

**Al Rajhi Multi Asset Balanced Fund  
(Managed by Al Rajhi Capital)**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

**Independent auditor's review report on the interim condensed financial statements  
To the Unitholders of Al Rajhi Multi Assets Balanced Fund**

**Introduction:**

We have reviewed the accompanying interim condensed statement of financial position of Al Rajhi Multi Assets Balanced Fund (the "Fund") managed by Al Rajhi Capital (the "Fund Manager") as at 30 June 2020 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period ended 30 June 2020, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

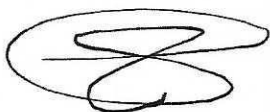
**Scope of Review:**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of 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 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 endorsed in the Kingdom of Saudi Arabia.

For Ernst & Young



Yousef A. AlMubarak  
Certified Public Accountant  
License No. 427

Riyadh: 4 Muharram 1442H  
(23 August 2020)



## AL RAJHI MULTI ASSET BALANCED FUND

### Interim condensed statement of financial position

As at 30 June 2020

	<i>Note</i>	<b>30 June 2020 (Unaudited) SR</b>	<b>31 December 2019 (Audited) SR</b>
<b>ASSETS</b>			
Bank balance		<b>127,537</b>	1,190,771
Financial assets at fair value through profit or loss (FVTPL)	4	<b>116,306,791</b>	136,645,873
<b>TOTAL ASSETS</b>		<b>116,434,328</b>	137,836,644
<b>LIABILITY</b>			
Accrued expenses and other payables	6	<b>66,028</b>	61,986
<b>TOTAL LIABILITY</b>		<b>66,028</b>	61,986
<b>EQUITY</b>			
Net assets attributable to unitholders of redeemable units		<b>116,368,300</b>	137,774,658
<b>TOTAL LIABILITY AND EQUITY</b>		<b>116,434,328</b>	137,836,644
 Redeemable units in issue		 <b>11,999,394</b>	 14,105,214
 Net asset value attributable to each per unit		 <b>9.70</b>	 9.77

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

## AL RAJHI MULTI ASSET BALANCED FUND

### Unaudited interim condensed statement of comprehensive income

For the six-month period ended 30 June 2020

	<i>Note</i>	<b>2020</b> <b>SR</b>	<b>2019</b> <b>SR</b>
<b>INCOME</b>			
Net unrealized (loss) gain on financial assets at FVTPL		<b>(3,675,829)</b>	4,114,010
Net realized gain on financial assets at FVTPL		<b>2,081,597</b>	1,224,454
Dividend income		<b>345,890</b>	204,121
<b>TOTAL (LOSS) INCOME</b>		<b>(1,248,342)</b>	5,542,585
<b>EXPENSE</b>			
Other expenses	7	<b>(42,485)</b>	(41,381)
<b>NET (LOSS) INCOME FOR THE PERIOD</b>		<b>(1,290,827)</b>	5,501,204
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		-	-
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>		<b>(1,290,827)</b>	5,501,204

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

# AL RAJHI MULTI ASSET BALANCED FUND

## Unaudited interim condensed statement of changes in equity

For the six-month period ended 30 June 2020

	2020 SR	2019 SR
<b>EQUITY AT THE BEGINNING OF THE PERIOD</b>	<b>137,774,658</b>	123,961,371
Net (loss) income for the period	(1,290,827)	5,501,204
Other comprehensive income for the period	-	-
Total comprehensive (loss) income for the period	(1,290,827)	5,501,204
Issue of units during the period	9,866,935	9,879,833
Redemption of units during the period	(29,982,466)	(2,686,302)
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>116,368,300</b>	136,656,106

	<u>Units</u>	<u>Units</u>
<b>REDEEMABLE UNIT TRANSACTIONS</b>		
Transactions in redeemable units during the period are summarised as follows:		
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>14,105,214</b>	13,610,043
Issue of units during the period	1,021,783	1,052,716
Redemption of units during the period	(3,127,603)	(284,911)
Net (decrease) increase in units	(2,105,820)	767,805
<b>UNITS AT THE END OF THE PERIOD</b>	<b>11,999,394</b>	14,377,848

