

SAB Invest Multi-Assets Balanced Fund
(Formerly known as Alawwal Invest Multi-Assets
Balanced Fund)
(Managed by SAB Invest)

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

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
King Fahad Road
P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821

Tel: +966 11 215 9898

+966 11 273 4740

Fax: +966 11 273 4730

ey.ksa@sa.ey.com

ey.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST MULTI ASSETS BALANCED FUND (MANAGED BY SAB INVEST)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Multi-Assets Balanced Fund (formerly known as Alawwal Invest Multi-Assets Balanced Fund) (the "Fund") managed by SAB Invest (formerly known as Alawwal Invest) (the "Fund Manager") as at 30 June 2023, and the related interim condensed statement of comprehensive income, statement of changes in equity attributable to the unitholders and cash flows for the six-month period then ended, and 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") 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.

For Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 22 Muharram 1445H
(9 August 2023)



SAB Invest Multi-Assets Balanced Fund
(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Interim condensed statement of financial position

As at 30 June 2023

	<i>Notes</i>	30 June 2023 (Unaudited) SR	<i>31 December 2022 (Audited) SR</i>
ASSETS			
Cash and cash equivalents		1,956,171	23,221,828
Financial assets at fair value through profit or loss (FVTPL)	4	594,243,980	541,118,937
Financial assets at fair value through other comprehensive income (FVOCI)	5	-	7,111,876
Dividend receivable		498,055	497,956
Receivable from sold securities		17,027,844	10,783,905
TOTAL ASSETS		613,726,050	582,734,502
LIABILITIES			
Management fee payable	6	255,966	334,133
Accrued expenses and other payables		3,668,709	4,350,393
TOTAL LIABILITIES		3,924,675	4,684,526
EQUITY			
Net assets attributable to unitholders of redeemable units		609,801,375	578,049,976
TOTAL LIABILITIES AND EQUITY		613,726,050	582,734,502
Redeemable units in issue		23,513,424	24,913,622
Net asset value attributable to each per unit		25.93	23.20

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

SAB Invest Multi-Assets Balanced Fund
(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Interim condensed statement of comprehensive income (unaudited)

For the six-month period ended 30 June 2023

		30 June	30 June
		2023	2022
	<i>Notes</i>	SR	SR
INCOME			
Net movement in unrealised gain / (loss) on financial assets at FVTPL		49,634,835	(30,958,913)
Net realised gain on disposal of financial assets at FVTPL		16,172,465	38,534,100
Dividend income		996,814	1,032,145
Special commission income from financial assets at FVOCI		111,665	195,484
Net exchange loss		(11,222)	(5,878)
Other income		9,149	-
TOTAL INCOME		66,913,706	8,796,938
EXPENSES			
Management fees	6	1,502,958	1,634,030
Other expenses		573	143
Impairment charge for expected credit losses	5	(53,731)	(1,184)
TOTAL EXPENSES		1,449,800	1,632,989
NET INCOME FOR THE PERIOD		65,463,906	7,163,949
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD			
<i>Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods:</i>			
Net unrealized gain / (loss) on financial assets at FVOCI		172,300	(374,761)
Movement in fair value / allowance for expected credit losses on investments at FVOCI		(53,731)	(1,184)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		65,582,475	6,788,004

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

SAB Invest Multi-Assets Balanced Fund
(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

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

For the six-month period ended 30 June 2023

	2023 <i>SR</i>	2022 <i>SR</i>
EQUITY AT THE BEGINNING OF THE PERIOD	578,049,976	599,398,724
Net income for the period	65,463,906	7,163,949
Net movement in unrealised gain / (loss) on investments at FVOCI	172,300	(374,761)
Movement in fair value / allowance for expected credit losses on investments at FVOCI	(53,731)	(1,184)
Total comprehensive income for the period	65,582,475	6,788,004
Issue of units during the period	28,763,124	118,638,113
Redemption of units during the period	(62,594,200)	(116,020,440)
Net changes from unit transactions	(33,831,076)	2,617,673
EQUITY AT THE END OF THE PERIOD	609,801,375	608,804,401
	<u><i>Units</i></u>	<u><i>Units</i></u>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the period are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	24,913,622	26,033,912
Issue of units during the period	1,193,443	4,884,049
Redemption of units during the period	(2,593,641)	(4,856,105)
Net changes in units	(1,400,198)	27,944
UNITS AT THE END OF THE PERIOD	23,513,424	26,061,856

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

SAB Invest Multi-Assets Balanced Fund
(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Interim condensed statement of cash flows (unaudited)
For the six-month period ended 30 June 2023

