	United Kingdom	3.16	1,215	1,599
Others	Japan, Finland, Netherlands, Spain, Cayman Islands, China and Norway	4.31	2,502	2,188
		<u>100</u>	<u>40,983</u>	<u>50,693</u>

SNB CAPITAL GLOBAL HEALTHCARE 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. FVTPL INVESTMENTS (CONTINUED)

<u>Currency</u>	<u>Country</u>	<i>31 December 2023 (Audited)</i>		
		<i>% of total investment (fair value)</i>	<i>Cost</i>	<i>Fair value</i>
United States Dollar	Bermuda, Cayman Islands, Ireland, United Kingdom and United States of America	63.99	27,881	32,895
	Switzerland	12.54	6,106	6,447
Danish Krone	Denmark	8.89	2,649	4,569
Australian Dollar	Australia	4.68	1,700	2,406
Pound Sterling	United Kingdom	3.33	1,516	1,711
Others	Cayman Islands, China, Finland, Hongkong, Italy, Japan, Norway and Sweden	6.57	2,790	3,380
		100	42,642	51,408

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 1.85% (2023: 1.85%) 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 0.50% (2023: 0.50%) 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>Amounts of transactions for the six-month period ended</i>		<i>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)	555	585		
	Expenses paid on behalf of the Fund	35	47	166	261

SNB CAPITAL GLOBAL HEALTHCARE 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. 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 a financial 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 period 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.

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	50,693	50,693	--	--	50,693
	<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	51,408	51,408	--	--	51,408

SNB CAPITAL GLOBAL HEALTHCARE 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)

12. FAIR VALUE MEASUREMENT (CONTINUED)

The Fund has classified 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 FVTPL investments. 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 short-term nature.

13. LAST VALUATION DAY

The last valuation date for the purpose of preparation of condensed interim financial statements was 28 June 2024 (2023: 29 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 financial statements or notes thereto.

15. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Board on 02 Safar 1446H corresponding to 06 August 2024.