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

# AL RAJHI MULTI ASSET BALANCED FUND

## Unaudited interim condensed statement of cash flows

For the six-month period ended 30 June 2020

	2020 SR	2019 SR
<b>Operating activities</b>		
Net (loss) income for the period	(1,290,827)	5,501,204
<i>Adjustments to reconcile net (loss) income to net cash flows from (used in) operating activities:</i>		
Movement in unrealised loss (gain) on financial assets at FVTPL	3,675,829	(4,114,010)
<i>Working capital adjustments:</i>		
Decrease (increase) in financial assets at FVTPL	16,663,253	(8,446,497)
Increase (decrease) in accrued expenses and other payables	4,042	(31,945)
Net cash flows from (used in) operating activities	19,052,297	(7,091,248)
<b>Financing activities</b>		
Proceeds from issuance of units	9,866,935	9,879,833
Payment on redemption of units	(29,982,466)	(2,686,302)
Net cash flows (used in) from financing activities	(20,115,531)	7,193,531
<b>Net (decrease) increase in bank balance</b>	(1,063,234)	102,283
Bank balance at the beginning of the period	1,190,771	200,445
<b>Bank balance at the end of the period</b>	127,537	302,728
<b><u>Operational cash flows from dividends:</u></b>		
Dividends received	345,890	204,121

The accompanying notes 1 to 12 form an integral part of these interim condensed financial statements.

# AL RAJHI MULTI ASSET BALANCED FUND

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## Notes to unaudited interim condensed financial statements

At 30 June 2020

### 1. INCORPORATION AND ACTIVITIES

Al Rajhi Multi Asset Balanced Fund (the "Fund") is an open-ended investment fund established under an agreement between Al Rajhi Capital (the "Fund Manager"), a wholly owned subsidiary of the Al Rajhi Banking and Investment Corporation (the "Bank") and investors (the "Unitholders") in the Fund. The address of the Fund Manager is as follows:

Al Rajhi Capital, Head Office  
8467 King Fahad Road, Al Muruj District  
P.O. Box 2743  
Riyadh 11263  
Kingdom of Saudi Arabia

The Fund is designed to combine between moderate and low risk investments for investors seeking to invest in long-term investments in accordance with Islamic principles through investments in other investment funds. The Fund's net income is reinvested in the Fund, which affects the value and price per unit.

The Fund has appointed AlBilad Investment Company (the "Custodian") to act as its custodian. The fees of the custodian are paid by the Fund.

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

Based on historical information, between 5% and 30% of the Fund's units are redeemed throughout the period.

### 2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") issued by the Capital Market Authority ("CMA") on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and effective from 6 Safar 1438H (corresponding 6 November 2016) by the New Investment Fund Regulations ("Amended Regulations") published by the CMA on 16 Sha'aban 1437H (corresponding to 23 May 2016) detailing requirements for all funds within the Kingdom of Saudi Arabia.

### 3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

#### 3.1. Basis of preparation

These interim condensed financial statements for the six-month period ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 31 December 2019.

The interim condensed financial statements have been prepared on a historical cost basis, using the accrual basis of accounting except for financial assets held at FVTPL that are measured at fair value. These interim condensed financial statements are presented in Saudi Arabian Riyals ("SR"), which is the Fund's functional currency. All financial information presented has been rounded to the nearest SR.

#### 3.2 New standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2019. There are new standards, amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed financial statements of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's interim condensed financial statements. In the opinion of the Board, these will have no significant impact on the interim condensed financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

# AL RAJHI MULTI ASSET BALANCED FUND

## Notes to unaudited interim condensed financial statements (continued)

At 30 June 2020

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The composition of the investment's portfolio on the last valuation day of the period/year end is summarised below:

