

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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

Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
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 Diversified Saudi Riyal Fund

Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial statements of the **SNB Capital Diversified Saudi Riyal 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 Diversified Saudi Riyal 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 مبنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفزان 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 DIVERSIFIED SAUDI RIYAL 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>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
ASSETS			
Cash and cash equivalents	<i>9</i>	338	1,173
Investments – net	<i>10</i>	5,251,934	6,739,432
Other receivables		2,248	2,026
Total assets		<u>5,254,520</u>	<u>6,742,631</u>
LIABILITIES			
Repurchase agreement borrowing	<i>11</i>	--	505,867
Other payables		14,677	11,633
Total liabilities		<u>14,677</u>	<u>517,500</u>
Net assets attributable to the Unitholders		<u>5,239,843</u>	<u>6,225,131</u>
Units in issue in thousands (number)		<u>3,489,223</u>	<u>4,244,866</u>
Net assets value per unit (SAR)		<u>1.5017</u>	<u>1.4665</u>

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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)

	<i>Notes</i>	For the six-month period ended 30 June	
		<u>2024</u>	<u>2023</u>
Special commission income on Murabaha contracts		82,737	73,646
Special commission income on Sukuk		97,157	83,782
Unrealised gain on investments measured at fair value through profit or loss (FVTPL investments) – net		13,864	20,036
Realised gain on FVTPL investments – net		--	218
Rebate income		417	1,091
Total income		<u>194,175</u>	<u>178,773</u>
Management fees	<i>12</i>	(25,738)	(27,150)
Value added tax expense		(3,861)	(4,072)
Administrative expenses		(1,383)	(3,812)
Reversal of expected credit loss allowance		446	201
Custody fees		(206)	(408)
Auditors' remuneration		(43)	(31)
Shariah audit fees		(14)	(10)
Fund Board remuneration		(3)	(17)
Capital Market Authority fees		(4)	(4)
Tadawul fee		(3)	(3)
Interest expense	<i>11</i>	--	(949)
Total operating expenses		<u>(30,809)</u>	<u>(36,255)</u>
Profit for the period		<u>163,366</u>	<u>142,518</u>
Other comprehensive income for the period		--	--
Total comprehensive income for the period		<u>163,366</u>	<u>142,518</u>

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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)

	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)	6,225,131	7,936,053
Total comprehensive income for the period	163,366	142,518
Net decrease in net assets from unit transactions during the period		
Proceeds from units issued	5,907,223	1,953,223
Value of units redeemed	(7,055,877)	(2,825,314)
	(1,148,654)	(872,091)
Net assets attributable to the Unitholders at the end of the period (Unaudited)	5,239,843	7,206,480

UNITS TRANSACTIONS

Transactions in units during the period are summarised as follows:

	For the six-month period ended 30 June	
	<u>2024</u>	2023
	<u>Units '000</u>	<u>Units'000</u>
Units at the beginning of the period (Audited)	4,244,866	5,646,324
Units issued	3,971,185	1,373,588
Units redeemed	(4,726,828)	(1,989,024)
Net decrease in units	(755,643)	(615,436)
Units at the end of the period (Unaudited)	3,489,223	5,030,888

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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)

	Note	For the six-month period ended 30 June	
		<u>2024</u>	<u>2023</u>
Cash flows from operating activities			
Profit for the period		163,366	142,518
<i>Adjustments for:</i>			
Unrealised gain on investments – net		(13,864)	(20,036)
Realised gain on FVTPL investments – net		--	(218)
Interest expense		--	949
Reversal of expected credit loss allowance		(446)	(201)
		149,056	123,012
<i>Net changes in operating assets and liabilities:</i>			
Investments measured at amortised cost		1,901,022	680,357
FVTPL investments		(399,214)	(143,500)
Other receivables		(222)	957
Repurchase agreement borrowing		(505,867)	--
Other payables		3,044	9,036
Net cash generated from operating activities		1,147,819	669,862
Cash flows from financing activities			
Proceeds from units issued		5,907,223	1,953,223
Value of units redeemed		(7,055,877)	(2,825,314)
Repurchase agreement borrowing		--	200,839
Net cash used in financing activities		(1,148,654)	(671,252)
Net decrease in cash and cash equivalents		(835)	(1,390)
Cash and cash equivalents at the beginning of the period	9	1,173	2,434
Cash and cash equivalents at the end of the period	9	338	1,044

The accompanying notes 1 to 17 form an integral part of these condensed interim financial statements.

