

**HSBC Multi-Assets Defensive Fund  
(Managed by HSBC Saudi Arabia)**

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

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**



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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF HSBC MULTI-ASSETS DEFENSIVE FUND (MANAGED BY HSBC SAUDI ARABIA)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of HSBC Multi-Assets Defensive Fund (the "Fund") managed by HSBC Saudi Arabia (the "Fund Manager") as at 30 June 2021, and the related interim condensed statements of comprehensive income, changes in equity attributable to the unitholders and cash flows for the six-month period ended 30 June 2021, 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") as 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 as endorsed in the Kingdom of Saudi Arabia.

### Other Matter

The financial statements of the Fund for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 8 April 2021. Further, the interim condensed financial statements of the Fund for the six months period ended 30 June 2020 were reviewed by another auditor who expressed an unmodified review conclusion on those interim condensed financial statements on 24 August 2020.

For Ernst & Young

  
Saad M. Al-Khathlan  
Certified Public Accountant  
License No. 509

Riyadh: 7 Muharram 1443H  
(15 August 2021)



# HSBC Multi-Assets Defensive Fund

## Interim condensed statement of financial position

As at 30 June 2021

|   | <i>Note</i> | <b>30 June<br/>2021<br/>(Unaudited)<br/>SR</b> | <b>31 December<br/>2020<br/>(Audited)<br/>SR</b> |
|---|-------------|--|--|
| <b>ASSETS</b>   |             |  |  |
| Bank balance  |             | <b>355,363</b>                                 | 1,371,745  |
| Financial assets at fair value through profit or loss (FVTPL)             | 4           | <b>140,630,810</b>                             | 102,583,637                                      |
| Financial assets at fair value through other comprehensive income (FVOCI) |             | <b>6,809,115</b>                               | 6,015,633  |
| Receivables and advances  |             | <b>237,582</b>                                 | 76,166   |
| <b>TOTAL ASSETS</b>   |             | <b>148,032,870</b>                             | 110,047,181                                      |
| <b>LIABILITIES</b>  |             |  |  |
| Management fee payable  | 6           | <b>14,650</b>                                  | 4,650  |
| Accrued expenses and other payables                                       | 7           | <b>65,629</b>                                  | 367,595  |
| <b>TOTAL LIABILITIES</b>  |             | <b>80,279</b>                                  | 372,245  |
| <b>EQUITY</b>   |             |  |  |
| Net assets attributable to unitholders of redeemable units                |             | <b>147,952,591</b>                             | 109,674,936                                      |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                       |             | <b>148,032,870</b>                             | 110,047,181                                      |
| Redeemable units in issue   |             | <b>8,644,661</b>                               | 6,695,360  |
| Net asset value attributable to each per unit                             |             | <b>17.11</b>                                   | 16.38  |

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

## HSBC Multi-Assets Defensive Fund

### Interim condensed statement of comprehensive income (unaudited)

For the six-month period ended 30 June 2021

|   | <i>Note</i> | <b>30 June<br/>2021<br/>SR</b> | <b>30 June<br/>2020<br/>SR</b> |
|---|-------------|--------------------------------|--------------------------------|
| <b>INCOME</b>   |             |                                |                                |
| Net unrealized gain / (loss) on financial assets at FVTPL   |             | <b>2,463,785</b>               | (4,716,247)                    |
| Net realized gain on disposal of financial assets at FVTPL  |             | <b>2,280,133</b>               | 2,025,155                      |
| Net realised gain on disposal of financial assets at FVOCI  |             | -                              | 33,660                         |
| Dividend income   |             | <b>782,852</b>                 | 270,899                        |
| Special commission income from financial assets at FVOCI  |             | <b>87,125</b>                  | 126,614                        |
| Net exchange (loss) / gain  |             | <b>(1,967)</b>                 | 2,888                          |
| Other income  |             | <b>419</b>                     | -                              |
| <b>TOTAL INCOME / (LOSS)</b>  |             | <b>5,612,347</b>               | <b>(2,257,031)</b>             |
| <b>EXPENSES</b>   |             |                                |                                |
| Management fees   | 6           | <b>314,163</b>                 | 256,418                        |
| Impairment charge for / (reversal of) expected credit losses  |             | <b>850</b>                     | (3,404)                        |
| <b>TOTAL EXPENSES</b>   |             | <b>315,013</b>                 | <b>253,014</b>                 |
| <b>NET INCOME / (LOSS) FOR THE PERIOD</b>   |             | <b>5,297,334</b>               | <b>(2,510,045)</b>             |
| <b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>   |             |                                |                                |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i> |             |                                |                                |
| Transfer of fair value reserve – debt instruments   |             | -                              | (1,639)                        |
| Net unrealized gain on investments at FVOCI – debt instruments                                      |             | <b>3,114</b>                   | -                              |
| Movement in fair value / allowance for expected credit losses on investments at FVOCI               |             | <b>850</b>                     | (3,404)                        |
| <b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>   |             | <b>3,964</b>                   | <b>(5,043)</b>                 |
| <b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>   |             | <b>5,301,298</b>               | <b>(2,515,088)</b>             |

