

HSBC MULTI-ASSETS BALANCED FUND
(An open-ended mutual fund)
Managed by HSBC Saudi Arabia
Interim condensed financial statements
For the six-month period ended 30 June 2020
together with the
Independent auditor's review report

HSBC MULTI-ASSETS BALANCED FUND
(An open-ended mutual fund)
Managed by HSBC Saudi Arabia
Interim condensed financial statements
For the six-month period ended 30 June 2020

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KPMG Al Fozan & Partners
Certified Public Accountants
Riyadh Front, Airport road
P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia

Telephone +966 (011) 874 8500
Fax +966 (011) 874 8600
Internet www.kpmg.com/sa
Licence No. 46/11/323 issued 11/3/1992

Independent auditor's review report on the interim condensed financial statements

To the unitholders of HSBC Multi-Assets Balanced Fund

Introduction

We have reviewed the accompanying 30 June 2020 interim condensed financial statements of **HSBC Multi-Assets Balanced Fund** ("the Fund"), managed by HSBC Saudi Arabia ("the Fund Manager"), which comprises:

- the condensed statement of financial position as at 30 June 2020;
- the condensed statement of comprehensive income for the six months period ended 30 June 2020;
- the condensed statement of changes in net assets (equity) attributable to the unitholders for the six months period ended 30 June 2020;
- the condensed statement of cash flows for the six months period ended 30 June 2020; and
- the notes to the interim condensed financial statements.

The Fund Manager is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the International Accounting Standard 34: *Interim Financial Reporting* ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia and to comply with the applicable provisions of the Investment Fund Regulations issued by the Capital Market Authority, the Fund's Terms and Conditions and Information Memorandum. 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 the International Standard on Review Engagements 2410: *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE 2410") that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed 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 the International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2020 interim condensed financial statements of **HSBC Multi-Assets Balanced Fund** are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Al Fozan & Partners
Certified Public Accountants


Hani Hamzah A. Bedairi
License No. 460

Date: 5 Muharram 1442H
Corresponding to: 24 August 2020



HSBC MULTI-ASSETS BALANCED FUND
(An open-ended mutual fund)
Managed by HSBC Saudi Arabia
Interim condensed statement of financial position
As at 30 June 2020
(Amounts in Saudi Arabian Riyal)

	<i>Note</i>	As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Audited)
ASSETS			
Cash at bank	10	801,083	6,495,300
Investments at fair value through profit or loss (FVTPL)	11	305,596,374	311,770,422
Investments at fair value through other comprehensive income (FVOCI)	13	--	15,896,061
Receivables and advances		<u>3,592,745</u>	<u>443,819</u>
TOTAL ASSETS		<u>309,990,202</u>	<u>334,605,602</u>
LIABILITIES			
Accrued expenses	14	<u>563,002</u>	<u>621,541</u>
TOTAL LIABILITIES		<u>563,002</u>	<u>621,541</u>
NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNITHOLDERS			
		<u>309,427,200</u>	<u>333,984,061</u>
Units in issue (numbers)		<u>17,277,513</u>	<u>18,215,650</u>
Net assets value (equity) per unit – Dealing	19	<u>17.91</u>	<u>18.34</u>
Net assets value (equity) per unit – IFRS	19	<u>17.91</u>	<u>18.34</u>

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

HSBC MULTI-ASSETS BALANCED FUND
(An open-ended mutual fund)
Managed by HSBC Saudi Arabia
Interim condensed statement of comprehensive income (Unaudited)
For the six-month period ended 30 June 2020
(Amounts in Saudi Arabian Riyal)