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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)

1. THE FUND AND ITS ACTIVITIES

SNB Capital Diversified Saudi Riyal 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, invest 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 its letter dated 18 Dhul Hijja 1429 H (corresponding to 16 December 2008). The Fund commenced its operations on 5 Sha'aban 1424 H (corresponding to 1 October 2003).

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulation") published by the CMA's Board Resolution no. (1-219-2006) dated 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended pursuant to the CMA's Board Resolution no. (2-22-2021) dated 12 Rajab 1442 H (corresponding to 24 February 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia.

3. BASIS OF ACCOUNTING

These condensed interim financial statements of the Fund have been prepared in accordance with International Accounting Standard ("IAS 34") 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Regulations and the Fund's terms and conditions.

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

4. BASIS OF MEASUREMENT AND PRESENTATION

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

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

5. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). These financial statements are presented in Saudi Arabian Riyals ("SAR") which is the Fund's functional and presentation currency and have been rounded off to the nearest thousand unless otherwise stated.

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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)

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

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:

<u>Standards, interpretations and amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
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 DIVERSIFIED SAUDI RIYAL 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. INVESTMENTS - NET

	<i>Notes</i>	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Investments measured at amortised cost – net	<i>i)</i>	4,693,455	6,594,477
FVTPL Investments	<i>ii)</i>	558,479	144,955
		<u>5,251,934</u>	<u>6,739,432</u>

i) Investments measured at amortised cost – net

Investments measured at amortised cost include the following:

	<i>Note</i>	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Investments in Sukuk	<i>a)</i>	3,425,691	3,679,587
Investments in Murabaha contracts	<i>b)</i>	1,268,939	2,916,511
Gross carrying value		4,694,630	6,596,098
Less: Allowance for expected credit loss		(1,175)	(1,621)
Net investments measured at amortised cost		<u>4,693,455</u>	<u>6,594,477</u>

- a) Investments in Sukuk carry profit rates ranging from 2.65% to 7.95% (31 December 2023: 2.69% to 7.94%) per annum with maturity up till 24 April 2049 (31 December 2023: 24 April 2049).
- b) Murabaha placements are held with local and international banks. These carry profit rates ranging from 4.00% to 6.05% (31 December 2023: 4.00% to 7.67%) per annum with maturity up till 5 April 2026 (31 December 2023: 10 May 2023).

ii) FVTPL investments

Investments measured at fair value through profit or loss include the following:

		<i>30 June 2024 (Unaudited)</i>		<i>31 December 2023 (Audited)</i>	
	<i>Note</i>	<i>Cost</i>	<i>Fair value</i>	<i>Cost</i>	<i>Fair value</i>
Units of SNB Capital Fixed Income Instruments Fund – a related party	<i>a)</i>	141,877	150,108	142,217	144,955
Units of SNB Capital Al Sunbullah SAR Fund – a related party	<i>b)</i>	400,000	408,371	--	--
		<u>541,877</u>	<u>558,479</u>	<u>142,217</u>	<u>144,955</u>

- a) Units purchased during the period amounted to SAR 4.75 million (2023: SAR 144.5 million) and Units redeemed during the period amounted to SAR 5.09 million (2023: SAR 2.317 million).
- b) Units purchased during the period amounted to SAR 400 million (2023: Nil).

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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. REPURCHASE AGREEMENT BORROWING

The Fund had entered into a repurchase agreement borrowing with the Saudi National Bank, a related party during the year ended 31 December 2023 amounting to SR 500 million which carried an interest rate of 6.39% per. The facility matured on 30 January 2024 and subsequently no such agreement was entered into by the Fund.

12. 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, which should not be more than the maximum annual rate of 0.75% (2023: 0.75%) 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 0.50% (2023: 0.50%) per annum of the Fund's equity at the respective valuation days. These expenses have been recovered by the Fund Manager on an actual basis.

