

SAB Invest Multi-Assets Defensive Fund
(Formerly known as Alawwal Invest Multi-Assets Defensive 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



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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 (formerly known as Alawwal Invest Multi-Assets Defensive 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 Defensive Fund
(Formerly known as Alawwal Invest Multi-Assets Defensive 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		4,806,391	8,141,066
Financial assets at fair value through profit or loss (FVTPL)	4	160,693,134	217,291,106
Financial assets at fair value through other comprehensive income (FVOCI)	5	-	729,423
Dividend receivables		277,206	277,151
Receivable against sold securities		4,310,324	4,475,415
TOTAL ASSETS		170,087,055	230,914,161
LIABILITIES			
Management fee payable	6	71,601	137,697
Redemption payable		377,655	821,561
TOTAL LIABILITIES		449,256	959,258
EQUITY			
Net assets attributable to unitholders of redeemable units		169,637,799	229,954,903
TOTAL LIABILITIES AND EQUITY		170,087,055	230,914,161
Redeemable units in issue		8,793,947	12,773,889
Net asset value attributable to each per unit		19.29	18.00

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

SAB Invest Multi-Assets Defensive Fund
(Formerly known as Alawal Invest Multi-Assets Defensive Fund)

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

	Notes	30 June 2023 SR	30 June 2022 SR
INCOME			
Net movement in unrealised gain / (loss) on financial assets at FVTPL		10,217,666	(8,600,503)
Net realised gain on disposal of financial assets at FVTPL		2,189,187	11,783,411
Net realised loss on disposal of financial assets at FVOCI		(58,496)	-
Dividend income		554,803	574,269
Special commission income from financial assets at FVOCI		9,989	20,050
Net exchange loss		(5,600)	(2,375)
Other income		3,547	-
TOTAL INCOME		12,911,096	3,774,852
EXPENSES			
Management fees	6	496,851	744,941
Other expenses		608	-
Impairment charge for expected credit losses		(7,351)	373
TOTAL EXPENSES		490,108	745,314
NET INCOME FOR THE PERIOD		12,420,988	3,029,538
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>			
Net movement in unrealised gain / (loss) on investments at FVOCI – debt instruments		61,573	(38,437)
Movement in fair value / allowance for expected credit losses on investments at FVOCI		(7,351)	373
Other comprehensive income / (loss) for the period		54,222	(38,064)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		12,475,210	2,991,474

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

SAB Invest Multi-Assets Defensive Fund
(Formerly known as Alawwal 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 2023

	2023 SR	2022 SR
EQUITY AT THE BEGINNING OF THE PERIOD	229,954,903	263,341,648
Net income for the period	12,420,988	3,029,538
Net unrealized gain / (loss) on financial assets at FVCOI	61,573	-
Movement in fair value / allowance for expected credit losses on investments at FVOCI	(7,351)	-
Other comprehensive income / (loss) for the period	-	(38,064)
Total comprehensive income for the period	12,475,210	2,991,474
Issue of units during the period	4,229,746	101,152,566
Redemption of units during the period	(77,022,060)	(87,883,722)
Net changes from unit transactions	(72,792,314)	13,268,844
EQUITY AT THE END OF THE PERIOD	169,637,799	279,601,966
	<u>Units</u>	<u>Units</u>
REDEEMABLE UNIT TRANSACTIONS		
Transactions in redeemable units during the period are summarised as follows:		
UNITS AT THE BEGINNING OF THE PERIOD	12,773,889	14,833,620
Issue of units during the period	228,605	5,516,346
Redemption of units during the period	(4,208,547)	(4,829,944)
Net changes in units	(3,979,942)	686,402
UNITS AT THE END OF THE PERIOD	8,793,947	15,520,022

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

SAB Invest Multi-Assets Defensive Fund
(Formerly known as Alawal Invest Multi-Assets Defensive 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	12,420,988	3,029,538
<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	(10,217,666)	8,600,503
Provision for expected credit losses	(7,351)	373
Dividend income	(554,803)	(574,269)
<i>Working capital adjustments:</i>		
Financial assets at FVTPL	66,815,638	(22,497,327)
Financial assets at FVOCI	790,996	112
Receivable against sold securities	165,091	(1,836,979)
Dividend receivables	(55)	(39,593)
Management fee payable	(66,096)	(6,997)
Redemption payable	-	5,078,275
Accrued expenses and other payables	(443,906)	-
Cash flows (used in) / generated from operations	68,902,836	(8,246,364)
Dividends received	554,803	574,269
Net cash flows generated from / (used in) operating activities	69,457,639	(7,672,095)
FINANCING ACTIVITIES		
Proceeds from issuance of units	4,229,746	101,152,566
Payment on redemption of units	(77,022,060)	(87,883,722)
Net cash flows (used in) / from financing activities	(72,792,314)	13,268,844
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(3,334,675)	5,596,749
Cash and cash equivalents at the beginning of the period	8,141,066	799,920
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,806,391	6,396,669