	<i>Note</i>	<i>For the six-month period ended 30 June</i>	
		<u>2020</u>	<u>2019</u>
INVESTMENT INCOME			
Net (loss) / gain on investments at FVTPL	12	(8,993,498)	22,658,756
Net realised gain on sale of investment at FVOCI		874,855	--
Special commission income from investments at FVOCI		175,025	109,327
Dividend income		764,202	1,181,533
Exchange gains / (losses), net		22,140	(5,572)
TOTAL INVESTMENT (LOSS) / INCOME		<u>(7,157,276)</u>	23,944,044
EXPENSES			
Management fees	15	734,511	745,019
Allowance for expected credit losses	13	--	271,048
TOTAL EXPENSES		<u>734,511</u>	1,016,067
NET (LOSS) / INCOME FOR THE PERIOD		<u>(7,891,787)</u>	22,927,977
OTHER COMPREHENSIVE INCOME			
Net unrealized gain on investments at FVOCI – debt instruments		--	148,859
Transfer of fair value reserves on investment at FVOCI to income statement – debt instruments		(294,546)	--
Movement in fair value / allowance for expected credit losses on investments at FVOCI – debt instruments		--	271,048
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD		<u>(8,186,333)</u>	<u>23,347,884</u>

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

HSBC MULTI-ASSETS BALANCED FUND**(An open-ended mutual fund)****Managed by HSBC Saudi Arabia**

Interim condensed statement of changes in net assets (equity) attributable to the Unitholders (Unaudited)
For the six-month period ended 30 June 2020
(Amounts in Saudi Arabian Riyal)

	<i>For the six-month period ended 30 June</i>	
	<u>2020</u>	<u>2019</u>
Net assets (equity) attributable to the unitholders as at the beginning of the period	333,984,061	310,333,397
Net (loss) / income for the period	(7,891,787)	22,927,977
Net unrealized gain on investments at FVOCI – debt instruments	--	148,859
Transfer of fair value reserves on investment at FVOCI to income statement – debt instruments	(611,782)	--
Movement in fair value / allowance for expected credit losses on investments at FVOCI – debt instruments	--	271,048
Contributions and redemptions by the Unitholders:		
Proceeds from issuance of units	27,533,446	32,116,993
Payments for redemption of units	(43,586,738)	(41,185,321)
Net change from unit transactions	(16,053,292)	(9,068,328)
Net assets (equity) attributable to the unitholders as at 30 June	309,427,200	324,612,953

UNIT TRANSACTIONS

Transactions in units for the period ended 30 June are summarised as follows:

	<i>For the six-month period ended 30 June</i>	
	<u>2020</u>	<u>2019</u>
	<i>(In numbers)</i>	
Units at the beginning of the period	18,215,650	18,896,060
Units issued during the period	1,557,142	1,838,830
Units redeemed during the period	(2,495,279)	(2,352,154)
Net decrease in units	(938,137)	(513,324)
Units as at end of the period	17,277,513	18,382,736

The accompanying notes 1 to 21 form integral part of these interim condensed financial statements.

HSBC MULTI-ASSETS BALANCED FUND
(An open-ended mutual fund)
Managed by HSBC Saudi Arabia
Interim condensed statement of cash flows (Unaudited)
For the six-month period ended 30 June 2020
(Amounts in Saudi Arabian Riyal)

	<i>For the six-month period ended 30 June</i>	
	<u>2020</u>	<u>2019</u>
Cash flow from operating activities		
Net (loss) / income for the period	(7,891,787)	22,927,977
<i>Adjustment for:</i>		
Unrealised loss / (gain) on investments at FVTPL	<u>13,727,350</u>	(11,380,745)
	5,835,563	11,547,232
Net changes in operating assets and liabilities		
(Increase) / decrease in investments at FVTPL	(7,553,302)	13,103,111
Decrease / (increase) in investments at FVOCI	15,052,741	(13,035,961)
(Increase) / decrease in receivables and advances	(2,917,388)	40,442
Decrease in accrued expenses	(58,539)	(165,885)
Net cash generated from operating activities	<u>10,359,075</u>	11,488,939
Cash flow from financing activities		
Proceeds from issuance of units	27,533,446	32,116,993
Payments for redemption of units	(43,586,738)	(41,185,321)
Net cash used in financing activities	<u>(16,053,292)</u>	(9,068,328)
Net (decrease) / increase in cash and cash equivalents	<u>(5,694,217)</u>	2,420,611
Cash and cash equivalents at the beginning of the period	6,495,300	1,308,909
Cash and cash equivalents as at the end of the period	<u><u>801,083</u></u>	<u><u>3,729,520</u></u>
<u>Operational cash flows from special commission income</u>		
Special commission income received	<u>175,025</u>	109,327

The accompanying notes 1 to 21 form integral part of these interim condensed financial statements.

