

**ALINMA MULTI ASSETS BALANCED FUND**  
**(Managed by Alinma Investment Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

**AND INDEPENDENT AUDITOR'S REVIEW REPORT**

# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## INTERIM CONDENSED FINANCIAL STATEMENTS

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For the six-month period ended 30 June 2022

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**To the Unitholders of Alinma Multi Assets Balanced Fund**  
**(Managed by Alinma Investment Company)**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Alinma Multi Assets Balanced Fund ("the Fund") being managed by Alinma Investment Company ( the "Fund Manager") as at 30 June 2022, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Fund Manager 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") that is 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" that is endorsed in the Kingdom of Saudi Arabia. A review of the interim financial information 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, that is endorsed in the Kingdom of Saudi Arabia.

**Other Matters**

The financial statements of the Fund for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 Sha'ban 1443H (corresponding to 28 March 2022). Further, the interim condensed financial statements of the Fund for the six-month period ended 30 June 2021, were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed financial statements on 8 Muharram 1443H (corresponding to 16 August 2021).

for Alluhaid & Alyahya Chartered Accountants

  
Saleh Al Yahya  
Certified Public Accountant  
License number 473

Riyadh: 9 Muharram 1444H  
(7 August 2022)



# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	<i>Note</i>	<b>30 June 2022 (Unaudited) SR</b>	<b>31 December 2021 (Audited) SR</b>
<b>ASSETS</b>			
Cash and cash equivalents	5	<b>6,263,871</b>	5,612,219
Financial assets at fair value through profit or loss ("FVTPL")	6	<b>6,168,317</b>	10,743,855
Financial assets at amortized cost	7	<b>997,667</b>	2,262,632
Accrued special commission income		<b>20,719</b>	7,332
<b>TOTAL ASSETS</b>		<b>13,450,574</b>	18,626,038
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Redemptions payable		<b>35,963</b>	-
Accrued expenses and other current liabilities		<b>140,385</b>	103,514
<b>TOTAL LIABILITIES</b>		<b>176,348</b>	103,514
<b>EQUITY</b>			
Net assets attributable to unitholders of redeemable units		<b>13,274,226</b>	18,522,524
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>13,450,574</b>	18,626,038
Redeemable units in issue (numbers)		<b>748,705</b>	1,144,877
Net asset value attributable to unit holders (SR)		<b>17.73</b>	16.18

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		<i>Unaudited</i>	
		<i>For the six-month period ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2022</i>	<i>2021</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
<b>INCOME</b>			
Gain on financial assets at FVTPL		<b>1,937,233</b>	1,089,589
Dividend income		<b>59,474</b>	74,501
Special commission income		<b>92,815</b>	30,544
<b>TOTAL INCOME</b>		<b>2,089,522</b>	1,194,634
<b>OPERATING EXPENSES</b>			
Management fees	8	<b>(141,748)</b>	(75,864)
Brokerage expense	8	<b>(13,869)</b>	(6,570)
Other expenses		<b>(71,293)</b>	(38,274)
<b>TOTAL OPERATING EXPENSES</b>		<b>(226,910)</b>	(120,708)
<b>NET INCOME FOR THE PERIOD</b>		<b>1,862,612</b>	1,073,926
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,862,612</b>	1,073,926

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

**ALINMA MULTI ASSETS BALANCED FUND**  
**(Managed by Alinma Investment Company)**

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**INTERIM CONDENSED STATEMENT OF CASH FLOWS**

		<i>Unaudited</i>	
		<i>For the six-month period ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2022</i>	<i>2021</i>
	<i>Note</i>	<i>SR</i>	<i>SR</i>
<b>OPERATING ACTIVITIES</b>			
Net income for the period		<b>1,862,612</b>	1,073,926
Adjustments for:			
Gain on financial assets at FVTPL		<b>(1,937,233)</b>	(1,089,589)
Dividend income		<b>(59,474)</b>	(74,501)
Special commission income		<b>(92,815)</b>	(30,544)
Charge for expected credit loss on financial assets at amortised cost		<b>122</b>	-
		<b>(226,788)</b>	(120,708)
Changes in operating assets and liabilities:			
Decrease (increase) in financial assets at FVTPL		<b>6,512,771</b>	(3,383,994)
Decrease (increase) in financial assets at amortised cost		<b>1,264,843</b>	(2,618,543)
Increase (decrease) in accrued expenses and other current liabilities		<b>36,871</b>	(153,305)
Increase in redemption payable		<b>35,963</b>	3,616
		<b>7,623,660</b>	(6,272,934)
Dividend income received		<b>59,474</b>	74,501
Special commission income received		<b>79,428</b>	30,544
		<b>7,762,562</b>	(6,167,889)
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of units		<b>10,204,497</b>	8,637,655
Payments against redemption of units		<b>(17,315,407)</b>	(2,309,852)
		<b>(7,110,910)</b>	6,327,803
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>651,652</b>	159,914
Cash and cash equivalents at beginning of the period		<b>5,612,219</b>	516,257
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>6,263,871</b>	676,171