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

## HSBC Multi-Assets Defensive Fund

### Interim condensed statement of changes in equity attributable to the unitholders (unaudited)

For the six-month period ended 30 June 2021

|  | 2021<br>SR         | 2020<br>SR   |
|--|--------------------|--------------|
| <b>EQUITY AT THE BEGINNING OF THE PERIOD</b>       | <b>109,674,936</b> | 118,185,417  |
| Net income / (loss) for the period                 | 5,297,334          | (2,510,045)  |
| Other comprehensive income / (loss) for the period | 3,964              | (29,367)     |
| Total comprehensive income / (loss) for the period | 5,301,298          | (2,539,412)  |
| Issue of units during the period                   | 45,546,536         | 5,548,796    |
| Redemption of units during the period              | (12,570,179)       | (16,408,440) |
| Net changes  | 32,976,357         | (10,859,644) |
| <b>EQUITY AT THE END OF THE PERIOD</b>             | <b>147,952,591</b> | 104,786,361  |

|   | <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>6,695,360</b> | 7,547,435    |
| Issue of units during the period  | 2,696,842        | 361,961      |
| Redemption of units during the period   | (747,541)        | (1,088,326)  |
| Net increase / (decrease) in units  | 1,949,301        | (726,365)    |
| <b>UNITS AT THE END OF THE PERIOD</b>   | <b>8,644,661</b> | 6,821,070    |

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

## HSBC Multi-Assets Defensive Fund

### Interim condensed statement of cash flows (unaudited)

For the six-month period ended 30 June 2021

|  | 2021<br>SR            | 2020<br>SR              |
|--|-----------------------|-------------------------|
| <b>Operating activities</b>  |                       |                         |
| Net income / (loss) for the period   | 5,297,334             | (2,510,045)             |
| <i>Adjustments to reconcile net income / (loss) to net cash flows from operating activities:</i> |                       |                         |
| Movement in unrealised (gain)/loss on financial assets at FVTPL                                  | (2,463,785)           | 4,716,247               |
| Provision for / (reversal of) expected credit losses   | 850                   | (3,404)                 |
| <i>Working capital adjustments:</i>  |                       |                         |
| (Increase) / decrease in financial assets at FVTPL   | (35,583,388)          | 4,757,501               |
| (Increase) / decrease in financial assets measured at FVOCI                                      | (790,368)             | 760,544                 |
| Increase in receivables and advances   | (161,416)             | (303,089)               |
| Increase / decrease in management fee payable  | 10,000                | (2,421)                 |
| (Decrease) / increase in accrued expenses and other payables                                     | (301,966)             | 898,262                 |
| Net cash flows (used in) / from operating activities   | <u>(33,992,739)</u>   | <u>8,313,595</u>        |
| <b>Financing activities</b>  |                       |                         |
| Proceeds from issuance of units  | 45,546,536            | 5,548,796               |
| Payment on redemption of units   | (12,570,179)          | (16,408,440)            |
| Net cash flows from / (used in) financing activities   | <u>32,976,357</u>     | <u>(10,859,644)</u>     |
| <b>Net decrease in bank balance</b>  | <b>(1,016,382)</b>    | <b>(2,546,049)</b>      |
| Bank balance at the beginning of the period  | 1,371,745             | 4,034,180               |
| <b>Bank balance at the end of the period</b>   | <u><u>355,363</u></u> | <u><u>1,488,131</u></u> |
| <b><u>Operational cash flows from dividends:</u></b>   |                       |                         |
| Dividends received   | <u><u>83,946</u></u>  | <u><u>126,614</u></u>   |

