

# **SAB Invest Multi-Assets Defensive Fund**

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

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**



**Ernst & Young Professional Services (Professional LLC)**  
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## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF SAB INVEST MULTI ASSETS DEFENSIVE FUND (MANAGED BY SAB INVEST)

### Introduction:

We have reviewed the accompanying interim condensed statement of financial position of SAB Invest Multi Assets Defensive Fund (the "Fund") managed by SAB Invest (the "Fund Manager") as at 30 June 2024, and the related interim condensed statement of comprehensive income for the six-month period ended 30 June 2024, and the related interim condensed 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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: 7 Safar 1446H  
(11 August 2024)

SAB Invest Multi-Assets Defensive Fund  
Interim condensed statement of financial position  
As at 30 June 2024

	<i>Notes</i>	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
<b>ASSETS</b>			
Cash and cash equivalents		<b>314,749</b>	5,060,205
Financial assets at fair value through profit or loss (FVTPL)	4	<b>186,774,804</b>	173,639,486
Dividend receivable		<b>322,074</b>	307,462
Receivable and advances		<b>800,000</b>	9,500,000
<b>TOTAL ASSETS</b>		<b>188,211,627</b>	188,507,153
<b>LIABILITIES</b>			
Management fee payable	6	<b>87,138</b>	29,970
Redemption payable		<b>186,546</b>	452,097
Payable against purchased securities		<b>800,000</b>	-
Accrued expenses		<b>98,748</b>	68,945
<b>TOTAL LIABILITIES</b>		<b>1,172,432</b>	551,012
<b>EQUITY</b>			
Net assets attributable to unitholders of redeemable units		<b>187,039,195</b>	187,956,141
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>188,211,627</b>	188,507,153
Redeemable units in issue		<b>8,556,282</b>	9,133,641
Net asset value attributable to each per unit		<b>21.86</b>	20.58

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

## SAB Invest Multi-Assets Defensive Fund

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

For the six-month period ended 30 June 2024

	<i>Notes</i>	<i>30 June 2024 SR</i>	<i>30 June 2023 SR</i>
<b>INCOME</b>			
Net movement in unrealised gain on financial assets at FVTPL		<b>6,859,385</b>	10,217,666
Net realised gain on disposal of financial assets at FVTPL		<b>4,526,102</b>	2,189,187
Net realised (loss) on disposal of financial assets at FVOCI		-	(58,496)
Dividend income		<b>654,190</b>	554,803
Special commission income from financial assets at FVOCI		-	9,989
Net exchange loss		<b>(1,575)</b>	(5,600)
Other income		-	3,547
<b>TOTAL INCOME</b>		<b>12,038,102</b>	12,911,096
<b>EXPENSES</b>			
Management fees	6	<b>488,415</b>	496,851
Other expenses		<b>209,504</b>	608
Impairment charge for expected credit losses		-	(7,351)
<b>TOTAL EXPENSES</b>		<b>697,919</b>	490,108
<b>NET INCOME FOR THE PERIOD</b>		<b>11,340,183</b>	12,420,988
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Net movement in unrealised gain on investments at FVOCI – debt instruments		-	61,573
Movement in fair value / allowance for expected credit losses on investments at FVOCI		-	(7,351)
Other comprehensive income for the period		-	54,222
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>11,340,183</b>	12,475,210

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

## SAB Invest Multi-Assets Defensive Fund

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

For the six-month period ended 30 June 2024

	2024 SR	2023 SR
<b>EQUITY AT THE BEGINNING OF THE PERIOD</b>	<b>187,956,141</b>	229,954,903
Net income for the period	<b>11,340,183</b>	12,420,988
Net unrealised (loss) on financial assets at FVCOI	-	61,573
Movement in fair value / allowance for expected credit losses on investments at FVOCI	-	(7,351)
Total comprehensive income for the period	<b>11,340,183</b>	12,475,210
Issue of units during the period	<b>8,659,972</b>	4,229,746
Redemption of units during the period	<b>(20,917,101)</b>	(77,022,060)
Net changes from unit transactions	<b>(12,257,129)</b>	(72,792,314)
<b>EQUITY AT THE END OF THE PERIOD</b>	<b>187,039,195</b>	169,637,799
	<i>Units</i>	<i>Units</i>
<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>9,133,641</b>	12,773,889
Issue of units during the period	<b>409,466</b>	228,605
Redemption of units during the period	<b>(986,825)</b>	(4,208,547)
Net changes in units	<b>(577,359)</b>	(3,979,942)
<b>UNITS AT THE END OF THE PERIOD</b>	<b>8,556,282</b>	8,793,947

