

ADCB Income Fund
a Sub-Fund of ADCB UAE Funds

Report and condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

ADCB Income Fund

For the period from 19 November 2024 (date of registration) to 30 June 2025

General Information

Registered Office

ADCB UAE Funds
Abu Dhabi Commercial Bank building
Sheikh Zayed Street, PO Box 939,
Abu Dhabi
United Arab Emirates

Fund Manager

Abu Dhabi Commercial Bank P.J.S.C.
Abu Dhabi Commercial Bank building,
Sheikh Zayed Street, PO Box 939,
Abu Dhabi
United Arab Emirates

Fund Administrator and Registrar

Standard Chartered Bank,
acting through its Dubai branch
Level 12, Emaar Square,
Down Town, P.O. Box 999,
Dubai, United Arab Emirates

Auditor

Deloitte & Touche
Level 11,
Al Sila Tower Abu Dhabi Global Market Square AI Maryah Island
P.O. Box 990, Abu Dhabi
United Arab Emirates

Custodian

Standard Chartered Bank UAE
Level 12, Emaar Square,
Down Town, P.O. Box 999,
Dubai, United Arab Emirates

Legal Counsel

Simmons & Simmons Middle East LLP
ICD Brookfield Place, 17th Floor
DIFC, Dubai
United Arab Emirates

ADCB Income Fund
For the period from 19 November 2024 (date of registration) to 30 June 2025

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED FINANCIAL INFORMATION TO THE UNIT HOLDERS OF ADCB INCOME FUND

Introduction

We have reviewed the accompanying condensed statement of financial position of ADCB Income Fund (the "Sub-Fund") as at 30 June 2025, and the related statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of redeemable units and statement of cash flows for the period from 19 November 2024 (date of registration) to 30 June 2025, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this condensed financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed financial information 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". 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 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)

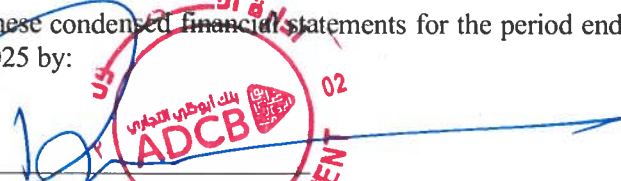



Mohammad Khamees Al Tah
Registration No. 717
12 August 2025
Abu Dhabi
United Arab Emirates

ADCB Income Fund
Condensed statement of financial position
As at 30 June 2025

	Notes	30 June 2025 USD (unaudited)
ASSETS		
Financial assets at fair value through profit or loss ("FVTPL")	5	13,841,970
Cash and cash equivalents	6	908,042
Total assets		<u>14,750,012</u>
LIABILITIES		
Payable on redemption	8	101,931
Management fee payable	9,14(a)	70,948
Administration fee payable	14(b)	20,622
Other liabilities	7	5,623
Custodian fee payable	14(c)	1,085
Total liabilities (excluding net assets attributable to holders of redeemable units)		<u>200,209</u>
Net assets attributable to holders of redeemable units	10	<u>14,549,803</u>

These condensed financial statements for the period ended 30 June 2025 were approved on 12th August 2025 by:


Chief Investment Officer



The accompanying notes from 6 to 24 form an integral part of these condensed financial statements.

ADCB Income Fund**Condensed statement of profit or loss and other comprehensive income****For the period from 19 November 2024 (date of registration) to 30 June 2025**

	Notes	For the period from 19 November 2024 (date of registration) to 30 June 2025 USD (unaudited)
INCOME		
Net unrealised gains on financial assets at FVTPL	5	519,209
Net realised gains on financial assets at FVTPL	5	60,987
Dividend income	11	18,098
Net gains from foreign currency transactions		5,050
Interest income	11	1,194
Total operating income		604,538
EXPENSES		
Management fee	9,14(a)	(70,948)
Administration fee	14(b)	(20,622)
Custodian fee	14(c)	(7,559)
General and administrative expenses	13	(5,966)
Interest expenses		(1,622)
Total operating expenses		(106,717)
Net income attributable to holders of redeemable units		497,821
Other comprehensive income		-
Total income attributable to holders of redeemable units		497,821

The accompanying notes from 6 to 24 form an integral part of these condensed financial statements.

