

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

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

AND INDEPENDENT AUDITOR'S REVIEW REPORT

Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Alinma Multi Assets Balanced Fund ("the Fund") being managed by Alinma Investment Company (the "Fund Manager") as at 30 June 2024, and the related interim condensed statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, including other explanatory notes. The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting ("IAS 34")" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, that is endorsed in the Kingdom of Saudi Arabia.

for Alluhaid & Alyahya Chartered Accountants



Saleh A. Alyahya
Certified Public Accountant
License number 473

Riyadh: 2 Safar 1446H
(6 August 2024)



Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 June 2024 (Unaudited) SR	<i>31 December 2023 (Audited) SR</i>
ASSETS			
Cash and cash equivalents	5	2,113,653	1,975,099
Financial assets at fair value through profit or loss (“FVTPL”)	6	8,672,112	8,478,111
Financial assets at amortized cost	7	7,737,464	4,599,050
Receivable against disposal of financial assets at FVTPL	6	84,653	-
Other receivables		12,362	146,197
TOTAL ASSETS		18,620,244	15,198,457
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued expenses and other current liabilities		195,847	158,102
TOTAL LIABILITIES		195,847	158,102
EQUITY			
Net assets attributable to unitholders of redeemable units		18,424,397	15,040,355
TOTAL LIABILITIES AND EQUITY		18,620,244	15,198,457
Redeemable units in issue (numbers)		843,664	728,977
Net asset value attributable to unit holders (SR)		21.84	20.63

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

Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

		<i>Unaudited</i>	
		<i>For the six-month period ended</i>	
		30 June 2024	30 June 2023
	<i>Notes</i>	SR	SR
INCOME			
Income from financial assets at FVTPL	6	779,768	1,148,507
Special commission income		250,642	197,747
Dividend income		119,468	91,138
TOTAL INCOME		1,149,878	1,437,392
OPERATING EXPENSES			
Management fees	8	(165,434)	(123,199)
Brokerage fees	8	(9,836)	(7,272)
Other expenses		(68,363)	(70,232)
TOTAL OPERATING EXPENSES		(243,633)	(200,703)
NET INCOME FOR THE PERIOD		906,245	1,236,689
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		906,245	1,236,689

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

Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>
	SR	SR
Operating activities		
Net income for the period	906,245	1,236,689
<i>Adjustments for:</i>		
Income from financial assets at FVTPL	(779,768)	(1,148,507)
Special commission income	(250,642)	(197,747)
Dividend income	(119,468)	(91,138)
Charge for expected credit loss	2,409	3,786
	<u>(241,224)</u>	<u>(196,917)</u>
<i>Changes in operating assets and liabilities:</i>		
Decrease (increase) in financial assets at FVTPL	585,767	(165,261)
Increase in receivable against disposal of financial assets at FVTPL	(84,653)	(189,020)
Increase in financial assets at amortised cost	(3,067,568)	(3,696,801)
Increase (decrease) in accrued expenses and other current liabilities	37,745	(4,918)
Increase in redemption payable.	-	11,501
	<u>(2,769,933)</u>	<u>(4,241,416)</u>
Dividend income received	116,628	80,999
Special commission income received	314,062	132,593
	<u>(2,339,243)</u>	<u>(4,027,824)</u>
Financing activities		
Proceeds from issuance of units	7,283,925	2,523,924
Payments against redemption of units	(4,806,128)	(2,772,100)
	<u>2,477,797</u>	<u>(248,176)</u>
Net increase (decrease) in cash and cash equivalents	138,554	(4,276,000)
Cash and cash equivalents at beginning of the period	1,975,099	4,586,813
Cash and cash equivalents at end of the period	<u>2,113,653</u>	<u>310,813</u>

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

Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>
	SR	SR
EQUITY AT THE BEGINNING OF THE PERIOD	15,040,355	13,272,094
Comprehensive income:		
Net income for the period	906,245	1,236,689
Other comprehensive income for the period	-	-
Total comprehensive income for the period	906,245	1,236,689
	15,946,600	14,508,783
CHANGE FROM UNIT TRANSACTIONS		
Proceeds from issuance of units	7,283,925	2,523,924
Payments against redemption of units	(4,806,128)	(2,772,100)
Net change from unit transactions	2,477,797	(248,176)
EQUITY AT THE END OF THE PERIOD	18,424,397	14,260,607
REDEEMABLE UNIT TRANSACTIONS		

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

	<i>Unaudited</i>	
	<i>For the six-month period ended</i>	
	<i>30 June 2024</i>	<i>30 June 2023</i>
	Units	Units
UNITS AT THE BEGINNING OF THE PERIOD	728,977	760,918
Units issued during the period	336,749	140,830
Units redeemed during the period	(222,062)	(153,239)
Net increase (decrease) in units	114,687	(12,409)
UNITS AT THE END OF THE PERIOD	843,664	748,509

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

Alinma Multi Assets Balanced Fund (Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2024

1 INCORPORATION AND ACTIVITIES

Alinma Multi Assets Balanced Fund, (the “Fund”), is an open-ended Shariah compliant public fund created under an agreement between Alinma Investment Company (the “Fund Manager”), a subsidiary of Alinma Bank (the “Bank”) and investors (the “Unitholders”) in accordance with Capital Market Authority (“CMA”) regulations.