	2023 SR	2022 SR
OPERATING ACTIVITIES		
Net income for the period	65,463,906	7,163,949
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>		
Net movement in unrealised (gain) / loss on financial assets at FVTPL	(49,634,835)	30,958,913
Impairment charge for expected credit losses	(53,731)	(1,184)
	15,775,340	38,121,678
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	3,756,847	(33,293,641)
Financial assets measured at FVOCI	37,121	1,092
Dividend receivable	(99)	(71,136)
Receivable from sold securities	(6,243,939)	(2,601,939)
Management fee payable	(78,167)	(16,690)
Accrued expenses and other payables	(681,684)	(6,835,232)
Net cash flows generated from / (used in) operating activities	12,565,419	(4,695,868)
FINANCING ACTIVITIES		
Proceeds from issuance of units	28,763,124	118,638,113
Payment on redemption of units	(62,594,200)	(116,020,440)
Net cash flows (used in) / from financing activities	(33,831,076)	2,617,673
DECREASE IN CASH AND CASH EQUIVALENTS	(21,265,657)	(2,078,195)
Cash and cash equivalents at the beginning of the period	23,221,828	12,748,038
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,956,171	10,669,843
<u>OPERATIONAL CASH FLOWS FROM SPECIAL COMMISSION INCOME:</u>		
Special commission income received	148,786	196,576

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

SAB Invest Multi-Assets Balanced Fund

(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Notes to the unaudited interim condensed financial statements

At 30 June 2023

1. INCORPORATION AND ACTIVITIES

SAB Invest Multi-Assets Balanced Fund (formerly known as Alawwal Invest Multi-Assets Balanced Fund) (the “Fund”) is an open-ended investment fund created by an agreement between SAB Invest (formerly known as Alawwal Invest) (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The address of the Fund Manager is as follows:

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

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. 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 Rajab1442H (corresponding to 24 February 2021G). The amended regulations are effective from 19 Ramadan 1442H (corresponding to 1 May 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 2023 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 2022. In addition, result for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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.

SAB Invest Multi-Assets Balanced Fund

(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2023

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

3.2 New standards, interpretations and amendments

3.2.1 New standards and amendments adopted by the Fund

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the Fund's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements.

Standard, interpretation and amendments	Description	Effective date
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023
IFRS 17, 'Insurance contracts', as amended in December 2021	This standard replaces IFRS 4, which previously permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	Annual periods beginning on or after 1 January 2023
Amendment to IAS 12-deferred tax related to assets and liabilities arising from a single transaction	These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023

3.2.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.	Deferred until accounting periods starting not earlier than 1 January 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	Annual periods beginning on or after 1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	Annual periods beginning on or after 1 January 2024

SAB Invest Multi-Assets Balanced Fund

(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2023

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:

	<i>30 June 2023 (Unaudited)</i>			
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain (loss), net SR</i>
<i>Investments in mutual funds</i>				
SAB Invest Saudi Riyal Murabaha Fund	30.3%	171,156,844	180,249,103	9,092,259
SAB Invest Saudi Companies Equity Fund	21.4%	104,050,991	127,440,612	23,389,621
SAB Invest GCC Equity Fund	12.3%	38,244,228	72,726,208	34,481,980
SAB Invest Global Equity Index Fund	11.0%	46,525,992	65,348,291	18,822,299
SAB Invest Sukuk Fund	10.7%	71,238,563	63,364,015	(7,874,548)
SAB Invest Enhanced Murabaha Fund	9.1%	53,000,000	53,786,477	786,477
HSBC MSCI Emerging Markets Islamic				
ESG UCITS ETF	3.5%	21,380,825	20,933,062	(447,763)
First Milling	1.7%	8,847,840	10,396,212	1,548,372
	<u>100.0%</u>	<u>514,445,283</u>	<u>594,243,980</u>	<u>79,798,697</u>
	<i>31 December 2022 (Audited)</i>			
	<i>% of Market value</i>	<i>Cost SR</i>	<i>Market value SR</i>	<i>Unrealised gain (loss), net SR</i>
<i>Investments in mutual funds</i>				
Alawwal Invest Saudi Riyal Murabaha Fund	37.8%	198,429,372	204,660,044	6,230,672
Alawwal Invest Saudi Companies Equity Fund	14.5%	78,698,649	78,313,961	(384,688)
Alawwal Invest Sukuk Fund	11.6%	71,238,563	63,041,266	(8,197,297)
Alawwal Invest GCC Equity Fund	10.8%	38,244,228	58,187,459	19,943,231
Alawwal Invest Global Equity Index Fund	10.0%	47,685,352	54,157,116	6,471,764
Alawwal Invest Saudi Free Style Equity Fund	7.9%	27,696,904	42,779,947	15,083,043
Alawwal Emerging Markets Index Fund	4.0%	29,888,562	21,633,217	(8,255,345)
Saudi Aramco Base Oil Co.	2.3%	13,073,445	12,281,115	(792,330)
Alawwal Invest Enhanced Murabaha Fund	1.1%	6,000,000	6,064,812	64,812
Total	<u>100.0%</u>	<u>510,955,075</u>	<u>541,118,937</u>	<u>30,163,862</u>