ADCB Income Fund**Condensed statement of changes in net assets attributable to holders of redeemable units****For the period from 19 November 2024 (date of registration) to 30 June 2025**

	Note	For the period from 19 November 2024 (date of registration) to 30 June 2025 USD (unaudited)
As at 19 November 2024 (unaudited)		-
Total income attributable to holders of redeemable units		497,821
Subscription and redemption by holders of redeemable units:		
Issue of redeemable units during the period	10	18,081,717
Redemption of redeemable units during the period	10	(3,784,854)
Dividend distribution	12	(244,881)
As at 30 June 2025 (unaudited)		<u>14,549,803</u>

The accompanying notes from 6 to 24 form an integral part of these condensed financial statements.

ADCB Income Fund
Condensed statement of cash flows
For the period from 19 November 2024 (date of registration) to 30 June 2025

	Notes	For the period from 19 November 2024 (date of registration) to 30 June 2025 USD (Unaudited)
Cash flow from operating activities		
Net income attributable to holders of redeemable units		497,821
Adjustments for:		
Net unrealised gains on financial assets at FVTPL	5	(519,209)
Net realised gains on financial assets at FVTPL	5	(60,987)
Net gains from foreign currency transactions		<u>(5,050)</u>
Operating cash flows before changes in operating assets and liabilities		(87,425)
<i>Net changes in working capital:</i>		
Purchases of financial assets at FVTPL	5	(21,061,812)
Proceeds from sale of financial assets at FVTPL	5	7,800,038
Increase in payable on redemption	8	101,931
Increase in management fee payable	9,14(a)	70,948
Increase in administration fee payable	14(b)	20,622
Increase in other liabilities	7	5,623
Increase in custodian fee payable	14(c)	<u>1,085</u>
Net cash used in operating activities		<u>(13,148,990)</u>
Cash flow from financing activity		
Proceeds from issue of units	10	18,081,717
Redemption of units	10	(3,784,854)
Dividends distribution	12	<u>(244,881)</u>
Net cash generated from financing activity		<u>14,051,982</u>
Net changes in cash and cash equivalents		902,992
Foreign Currency Translation		5,050
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	6	<u><u>908,042</u></u>

The accompanying notes from 6 to 24 form an integral part of these condensed financial statements.

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

1 General information

ADCB Income Fund (the "Sub-Fund") is a Sub-Fund of ADCB UAE Funds (the "Umbrella Fund") a UAE Umbrella Fund which may be composed of one or several separate Sub-Funds (each a "Sub-Fund"). The Fund was established on 19 November 2024 for an unlimited period of time as an umbrella fund qualifying as public fund.

The Umbrella Fund has 6 Sub-Funds which are ADCB UAE Equity Fund, ADCB Islamic Balanced Fund, ADCB Money Market Feeder Fund, ADCB Income Fund, ADCB Balanced Fund and ADCB Growth Fund.

ADCB Income Fund (the "Sub-Fund") is an open-ended public fund established in the United Arab Emirates ("UAE") by Abu Dhabi Commercial Bank P.J.S.C (the "Fund Manager" or the "Investment Manager") in accordance with Chairman of the Authority's Board of Directors' Resolution No. 01/RM/2023 concerning the Regulations of Investment Funds and approval of the Securities and Commodities Authority ("SCA") of the UAE dated 19 November 2024. The Sub-Fund is not a separately incorporated entity and its activities are managed by the Fund Manager and supervised by the Chief Investment Officer. The custody and administration of the Sub-Fund was delegated to Standard Chartered Bank.

The Sub-Fund's investment objective is to provide regular income with medium to long-term capital growth by investing predominantly in units of open-ended funds and exchange traded funds including, where appropriate, other ADCB Funds.

The Sub-Fund's Manager is Abu Dhabi Commercial Bank (the "Fund Manager"), a public joint stock company incorporated under the laws of the United Arab Emirates. The Sub-Fund's administrator is Standard Chartered Bank ("Administrator").

Comparative figures are not presented as it is the Sub-Fund's first financial statements.

There have been no significant changes that have had any effect on the financial statements subsequent to period ended 30 June 2025.

2 Application of new and revised IFRS Accounting Standards

2.1 New Standards and interpretations issued but not yet effective

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Sub-Fund's financial statements are disclosed below. The Sub-Fund intends to adopt these standards, if applicable, when they become effective.