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

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

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

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager can also enter into arrangements with other institutions for the provision of investment, custody or other administrative services on behalf of the Fund.

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

2 REGULATING AUTHORITY

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

3 BASIS OF PREPARATION

3.1 *Statement of compliance*

These interim condensed financial statements for the six-months period ended 30 June 2024 of the Fund have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants (“SOCPA”).

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

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Fund’s annual financial statements as at 31 December 2023.

3.2 *Basis of measurement*

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

The interim condensed statement of financial position is stated broadly in order of liquidity. All assets and liabilities are current in nature except for financial assets measured at amortised cost, maturities of which are disclosed in note 7 in the interim condensed financial statements.

Alinma Multi Assets Balanced Fund (Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

3 BASIS OF PREPARATION (continued)

3.3 *Functional and presentation currency*

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

3.4 *Use of judgements, estimates and assumptions*

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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 2023 except for the adoption of new standards effective as of 1 January 2024. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Fund.

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

Amendment to IFRS 16 – Lease on sale and leaseback

In September 2022, the International Accounting Standards Board ("IASB") issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Fund's interim condensed financial statements.

Amendments to IAS 7 and IFRS 7 on Supplier finance agreements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

The amendments had no impact on the Fund's interim condensed financial statements.

Amendments to IAS 1 – Classification of liabilities as Current vs Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Fund's interim condensed financial statements.

Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

5 CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Murabaha Deposit (i)	956,430	1,500,000
Cash at banks	1,159,139	476,864
	<u>2,115,569</u>	<u>1,976,864</u>
Less: Allowance for expected credit loss ("ECL") (note 5.1)	(1,916)	(1,765)
	<u><u>2,113,653</u></u>	<u><u>1,975,099</u></u>

(i) Murabaha deposit is placed with several banks with original maturity of 3 months or less and carries an average special commission income rate of 6.40% per annum (31 December 2023: 6.20% per annum).

5.1 Allowance for expected credit loss

Expected credit loss allowance for cash and cash equivalents is as follows:

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period/year	1,765	2,229
Charge for (reversal of) ECL allowance for the period/year	151	(464)
	<u>1,916</u>	<u>1,765</u>

6 FINANCIAL ASSETS AT FVTPL

Financial assets at FVTPL comprised of investment in equity instruments of entities listed and investment in a public fund, registered in the Kingdom of Saudi Arabia.

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Cost (SR)	Market value (SR)	Cost (SR)	Market value (SR)
Listed equities (i)	8,578,720	8,650,902	6,699,011	7,385,494
Investments in a public fund	19,276	21,210	1,080,772	1,092,617
	<u>8,597,996</u>	<u>8,672,112</u>	<u>7,779,783</u>	<u>8,478,111</u>

Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

6 FINANCIAL ASSETS AT FVTPL (continued)

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

Industry group	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Cost SR	Fair value SR	% of market value	Cost SR	Fair value SR	% of market value
Banks	2,021,638	2,158,819	24.95	1,731,842	1,991,028	26.96
Health Care equipment and Services	1,318,050	1,289,404	14.90	568,856	810,937	10.98
Consumer Services	1,281,480	1,126,403	13.02	831,540	790,403	10.70
Insurance	985,363	1,000,855	11.57	320,172	355,967	4.81
Real Estate Management and Development	641,198	662,159	7.65	750,519	768,140	10.40
Consumer Discretionary Distribution and Retail	615,493	650,465	7.52	467,647	574,259	7.78
Energy	537,030	541,515	6.27	-	-	-
Telecommunication Services	535,572	514,388	5.95	732,219	846,627	11.46
Transportation	432,585	471,769	5.45	430,715	471,786	6.39
Materials	210,311	235,125	2.72	-	-	-
Media & Entertainment	-	-	-	403,950	396,277	5.37
Food and beverages	-	-	-	461,551	380,070	5.15
	8,578,720	8,650,902	100.00	6,699,011	7,385,494	100.00

As of 30 June 2024, there are receivable against disposal of financial assets at FVTPL amounting to SR 84,653 (31 December 2023: nil).

The income from financial assets at FVTPL during the period amounted to SR 779,768 (30 June 2023: SR 1,148,507).