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

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

Notes to the unaudited interim condensed financial statements
At 30 June 2023

1. INCORPORATION AND ACTIVITIES

SAB Invest Multi-Assets Defensive Fund (formerly known as Alawwal Invest Multi-Assets Defensive 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”) 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 Rajab 1442H. 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 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 Defensive Fund
(Formerly known as Alawal Invest Multi-Assets Defensive 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 and amendments to standards

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 Defensive Fund
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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:

	30 June 2023 (Unaudited)			
	<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	32.50%	50,300,335	52,229,689	1,929,354
SAB Invest Sukuk Fund	21.95%	39,659,631	35,266,936	(4,392,695)
SAB Invest GCC Equity Fund	11.08%	11,077,475	17,798,646	6,721,171
SAB Invest US Dollar Murabaha Fund	10.69%	14,998,952	17,181,626	2,182,674
SAB Invest Enhanced Murabaha Fund	9.62%	14,866,291	15,464,480	598,189
SAB Invest Global Equity Index Fund	7.29%	9,598,996	11,711,191	2,112,195
HSBC MSCI Emerging Markets Islamic				
ESG UCITS ETF	3.56%	5,753,647	5,713,702	(39,945)
First Milling	1.83%	2,502,660	2,940,625	437,965
SAB Invest Saudi Companies Equity Fund	1.48%	1,955,551	2,386,239	430,688
Total	100.00%	150,713,538	160,693,134	9,979,596

	31 December 2022 (Audited)			
	<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 Trading Fund	41.01	87,172,771	89,119,265	1,946,494
SAB Invest Sukuk Fund	16.15	39,659,631	35,087,301	(4,572,330)
SAB Invest Enhanced Murabaha Fund	11.24	24,070,484	24,420,025	349,541
SAB Invest USD Trading Fund	7.74	14,998,952	16,813,580	1,814,628
SAB Invest GCC Equity Fund	6.55	11,077,474	14,240,506	3,163,032
SAB Invest Saudi Companies Equity Fund	6.50	14,290,807	14,118,181	(172,626)
SAB Invest Global Equity Index Fund	5.50	12,111,551	11,948,324	(163,227)
Alahli Capital Emerging Markets Index Fund	3.04	8,888,626	6,603,764	(2,284,862)
Saudi Aramco Base Oil	2.27	5,258,880	4,940,160	(318,720)
Total	100.00	217,529,176	217,291,106	(238,070)

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

Notes to the unaudited interim condensed financial statements (continued)
At 30 June 2023

5 FINANCIAL ASSETS MEASURED 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	-	725,616
Accrued special income	-	3,807
	<u>-</u>	<u>729,423</u>
	<u><u>-</u></u>	<u><u>729,423</u></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	7,351	8,820
Provision for the period	(7,351)	373
	<u>-</u>	<u>9,193</u>
	<u><u>-</u></u>	<u><u>9,193</u></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.

6. 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>2023 SR</i>	<i>2022 SR</i>	<i>2023 SR</i>	<i>2022 SR</i>
SAB Invest (Fund Manager)	Fund management fee (including VAT)	496,851	744,941	71,601	137,697
Saudi Awwal Bank (Parent of Fund Manager)	Cash and cash equivalents			-	143,608

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.

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

Notes to the unaudited interim condensed financial statements (continued)
 At 30 June 2023

6. TRANSACTIONS WITH RELATED PARTIES (continued)

The Saudi Awwal Bank (“SAB”) (parent of the Fund Manager) acts as the Fund’s banker. The Fund has made investments aggregating to SR 142.5 million (31 December 2022: SR 203.3 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 (“the Fund Manager”).

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.

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 equivalents	4,806,391	-	4,806,391
Financial assets at fair value through profit or loss (FVTPL)	160,693,134	-	160,693,134
Receivable against sold securities	4,310,324	-	4,310,324
Receivables and advances	277,206	-	277,206
TOTAL ASSETS	170,087,055	-	170,087,055
LIABILITIES			
Management fee payable	71,601	-	71,601
Redemption payable	377,655	-	377,655
TOTAL LIABILITIES	449,256	-	449,256
<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	8,141,066	-	8,141,066
Financial assets at fair value through profit or loss (FVTPL)	217,291,106	-	217,291,106
Financial assets at fair value through other comprehensive income (FVOCI)	-	729,423	729,423
Dividend receivables	277,151	-	277,151
Receivable against sold securities	4,475,415	-	4,475,415
TOTAL ASSETS	230,184,738	729,423	230,914,161
LIABILITIES			
Management fee payable	137,697	-	137,697
Redemption payable	821,561	-	821,561
TOTAL LIABILITIES	959,258	-	959,258

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

Notes to the unaudited interim condensed financial statements (continued)
At 30 June 2023

9. LAST VALUATION DAY

The last valuation day of the 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).