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability. The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

2 Application of new and revised IFRS Accounting Standards (continued)

2.1 New Standards and interpretations issued but not yet effective (continued)

Annual Improvements to IFRS Accounting Standards – Volume 11

The pronouncement comprises the following amendments:

Standard number	Title	Effective date
IFRS 1	Hedge accounting by a first-time adopter	
IFRS 7	Gain or loss on derecognition	
IFRS 7	Disclosure of deferred difference between fair value and transaction price	
IFRS 7	Introduction and credit risk disclosures	1 January 2026
IFRS 9	Lessee derecognition of lease liabilities	
IFRS 9	Transaction price	
IFRS 10	Determination of a “de facto agent”	
IAS 7	Cost method	

3 Material accounting policy information

Statement of compliance

These condensed financial statements have been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ (“IAS 34”).

Basis of preparation

The financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss which are measured at fair value.

The condensed financial statements do not include all information and disclosures required in the annual financial statements prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). In addition, results for the period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the period ending 31 December 2025.

Functional currency and presentation currency

These financial statements are presented in USD, being the Sub-Fund's functional and presentational currency.

Financial instruments

Classification of financial assets and financial liabilities

Financial assets

On initial recognition, a financial asset is classified and measured: at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

3. Material accounting policy information (continued)

Financial instruments (continued)

Classification of financial assets and financial liabilities (continued)

Financial assets (continued)

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Financial liabilities

In the current period, financial liabilities are classified as subsequently measured at amortised cost.

Debt or equity instruments are classified as either financial liabilities or as equity in accordance with the substance if the contractual arrangements and the definitions of a financial liability and an equity instrument.

As at the period end the Sub-Fund has no financial liabilities or equity instruments which are designated as at FVTPL under IFRS 9.

Recognition

The Fund recognises financial assets and liabilities at fair value through profit or loss on the trade date at which it becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

The Fund accounts for the purchase of financial assets and financial liabilities using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

3. Material accounting policy information (continued)

Financial instruments (continued)

Classification of financial assets and financial liabilities (continued)

Business model assessment

The Sub-Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to Directors. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether Director's strategy focuses on earning contractual profit revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Sub-Fund's Directors;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Sub-Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment whether contractual cash flows are solely payments of principal and profit

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. "Profit" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Sub-Fund changes its business model for managing financial assets.

(i) Impairment

The Sub-Fund recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financings and advances and other financial assets including finance leases;
- financial assets that are debt investments;
- financial guarantee contracts.

No impairment loss is recognised on equity investments.

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

3. Material accounting policy information (continued)

Financial instruments (continued)

Measurement of ECL

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1:** When financing are first recognised, the Sub-Fund recognises an allowance based on 12 months ECL.
- Stage 2:** When a financing has shown a significant increase in credit risk since origination, the Sub-fund records an allowance for the life-time expected credit losses ("LTECL").
- Stage 3:** Financing considered credit-impaired. The Sub-Fund records an allowance for the LTECL.

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD)

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information. Details of these statistical parameters/inputs are as follows:

- PD** - The probability of default is an estimate of the likelihood of default over a given time horizon.
- EAD** - The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- LGD** - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Sub-Fund in accordance with the contract and the cash flows that the Sub-Fund expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Sub-Fund expects to recover.

The Sub-Fund measures ECL on an individual basis, or on a collective basis for portfolios of financings that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

ADCB Income Fund

Notes to condensed financial statements

For the period from 19 November 2024 (date of registration) to 30 June 2025

3. Material accounting policy information (continued)

Financial instruments (continued)

Credit-impaired financial assets

At each reporting date, the Sub-Fund assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing or advance by the Sub-Fund on terms that the Sub-Fund would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset. The cash shortfalls are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Provisions

Provisions are recognised when the Sub-Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that the Sub-Fund will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of net assets date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

3 Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents comprise solely of cash and bank balances.

Payable on redemption

Upon receiving a redemption request, the Fund recognises a "Payable on redemption" liability, measured at the Net Asset Value (NAV) per unit as of the redemption date (the "Valuation Day"), reflecting any applicable fees. This liability, classified as current, signifies the Sub-Fund's obligation to pay redeeming unitholders, and is derecognised upon settlement.

Accruals and other payables

Accruals and other payables are recognized initially at fair value and subsequently stated at amortized cost.

General and administrative expenses

The Sub-Fund pays the other fees, costs and expenses in connection with the ongoing operations of the Sub-Fund, including its pro rata share of such costs of the Fund (the "Ongoing Expenses"). The Ongoing Expenses include transaction costs, legal fees, auditor fees, registration fees, taxes (including any value added taxes), insurance costs, indemnification expenses, marketing expenses, documentation costs, operating expenses, reasonable out-of-pocket expenses of service providers (including the Administrator and the Custodian).

