

SAIB TRADE FINANCE FUND
An open-ended mutual fund
**(Managed by Alistithmar for Financial Securities
and Brokerage Company)**
Condensed Interim Financial Statements (Unaudited)
For the six-month period ended 30 June 2021
together with the
Independent Auditor's Review Report to the Unitholders



KPMG Professional Services

Riyadh Front, Airport Road
P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Headquarter

Commercial Registration No 1010425494

كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

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

To the Unitholders of SAIB Trade Finance Fund

Introduction

We have reviewed the accompanying 30 June 2021 condensed interim financial statements of **SAIB Trade Finance Fund** ("the Fund"), managed by Alistithmar for Financial Securities and Brokerage Company ("the Fund Manager"), which comprises:

- the condensed interim statement of financial position as at 30 June 2021;
- the condensed interim statement of comprehensive income for the six-month period ended 30 June 2021;
- the condensed interim statement of changes in net assets (equity) attributable to the Unitholders for the six-month period ended 30 June 2021;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2021; and
- the notes to the condensed interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with 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 Capital Market Authority, the Fund's Terms and Conditions and the Information Memorandum. Our responsibility is to express a conclusion on these condensed interim 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' that is endorsed in the Kingdom of Saudi Arabia. A review of 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 30 June 2021 condensed interim financial statements of **SAIB Trade Finance Fund** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services



Hani Hamzah A. Bedairi
License No: 460

Al Riyadh, 9 Muharram 1443H
Corresponding to: 17 August 2021



SAIB TRADE FINANCE FUND
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2021
(Amounts in Saudi Arabian Riyals)

	<i>Notes</i>	30 June 2021 (Unaudited)	31 December 2020 (Audited)
<u>ASSETS</u>			
Cash and cash equivalents	<i>9</i>	43,160,288	233,016,294
Money market placements	<i>10</i>	239,860	273,860
Other assets	<i>11</i>	-	110,713
Investments	<i>12</i>	980,705,284	1,097,829,589
Total Assets		<u>1,024,105,432</u>	<u>1,331,230,456</u>
<u>LIABILITIES</u>			
Management fee payable	<i>14, 17</i>	503,016	644,280
Accrued expenses		144,529	166,615
Risk allowance	<i>16</i>	6,078,955	6,078,955
Total Liabilities		<u>6,726,500</u>	<u>6,889,850</u>
Net assets (equity) attributable to the Unitholders		<u>1,017,378,932</u>	<u>1,324,340,606</u>
Units in issue (numbers)		<u>71,516,054</u>	<u>93,362,010</u>
Net assets (equity) attributable to each unit – IFRS NAV (SAR)	<i>21</i>	<u>14.22</u>	<u>14.18</u>
Net assets (equity) attributable to each unit – Dealing NAV (SAR)	<i>21</i>	<u>14.23</u>	<u>14.19</u>

The accompanying notes 1 to 23 form an integral part of these condensed interim financial statements.

SAIB TRADE FINANCE FUND
 An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
 For the six-month period ended 30 June 2021
 (Amounts in Saudi Arabian Riyals)

		For the six-month period ended 30 June	
	<i>Notes</i>	2021	2020
<u>INCOME</u>			
Special commission income		1,282,196	5,263,238
Gain on investments, net	<i>13</i>	5,419,575	2,844,384
Total income		<u>6,701,771</u>	<u>8,107,622</u>
<u>EXPENSES</u>			
Management fee	<i>14, 17</i>	(2,633,729)	(1,796,875)
Custody fee		(164,315)	(149,180)
Expected credit losses (charge) / reversal	<i>15</i>	(223,922)	55,341
Other expenses		(566,050)	(293,603)
Total expenses		<u>(3,588,016)</u>	<u>(2,184,317)</u>
Net income for the period		3,113,755	5,923,305
Other comprehensive income for the period		-	--
Total comprehensive income for the period		<u><u>3,113,755</u></u>	<u><u>5,923,305</u></u>

The accompanying notes 1 to 23 form an integral part of these condensed interim financial statements.