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>SR</i>	<i>SR</i>
<b>EQUITY AT THE BEGINNING OF THE PERIOD</b>	<b>18,522,524</b>	<b>4,636,563</b>
<b>Comprehensive income:</b>		
Net income for the period	<b>1,862,612</b>	1,073,926
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<b>1,862,612</b>	1,073,926
	<b>20,385,136</b>	5,710,489
<b>CHANGE FROM UNIT TRANSACTIONS</b>		
Proceeds from issuance of units	<b>10,204,497</b>	8,637,655
Payments against redemption of units	<b>(17,315,407)</b>	(2,309,852)
Net change from unit transactions	<b>(7,110,910)</b>	6,327,803
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>13,274,226</b>	<b>12,038,292</b>

### REDEEMABLE UNIT TRANSACTIONS

Transactions in redeemable units for the period are summarised as follows:

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>
	<i>Units</i>	<i>Units</i>
<b>UNITS AT THE BEGINNING OF THE PERIOD</b>	<b>1,144,877</b>	340,912
Units issued during the period	<b>568,870</b>	600,070
Units redeemed during the period	<b>(965,042)</b>	(156,381)
Net (decrease) increase in units	<b>(396,172)</b>	443,689
<b>UNITS AT THE END OF THE PERIOD</b>	<b>748,705</b>	<b>784,601</b>

The accompanying notes from 1 to 11 form an integral part of these interim condensed financial statements.

# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

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30 June 2022

### 1 INCORPORATION AND ACTIVITIES

Alinma Multi Assets Balanced Fund, (the “Fund”), is an open-ended fund created under an agreement between Alinma Investment Company (the “Fund Manager”), a subsidiary of Alinma Bank (the “Bank”) and investors (the “Unitholders”) in the Fund, in accordance with Shariah rules issued by the Shariah board of the Fund Manager.

The Fund seeks to achieve capital growth in the long term with emphasis on capital preservation, and exposure to equity markets. The Fund may invest in a range of Shariah compliant investments such as local equities, Murabaha placements, Sukuk, structured products and investment funds in order to achieve its objectives. All income is reinvested in the Fund and is reflected in the unit price.

Capital Market Authority (“CMA”) granted approval for the establishment of the Fund in its letter number (2012-6241-5) dated 21 Muharram 1434H (corresponding to 5 December 2012). The Fund commenced its operations on 25 Jumada Alawwal 1434 H (corresponding to 6 April 2013).

The Fund is managed by Alinma Investment Company (the "Fund Manager"), a closed joint stock company with commercial registration number 1010269764, licensed by the Capital Market Authority of the Kingdom of Saudi Arabia (“CMA”) under license number 09134-37.

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.

The Fund has appointed Riyadh Capital (the “Custodian”) to act as its custodian. The fees of the custodian are paid by the Fund.

### 2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA detailing requirements for all Investment Funds within the Kingdom of Saudi Arabia.

### 3 BASIS OF PREPARATION

#### 3.1 *Statement of compliance*

These interim condensed financial statements for the six-months period ended 30 June 2022 of the Fund have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants (“SOCPA”).

The Fund Manager has prepared the interim condensed financial statements on the basis that the Fund will continue to operate as a going concern. The Fund Manager considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial statements do not include all 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 2021.

#### 3.2 *Basis of measurement*

These interim condensed financial statements have been prepared under historical cost convention, except for the financial assets that are measured at FVTPL which are measured at fair value.

The interim condensed statement of financial position is stated broadly in order of liquidity.



# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

### 3 BASIS OF PREPARATION (continued)

#### 3.3 Functional and presentation currency

These interim condensed financial statements are presented in Saudi Riyal (SR), which is also the functional currency of the Fund. All financial information has been rounded off to the nearest SR, unless otherwise stated.

#### 3.4 Use of judgements, estimates and assumptions

In preparing these interim condensed financial statements, the Fund Manager has made the judgement, estimates, and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements.

### 4 SIGNIFICANT ACCOUNTING POLICIES

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 2021 except for the adoption of new standards effective as of 1 January 2022. Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the Fund.

The Fund has not early adopted any standard, interpretation or amendment that has been issued but not effective yet.

### 5 CASH AND CASH EQUIVALENTS

	<b>30 June 2022 (Unaudited) SR</b>	<b>31 December 2021 (Audited) SR</b>
Cash at bank - current account	<b>549,301</b>	63,740
Cash investment account	<b>250,577</b>	573,740
Murabaha Deposit (i)	<b>5,464,755</b>	4,980,808
	<b>6,264,633</b>	5,618,288
Less: Allowance for expected credit loss	<b>(762)</b>	(6,069)
	<b>6,263,871</b>	5,612,219

- (i) Murabaha deposits are placed with several banks with original maturities of less than 3 months and carries an average special commission income rate of 2.79% (31 December 2021: 1.90%).

# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

### 6 FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL comprised of investment in equity instruments of entities listed and investment funds registered in the Kingdom of Saudi Arabia.