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

# HSBC Multi-Assets Defensive Fund

## Notes to unaudited interim condensed financial statements

At 30 June 2021

### 1. INCORPORATION AND ACTIVITIES

HSBC Multi-Assets Defensive Fund (the “Fund”) is an open-ended investment fund created by an agreement between HSBC Saudi Arabia (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The address of the Fund Manager is as follows:

HSBC Saudi Arabia, Head Office  
HSBC Building 7267  
Olaya Street (Al-Murooj District)  
Riyadh 12283-2255  
Kingdom of Saudi Arabia

HSBC Multi-Assets Defensive Fund (“the Fund”) is an investment fund established through an agreement between HSBC Saudi Arabia (“the Fund Manager”) and investors (“the Unitholders”).

The objective of the Fund is to seek medium to long term capital appreciation with the emphasis on capital preservation and limited exposure to equity markets. The Fund Manager allocates the funds across Shariah compliant securities such as Murabaha transactions, Sukuks and shares either directly, through mutual funds or through discretionary managed accounts in order to achieve the portfolio objective.

The Fund is managed by the Fund Manager who also acts as the administrator of the Fund. Al Bilad Capital is the custodian of the Fund. All income is reinvested in the Fund and is reflected in the unit price.

### 2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and effective from 6 Safar 1438H (corresponding to 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. The Regulations were further Amended by Resolution of the Board of the Capital Market Authority Number 2-22-2021 Dated 12/7/1442H. Corresponding to 24/2/2021G.

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

#### 3.1. Basis of preparation

These unaudited interim condensed financial statements for the six-month period ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the kingdom of Saudi Arabia.

The unaudited 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 2020.

The unaudited 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 and financial assets held at FVOCI that are measured at fair value. These unaudited 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 2020, except for the adoption of new standards effective as of 1 January 2021. The fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed financial statements of the fund.

## HSBC Multi-Assets Defensive Fund

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2021

### 3. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

#### 3.2 New standards, interpretations and amendments (continued)

##### Interest Rate Benchmark Reform–Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed financial statements of the Fund.

The Fund intends to use the practical expedients in future periods if they become applicable.

### 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 2021 (Unaudited) |                    |                        |                                       |
|---|--------------------------|--------------------|------------------------|---------------------------------------|
|   | <i>% of Market value</i> | <i>Cost SR</i>     | <i>Market value SR</i> | <i>Unrealised gain (loss), net SR</i> |
| <b><i>Investments in mutual funds</i></b>         |                          |                    |                        |                                       |
| HSBC Saudi Riyal Trading Fund                     | 30.2                     | 41,731,685         | 42,408,178             | 676,493                               |
| HSBC Sukuk Fund                                   | 27.6                     | 39,659,631         | 38,859,325             | (800,306)                             |
| HSBC USD Trading Fund                             | 11.8                     | 14,998,952         | 16,578,699             | 1,579,747                             |
| HSBC Global Equity Index Fund                     | 7.5                      | 7,115,757          | 10,582,279             | 3,466,522                             |
| HSBC Saudi Free Style Equity Fund                 | 7.2                      | 8,527,921          | 10,152,499             | 1,624,578                             |
| HSBC GCC Equity Fund                              | 4.7                      | 4,683,009          | 6,531,952              | 1,848,943                             |
| HSBC Emerging Market Fund                         | 3.3                      | 3,427,229          | 4,650,287              | 1,223,058                             |
| HSBC Saudi Construction and Cement Fund           | 2.8                      | 3,467,000          | 3,874,619              | 407,619                               |
| HSBC China and India Freestyle Fund               | 1.2                      | 1,541,508          | 1,725,330              | 183,822                               |
|   | <b>96.3</b>              | <b>125,152,692</b> | <b>135,363,168</b>     | <b>10,210,476</b>                     |
| <b><i>Investments in equities (by sector)</i></b> |                          |                    |                        |                                       |
| Utilities   | 1.8                      | 2,461,221          | 2,515,315              | 54,094                                |
| Energy  | 1.0                      | 1,166,057          | 1,439,968              | 273,911                               |
| Transportation                                    | 0.9                      | 1,166,010          | 1,312,359              | 146,349                               |
|   | <b>3.7</b>               | <b>4,793,288</b>   | <b>5,267,642</b>       | <b>474,354</b>                        |
| <b>Total</b>                                      | <b>100.0</b>             | <b>129,945,980</b> | <b>140,630,810</b>     | <b>10,684,830</b>                     |