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

## SAB Invest Multi-Assets Defensive Fund

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

For the six-month period ended 30 June 2024

	2024 SR	2023 SR
<b>OPERATING ACTIVITIES</b>		
Net income for the period	<b>11,340,183</b>	12,420,988
<i>Adjustments to reconcile net income to net cash flows from operating activities:</i>		
Net Movement in unrealised loss / (gain) on financial assets at FVTPL	<b>(6,859,385)</b>	(10,217,666)
Provision for expected credit losses	-	(7,351)
Dividend income	<b>(654,190)</b>	(554,803)
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	<b>(6,275,933)</b>	66,815,638
Financial assets at FVOCI	-	790,996
Receivables and advances	<b>8,700,000</b>	165,091
Management fee payable	<b>57,168</b>	(66,096)
Payable against purchased securities	<b>800,000</b>	-
Accrued expenses and other payables	<b>29,803</b>	(443,906)
Cash flows used in operations	<b>7,137,646</b>	68,902,891
Dividends received	<b>639,578</b>	554,748
Net cash flows generated from operating activities	<b>7,777,224</b>	69,457,639
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>8,659,972</b>	4,229,746
Payment on redemption of units	<b>(21,182,652)</b>	(77,022,060)
Net cash flows used in financing activities	<b>(12,522,680)</b>	(72,792,314)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,745,456)</b>	(3,334,675)
Cash and cash equivalents at the beginning of the period	<b>5,060,205</b>	8,141,066
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>314,749</b>	4,806,391

The accompanying notes 1 to 10 form an integral part of these unaudited interim condensed financial statements.

# SAB Invest Multi-Assets Defensive Fund

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## Notes to the unaudited interim condensed financial statements

At 30 June 2024

### 1. INCORPORATION AND ACTIVITIES

SAB Invest Multi-Assets Defensive Fund (the “Fund”) is an open-ended investment fund created by an agreement between SAB 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 Tower 7383  
King Fahad Branch Rd (Al-Yasmeen District)  
Riyadh 13325  
Kingdom of Saudi Arabia

The objective of the Fund is to seek long term capital appreciation, through investing in diversified Shariah-compliant investment funds.

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”) detailing requirements for all investments funds operating within the Kingdom of Saudi Arabia and published by the Capital Market Authority (the “CMA”) on 3 Dhul Hijja 1427H (corresponding to 24 December 2006). 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”). The amended regulations are effective from 19 Ramadan 1442, corresponding to 1 May 2021).

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

#### 3.1 Statement of compliance

These unaudited interim condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia.

#### 3.2 Basis of preparation

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 2023. In addition, result for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 Defensive Fund

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

At 30 June 2024

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

##### 3.3.1 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 2023, except for the adoption of new standards effective as of 1 January 2024. 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 2024.

Standard, interpretation and amendments	Description	Effective date
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOC
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA



## SAB Invest Multi-Assets Defensive Fund

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

At 30 June 2024

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

##### 3.3.2 Significant standards issued but not yet effective

Standard, interpretation and amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	Annual periods beginning on or after 1 January 2025
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	IASB amended to the requirements related to: setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features.	Annual periods beginning on or after 1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences	Annual periods beginning on or after 1 January 2027

## SAB Invest Multi-Assets Defensive Fund

Notes to the unaudited interim condensed financial statements (continued)

At 30 June 2024

### 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 2024 (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>				
SAB Invest Saudi Riyal Murabaha Fund	28.59	50,115,733	53,404,926	3,289,193
SAB Invest Sukuk Fund	21.97	45,353,324	41,030,844	(4,322,480)
SAB Invest GCC Equity Fund	12.56	11,077,474	23,461,587	12,384,113
SAB Invest US Dollar Murabaha Fund	11.50	18,322,450	21,475,064	3,152,614
SAB Invest Enhanced Murabaha Fund	8.81	14,866,291	16,455,383	1,589,092
SAB Invest Global Equity Index Fund	5.10	6,155,494	9,518,914	3,363,420
SAB Invest Saudi Companies Equity Fund	4.28	7,941,896	7,992,309	50,413
HSBC MSCI Emerging Markets Islamic ESG UCITS ETF	3.88	6,327,664	7,238,673	911,009
Rasan Information Technology	1.86	1,893,290	3,479,560	1,586,270
Invesco Physical Gold ETC	1.45	2,330,412	2,717,544	387,132
<b>Total</b>	<b>100.00</b>	<b>164,384,028</b>	<b>186,774,804</b>	<b>22,390,776</b>