	30 June 2020 (Unaudited)			
	% of Market Value	Cost SR	Market value SR	Unrealised gain/(loss) SR
<b><u>Investments</u></b>				
Al Rajhi Commodities Mudaraba Fund - Saudi Riyal	44.31	47,555,900	51,540,604	3,984,704
Al Rajhi Commodities Mudaraba Fund - USD	15.91	16,830,373	18,502,117	1,671,744
Al Rajhi Sukuk Fund	12.92	13,492,754	15,021,160	1,528,406
Al Rajhi Global Equity Fund	11.10	9,995,804	12,907,945	2,912,141
Al Rajhi MSCI Saudi Multi Factor Index Fund	2.62	3,202,323	3,049,654	(152,669)
Jadwa REIT Saudi Fund	2.35	2,156,576	2,738,452	581,876
Derayah REIT Fund	2.25	2,446,776	2,613,156	166,380
Al Rajhi Saudi Equity Fund	2.19	2,355,819	2,548,047	192,228
Al Rajhi Saudi Equity Income Fund	1.92	2,046,614	2,229,611	182,997
Al Rajhi MENA Dividend Growth Fund	1.43	2,237,216	1,658,744	(578,472)
Al Rajhi GCC Equity Fund	1.04	1,189,114	1,203,898	14,784
Al Rajhi REIT Fund	0.81	982,651	938,300	(44,351)
SEDCO Capital REIT Fund	0.51	611,438	597,989	(13,449)
Bonyan REIT Fund	0.40	560,216	468,714	(91,502)
Musharaka REIT Fund	0.24	317,211	288,400	(28,811)
<b>Total</b>	<b>100.00</b>	<b>105,980,785</b>	<b>116,306,791</b>	<b>10,326,006</b>

	31 December 2019 (Audited)			
	% of Market Value	Cost SR	Market value SR	Unrealised gain/(loss) SR
<b><u>Investments</u></b>				
Al Rajhi Commodities Mudaraba Fund - Saudi Riyal	43.02	54,235,474	58,781,279	4,545,805
Al Rajhi Commodities Mudaraba Fund - USD	16.68	20,854,549	22,797,002	1,942,453
Al Rajhi Global Equity Fund	11.79	12,249,056	16,116,552	3,867,496
Al Rajhi Sukuk Fund	10.96	13,492,913	14,975,536	1,482,623
Al Rajhi Saudi Equity Fund	2.86	3,318,019	3,910,249	592,230
Al Rajhi MSCI Saudi Multi Factor Index Fund	2.76	3,752,164	3,776,524	24,360
Al Rajhi Saudi Equity Income Fund	2.43	2,762,353	3,320,565	558,212
Al Rajhi Jadwa REIT Fund	2.26	2,430,639	3,093,541	662,902
Derayah REIT Fund	2.08	2,470,551	2,841,269	370,718
Al Rajhi GCC Equity Fund	1.62	2,009,280	2,210,285	201,005
Al Rajhi MENA Dividend Growth Fund	1.57	2,650,317	2,137,979	(512,338)
Al Rajhi REIT Fund	1.32	1,671,350	1,803,937	132,587
SEDCO Capital REIT Fund	0.53	611,083	724,570	113,487
Musharaka REIT Fund	0.12	136,290	156,585	20,295
<b>Total</b>	<b>100.00</b>	<b>122,644,038</b>	<b>136,645,873</b>	<b>14,001,835</b>

Investments in mutual funds are unrated. The Fund also does not have an internal grading mechanism. However, the Fund Manager seeks to limit its risk by monitoring each investment exposure and setting limits for individual investment.



## AL RAJHI MULTI ASSET BALANCED FUND

### Notes to unaudited interim condensed financial statements (continued)

At 30 June 2020

#### 5. TRANSACTIONS WITH RELATED PARTIES

##### A. Transactions and balances with Fund Manager

In the ordinary course of its activities, the Fund transacts business with related parties.

The Fund Manager charges the Fund with charges such as, professional fees, Board of Directors' remuneration and any other expenses incurred on behalf of the Fund. Based on the agreement between the Fund and the Fund Manager, the Fund is not required to pay any fees for the management of the Fund. However, the Fund Manager charges a subscription fee of up to 2% maximum on all new subscriptions that is paid directly to the Fund Manager by the subscribers.

The units in issue at 30 June 2020 include Nil units held by the employees of the Fund Manager (31 December 2019: Nil units).

The units in issue at 30 June 2020 include Nil units held by the Fund Manager (31 December 2019: Nil units).

At the end of the period, the cash balance with the Bank is SR 40,440 (31 December 2019: SR 5,457).

##### B. Transactions with Board of Directors

The independent directors are entitled to remuneration for their services at rates determined by the Fund's terms and conditions in respect of attending meetings of the board of directors or meetings of the Fund. Independent director's fees are currently SR 5,000 per meeting up to a maximum of 2 meetings per annum per director which is paid equally by all funds supervised by the board.