	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	Cost (SR)	Market value (SR)	Cost (SR)	Market value (SR)
Listed equities (i)	5,823,961	5,999,594	7,693,796	8,447,186
Investments in public funds	166,687	168,723	1,627,365	2,296,669
	<b>5,990,648</b>	<b>6,168,317</b>	<b>9,321,161</b>	<b>10,743,855</b>

- (i) Listed equities industry concentration of the investment portfolio of the Fund is disclosed in the table below:

Industry group	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Cost SR	Fair value SR	% of market value	Cost SR	Fair value SR	% of market value
Banks	2,047,227	2,077,758	34.63	2,385,827	2,993,182	35.43
Materials	1,501,876	1,485,089	24.76	1,788,536	1,970,110	23.32
Utilities	317,543	318,060	5.30			
Energy	358,845	412,754	6.88	758,296	757,671	8.97
Retailing	433,123	363,598	6.06	449,315	451,694	5.35
Health Care equipment and Services	377,074	432,671	7.21	455,172	457,566	5.42
Real Estate Management and Development	519,150	500,204	8.34	371,106	284,912	3.37
Transportation				335,402	333,810	3.95
Telecommunication Services	116,035	104,480	1.74	820,620	821,558	9.73
Software	153,088	304,980	5.08	329,522	376,683	4.46
	<b>5,823,961</b>	<b>5,999,594</b>	<b>100.00</b>	<b>7,693,796</b>	<b>8,447,186</b>	<b>100.00</b>

### 7 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	30 June 2022 (Unaudited) SR	31 December 2021 (Audited) SR
Murabaha deposits (i)	-	1,255,625
Sukuks (ii)	1,000,000	1,000,000
Accrued special commission income	7,083	10,994
	<b>1,007,083</b>	<b>2,266,619</b>
Less: Allowance for expected credit loss	(9,416)	(3,987)
	<b>997,667</b>	<b>2,262,632</b>

# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

### 7 FINANCIAL ASSETS MEASURED AT AMORTISED COST (continued)

- (i) As of 31 December 2021, the murabaha deposits are placed with a bank with original maturity of more than 3 months and carries a special commission income rate of 1.90%.
- (ii) Sukuk issued by Rawabi Holding Company with original maturity of more than 3 months and carries special commission income rate of 5% per annum.

### 8 RELATED PARTY TRANSACTIONS AND BALANCES

In ordinary course of activities, the Fund transacts business with related parties. The related party transactions are governed by limit set by the terms and conditions. All related party transactions are disclosed to the Fund Board of Director.

Related parties of the Fund include the Fund Manager, the bank, entities related to the Bank and the Fund Manager and any party that has the ability to control other party or exercise significant influence over the party in making financial or operational decisions.

#### 8.1 Related party transactions

The following are the details of the significant transactions with related parties during the period

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Nature of transaction</i>	<i>Unaudited</i> <i>For the six-months period ended</i>	
			<i>30 June</i> <i>2022</i> <i>SR</i>	<i>30 June</i> <i>2021</i> <i>SR</i>
Alinma Investment Company	Fund Manager	Management fees	(141,748)	(75,864)
		Brokerage fee	(13,869)	(6,570)
Fund Board	Members of Fund Board	Fund Board fee	(12,000)	(12,000)

#### 8.2 Related party balances

Period/year end balances receivable (payable) arising from transactions with related parties are as follows:

<i>Name of related party</i>	<i>Nature of relationship</i>	<i>Balances</i>	<i>30 June</i> <i>2022</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December</i> <i>2021</i> <i>(Audited)</i> <i>SR</i>
Alinma Bank	Parent Company of Fund Manager	Cash at bank	549,301	63,740
		Investment in shares	499,798	711,564
Alinma Investment Company	Fund Manager	Accrued management fee	(16,389)	(24,230)
		Murabaha deposits	-	(50,953)
		Cash in investment account	250,577	573,740

# ALINMA MULTI ASSETS BALANCED FUND

(Managed by Alinma Investment Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2022

### 9 FAIR VALUE MEASUREMENT

Financial assets consists of cash and cash equivalents, financial assets at FVTPL, financial assets at amortized cost, and accrued special commission income. Financial liabilities consists of accrued expenses and other current liabilities.

Due to short-term nature of most of the financial instruments, their carrying amounts approximates to the fair values and all other financial assets and financial liabilities are classified as level 2.

The following table shows the fair values of financial assets at FVTPL, including their levels in the fair value hierarchy:

<i>As at 30 June 2022 (Unaudited)</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Financial assets at FVTPL (note 6)	<b>5,999,594</b>	<b>168,723</b>	-	<b>6,168,317</b>
<i>As at 31 December 2021 (Audited)</i>	<i>Level 1 SR</i>	<i>Level 2 SR</i>	<i>Level 3 SR</i>	<i>Total SR</i>
Financial assets at FVTPL (note 6)	8,447,186	2,296,752	-	10,743,938

### 10 LAST VALUATION DATE

The last valuation date of the period was 30 June 2022 (31 December 2021: 30 December 2020).

### 11 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 9 Muharram 1444H (corresponding to 7 August 2022).