HSBC MULTI-ASSETS BALANCED FUND
(An open-ended mutual fund)
Managed by HSBC Saudi Arabia
Notes to the interim condensed financial statements (Unaudited)
For the six-month period ended 30 June 2020
(Amounts in Saudi Arabian Riyal)

1 GENERAL

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

The objective of the Fund is to seek long term capital growth and the potential to preserve capital. The Fund Manager allocates the capital across Shariah compliant securities such as murabaha transactions, sukuks and equities 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. Albilad 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”) published by the Capital Market Authority (“the CMA”).

3 SUBSCRIPTION / REDEMPTION (DEALING DAY AND VALUATION DAY)

The Fund is open for subscriptions / redemptions of units twice weekly on Sunday and Tuesday (each being a “Dealing Day”). The value of the Fund’s portfolio is determined twice weekly on Monday and Wednesday (each being a “Valuation Day”). The net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the net value of assets (fair value of fund assets minus fund liabilities) by the total number of outstanding fund units on the relevant Valuation Day.

4 BASIS OF PREPARATION

These interim condensed financial statements have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants (“SOCPA”) and to comply with the applicable provisions of the Investment Fund Regulations issued by the Capital Market Authority, the Fund’s Terms and Conditions and the Information Memorandum.

These 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 2019.

5 FUNCTIONAL AND PRESENTATION CURRENCY

These interim condensed financial statements are presented in Saudi Arabian Riyal (“SAR”), which is the Fund’s functional currency.

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6 BASIS OF MEASUREMENT

These interim condensed financial statements have been prepared on a historical cost basis, except for investments at fair value through profit or loss (“FVTPL”) and investments at fair value through other comprehensive income (“FVOCI”), which are stated at their fair value using the accrual basis of accounting.

The Fund Manager has made an assessment of the Fund’s ability to continue as a going concern and is satisfied that the Fund has resources to continue its business for the foreseeable future. Furthermore, the Fund Manager is not aware of any material uncertainties that may cast significant doubt upon the Fund’s ability to continue as a going concern. Therefore, the interim condensed financial statements continue to be prepared on the going concern basis.

The financial statement accounts in the statement of financial position have been presented in the order of liquidity.

7 USE OF CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of these interim condensed financial statements in conformity with IFRS requires the use of certain critical accounting judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgement in the process of applying the Fund’s accounting policies. Such judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advices and expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Significant areas where management has used estimates, assumptions or exercised judgement are as follows:

Allowance for expected credit losses

The Fund recognises allowance for expected credit loss (ECL) on the financial instruments measured at fair value through other comprehensive income.

The Fund measures loss allowance at an amount equal to lifetime ECL, except for the following, for which they are measured at 12-month ECL:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets on which credit risk has not increased significantly since their initial recognition.

The Fund considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of ‘investment grade’ or certain unrated investment with no default in the past. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

8 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2019. A number of standards are effective from 1 January 2020 but they do not have a material impact on these interim condensed financial statements.

9 STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Fund has not early adopted any of the forthcoming new or amended standards in preparing these interim financial statements.

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10 CASH AT BANK

Cash at bank comprise of balances with banks who have investment grade credit ratings, as rated by the international rating agencies.