## HSBC Multi-Assets Defensive Fund

Notes to unaudited interim condensed financial statements (continued)

At 30 June 2021

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

|  | 31 December 2020 (Audited) |                   |                    |                                |
|--|----------------------------|-------------------|--------------------|--------------------------------|
|  | % of Market value          | Cost SR           | Market value SR    | Unrealised gain (loss), net SR |
| <b><i>Investments in mutual funds</i></b>  |                            |                   |                    |                                |
| HSBC Sukuk Fund                            | 38.6                       | 39,659,631        | 39,583,876         | (75,755)                       |
| HSBC US Dollar Murabaha Fund               | 16.2                       | 14,998,952        | 16,569,947         | 1,570,995                      |
| HSBC Saudi Riyal Murabaha Fund             | 15.9                       | 15,659,565        | 16,340,296         | 680,731                        |
| HSBC Global Equity Index Fund              | 11.9                       | 8,904,786         | 12,221,698         | 3,316,912                      |
| HSBC Global Emerging Market Equity Fund    | 5.7                        | 4,536,261         | 5,884,033          | 1,347,772                      |
| HSBC Saudi Freestyle Equity Fund           | 5.5                        | 5,241,380         | 5,637,522          | 396,142                        |
| HSBC GCC Equity Fund                       | 3.9                        | 3,183,009         | 4,041,769          | 858,760                        |
| HSBC China and India Freestyle Equity Fund | 2.3                        | 2,179,008         | 2,304,496          | 125,488                        |
| <b>Total</b>                               | <b>100.0</b>               | <b>94,362,592</b> | <b>102,583,637</b> | <b>8,221,045</b>               |

### 5. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

|                          | 30 June 2021<br>(Unaudited)<br>SR | 31 December 2020<br>(Audited)<br>SR |
|--------------------------|-----------------------------------|-------------------------------------|
| Debt Securities - Sukuks | <b>6,791,308</b>                  | 6,001,005                           |
| Accrued special income   | <b>17,807</b>                     | 14,628                              |
|                          | <b>6,809,115</b>                  | 6,015,633                           |

The average special commission rate on investments as at the end of June 2021 is 4.09% p.a. (31 December 2020: 2.83% p.a.). The above debt securities are redeemable at par Sukuk investments.

The movement in the allowance for expected credit losses for debt securities (sukuk) is summarized as follows:

|   | 30 June 2021<br>(Unaudited)<br>SR | 30 June 2020<br>(unaudited)<br>SR |
|---|-----------------------------------|-----------------------------------|
| Balance at beginning of the period                      | <b>1,309</b>                      | 6,349                             |
| ECL of financial assets sold/ matured during the period | -                                 | (1,639)                           |
| Provision / (reversal) for the period                   | <b>850</b>                        | (3,404)                           |
| Balance at the end of the period                        | <b>2,159</b>                      | 1,306                             |

The methodology and assumptions applied by the Fund in estimating the ECL on sukuk placements is based on using the Moody's rating scales which are then adjusted for country specific data based on where the sukuk's underlying assets / projects are, forward looking estimates and macroeconomic variables such as expected GDP growth, to determine the ECL as at the end of the reporting period.

## HSBC Multi-Assets Defensive Fund

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

At 30 June 2021

#### 6 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 following are the details of major related party transactions during the period:

| Related party                                  | Nature of transactions | Amount of transactions |            | Balance        |            |
|--|------------------------|------------------------|------------|----------------|------------|
|  |                        | 2021<br>SR             | 2020<br>SR | 2021<br>SR     | 2020<br>SR |
| HSBC Saudi Arabia<br>(Fund Manager)            | Fund management fee    | <b>314,163</b>         | 256,418    | <b>14,650</b>  | 4,650      |
| Saudi British Bank<br>(Parent of Fund Manager) | Cash at bank           |                        |            | <b>168,920</b> | 28,863     |

The Fund pays the Fund Manager a management fee calculated at an annual rate of 0.45% per annum calculated on the total asset value at each valuation date. The fee is intended to compensate the Fund Manager for administration of the Fund.

