

SNB CAPITAL NORTH AMERICA INDEX 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 North America Index Fund

Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of the **SNB Capital North America Index 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 North America Index 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 شركة مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأسمالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان 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 إنجليزية محدودة بضمان. جميع الحقوق محفوظة.

SNB CAPITAL NORTH AMERICA INDEX 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	3,670	2,497
Investments measured at fair value through profit or loss (FVTPL investments)	10	560,170	456,876
Other receivables		226	519
Total assets		564,066	459,892
LIABILITIES			
Other payables		2,536	1,358
Net assets attributable to the Unitholders		561,530	458,534
Units in issue in thousands (number)		59,520	54,453
Net assets value per unit (USD)		9.4343	8.4207

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

SNB CAPITAL NORTH AMERICA INDEX 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>
Unrealised gain on FVTPL investments – net		34,586	45,650
Realised gain on FVTPL investments – net		20,418	6,970
Dividend income		2,589	2,043
Total income		<u>57,593</u>	<u>54,663</u>
Management fee	<i>11</i>	(771)	(518)
Administrative expenses		(194)	(26)
Value added tax expense		(96)	(78)
Custody fee		(11)	(7)
Auditors' Remuneration		(10)	(5)
Fund Board remuneration		(3)	(3)
Tadawul Fees		(3)	(3)
Shariah audit fee		(2)	(4)
Capital Market Authority fee		(1)	(1)
Total operating expenses		<u>(1,091)</u>	<u>(645)</u>
Profit for the period		<u>56,502</u>	<u>54,018</u>
Other comprehensive income for the period		<u>--</u>	<u>--</u>
Total comprehensive income for the period		<u><u>56,502</u></u>	<u><u>54,018</u></u>

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

SNB CAPITAL NORTH AMERICA INDEX 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)	458,534	337,672
Total comprehensive income for the period	56,502	54,018
Net increase / (decrease) in net assets from unit transactions during the period		
Proceeds from units issued	97,439	40,158
Value of units redeemed	(50,945)	(42,437)
	46,494	(2,279)
Net assets attributable to the Unitholders at the end of the period (Unaudited)	<u>561,530</u>	<u>389,411</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)	54,453	50,534
Units issued	10,749	5,661
Units redeemed	(5,682)	(5,914)
Net increase / (decrease) in units during the period	5,067	(253)
Units at the end of the period (Unaudited)	<u>59,520</u>	<u>50,281</u>

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

SNB CAPITAL NORTH AMERICA INDEX FUND
(Managed by the SNB Capital Company)

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2023

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		56,502	54,018
<i>Adjustments for:</i>			
Unrealised gain on FVTPL investments – net		(34,586)	(45,650)
Realised gain on FVTPL investments – net		(20,418)	(6,970)
		<u>1,498</u>	<u>1,398</u>
<i>Net changes in operating assets and liabilities:</i>			
FVTPL investments		(48,290)	1,612
Other receivables		293	(80)
Other payables		1,178	(2,501)
		<u>(45,321)</u>	<u>429</u>
Net cash (used in) / generated from operating activities			
Cash flows from financing activities			
Proceeds from units issued		97,439	40,158
Value of units redeemed		(50,945)	(42,437)
		<u>46,494</u>	<u>(2,279)</u>
Net cash generated from / (used in) financing activities			
Net increase / (decrease) in cash and cash equivalents		1,173	(1,850)
Cash and cash equivalents at the beginning of the period	9	<u>2,497</u>	<u>4,636</u>
Cash and cash equivalents at the end of the period	9	<u>3,670</u>	<u>2,786</u>

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

SNB CAPITAL NORTH AMERICA INDEX 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 North America Index 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, TCW Asset Management Company, 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 objective of the Fund is to invest primarily in securities of companies listed on major US and Canadian stock exchanges. Surplus cash balances may be placed in Murabaha transactions. 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 issued by the Saudi Central Bank (“SAMA”) and subsequently endorsed by the CMA through its letter dated 18 Dhul Hijja 1429 H (corresponding to 16 December 2008).

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”). These condensed interim financial statements are presented in United States Dollar (“USD”) which is the Fund’s functional and presentation have been rounded off to the nearest thousand unless otherwise stated.

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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 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 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

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.

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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 comprises of balances held with custodian in a brokerage account having Moody's credit rating of A2 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:

		30 June 2024 (Unaudited)		
<u>Currency</u>	<u>Country</u>	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair value</u>
United States Dollar	United States of America	96.72	423,239	541,785
Canadian Dollar	Canada	3.28	15,309	18,385
		<u>100</u>	<u>438,548</u>	<u>560,170</u>
		31 December 2023 (Audited)		
<u>Currency</u>	<u>Country</u>	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair value</u>
United States Dollar	United States of America	97.03	358,558	443,304
Canadian Dollar	Canada	2.97	11,282	13,572
		<u>100</u>	<u>369,840</u>	<u>456,876</u>

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

30 June 2024 (Unaudited)			
<u>Industry Sector</u>	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair value</u>
Technology	35.09	125,900	196,568
Healthcare Equipment and Services	18.03	85,056	101,013
Industrials	16.43	77,072	92,002
Consumer Durables and Apparel	11.55	61,446	64,714
Consumer Services	7.14	32,939	39,971
Energy	6.87	32,049	38,492
Materials	3.50	17,180	19,600
Financial Services	1.10	6,064	6,189
Utilities	0.29	842	1,621
	<u>100</u>	<u>438,548</u>	<u>560,170</u>

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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)

<i>Industry Sector</i>	<i>31 December 2023 (Audited)</i>		
	<i>% of total investments (fair value)</i>	<i>Cost</i>	<i>Fair value</i>
Technology	32.26	104,390	147,407
Healthcare Equipment and Services	17.91	72,520	81,826
Industrials	17.20	64,572	78,601
Consumer Durables and Apparel	13.34	53,495	60,957
Consumer Services	7.70	28,668	35,127
Energy	6.51	25,390	29,765
Materials	3.68	14,804	16,796
Financial Services	1.21	5,271	5,521
Utilities	0.19	730	876
	<u>100</u>	<u>369,840</u>	<u>456,876</u>

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 0.30% (2023: 0.30%) 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>Amount 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)	867	596		
	Expenses paid on behalf of the Fund	224	49	255	463

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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

Other transactions with the 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:

<i>Name of related party</i>	<i>Nature of transaction</i>	<i>Amount of transactions for the six-month period ended</i>		<i>Closing investment in the Fund 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 Multi-Asset Conservative Fund	Subscription of fund units	--	--		
	Redemption of fund units	--	--	12,502	11,159
SNB Capital Multi-Asset Moderate Fund	Subscription of fund units	--	--		
	Redemption of fund units	2,868	--	31,735	31,092
SNB Capital Multi-Asset Growth Fund	Subscription of fund units	--	--		
	Redemption of fund units	635	--	19,536	18,050
SNB Capital King Saud University Waqf Fund	Subscription of fund units	31	--		
	Redemption of fund units	--	--	208	158

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 recognizes transfer between levels of fair value at the end of the reporting period during which the change has occurred.

SNB CAPITAL NORTH AMERICA INDEX 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 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 where the carrying amount is assessed to be 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	560,170	560,170	--	--	560,170

	<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	456,876	456,876	--	--	456,876

The Fund has classified investments measured at FVTPL as level 1 as per the fair value hierarchy. During the period, there has been no transfer in fair value hierarchy for FVTPL investments. 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.

13. LAST VALUATION DAY

The last valuation date for the purpose of preparation of condensed interim financial statements was 28 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 01 August 2024.