11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at FVTPL comprise of the following exposures as at the reporting date:

<i>Description</i>	<i>30 June 2020 (Unaudited)</i>			<i>31 December 2019 (Audited)</i>		
	<i>% of value</i>	<i>Cost SR</i>	<i>Fair value SR</i>	<i>% of value</i>	<i>Cost SR</i>	<i>Fair value SR</i>
<i>Mutual Funds</i>						
HSBC Saudi Riyal Murabaha Fund	36.9	108,149,776	112,807,438	34.2	103,103,14	106,700,047
HSBC Sukuk Fund	22.4	71,238,563	68,337,387	19.8	61,240,394	61,681,774
HSBC Global Equity Index Fund	9.2	20,636,713	28,010,692	13.2	31,374,878	41,033,165
HSBC Saudi Freestyle Equity Fund	9.1	23,078,849	27,733,807	5.7	12,178,849	17,759,343
HSBC Global Emerging Market	6.2	17,102,448	18,879,883	5.4	13,132,440	16,756,074
HSBC GCC Equity Fund	5.0	11,138,761	15,226,711	5.3	11,138,761	16,485,143
HSBC Saudi Companies Equity Fund	4.7	13,899,982	14,403,647	12.5	35,366,000	39,120,644
Jadwa REIT Saudi Fund	2.6	7,145,926	8,037,225	2.6	7,145,926	7,980,224
Taleem REIT Fund	1.3	3,572,294	3,974,498	1.4	3,572,295	4,254,008
Sub Total	97.4	275,963,312	297,411,288	100	278,252,689	311,770,422
<i>Equities</i>						
Energy	1.4	3,925,888	4,317,327	--	--	--
Health Care Equipment & Svc	1.2	3,916,791	3,867,759	--	--	--
Sub Total	2.6	7,842,679	8,185,086	--	--	--
Grand Total	100	283,805,991	305,596,374	100	278,252,689	311,770,422

12 NET (LOSS) / GAIN FROM INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>For the six-month period ended 30 June</i>	
	<i>2020</i>	<i>2019</i>
Realised gains for the period	4,733,852	11,278,011
Unrealised (losses) / gains for the period	(13,727,350)	11,380,745
Total	(8,993,498)	22,658,756

Realized gain on investments at FVTPL is calculated based on weighted average cost of securities.

13 INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>30 June 2020 (Unaudited)</i>	<i>31 December 2019 (Audited)</i>
Debt security – sukuk	--	15,664,523
Accrued special commission income	--	231,538
Total	--	15,896,061

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13 INVESTMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

	<i>For the six-month period ended 30</i>	
	<i>June</i>	
	<u>2020</u>	<u>2019</u>
Balance at the beginning of the period	294,546	--
Net charge for the period	--	271,048
Reversal on sale of investment	<u>(294,546)</u>	<u>--</u>
Balance at the end of the period	<u>--</u>	<u>271,048</u>

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

14 ACCRUED EXPENSES

Accrued expenses include management fee payable (inclusive of VAT) to the Fund Manager.

15 TRANSACTIONS WITH RELATED PARTIES

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 of HSBC Saudi Arabia (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 the 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 are carried out on the basis of approved Terms and Conditions of the Fund.

The Fund Manager charges to the Fund on each Valuation Day, management fees at a rate of 0.45% of Net assets value (2019: 0.45% of Net assets value). All Fees and expenses related to the management of the Fund including but not limited to custody, administration, audit, regulatory and index fees, etc., are included in the management fee.

Subscription fee up to 2% is not considered in the interim condensed financial statements of the Fund, as investment in the Fund are always net of subscription fees.

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15 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

Related party	Nature of transactions	Amount of transaction for the six-month period ended		Closing balance	
		30 June 2020	30 June 2019	30 June 2020 (Unaudited)	31 December 2019 (Audited)
HSBC Saudi Arabia (Fund Manager)	Fund management fee	734,511	745,019	19,975	25,937
	Cash at bank (under omnibus account with SABB)	--	--	776,691	--
SABB	Cash at bank	--	--	22,127	143,520

As at 30 June 2020, the investment portfolio of the Fund includes investments with a market value of SAR 285.40 million (31 December 2019: SAR 299.54) in the units of mutual funds managed and administered by the Fund Manager (refer note 11).

