

Alinma Multi Assets Aggressive Fund

**Unaudited Interim Financial Statements
for the Six-Month Period Ended June 30,
2014 and Independent Auditors' Limited
Review Report**



LIMITED REVIEW REPORT OF INDEPENDENT AUDITORS

July 24, 2014

To the unit holders and the Fund Manager of Alinma Multi Assets Aggressive Fund:

Scope of review

We have reviewed the accompanying balance sheet of Alinma Multi Assets Aggressive Fund (the "Fund") as of June 30, 2014, and the related interim statements of operations, cash flows and changes in net assets for the six-month period then ended and the related notes which form an integral part of these interim financial statements. These interim financial statements are the responsibility of the Fund's management and have been prepared by them and submitted to us together with all the information and explanations, which we required.

We conducted our limited review in accordance with the standard of review of interim financial reporting issued by the Saudi Organization for Certified Public Accountants. A limited review consists principally of applying analytical procedures to financial data and information and making inquiries of persons responsible for financial and accounting matters. The scope of the limited review is substantially less than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim financial statements as of and for the six-month period ended June 30, 2014 for them to be in conformity with accounting standards generally accepted in Saudi Arabia.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'MOHAMMED A. AL OBAIDI', is written over a horizontal line.

By:

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ALINMA MULTI ASSETS AGGRESSIVE FUND
BALANCE SHEET
 (All amounts in Saudi Riyals unless otherwise stated)

	Notes	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)	June 30, 2013 (Unaudited)
ASSETS				
Bank balances	4	1,453,484	1,828,129	4,457,226
Murabaha placements	4,5	11,488,572	15,671,875	7,600,000
Trading investments	7	18,146,203	17,898,286	8,157,650
Other receivables		159,813	39,106	3,438
		31,248,072	35,437,396	20,218,314
LIABILITY				
Accrued expenses		127,397	63,608	28,805
		127,397	63,608	28,805
NET ASSETS				
		31,120,675	35,373,788	20,189,509
Units in issue		2,576,681	3,217,729	1,972,183
Per unit value		12.08	10.99	10.24

The notes on pages 6 to 8 form an integral part of these interim financial statements

ALINMA MULTI ASSETS AGGRESSIVE FUND
INTERIM STATEMENT OF OPERATIONS (UNAUDITED)
 (All amounts in Saudi Riyals unless otherwise stated)

	Note	Six-month ended June 30, 2014	Period from May 4, 2013 to June 30, 2013
INVESTMENT INCOME			
Dividend income		486,167	-
Income from murabaha placements		132,227	5,105
		<u>618,394</u>	<u>5,105</u>
NET REALIZED AND UNREALIZED (LOSSES) GAINS			
Realized gains		3,151,176	-
Unrealized (losses) gains		(84,800)	306,506
Net realized gains		<u>3,066,376</u>	<u>306,506</u>
Total investment income		<u>3,684,770</u>	<u>311,611</u>
EXPENSES			
Management fees	6	252,035	20,022
Other expenses		56,848	18,424
		<u>308,883</u>	<u>38,446</u>
NET INCOME FROM OPERATIONS		<u>3,375,887</u>	<u>273,165</u>

The notes on pages 6 to 8 form an integral part of these interim financial statements

ALINMA MULTI ASSETS AGGRESSIVE FUND
INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Six-month ended June 30, 2014	Period from May 4, 2013 to June 30, 2013
OPERATING ACTIVITIES		
Net income from operations	3,375,887	273,165
Adjustment for movement in unrealized losses (gains) on trading investments	84,800	(306,506)
Changes in operating assets and liabilities:		
Murabaha placements	4,183,303	-
Trading investments	(332,717)	(7,851,144)
Other receivables	(120,707)	(3,438)
Accrued expenses	63,789	28,805
Net cash generated from (used in) operating activities	<u>7,254,355</u>	<u>(7,859,118)</u>
FINANCING ACTIVITIES		
Proceeds from units sold	6,975,885	20,219,051
Value of units redeemed	(14,604,885)	(302,707)
Net cash (used in) generated from financing activities	<u>(7,629,000)</u>	<u>19,916,344</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(374,645)	12,057,226
Cash and cash equivalents at the beginning of the period	<u>1,828,129</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>1,453,484</u>	<u>12,057,226</u>