	31 December 2023 (Audited)			
	<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>				
SAB Invest Saudi Riyal Murabaha Fund	30.72	50,490,628	53,350,119	2,859,491
SAB Invest Sukuk Fund	22.76	43,485,777	39,515,849	-3,969,928
SAB Invest US Dollar Murabaha Fund	12.10	18,322,450	21,006,446	2,683,996
SAB Invest GCC Equity Fund	11.99	11,077,475	20,827,243	9,749,768
SAB Invest Enhanced Murabaha Fund	9.20	14,866,291	15,974,781	1,108,490
SAB Invest Global Equity Index Fund	4.62	6,155,494	8,020,155	1,864,661
HSBC MSCI Emerging Markets Islamic ESG UCITS ETF	2.73	4,501,133	4,732,683	231,550
Invesco Physical Gold ETC	2.54	4,255,692	4,404,668	148,976
SAB Invest Saudi Companies Equity Fund	2.22	3,077,695	3,848,442	770,747
iShares MSCI USA Islamic UCITS ETF	1.13	1,875,460	1,959,100	83,640
<b>Total</b>	<b>100.00</b>	<b>158,108,095</b>	<b>173,639,486</b>	<b>15,531,391</b>

## SAB Invest Multi-Assets Defensive Fund

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

At 30 June 2024

#### 5. TRANSACTIONS WITH RELATED PARTIES

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 Awwal Bank (“SAB”) (being significant shareholder of the Fund Manager).

In the ordinary course of its activities, the Fund transacts business with Fund Manager and 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>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
		<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
SAB Invest (Fund Manager)	Fund management fee (including VAT)	<b>488,415</b>	496,851	<b>87,138</b>	29,970
	Admin fee	<b>75,976</b>	-	<b>15,622</b>	12,313
	Board member fees	<b>8,289</b>	-	<b>15,276</b>	6,987

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.

There are no units in issue at 30 June 2024 held by the employees of the Fund Manager.

The Saudi Awwal Bank (“SAB”) (parent of the Fund Manager) acts as the Fund’s banker. The Fund has made investments aggregating to 173.3 million (31 December 2023: SR 162.5 million) in other funds managed by the Fund Manager.

#### 6. 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. 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. There were no transfers between various levels of fair value hierarchy during the current period or prior year.

## SAB Invest Multi-Assets Defensive Fund

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

At 30 June 2024

#### 7. 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 2024 (Unaudited)</i>	<i>Within 12 months SAR</i>	<i>After 12 months SAR</i>	<i>No Fixed Maturity SAR</i>	<i>Total SAR</i>
<b>ASSETS</b>				
Cash and cash equivalents	314,749	-	-	314,749
Financial assets at FVTPL	-	-	186,774,804	186,774,804
Dividend receivable	322,074	-	-	322,074
Receivables and advances	800,000	-	-	800,000
<b>TOTAL ASSETS</b>	<b>1,436,823</b>	<b>-</b>	<b>186,774,804</b>	<b>188,211,627</b>
<b>LIABILITY</b>				
Management fee payable	87,138	-	-	87,138
Accrued expenses and other payables	98,748	-	-	98,748
Payable against purchased securities	800,000	-	-	800,000
Redemption payable	186,546	-	-	186,546
<b>TOTAL LIABILITY</b>	<b>1,172,432</b>	<b>-</b>	<b>-</b>	<b>1,172,432</b>
<i>As at 31 December 2023 (Audited)</i>	<i>Within 12 months SAR</i>	<i>After 12 months SAR</i>	<i>No Fixed Maturity SAR</i>	<i>Total SAR</i>
<b>ASSETS</b>				
Cash and cash equivalents	5,060,205	-	-	5,060,205
Financial assets at FVTPL	-	-	173,639,486	173,639,486
Receivable against sold securities	9,500,000	-	-	9,500,000
Receivables and advances	307,462	-	-	307,462
<b>TOTAL ASSETS</b>	<b>14,867,667</b>	<b>-</b>	<b>173,639,486</b>	<b>188,507,153</b>
<b>LIABILITY</b>				
Management fee payable	29,970	-	-	29,970
Redemption payable	452,097	-	-	452,097
Accrued Expenses	68,944	-	-	68,944
<b>TOTAL LIABILITY</b>	<b>551,011</b>	<b>-</b>	<b>-</b>	<b>551,011</b>

#### 8. LAST VALUATION DAY

The last valuation day of the was 30 June 2024 (year ended 31 December 2023: 31 December 2023).

#### 9. EVENTS AFTER THE REPORTING DATE

As of the date of approval of these interim condensed financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these interim condensed financial statements.

#### 10. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These unaudited interim condensed financial statements were approved by the Fund's management on 7 Safar 1446H (corresponding to 11 August 2024).