

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by the SNB Capital Company)
CONDENSED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
For the six-month period ended 30 June 2023
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 الرياض، 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 Asia Pacific Index Fund

Introduction

We have reviewed the accompanying 30 June 2023 condensed interim financial statements of the **SNB Capital Asia Pacific 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 2023;
- the condensed statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2023;
- the condensed statement of changes in net assets attributable to the Unitholders for the six-month period ended 30 June 2023;
- the condensed statement of cash flows for the six-month period ended 30 June 2023; 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 2023 condensed interim financial statements of the **SNB Capital Asia Pacific 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: 13 Muharram 1445 H
Corresponding to: 31 July 2023



SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by the SNB Capital Company)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Expressed in US Dollars '000 (unless otherwise stated)

	<i>Notes</i>	30 June 2023 (Unaudited)	31 December 2022 (Audited)
ASSETS			
Cash and cash equivalents	9	308	733
FVTPL investments	10	51,946	47,875
Other receivables		<u>158</u>	<u>179</u>
Total assets		<u>52,412</u>	<u>48,787</u>
LIABILITIES			
Other payables		<u>575</u>	<u>791</u>
Net assets attributable to the Unitholders		<u>51,837</u>	<u>47,996</u>
Units in issue in thousands (number)		<u>27,658</u>	<u>28,829</u>
Net assets value per unit (USD)		<u>1.8742</u>	<u>1.6648</u>

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

SNB CAPITAL ASIA PACIFIC 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 2023

Expressed in US Dollars '000 (unless otherwise stated)

	<i>Note</i>	For the six-month period ended 30 June	
		<u>2023</u>	<u>2022</u>
Unrealised gain / (loss) on FVTPL investments – net		6,910	(21,601)
Realised loss on FVTPL investments – net		(1,298)	(611)
Dividend income		462	863
Other income		--	359
Total income / (loss)		<u>6,074</u>	<u>(20,990)</u>
Management fees	<i>11</i>	(72)	(100)
Custody fees		(22)	(16)
Value added tax expense		(11)	(15)
Administrative expenses		(8)	(9)
Professional fees		(5)	(5)
Shariah audit fees		(4)	(4)
Fund Board remuneration		(3)	(3)
Capital Market Authority fees		(1)	(1)
Total operating expenses		<u>(126)</u>	<u>(153)</u>
Profit / (loss) for the period		<u>5,948</u>	<u>(21,143)</u>
Other comprehensive income for the period		<u>--</u>	<u>--</u>
Total comprehensive income / (loss) for the period		<u>5,948</u>	<u>(21,143)</u>

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

SNB CAPITAL ASIA PACIFIC 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 2023

Expressed in US Dollars '000 (unless otherwise stated)

	For the six-month period ended 30 June	
	<u>2023</u>	<u>2022</u>
Net assets attributable to the Unitholders at the beginning of the period (Audited)	47,996	83,636
Total comprehensive income / (loss) for the period	5,948	(21,143)
Net decrease in net assets from unit transactions during the period		
Proceeds from units issued	4,988	14,476
Value of units redeemed	(7,095)	(29,261)
	(2,107)	(14,785)
Net assets attributable to the Unitholders at the end of the period (Unaudited)	51,837	47,708

UNITS TRANSACTIONS

Transactions in units during the period are summarised as follows:

	For the six-month period ended 30 June	
	<u>2023</u>	<u>2022</u>
	-----Units in '000s-----	
Units at the beginning of the period (Audited)	28,829	38,103
Units issued	2,803	7,580
Units redeemed	(3,974)	(15,864)
Net decrease in units during the period	(1,171)	(8,284)
Units at the end of the period (Unaudited)	27,658	29,819

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SNB CAPITAL ASIA PACIFIC 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)