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ALINMA MULTI ASSETS AGGRESSIVE FUND
INTERIM STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

	Six-month ended June 30, 2014	Period from May 4, 2013 to June 30, 2013
NET ASSETS VALUE AT THE BEGINNING OF THE PERIOD	<u>35,373,788</u>	-
CHANGES FROM OPERATIONS		
Net income from operations	<u>3,375,887</u>	273,165
CHANGES FROM UNIT TRANSACTIONS		
Proceeds from units sold	6,975,885	20,219,051
Value of units redeemed	<u>(14,604,885)</u>	<u>(302,707)</u>
Net change in unit transactions	<u>(7,629,000)</u>	19,916,344
NET ASSETS AT THE END OF THE PERIOD	<u>31,120,675</u>	<u>20,189,509</u>

UNIT TRANSACTIONS

Transactions in units for the periods ended June 30 are summarized as follows:

	Six-month ended June 30, 2014	Period from May 4, 2013 to June 30, 2013
UNITS AT THE BEGINNING OF THE PERIOD	<u>3,217,729</u>	-
Units sold	585,277	2,001,733
Units redeemed	<u>(1,226,325)</u>	<u>(29,550)</u>
Net (decrease) increase in units	<u>(641,048)</u>	1,972,183
UNITS AT THE END OF THE PERIOD	<u>2,576,681</u>	<u>1,972,183</u>

The notes on pages 6 to 8 form an integral part of these interim financial statements.

ALINMA MULTI ASSETS AGGRESSIVE FUND
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2014 AND 2013 (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

1 GENERAL

Alinma Multi Assets Aggressive Fund, (the "Fund"), is an open ended fund created by an agreement between Alinma Investment Company (the "Fund Manager"), a subsidiary of Alinma Bank (the "Bank") and investors (the "Unit holders") in the Fund, in accordance with Shariah standards issued by the Shariah board of the Fund Manager.

The Fund seeks to achieve capital growth in the long term with emphasis on capital preservation, and limited exposure to equity markets. The Fund aims to invest in a range of sharia compliant investments such as local equity, murabaha transactions, sukuk, structured products and investment funds in order to achieve its objective.

The fund commenced its operations on May 4, 2013 and the first financial statements were prepared for the period from May 4, 2013 to December 31, 2013. Accordingly, these financial statements for the period ended June 30, 2014 are the first interim financial statements for the funds and the comparative period which is not audited nor reviewed cover the period from May 4, 2013 to June 30, 2013.

The results for the interim period may not be indicative of the annual operating results.

The books and records of the Fund are maintained in Saudi Riyals ("SR").

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the "Regulations") published by the Capital Market Authority ("CMA") on 3 Dhul Hijja 1427H (corresponding to December 24, 2006) detailing requirements for all funds within the Kingdom of Saudi Arabia.

3 SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared in accordance with the accounting standard on interim financial reporting issued by the Saudi Organization of Certified Public Accountants ("SOCPA").

The significant accounting policies used in the preparation of these interim financial statements are consistent with those used and disclosed in the annual audited financial statements for the first period ended December 31, 2013.

4 CASH AND CASH EQUIVALENTS

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)	June 30, 2013 (Unaudited)
Murabaha placements with original maturity of three-month or less	-	-	7,600,000
Bank balance	1,453,484	1,828,129	4,457,226
	1,453,484	1,828,129	12,057,226

5 MURABAHA PLACEMENTS

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)	June 30, 2013 (Unaudited)
Murabaha placements with the Bank	-	-	5,600,000
Murabaha placements with other banks	11,488,572	15,671,875	2,000,000
	11,488,572	15,671,875	7,600,000

ALINMA MULTI ASSETS AGGRESSIVE FUND
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2014 AND 2013 (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

Set out below are the maturity details of the investments:

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)	June 30, 2013 (Unaudited)
Maturity within 3 months	6,843,572	2,024,575	7,600,000
Maturity within 3 - 12 months	4,645,000	13,647,300	-
	11,488,572	15,671,875	7,600,000

6. TRANSACTIONS WITH RELATED PARTIES

The Fund pays management fees calculated at an annual rate of 1.5% of the net asset value at each valuation date. The management fees reflected in the statement of operations represent the fees charged by the Fund Manager during the period.