During the period, the Fund entered into the following transactions, other than those disclosed elsewhere in these financial statements, with related parties in the ordinary course of business. These transactions were carried out on the basis of approved terms and conditions of the Fund.

<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>	
		<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)	29,599	27,150	14,677	6,953
	Expenses paid on behalf of the Fund	1,762	9,306		
	Rebate income	417	1,091		

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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. 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. All related party transactions are approved by the Fund Board. 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 30 June		Closing investment as at	
		2024 (Unaudited)	2023 (Unaudited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
AlAhli Takaful Company	Subscription of Fund units	--	--		
	Redemption of Fund units	--	49,596	--	--
SNB Capital Multi-Asset Conservative Fund	Subscription of Fund units	--	--		
	Redemption of Fund units	--	--	35,460	34,643
SNB Capital SAR Multi-Asset Conservative Fund	Subscription of Fund units	163	--		
	Redemption of Fund units	134	--	30	--
SNB Capital King Saud University Waqf Fund	Subscription of Fund units	--	--		
	Redemption of Fund units	--	1,056	--	--
Arabian Shield Cooperative Insurance Company	Subscription of Fund units	--	--		
	Redemption of Fund units	8,262	--	--	8,124
SNB Capital Saudi Riyal Trade Fund	Subscription of Fund units	--	--		
	Redemption of Fund units	--	--	734,504	717,305

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Other transactions with related parties

Other transactions with related parties not disclosed elsewhere in these financial statements are detailed below:

<i>Name of related party</i>	<i>Nature of transactions</i>	<i>Amounts of transactions for the period ended 30 June</i>		<i>Closing investment as at</i>	
		<i>2024 (Unaudited)</i>	<i>2023 (Unaudited)</i>	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Saudi National Bank	Drawdown of repurchase agreement borrowing	--	200,839	--	505,867
	Repayments of repurchase agreement borrowing	505,867	--		

12. RECONCILIATION OF CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS

As per the requirements of CMA circular dated 31 December 2017, the Fund calculates provision for impairment in respect of financial instruments 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 results in a difference between net assets calculated as per the requirements of IFRS 9 (“reported net assets value”) and as per CMA circular (“trading net assets value”).

The following table shows the reconciliation between the fund’s reported net assets and trading net assets:

	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Reported net assets of the Fund	5,239,843	6,225,131
Add: Expected credit loss allowance	<u>1,175</u>	<u>1,621</u>
	5,241,018	6,226,752
Less: Provision for incurred credit losses	<u>--</u>	<u>--</u>
Traded net assets of the Fund	<u>5,241,018</u>	<u>6,226,752</u>
Number of units in issue	<u>3,489,223</u>	<u>4,244,866</u>
Traded net assets per unit of the Fund	<u>1.5021</u>	<u>1.4669</u>

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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)

14. 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.

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</i>				
	<i>Carrying amount</i>	<i>Fair Value</i>			
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<u>Financial assets measured at fair value</u>					
FVTPL investments	<u>558,479</u>	--	<u>558,479</u>	--	<u>558,479</u>
<u>Financial assets measured at amortised cost</u>					
Investments measured at amortised cost	<u>4,693,455</u>	--	<u>4,439,824</u>	--	<u>4,439,824</u>

SNB CAPITAL DIVERSIFIED SAUDI RIYAL 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)

14. FAIR VALUE MEASUREMENT (CONTINUED)

	<i>As at 31 December 2023</i>				
	<i>Carrying amount</i>	<i>Fair Value</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i><u>Financial assets measured at fair value</u></i>					
FVTPL investments	144,955	--	144,955	--	144,955
<i><u>Financial assets measured at amortised cost</u></i>					
Investments measured at amortised cost	6,594,477	--	6,594,477	--	1,545,782

The Fund determines fair value of investments in un-listed open-ended investment funds measured at FVTPL using unadjusted net assets value and classified them as level 2 as per the fair value hierarchy.

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

During the period, there has been no transfer in fair value hierarchy for any financial assets or liabilities. For 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 due to their nature.

15. 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).

16. 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.

17. APPROVAL OF THE CONDENSED INTERIN FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Board on 26 Muharram 1446H corresponding to 01 August 2024.