Dividend income

Dividend income relating to equity investments is recognised in statement of comprehensive income or on the ex-dividend date, gross of withholding taxes. Dividend income is recognised when the right to receive the dividend is established. Withholding taxes if any applicable to certain investment income is recognised in statement of comprehensive income.

Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents.

Net unrealised/realised gain on financial assets at fair value through profit or loss

Net gain from financial assets at fair value through profit or loss includes all realised gain and unrealised fair value changes and foreign exchange differences but excludes dividend income.

Net realised gain from financial assets at fair value through profit or loss represents the difference between the closing price applicable on the last revaluation date and their sale/settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or transaction price when purchased in the current reporting period and its fair value at the end of the reporting period.

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

3 Material accounting policy information (continued)

Foreign currencies

Transactions in foreign currencies are recorded at rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign currency exchange differences arising on translation of foreign currencies are recognised in the statement of comprehensive income. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in net gain on investments at fair value through profit or loss.

Redeemable Units

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's NAV per unit at the time of issue or redemption. The Sub-Fund's NAV per unit is computed by dividing the net assets attributable to the holders of the redeemable units with the total number of outstanding redeemable units on all business days. In accordance with the Sub-Fund's Prospectus, investment positions are valued based on the last traded market prices for the purpose of determining the net asset value per unit for subscriptions and redemptions.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Sub-Fund's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

3 Material accounting policy information (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Sub-Fund expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Sub-Fund intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in compliance with International Financial Reporting Standards requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The management have not made any significant judgment and estimate in preparation of these financial statements.

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

5 Financial instruments at fair value through profit or loss

The Sub-Fund's financial assets at FVTPL comprise equity funds and bond funds that are held for trading.

	30 June 2025
	USD
	(Unaudited)
Financial assets at fair value through profit or loss:	
Investment in Equity Funds	6,719,351
Investment in Bond Funds	7,122,619
	<u><u>13,841,970</u></u>

The geographical analysis of the investments is as follows:

	30 June 2025
	USD
	(Unaudited)
Geographic Allocation	
Global	87.7%
U.S.	7.4%
Others / Cash	4.9%
Total	<u><u>100.0%</u></u>

Movement in the balance of financial assets at FVTPL during the period are as follows:

	2025
	USD
	(Unaudited)
Movement in investments	
Balance at start of the operations	-
Purchases	21,061,812
Sales	(7,800,038)
Net unrealised gains	519,209
Net realised gains	60,987
Balance as at 30 June 2025 (unaudited)	<u><u>13,841,970</u></u>

ADCB Income Fund
Notes to condensed financial statements
For the period from 19 November 2024 (date of registration) to 30 June 2025

6 Cash and cash equivalents

	30 June 2025 USD (Unaudited)
Cash held at banks	908,042
	<u>908,042</u>

6.1 Cash held at banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of UAE. Accordingly, Sub-Fund estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the cash held at bank at the end of the reporting period are past due and considering the historical default experience and the current credit ratings of the banks, the Sub-Fund have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

7 Other liabilities

	30 June 2025 USD (Unaudited)
Audit fees payable	5,623
	<u>5,623</u>

8 Payables on Redemption

As at 30 June 2025 the Sub-Fund had a USD 101,931 (units 10,001) of amount payable on redemptions, which arose upon receiving a redemption request. This liability is derecognised upon settlement on which is usually T, T+1, T+2 basis.

9 Related party transactions

The Sub-Fund enters into transactions with other companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 *Related Party Disclosures*.

Related parties comprise members of the Umbrella Fund and the Fund Manager and those entities over which the Sub-Fund, members of the Umbrella Fund and the Fund Manager can exercise control or significant influence or be controlled or significantly influenced by such entities, including the funds that are managed by the Fund Manager. In the ordinary course of business, the Sub-Fund renders and receives services from such related parties at agreed rates, terms and conditions set out by the Fund Manager.