Board of Directors' fees amounting to SR 9,950 (30 June 2019: SR 9,918) was charged during the period. As at 30 June 2020, Board of Directors' fees amounting to SR 29,950 (31 December 2019: SR 20,000) is payable to the Fund's Board of Directors.

#### 6. ACCRUED EXPENSES AND OTHER PAYABLES

	<i>30 June 2020 (Unaudited) SR</i>	<i>31 December 2019 (Audited) SR</i>
Accrued board fees	<b>29,950</b>	20,000
Accrued professional fees	<b>15,670</b>	31,500
Other accrued expenses	<b>20,408</b>	10,486
	<b>66,028</b>	61,986

#### 7. OTHER EXPENSES

	<i>2020 (Unaudited) SR</i>	<i>2019 (Unaudited) SR</i>
Professional fees	<b>15,670</b>	15,621
Board fees	<b>9,950</b>	9,918
Others	<b>16,865</b>	15,842
	<b>42,485</b>	41,381

#### 8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has investment in REIT funds measured at fair values and are allocated within level 1 of the fair value hierarchy. In addition, the Fund holds investment in other than REIT Funds measured at fair values and are allocated within level 2 of the fair value hierarchy. All other financial assets and liabilities are classified as amortized cost and management believes that the fair value of all other financial assets and liabilities at the reporting date approximate their carrying values owing to their short-term tenure and the fact that these are readily liquid. These are all classified within level 2 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

## AL RAJHI MULTI ASSET BALANCED FUND

### Notes to unaudited interim condensed financial statements (continued)

At 30 June 2020

#### 9. MATURITY ANALYSIS OF ASSETS AND LIABILITY

The table below shows an analysis of assets and liability according to when they are expected to be recovered or settled respectively:

<i>As at 30 June 2020 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
<b>ASSETS</b>			
Bank balance	127,537	-	127,537
Financial assets at FVTPL	116,306,791	-	116,306,791
<b>TOTAL ASSETS</b>	<b>116,434,328</b>	<b>-</b>	<b>116,434,328</b>
<b>LIABILITY</b>			
Accrued expenses and other payables	66,028	-	66,028
<b>TOTAL LIABILITY</b>	<b>66,028</b>	<b>-</b>	<b>66,028</b>
 <i>As at 31 December 2019 (Audited)</i>	 <i>Within 12 months SR</i>	 <i>After 12 months SR</i>	 <i>Total SR</i>
<b>ASSETS</b>			
Bank balance	1,190,771	-	1,190,771
Financial assets at FVTPL	136,645,873	-	136,645,873
<b>TOTAL ASSETS</b>	<b>137,836,644</b>	<b>-</b>	<b>137,836,644</b>
<b>LIABILITY</b>			
Accrued expenses and other payables	61,986	-	61,986
<b>TOTAL LIABILITY</b>	<b>61,986</b>	<b>-</b>	<b>61,986</b>

#### 10. LAST VALUATION DAY

The last valuation day of the period/year was 30 June 2020 (year ended 31 December 2019: 31 December 2019).

#### 11. IMPACT OF COVID-19 ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

During March 2020, the World Health Organisation (“WHO”) declared the Coronavirus (“COVID-19”) outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the Kingdom of Saudi Arabia. Governments all over the world took steps to contain the spread of the virus. Saudi Arabia in particular has implemented closure of borders, released social distancing guidelines and enforced country wide lockdowns and curfews.

In response to the rapid spread of the virus and the resulting disruption of some social and economic activities and business continuity, the Fund Manager has taken a series of preventive and precautionary measures, including activating of remote work to ensure the safety of its employees and their families.

As of the date of interim condensed financial statements for the six months period ended 30 June 2020, the Fund’s operations and financial results have witnessed impact due to the COVID-19 outbreak mainly as result of decline in the Fund’s investments’ fair values in line with share prices declining trend. The impact of the pandemic on the Fund’s operations and financial results till the date of the interim financial statements has been reflected in the net assets value and investments value. These developments could further impact our future financial results, cash flows and financial condition and the Fund Manager will continue to assess the nature and extent of the impact on its business and financial results.

## AL RAJHI MULTI ASSET BALANCED FUND

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Notes to unaudited interim condensed financial statements (continued)

At 30 June 2020

### **12. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were approved by the Fund's management on 4 Muharram 1442H (corresponding to 23 August 2020)