No special commission is accrued against the cash balances in the respective bank accounts with the related parties.

Fund 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”).

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The fair value hierarchy has the following levels:

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

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16 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The table below presents the financial instruments measured at their fair values as of reporting date based on the fair value hierarchy:

	30 June 2020 (Unaudited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
Investments at FVTPL	305,596,374	305,596,374	--	--	305,596,374
Investment at FVOCI	--	--	--	--	--
Total	305,596,374	305,596,374	--	--	305,596,374

	31 December 2019 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
Investments at FVTPL	311,770,422	311,770,422	--	--	311,770,422
Investments at FVOCI	15,896,061	--	--	15,896,061	15,896,061
Total	327,666,483	311,770,422	--	--	327,666,483

During the period, no transfer in fair value hierarchies has taken place.

Level 3 investments measured at FVOCI (sukuks) have been valued based on management's assessment of risks associated with the instrument's underlying assets, the Terms and Conditions of the investment and the expected market prevailing economics.

Other financial instruments such as cash at bank, receivables and advances and accrued expenses are financial assets and financial liabilities respectively, whose carrying amounts approximate fair value, being short-term in nature and the high credit quality of counterparties.

17 FINANCIAL RISK MANAGEMENT

The Fund has exposure to the following risks from financial instruments:

- credit risk;
- liquidity risk; and
- market risks.

Risk management framework

The risk management framework and policies of the Fund are consistent with those used and disclosed in the annual financial statements of the Fund for the year ended 31 December 2019.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Fund is exposed to credit risk for its cash at bank, investments measured at FVTPL, investments at FVOCI and receivables and advances. The Fund Manager seeks to limit its credit risk by monitoring credit exposures and by dealing with only reputable counterparties.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in releasing funds to meet commitments associated with financial liabilities.

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17 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The Fund's Terms and Conditions provide for the subscriptions and redemptions of units on Dealing Day and it is, therefore, exposed to the liquidity risk of meeting unitholders redemptions at any time. However, the Fund is allowed to borrow in order to satisfy redemptions. Substantially all of the Fund's cash at bank, investments measured at FVTPL, investments at FVOCI and receivables and advances are either short-term or considered to be readily realisable. The Fund Manager monitors liquidity requirements on a regular basis and seeks to ensure that funds are available to meet commitments as they arise.

Market risk

Market risk is the risk that changes in market prices – such as commission rates, foreign exchange rates, and credit spreads – will affect the Fund's income or the fair value of its holdings in financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective as per Funds' Terms and Conditions. The Fund's market risk is managed on a timely basis by the investment manager in accordance with the policies and procedures in place. The Fund's market positions are monitored on a regular basis by the Fund Manager.

18 IMPACT OF COVID 19 OUTBREAK

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 implemented closure of borders, released social distancing guidelines and enforced country wide lockdowns and curfews.

Oil prices witnessed significant volatility during the first half of 2020, owing not just to demand issues arising from COVID-19 as the world economies went into lockdown, but also supply issues driven by volume which had predated the pandemic. The oil prices have shown some recovery in late Q2 2020 as oil producing countries cut back production coupled with increasing of demand as countries emerged from lockdowns.

These events have significantly impacted the stock market and created volatility in net asset value of investment funds which impacted the Fund's earnings and cash flows. The Fund Manager continues to evaluate the current situation through reviewing its investment strategy and other risk management practices to manage the impact COVID-19 outbreak has had on its normal operations and financial performance.

19 LAST VALUATION DAY

The last valuation day of the period was 29 June 2020 (2019: 31 December 2019) and the dealing net assets value on this day was SR 17.91 per unit (31 December 2019: SR 18.34). The IFRS net assets value per unit on 29 June 2020 was SR 17.91 (31 December 2019: SR 18.34).

20 SUBSEQUENT EVENTS

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

21 APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements were approved by the Fund Board on 4 Muharram 1442H (corresponding to 23 August 2020).