SAB Invest Multi-Assets Balanced Fund

(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2023

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

	<i>30 June 2023 (Unaudited) SR</i>	<i>31 December 2022 (Audited) SR</i>
Debt Securities – Sukuks	-	7,074,755
Accrued special income	-	37,121
	<u>-</u>	<u>7,111,876</u>
	<u>-</u>	<u>7,111,876</u>

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

	<i>30 June 2023 (Unaudited) SR</i>	<i>30 June 2022 (Unaudited) SR</i>
Balance at beginning of the period	53,731	74,743
(Reversal) charge for the period	(53,731)	(1,184)
	<u>-</u>	<u>73,559</u>
	<u>-</u>	<u>73,559</u>

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.

SAB Invest Multi-Assets Balanced Fund

(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2023

6. TRANSACTIONS WITH RELATED PARTIES

A. *Transactions and balances with Fund Manager*

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties of the Fund comprise SAB Invest (being the Fund Manager, the Fund Board and administrator of the Fund), mutual funds managed by the Fund Manager and The Saudi British Bank (“SABB”) (being significant shareholder of the Fund Manager).

In the ordinary course of its activities, the Fund transacts business with related parties. Related party transactions are governed by limits set by the regulations issued by CMA. All the related party transactions are undertaken at mutually agreed prices and approved by the Fund Manager. These transactions were carried out on the basis of approved terms and conditions of the Fund.

During the period, the Fund entered into the following transactions with related parties in the ordinary course of business:

<i>Related party</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>		<i>Balance</i>	
		<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
SAB Invest (Fund Manager)	Fund management fee	1,502,958	1,634,030	255,966	334,133
	Cash and cash equivalents			-	-
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents			-	434,809

The Fund pays the Fund Manager a management fee calculated at an annual rate of 0.45% per annum calculated on the net asset value at each valuation date (31 December 2022: 0.45%).

The Saudi Awwal Bank (“SAB”) (Parent of the Fund Manager) acts as the Fund’s banker. The Fund has made investments aggregating to SR 484.2 million (31 December 2022: SR 467 million) in other funds managed by the Fund Manager.

Fund Board member compensation and other fees such as custodian fee and administration fee during the year has been borne and paid by SAB Invest.

7. 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 2 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 3 of the fair value hierarchy. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

SAB Invest Multi-Assets Balanced Fund

(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2023

8. 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 2023 (Unaudited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and Cash Equivalent	1,956,171	-	1,956,171
Financial assets at fair value through profit or loss (FVTPL)	594,243,980	-	594,243,980
Dividend receivable	498,055	-	498,055
Receivable from sold securities	17,027,844	-	17,027,844
TOTAL ASSETS	613,726,050	-	613,726,050
LIABILITIES			
Management fee payable	255,966	-	255,966
Accrued expenses and other payables	3,668,709	-	3,668,709
TOTAL LIABILITIES	3,924,675	-	3,924,675
<i>As at 31 December 2022 (Audited)</i>	<i>Within 12 months SR</i>	<i>After 12 months SR</i>	<i>Total SR</i>
ASSETS			
Cash and cash equivalents	23,221,828	-	23,221,828
Financial assets at fair value through profit or loss (FVTPL)	541,118,937	-	541,118,937
Financial assets at fair value through other comprehensive income (FVOCI)	-	7,111,876	7,111,876
Dividend receivable	497,956	-	497,956
Receivable from sold securities	10,783,905	-	10,783,905
TOTAL ASSETS	575,622,626	7,111,876	582,734,502
LIABILITIES			
Management fee payable	334,133	-	334,133
Accrued expenses and other payables	4,350,393	-	4,350,393
TOTAL LIABILITIES	4,684,526	-	4,684,526

SAB Invest Multi-Assets Balanced Fund

(Formerly known as Alawwal Invest Multi-Assets Balanced Fund)

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2023

9. LAST VALUATION DAY

The last valuation day of the period was 30 June 2023 (year ended 31 December 2022: 31 December 2022).

10. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the Fund Manager has made certain revisions to the Terms and Conditions of the Fund. The latest update was approved by the Capital Market authority (the "CMA") on 24 Dhul Hijja 1444H (corresponding to 12 July 2023).

Further, the Fund Manager announced changes in the board of directors on 5 Muharram 1445H (Corresponding to 23 July 2023).

11. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 20 Muharram 1445H (corresponding to 7 August 2023).