7 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	30 June 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Sukuks (i)	5,759,000	1,750,000
Murabaha deposits (ii)	1,914,738	2,846,487
Accrued special commission income	73,184	9,763
	7,746,922	4,606,250
Less: Allowance for ECL (note 7.1)	(9,458)	(7,200)
	7,737,464	4,599,050

(i) This represents Sukuks issued by a counterparties operating in Kingdom of Saudi Arabia, with original maturity of more than 3 months and carries an average special commission income rate of 7.78% per annum (31 December 2023: 6.33% per annum).

Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

7 FINANCIAL ASSETS MEASURED AT AMORTISED COST (continued)

The remaining maturity of these sukuk are as follows:

	<i>(Unaudited)</i>		<i>(Audited)</i>	
	<i>30 June 2024</i>	<i>% of value</i>	<i>31 December 2023</i>	<i>% of value</i>
Within 1 year	750,000	13%	1,000,000	57%
Later than 1 year	5,009,000	87%	750,000	43%
	<u>5,759,000</u>	<u>100%</u>	<u>1,750,000</u>	<u>100%</u>

- (ii) This represents Murabaha deposits placed with several banks operating in Kingdom of Saudi Arabia and Gulf countries with original maturity within 1 year and carries an average special commission income rate of 6.42% per annum (31 December 2023: 6.60% per annum).

7.1 Allowance for expected credit loss

The movement in allowance of ECL on financial assets at amortised cost during the period/year is as follows:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
At the beginning of the period/year	7,200	4,385
Charge for ECL allowance	2,258	2,815
	<u>9,458</u>	<u>7,200</u>

8 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

a) Management fees

The Fund Manager is responsible for the overall management of the Fund's activities. The Fund Manager charges management fee at the rate of 1.50% that are calculated twice a week based on the net assets of the Fund.

b) Brokerage expense

The Fund Manager charges 0.0015% brokerage fees on the purchase and sales transactions of financial assets at FVTPL.

c) Board of Directors remuneration

The Board of Directors are allowed maximum remuneration of SR 24,000 for all board members in one year. During the period, Board remuneration was charged amounting to SR 5,967 for the 3 directors (30 June 2023: SR 5,951 for the 3 directors).

Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
30 June 2024

8 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

8.1 Related party transactions

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

Name of related party	Nature of relationship	Nature of transactions	Unaudited	
			For the six-months period ended 30 June 2024 SR	30 June 2023 SR
Alinma Investment Company	Fund Manager	Management fees	(165,434)	(123,199)
		Brokerage fees	(9,836)	(7,272)
Alinma Saudi Riyal Liquidity Fund	Affiliate Fund	Disposal of financial assets at FVTPL	(3,610,000)	(7,543,000)
		Purchase of financial assets at FVTPL	2,500,000	5,680,000
Fund Board	Members	Fund Board fees	(5,967)	(5,951)

8.2 Related party balances

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

Name of related party	Nature of balances	30 June 2024	31 December 2023
		(Unaudited) SR	(Audited) SR
Alinma Bank	Cash at bank	141,124	85,932
Alinma Investment Company	Management fees payable	(24,387)	(19,433)

9 FAIR VALUE MEASUREMENT

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position.

As at 30 June 2024 (Unaudited)	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Financial assets at FVTPL (note 6)	8,650,902	21,210	-	8,672,112
As at 31 December 2023 (Audited)	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Financial assets at FVTPL (note 6)	7,385,494	1,092,617	-	8,478,111

**Alinma Multi Assets Balanced Fund
(Managed by Alinma Investment Company)**

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

30 June 2024

9 FAIR VALUE MEASUREMENT (continued)

The value of financial assets at FVTPL amounting to SR 8,650,902 (31 December 2023: SR 7,385,494) are based on quoted market prices of equities listed on Tadawul and are therefore classified within Level 1 of the fair value hierarchy.

The value of financial assets at FVTPL amounting to SR 21,210 (31 December 2023: SR 1,092,617) are based on the net assets value of the mutual fund and therefore classified within Level 2 of the fair value hierarchy.

Management believes that the fair value of all other financial assets and liabilities are at the reporting date approximate their carrying values. These are all classified within level 2 of the fair value hierarchy. There were no transfers between the various levels of fair value hierarchy during the current period or prior year.

10 LAST VALUATION DATE

The last valuation date of the period was 30 June 2024 (31 December 2023: 31 December 2023).

11 SUBSEQUENT EVENTS

There are no events subsequent to the reporting date which require adjustments of or disclosure in the interim condensed financial statements or notes thereto.

12 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The interim condensed financial statements were approved by the Fund Manager on 2 Safar 1446H (corresponding to 6 August 2024).