The units in issue at 30 June 2021 include 3,621 units held by the employees of the Fund Manager (31 December 2020: 3,471 units).

There are no units in issue as at 30 June 2021 (31 December 2020: Nil units) that are held by the Fund Manager.

The Saudi British Bank (“SABB”) (parent of the Fund Manager) acts as the Fund’s banker. The Fund has made investments aggregating to SR 135,363,168 (31 December 2020: SR 102,583,637) in other funds managed by the Fund Manager.

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

Board member compensation and other fees such as custodian fee and administration fee during the period has been borne and paid by HSBC Saudi Arabia (“the Fund Manager”).

#### 7. ACCRUED EXPENSES AND OTHER PAYABLES

|                    | 30 June<br>2021<br>(Unaudited)<br>SR | 31 December<br>2020<br>(Audited)<br>SR |
|--------------------|--------------------------------------|--|
| Redemption payable | <b>65,629</b>                        | 367,595                                |

#### 8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund has investments at fair value through profit or loss which is measured at fair values and are classified within level 1 of the fair value hierarchy and the Fund’s investments at FVOCI is measured at fair values and classified 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.

## HSBC Multi-Assets Defensive Fund

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

At 30 June 2021

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

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

| <i>As at 30 June 2021 (Unaudited)</i>   | <i>Within<br/>12 months<br/>SR</i> | <i>After<br/>12 months<br/>SR</i> | <i>Total<br/>SR</i> |
|---|------------------------------------|-----------------------------------|---------------------|
| <b>ASSETS</b>                           |                                    |                                   |                     |
| Bank balance                            | 355,363                            | -                                 | 355,363             |
| Financial assets at FVTPL               | 140,630,810                        | -                                 | 140,630,810         |
| Financial assets at FVOCI               | 6,809,115                          | -                                 | 6,809,115           |
| Receivables and advances                | 237,582                            | -                                 | 237,582             |
| <b>TOTAL ASSETS</b>                     | <b>148,032,870</b>                 | <b>-</b>                          | <b>148,032,870</b>  |
| <b>LIABILITIES</b>                      |                                    |                                   |                     |
| Management fee payable                  | 14,650                             | -                                 | 14,650              |
| Accrued expenses and other payables     | 65,629                             | -                                 | 65,629              |
| <b>TOTAL LIABILITIES</b>                | <b>80,279</b>                      | <b>-</b>                          | <b>80,279</b>       |
| <br>                                    |                                    |                                   |                     |
| <i>As at 31 December 2020 (Audited)</i> | <i>Within<br/>12 months<br/>SR</i> | <i>After<br/>12 months<br/>SR</i> | <i>Total<br/>SR</i> |
| <b>ASSETS</b>                           |                                    |                                   |                     |
| Bank balance                            | 1,371,745                          | -                                 | 1,371,745           |
| Financial assets at FVTPL               | 102,583,637                        | -                                 | 102,583,637         |
| Financial assets at FVOCI               | 6,015,633                          | -                                 | 6,015,633           |
| Receivables and advances                | 76,166                             | -                                 | 76,166              |
| <b>TOTAL ASSETS</b>                     | <b>110,047,181</b>                 | <b>-</b>                          | <b>110,047,181</b>  |
| <b>LIABILITIES</b>                      |                                    |                                   |                     |
| Management fee payable                  | 4,650                              | -                                 | 4,650               |
| Accrued expenses and other payables     | 367,595                            | -                                 | 367,595             |
| <b>TOTAL LIABILITIES</b>                | <b>372,245</b>                     | <b>-</b>                          | <b>372,245</b>      |

#### 10. LAST VALUATION DAY

The last valuation day of the period/year was 30 June 2021 (year ended 31 December 2020: 31 December 2020).

#### 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.

The impact of the pandemic on the Fund’s operations and financial results till the date of the unaudited 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.

## HSBC Multi-Assets Defensive Fund

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Notes to unaudited interim condensed financial statements (continued)

At 30 June 2021

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

These unaudited interim condensed financial statements were approved by the Fund's management on 7 Muharram 1443H (corresponding to 15 August 2021).