	<i>Notes</i>	For the six-month period ended 30 June	
		<u>2023</u>	<u>2022</u>
Cash flows from operating activities			
Profit / (loss) for the period		5,948	(21,143)
<i>Adjustments for:</i>			
Unrealised (gain) / loss on FVTPL investments – net		(6,910)	21,601
Realised loss on FVTPL investments – net		1,298	611
		336	1,069
<i>Net changes in operating assets and liabilities:</i>			
FVTPL investments		1,541	13,969
Other receivables		21	20
Other payables		(216)	300
Net cash generated from operating activities		<u>1,682</u>	<u>15,358</u>
Cash flows from financing activities			
Proceeds from units issued		4,988	14,476
Value of units redeemed		(7,095)	(29,261)
Net cash used in financing activities		<u>(2,107)</u>	<u>(14,785)</u>
Net increase in cash and cash equivalents		(425)	573
Cash and cash equivalents at the beginning of the period	9	<u>733</u>	<u>318</u>
Cash and cash equivalents at the end of the period	9	<u><u>308</u></u>	<u><u>891</u></u>

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

SNB CAPITAL ASIA PACIFIC INDEX FUND
(Managed by the SNB Capital Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2023

Expressed in US Dollars '000 (unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

SNB Capital Asia Pacific Index Fund (the “Fund”) is an 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, Amundi – France, 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 in securities of Shariah compliant companies listed on major South-East Asian, Asia Pacific and Japanese stock exchanges.

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).

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) 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 IAS 34 ‘Interim Financial Reporting’ that is endorsed in the Kingdom of Saudi Arabia and 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 2022.

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.

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2023

Expressed in US Dollars '000 (unless otherwise stated)

5. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). If indicators of the primary economic environment are mixed, then the Fund Manager uses judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The Fund’s investments transactions are denominated in Japanese Yen, Australian Dollar, and certain other foreign currencies. Investor subscriptions and redemptions are determined based on the net asset value and received and paid in United States Dollar (“USD”) and expenses of the Fund are also paid in USD. Accordingly, the Fund Manager has determined that the functional currency of the Fund is USD.

These condensed interim financial statements are presented in USD which is the Fund’s functional and presentation currency and have been rounded off to the nearest thousand unless otherwise stated.

6. CHANGES IN THE FUND’S TERMS AND CONDITIONS

During the period, there have been no 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 management 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 2022.

8. SIGNIFICANT 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 2022.

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 2023. The Fund manager has assessed that the amendments have no significant impact on the Fund’s condensed interim financial statements.

Amendments to IAS 1 and IFRS practice statement 2 - *Disclosure of accounting policies*

Amendments to IAS 8 - *Definition of accounting estimates*

Amendments to IAS 12 - *Deferred tax related to assets and liabilities arising from a single transaction*

Amendments to IFRS 17 - *Insurance contracts*

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2023

Expressed in US Dollars '000 (unless otherwise stated)

8. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Standards, interpretations and amendments issued but not yet effective

Standards, interpretations and amendments issued but not yet effective up to the date of issuance of the Fund's condensed interim financial statements are listed below. The Fund intends to adopt these standards when they become effective.

<u>Standards, interpretations and amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 1	Classification of liabilities as current or non-current and non current liabilities with covenants	1 January 2024
Amendments to IFRS 16	Lease liability in a sale and Leaseback transaction	1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture	Available for optional adoption / effective date deferred indefinitely

The above standards, interpretations and amendments are not expected to have a significant impact on the Fund's condensed interim financial statements.

9. CASH AND CASH EQUIVALENTS

These comprises of balances held with a local bank having sound credit rating.

10. FVTPL INVESTMENTS

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

		<u>30 June 2023 (Unaudited)</u>		
<u>Currency</u>	<u>Country</u>	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair value</u>
Japanese Yen	Japan	71.64	35,227	37,213
Australian Dollar	Australia, Ireland, New Zealand	23.84	11,572	12,386
Hong Kong Dollar	Cayman Islands, Hong Kong	1.90	1,312	990
New Zealand Dollar	New Zealand	1.64	841	850
Singapore Dollar	Singapore	0.98	591	507
		<u>100</u>	<u>49,543</u>	<u>51,946</u>
		<u>31 December 2022 (Audited)</u>		
<u>Currency</u>	<u>Country</u>	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair value</u>
Japanese Yen	Japan	72.38	37,551	34,653
Australian Dollar	Australia, Ireland, New Zealand	21.29	10,138	10,192
Hong Kong Dollar	Cayman Islands, Hong Kong	2.42	1,391	1,157
New Zealand Dollar	New Zealand	1.64	780	785
Singapore Dollar	Singapore	1.15	606	552
United States Dollar	Cayman Islands	1.12	1,916	536
		<u>100</u>	<u>52,382</u>	<u>47,875</u>