SAIB TRADE FINANCE FUND
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS (Unaudited)
For the six-month period ended 30 June 2021
(Amounts in Saudi Arabian Riyals)

	For the six-month period ended 30 June	
	2021	2020
Net assets (equity) attributable to the Unitholders at beginning of the period	1,324,340,606	780,161,230
Total comprehensive income for the period	3,113,755	5,923,305
Contributions and redemptions by the Unitholders:		
Proceeds from issuance of units during the period	340,533,273	90,548,030
Payments on redemption of units during the period	(650,608,702)	(233,004,412)
Net redemptions by the Unitholders	(310,075,429)	(142,456,382)
Net assets (equity) attributable to the Unitholders at the end of the period	1,017,378,932	643,628,153

UNITS TRANSACTIONS *(numbers)*

	For the six-month period ended 30 June	
	2021	2020
Units at the beginning of the period	93,362,010	55,661,095
Units issued during the period	23,973,829	6,446,431
Units redeemed during the period	(45,819,785)	(16,552,178)
Net decrease in units	(21,845,956)	(10,105,747)
Units at the end of the period	71,516,054	45,555,348

The accompanying notes 1 to 23 form an integral part of these condensed interim financial statements.

SAIB TRADE FINANCE FUND
An open-ended mutual fund
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)
For the six-month period ended 30 June 2021
(Amounts in Saudi Arabian Riyals)

	For the six-month period ended 30 June	
<i>Notes</i>	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	3,113,755	5,923,305
<i>Adjustment for:</i>		
Gain on investments, net	(5,419,575)	(2,844,384)
Expected credit losses charge / (reversal)	15 223,922	(55,341)
	(2,081,898)	3,023,580
Changes in operating assets and liabilities:		
Decrease / (increase) in investments	122,317,382	(206,020,453)
Decrease in money market placements	36,320	281,667,219
Decrease / (increase) in other assets	110,969	(303,711)
Decrease in management fee payable	(141,264)	(97,670)
Decrease in accrued expenses	(22,086)	(32,330)
Net cash generated from operating activities	120,219,423	78,236,635
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	340,533,273	90,548,030
Payments on redemption of units	(650,608,702)	(233,004,412)
Net cash used in financing activities	(310,075,429)	(142,456,382)
Net decrease in cash and cash equivalents	(189,856,006)	(64,219,747)
Cash and cash equivalents at the beginning of the period	233,016,294	121,656,778
Cash and cash equivalents at the end of the period	43,160,288	57,437,031

The accompanying notes 1 to 23 form an integral part of these condensed interim financial statements.

SAIB TRADE FINANCE FUND

An open-ended mutual fund

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the six-month period ended 30 June 2021

(Amounts in Saudi Arabian Riyals)

1. GENERAL

SAIB Trade Finance Fund (the “Fund”) is an open-ended investment fund created by an agreement between Alistithmar for Financial Securities and Brokerage Company (the “Fund Manager” or “Alistithmar Capital”), a wholly owned subsidiary of The Saudi Investment Bank (the “Bank”), and the investors (the “Unitholders”). The Fund commenced its operations on 30 June 2003.

The Fund is designed for investors seeking capital preservation and high liquidity through exposure to Shariah compliant assets. All income is reinvested in the Fund and is reflected in the unit price.

Alistithmar Capital is the Fund Manager and Riyadh Capital Company (“Riyad Capital”) is the custodian of the Fund.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent Accounting unit. Accordingly, the Fund Manager prepares separate condensed interim financial statements.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by Capital Market Authority (“CMA”) on 3 Dhul Hijja 1427 H (corresponding to 24 December 2006) thereafter amended on 16 Sha’ban 1437 H (corresponding to 23 May 2016). The Regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442 H (corresponding to 1 March 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442 H (corresponding to 1 May 2021).