Administration expenses paid by the Fund Manager on behalf of the Fund are reimbursed from the Fund.

Trade transactions on the Saudi Arabian stock exchange are executed through the Fund Manager. Additionally, the Fund Manager also acts as the custodian of the Fund's investments.

The Bank acts as the Fund's banker.

Unit holders' account included units held as follows.

	June 30, 2014 (Unaudited)	December 31, 2013 (Audited)	June 30, 2013 (Unaudited)
Held by the Fund Manager	1,000,000	1,000,000	1,000,000

7. TRADING INVESTMENTS

The composition of the trading investments portfolio on the balance sheet date is summarized below:

June 30, 2014 (Unaudited)

	Cost	Market value	% of market Value
<u>Equity investments by sectors</u>			
<u>Kingdom of Saudi Arabia</u>			
Banks and other financial institutions	4,263,425	4,354,772	24.0%
Petrochemical industries	2,809,030	3,301,030	18.2%
Agriculture and food industries	1,729,235	1,945,083	10.7%
Telecommunication and information technology	1,691,765	1,672,571	9.2%
Building and construction	1,114,421	1,476,049	8.1%
Real estate development	1,066,539	1,183,066	6.5%
Hotel and Tourism	768,350	1,021,906	5.7%
Retail	775,441	788,683	4.3%
Healthcare	713,356	713,356	3.9%
Industrial investment	489,646	523,831	2.9%
Energy and utilities	494,240	485,095	2.7%
Cement	402,566	446,288	2.5%
Transportation	140,476	234,473	1.3%
	16,458,490	18,146,203	100%

ALINMA MULTI ASSETS AGGRESSIVE FUND
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2014 AND 2013 (UNAUDITED)
(All amounts in Saudi Riyals unless otherwise stated)

December 31, 2013

	Cost	Market value	% of market Value
<u>Equity investments by sectors</u>			
<u>Kingdom of Saudi Arabia :</u>			
Petrochemical industries	3,961,533	4,624,150	25.8%
Building and construction	2,227,049	2,466,531	13.8%
Real estate development	2,025,453	2,361,750	13.2%
Banks and other financial institutions	1,879,262	1,997,540	11.2%
Industrial investment	1,839,024	1,940,715	10.8%
Telecommunication and information technology	1,308,886	1,346,950	7.5%
Retail	1,003,302	1,113,650	6.2%
Cement	881,399	832,400	4.7%
Agriculture and food Industries	752,705	853,640	4.8%
Transportation	247,160	360,960	2.0%
	16,125,773	17,898,286	100%

June 30, 2013 (Unaudited)

	Cost	Market value	% of market Value
<u>Equity investments by sectors</u>			
<u>Kingdom of Saudi Arabia :</u>			
Petrochemical industries	1,612,157	1,617,820	19.8%
Banks and other financial institutions	1,260,445	1,312,540	16.1%
Real estate development	1,168,678	1,239,395	15.2%
Building and construction	851,221	922,480	11.3%
Retail	779,222	849,800	10.4%
Industrial investment	696,584	708,490	8.7%
Telecommunication and information technology	448,218	453,600	5.6%
Cement	446,463	412,475	5.1%
Agriculture and food Industries	340,996	391,450	4.8%
Transportation	247,160	249,600	3.0%
	7,851,144	8,157,650	100%

The Fund Manager seeks to limit its credit risk by monitoring exposures in each investment sector and individual securities.

8 LAST VALUATION DAY

The last valuation day for the purpose of the preparation of these interim financial statements was June 30, 2014 (2013: June 30, 2013).

9 APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Fund Board on 27 Ramadan 1435H (corresponding to July 24, 2014).