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9 Related party transactions (continued)

Transactions

Transactions with related parties during the period ended 30 June 2025 included in the statement of profit or loss and comprehensive income are shown below:

	For the period from 19 November 2024 to 30 June 2025 USD (Unaudited)
Management fee (Fund Manager)	<u>70,948</u>

Balances with related parties included in the statement of financial position are as follows:

	2025 USD (Unaudited)
Management fee payable (Fund Manager)	<u>70,948</u>

10 Net asset value

The Net asset value of the “Fund” is represented by fully paid-up Units of no par value. The Net asset value of the Fund is at all times equal to the total net assets of all Sub-Funds.

As per the prospectus, the following unit classes were available for subscription:

Class of Units	Minimum subscription and holding amount (USD)
Class A-Dis	500
Class I-Dis	1,000,000

Of the available class of units, the below class of unit was in issue for the current period:

Class A Dis

Redeemable units do not entitle holders to vote, except in specific situations like class meetings, article amendments, conflict situations, fund manager changes, dividend declarations, and regulatory requirements. They confer the right to receive dividends and, in liquidation, are entitled to their par value after payment of all creditors, and the return of the par value of the Management shares to the holders thereof pari passu, to an amount equal to the par value of such redeemable units and thereafter. Redeemable units are classified as financial liability.

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10 Net asset value (continued)

Movement in redeemable units of the Sub-Fund for the period ended 30 June 2025 as follows:

	Class A-Dis	
	No. of units	USD
Balance as at 19 November 2024	-	-
Redeemable units issued	1,801,062	18,081,717
Redeemable units redeemed	(373,482)	(3,784,854)
Balances as at 30 June 2025	1,427,580	14,296,863

Net assets attributable to holders of redeemable units

Class A-Dis 14,549,803

Number of redeemable units outstanding

Class A-Dis 1,427,580

Net asset value per redeemable units outstanding

Class A-Dis 10.1919

11 Dividend income and interest income

Dividend income is recognised when the right to receive the dividend is established. Dividend income earned during the period amounted to USD 18,098 and nil was receivable as at 30 June 2025.

The Sub-Fund recognised USD 1,194 of interest income, which arose from interest earned on current accounts during the period.

12 Dividend distribution

As per the Sub-Fund's prospectus, dividends, if any, will be declared by the Fund Manager and distributed out of the net income and, potentially net assets, available for distribution. It is expected for dividends to be distributed annually. However, interim dividends may be declared and distributed from time to time at a frequency decided by the Fund Manager in compliance with the conditions set forth by law.

During the period distributions amounting to USD 244,881 were paid to the unitholders.

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13 General and administrative expenses

	For the period from 19 November 2024 to 30 June 2025 USD (Unaudited)
Audit fee	5,623
Bank charges	343
	<u>5,966</u>

14 Fees

(a) Management fee

In consideration of its services, the Fund Manager is entitled to receive a fee paid by the Sub-Fund (the "Management Fee"), equivalent to a certain percentage per annum (as detailed below). The management fee shall be calculated on the Net Asset Value of the Sub-Fund or class of Units, accrued daily and paid monthly.

Class of Units	Management Fee
A-Dis	1.00%
I-Dis	0.75%

For the period ended 30 June 2025, the Sub-Fund's management fee was USD 70,948 and USD 70,948 remained payable as at 30 June 2025.

(b) Administration fee

The Administrator receives from the assets attributable to the Sub-Fund an administration fee, transfer agency fee and value added services fees in accordance with the following and are subject to a minimum monthly fee of USD 1,000.

- An administration fee of 0.03% calculated on the basis of average net asset value of the Sub-Fund per annum, and paid on a monthly basis in arrears by the Sub-Fund
- The Sub-Fund administrator also receives registrar and transfer agent fee, compliance monitoring of post trades, a performance management and a professional services fee attributable to financial statement preparation.

For the period ended 30 June 2025, the Sub-Fund's administration fee was USD 20,622 and USD 20,622 remained payable as at 30 June 2025.

(c) Custodian fee

The Custodian will receive a custody fee equivalent to a certain percentage per annum (as detailed below) based on the average net assets value of the Sub-Fund and paid on a monthly basis in arrears. The Custodian fee is subject to a minimum monthly fee of USD 1,000.

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14 Fees (continued)

(c) Custodian fee (continued)

Class of Units	Custodian Fee
A-Dis	0.01% to 0.15%*
I-Dis	0.01% to 0.15%*

*The Custodian Fee will vary depending on the instruments' markets, transaction costs and out-of-pocket expenses.

For the period ended 30 June 2025, the Sub-Fund's custodian fee was USD 7,559 and USD 1,085 remained payable as at 30 June 2025.