3. BASIS OF ACCOUNTING

These condensed interim financial statements are prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (“IAS 34”) as 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 (“CMA”), the Fund’s terms and conditions and the Information Memorandum. The condensed interim 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 audited financial statements for the year ended 31 December 2020.

4. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on a historical cost basis, except for measurement of investments at fair value through profit or loss (“FVTPL”) which are carried at fair value, using the accrual basis of accounting and the going concern concept.

The Fund does not have a clearly identifiable operating cycle and therefore does not present current and non-current assets and liabilities separately in the statement of financial position. Instead, assets and liabilities are presented in order of their liquidity.

SAIB TRADE FINANCE FUND
An open-ended mutual fund
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the six-month period ended 30 June 2021
(Amounts in Saudi Arabian Riyals)

5. FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Saudi Arabian Riyals (“SAR”), which is the Fund’s functional currency. All financial information presented has been rounded to the nearest SAR.

6. USE OF JUDGMENTS AND ESTIMATES

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Significant areas where management has used estimates, assumptions or exercised judgement are as follows:

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

A number of significant judgments are also required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

7. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the annual audited financial statements for the year ended 31 December 2020.

8. NEW STANDARDS

a) New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Fund

The following new standards, amendments and revisions to existing standards, which were issued by the International Accounting Standards Board (“IASB”) have been effective from 1 January 2021 and accordingly adopted by the Fund, as applicable:

<u>Standards / Amendments</u>	<u>Description</u>
Amendments to IFRS 9, 7, 4, 16 and IAS 39	Interest Rate Benchmark Reform Phase 2

The adoption of the amended standards and interpretations applicable to the Fund did not have any significant impact on these condensed interim financial statements.

b) New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective

The following new standards, amendments and revisions to existing standards, which were issued by IASB but not yet effective up to the date of issuance of the Fund’s condensed interim financial statements. The Fund intends to adopt these standards when they become effective.

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 An open-ended mutual fund
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 For the six-month period ended 30 June 2021
 (Amounts in Saudi Arabian Riyals)

8. NEW STANDARDS(CONTINUED)

B) *New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective (continued)*

<u>Standards / Amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IAS 37	Onerous Contracts: cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 1 and IFRS 9	Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IFRS 3	Reference to the Conceptual framework	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimate	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption

9. CASH AND CASH EQUIVALENTS

	<u>Notes</u>	30 June 2021	31 December <u>2020</u>
Cash at bank – current account	9.1	11,085,838	6,141,586
Cash with custodian		2,071,536	1,863,204
Money market placements	9.2	30,002,914	225,011,504
		<u>43,160,288</u>	<u>233,016,294</u>

9.1 This balance is placed with The Saudi Investment Bank, a local Saudi bank and Parent entity of the Fund Manager, which has an investment grade credit rating.

9.2 These placements are with commercial banks having investment grade credit ratings.

These placements have an original maturity of three months or less from the date of placements and carry an annual special commission rate from 0.60% to 0.65% per annum (31 December 2020: 0.55% to 0.73% per annum).

	<u>Notes</u>	30 June 2021	31 December <u>2020</u>
Money market placements		30,000,000	225,000,000
Accrued special commission income		10,417	115,372
Less: Allowance for expected credit losses	15	(7,503)	(103,868)
		<u>30,002,914</u>	<u>225,011,504</u>

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(Amounts in Saudi Arabian Riyals)

10. MONEY MARKET PLACEMENTS

	<i>Notes</i>	30 June 2021	31 December <u>2020</u>
Money market placements	<i>10.1</i>	241,582	277,769
Accrued special commission income		75	208
Less: Allowance for expected credit losses	<i>15</i>	<u>(1,797)</u>	<u>(4,117)</u>
		<u>239,860</u>	<u>273,860</u>

10.1 These placements are with commercial banks having investment grade credit ratings. These placements have an original maturity of more than three months and carry an annual special commission rate of 3.75% per annum (31 December 2020: 3.85% per annum).