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2023

Expressed in US Dollars '000 (unless otherwise stated)

10. FVTPL INVESTMENTS (CONTINUED)

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

<u>Industry Sector</u>	<u>30 June 2023 (Unaudited)</u>		
	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair value</u>
Healthcare Equipment and Services	26.46	14,123	13,747
Industrials	25.99	12,529	13,501
Materials	14.61	6,911	7,590
Consumer Services	12.77	6,311	6,635
Technology	12.56	5,411	6,525
Telecommunication Services	2.57	1,659	1,337
Energy	2.36	1,139	1,226
Financial Services	1.78	859	924
Utilities	0.89	601	461
	100	49,543	51,946

<u>Industry Sector</u>	<u>31 December 2022 (Audited)</u>		
	<u>% of total investments (fair value)</u>	<u>Cost</u>	<u>Fair value</u>
Industrials	28.26	16,766	13,529
Healthcare Equipment and Services	21.10	10,017	10,100
Materials	13.70	6,507	6,557
Consumer Goods	12.82	6,785	6,136
Technology	11.43	5,763	5,470
Consumer Services	8.54	4,357	4,090
Financial Services	1.80	895	863
Telecommunications Services	1.32	669	634
Utilities	1.03	623	496
	100	52,382	47,875

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.

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 0.3% (2022: 0.3%) 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 0.5% (2022: 0.5%) 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.

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2023

Expressed in US Dollars '000 (unless otherwise stated)

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

During the period, the Fund has entered into following transactions, other than those disclosed elsewhere in these condensed interim 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>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 2023 (Unaudited)</i>	<i>30 June 2022 (Unaudited)</i>	<i>30 June 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
SNB Capital Company	Management fees	72	100	107	115
	Expenses paid on behalf of the Fund	54	53		

Other transactions with related parties

During the period, other related parties including other funds managed by the Fund Manager invested in the units of the funds 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 in Fund units during the period 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>Balance as at</i>	
		<i>30 June 2023 (Unaudited)</i>	<i>30 June 2022 (Unaudited)</i>	<i>30 June 2023 (Unaudited)</i>	<i>31 December 2022 (Audited)</i>
SNB Capital Multi-Asset Conservative Fund	Subscription of fund units	--	--	441	390
	Redemption of fund units	--	1,918		
SNB Capital Multi-Asset Moderate Fund	Subscription of fund units	--	--	682	603
	Redemption of fund units	--	4,606		
SNB Capital Multi-Asset Growth Fund	Subscription of fund units	--	--	997	881
	Redemption of fund units	--	3,014		
SNB Capital King Saud University Waqf Fund	Subscription of fund units	--	3	7	6
	Redemption of fund units	--	23		

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2023

Expressed in US Dollars '000 (unless otherwise stated)

12. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

When available, the Fund measures the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. The Fund measures instruments quoted in an active market at a market price, because this price is assessed to be a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Fund recognises transfer between levels of fair value at the end of the reporting period during which the change has occurred.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<i>As at 30 June 2023 (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	51,946	51,946	--	--	51,946
	<i>As at 31 December 2022 (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	47,875	47,875	--	--	47,875

SNB CAPITAL ASIA PACIFIC INDEX FUND
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2023

Expressed in US Dollars '000 (unless otherwise stated)

12. FAIR VALUE MEASUREMENT (CONTINUED)

Carrying amounts and fair value (continued)

The Fund has classified investments measured at FVTPL as per the fair value hierarchy as level 1. During the period, there has been no transfer in fair value hierarchy for FVTPL investments. For other financial assets and liabilities not measured at fair value, such as cash and cash equivalents, other receivables and other payables, the carrying values were determined to be a reasonable approximation of fair value due to their short-term nature.

13. LAST VALUATION DAY

The last valuation date for the purpose of preparation of condensed interim financial statements was 22 June 2023 (2022: 29 December 2022).

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 13 Muharram 1445 H corresponding to 31 July 2023.