11. OTHER ASSETS

	<i>Notes</i>	30 June 2021	31 December <u>2020</u>
Other assets		--	110,969
Less: Allowance for expected credit losses	<i>15</i>	--	(256)
		<u>--</u>	<u>110,713</u>

12. INVESTMENTS

	<i>Notes</i>	30 June 2021	31 December <u>2020</u>
Fair value through profit or loss	<i>12.1</i>	871,185,433	1,053,895,132
Amortized cost	<i>12.2</i>	<u>109,519,851</u>	<u>43,934,457</u>
		<u>980,705,284</u>	<u>1,097,829,589</u>

12.1 Investments at FVTPL comprise units of the open-ended mutual funds having a total cost of SAR 866,462,826(31 December 2020: SAR 1,047,747,870).

12.2 Investments held at amortized cost include Sukuk. A summary of the investment is as follows.

	<i>Notes</i>	30 June 2021	31 December <u>2020</u>
Sukuk	<i>12.3, 12.4</i>	109,443,910	43,616,647
Accrued special commission income		530,025	449,031
Less: Allowance for expected credit losses	<i>15</i>	<u>(454,084)</u>	<u>(131,221)</u>
		<u>109,519,851</u>	<u>43,934,457</u>

12.3 These Sukuk have a maturity of more than 1 year and carry an annual special commission rate from 1.25% to 4.24% per annum (31 December 2020: 3.22% to 4.31% per annum).

12.4 The geographical exposure of sukuk is as follows:

	30 June 2021	31 December <u>2020</u>
Kingdom of Saudi Arabia	18,488,245	23,521,652
United Arab Emirates	3,199,857	20,094,995
Bahrain	87,755,808	--
	<u>109,443,910</u>	<u>43,616,647</u>

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An open-ended mutual fund
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For the six-month period ended 30 June 2021
(Amounts in Saudi Arabian Riyals)

13. GAIN ON INVESTMENTS, NET

	For the six-month period ended 30 June	
	2021	2020
Realised gain, net	696,968	340,366
Unrealised gain, net	4,722,607	2,504,018
	5,419,575	2,844,384

14. MANAGEMENT FEES

As per the terms and conditions of the Fund, the Fund pays a management fee to the Fund Manager equal to 0.50% per annum of the net assets value at each valuation date. Additionally, administration expenses paid by the Fund Manager on behalf of the Fund are reimbursed by the Fund.

15. EXPECTED CREDIT LOSS

	Cash and cash equivalents	Money market placements	Investments	Other assets	Total
Balance at 31 December 2020	103,868	4,117	131,221	256	239,462
(Reversal) / charge during the period	(96,365)	(2,320)	322,863	(256)	223,922
Balance at 30 June 2021	7,503	1,797	454,084	--	463,384

16. RISK ALLOWANCE

The Fund calculated a risk allowance at annual rate of 10% of net income from operations at each valuation date in accordance with its initial terms and conditions. However, Pursuant to change in terms and conditions on 4 Dhul-Qaidah 1438H (corresponding to 27 July 2017), the Fund discontinued to calculate any further provision as risk allowance.

17. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Fund include the Fund Manager, the Fund Board, the Bank and other funds managed by the Fund Manager. In the ordinary course of its activities, the Fund transacts business with its related parties.

In addition to transactions disclosed elsewhere in these condensed interim financial statements, related party transactions and balances are as follows:

Transactions with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	For the six-month period ended 30 June	
			<u>2021</u>	<u>2020</u>
Alistithmar Capital	The Fund Manager	Management fee	2,633,729	1,796,875
The Saudi investment bank	Parent of the Fund Manager	Special commission income	92,961	1,504,576
The Fund Board	The Fund Board	The Fund Board fee	3,273	3,282

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An open-ended mutual fund
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For the six-month period ended 30 June 2021
(Amounts in Saudi Arabian Riyals)

17. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Balances with related parties:

<u>Related party</u>	<u>Nature of relationship</u>	<u>Nature of balance</u>	<u>30 June</u> <u>2021</u>	31 December <u>2020</u>
Alistithmar Capital	The Fund Manager	Management fee payable	503,016	644,280
		Accrued expenses (Note 14)	46,663	91,250
The Saudi Investment Bank	Parent of the Fund Manager	Cash at bank – current account	11,085,838	6,141,586
		Money Market placements	--	100,304,477

Units held with related parties (numbers):

<u>Related party</u>	<u>Nature of relationship</u>	<u>30 June</u> <u>2021</u>	31 December <u>2020</u>
The Saudi Investment Bank	Parent of the Fund Manager	7,700,126	7,700,126

18. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Fund measures certain financial instruments at fair value at each statement of financial position date.

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 to which the Fund has access at that date.

The principal or the most advantageous market must be accessible by the Fund. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in assumptions about these factors could affect the fair value of financial instruments.

Valuation models

The fair values of financial instruments that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

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 An open-ended mutual fund
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
 For the six-month period ended 30 June 2021
 (Amounts in Saudi Arabian Riyals)

18. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Fund values debt securities that are traded on a stock exchange at their last reported prices. To the extent that debt securities are actively traded, and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy.

The table below analyses financial instruments at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized.

	30 June 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at FVTPL	--	871,185,433	--	871,185,433
Investments at amortized cost	<u>111,024,681</u>	--	--	<u>111,024,681</u>
Total	<u>111,024,681</u>	<u>871,185,433</u>	<u>--</u>	<u>982,210,114</u>

	31 December 2020			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at FVTPL	--	1,053,895,132	--	1,053,895,132
Investments at amortized cost	<u>45,254,682</u>	--	--	<u>45,254,682</u>
Total	<u>45,254,682</u>	<u>1,053,895,132</u>	<u>--</u>	<u>1,099,149,814</u>

During the period, there has been no transfer in fair value hierarchy.

Other financial instruments such as cash and cash equivalents, money market placements, management fee payable and accrued expenses are measured at amortized cost and their carrying amounts are approximate to their fair value, because of the short-term nature and high credit quality of counterparties.

19. LAST VALUATION DAY

The last valuation day of the period was 30 June 2021 (2020: 31 December 2020).

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An open-ended mutual fund
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the six-month period ended 30 June 2021
(Amounts in Saudi Arabian Riyals)

20. COVID-19 PENDING

The Coronavirus (“COVID-19”) pandemic continues to disrupt global markets as many geographies are experiencing multiple waves of infections despite having previously controlled the outbreak through aggressive precautionary measures. The Government of the Kingdom of Saudi Arabia, however, managed to successfully control the outbreak to date.

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.

21. NET ASSETS VALUE

The Capital Market Authority (CMA), through its circular dated 10 Rabi Al Thani 1439H (corresponding to 28 December 2017), has approved the Dual NAV approach for investment funds. In accordance with the circular, IFRS 9 will be applied for accounting and reporting purposes and dealing NAV will remain unaffected until further notice.

As at 30 June 2021, the net assets value per unit considering the impact of IFRS 9 was SAR 14.22 (31 December 2020: SAR 14.18) and the dealing net assets value per unit was SAR 14.23 (31 December 2020: SAR 14.19). Refer below reconciliation:

	30 June 2021	
	Net assets attributable to the Unitholders	Net assets attributable to each unit
IFRS net assets	1,017,378,932	14.22
Effect of ECL in accordance with IFRS 9	463,384	0.01
Dealing net assets	<u>1,017,842,316</u>	<u>14.23</u>
	31 December 2020	
	Net assets attributable to the Unitholders	Net assets attributable to each unit
IFRS net assets	1,324,340,606	14.18
Effect of ECL in accordance with IFRS 9	239,462	0.01
Dealing net assets	<u>1,324,580,068</u>	<u>14.19</u>

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

23. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Fund Manager on 8 Muharram 1443H (corresponding to 16 August 2021).