15 Fair values of financial assets and financial liabilities

As at 30 June 2025, the Sub-Fund's financial assets include financial assets held at fair value and cash held at bank. Financial liabilities include accrued liabilities and payables and other liabilities.

The fair value of financial assets and financial liabilities other than financial assets held at fair value are not materially different from their carrying amounts.

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 level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy of financial instruments as at the end of the reporting period are as follows:

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
30 June 2025				
Financial assets at fair value through profit and loss				
Investment in Equity Funds	-	6,719,351	-	6,719,351
Investment in Bond Funds	-	7,122,619	-	7,122,619
	<u>-</u>	<u>13,841,970</u>	<u>-</u>	<u>13,841,970</u>

16 Financial risk management

Financial risk management objectives

The Fund Manager provides services to the Sub-Fund, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Sub-Fund through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market price risk, currency risk, credit risk, interest rate risk and liquidity risk.

ADCB Income Fund
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16 Financial risk management (continued)

16.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

16.1.1 Market price risk

Market risk is managed and monitored using risk management strategies and analytical monitoring techniques and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Market price risk arises mainly from uncertainty about future prices of financial instruments held, which are classified as financial assets at fair value through profit or loss. It represents the potential loss the Sub-Fund might suffer through holding market positions in the face of price movements.

The Sub-Fund is exposed to market price risk as at 30 June 2025, only to the extent of its financial assets at fair value through profit or loss.

A 5% increase in the fair value of the Sub-Fund's investments as at 30 June 2025, with all other variables held constant, would have increased net assets attributable to holders of redeemable units and changes in net assets attributable to holders of redeemable units by approximately USD 692,099. A 5% decrease in the market prices of the fair value of the Sub-Fund's investments, with all other variables held constant, would have decreased net assets attributable to holders of redeemable units by the same amount.

16.1.2 Currency risk

The Sub-Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Sub-Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-Fund's assets or liabilities denominated in currencies other than the reporting currency. The risk arising from foreign currency transactions will be managed by regular monitoring of the relevant exchange rates and management's reactions to material movements thereto.

The table below summarises the Sub-Fund's exposure to foreign currency denominated in currencies other than the USD. The amounts shown are those translated into USD at the closing rate.

As at 30 June 2025

	Cash and Cash Equivalents
Euro	<u>50,747</u>
	<u>50,747</u>

As at 30 June 2025, assuming a 5% increase or decrease in the value of USD, with all other variables held constant the estimated impact on the net assets attributable to unitholders would have been USD 2,537.

ADCB Income Fund

Notes to condensed financial statements

For the period from 19 November 2024 (date of registration) to 30 June 2025

16 Financial risk management (continued)

16.2 Credit risk

The Sub-Fund has exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Sub-Fund by failing to discharge an obligation. Credit exposure arises principally from the Sub-Fund's deposits with financial institutions.

	2025 USD (unaudited)
Cash and cash equivalents (note 6)	<u>908,042</u>
	<u>908,042</u>

The above table represents a worst-case scenario of credit risk exposure for the Sub-Fund at the reporting date, without taking account of any collateral held or other credit enhancements attached. For assets recognised in the statement of financial position, the exposures set out above are based on net carrying amounts as reported in the statement of financial position.

The Sub-Fund is exposed to a credit risk on parties with whom they trade and will also bear the risk of settlement default. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. In particular, some of the markets in which the Sub-Fund may invest do not provide for settlement on a delivery versus payment basis.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the country. Accordingly, Directors of the Sub-Fund estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. After taking into account the current credit ratings of the bank, the Directors of the Sub-Fund have assessed that the expected credit loss is immaterial.

ADCB Income Fund

Notes to condensed financial statements

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16 Financial risk management (continued)

16.3 Liquidity risk

Liquidity risk is the risk that the Sub-Fund is unable to meet its payment obligations associated with its financial liabilities when they fall due.

The table below summarises the maturity profile of the Sub-Fund's assets and liabilities based on the contractual arrangements or on expected maturity where contractual maturity is not relevant. The contractual maturities of financial assets and liabilities have been determined on the basis of the remaining period to maturity at the statement of financial position date.

As at 30 June 2025	Within 1 month USD	Within 3 months USD	After 3 months USD	No fixed maturity USD	Total USD
Assets					
Financial assets at fair value through profit or loss	-	-	-	13,841,970	13,841,970
Cash and cash equivalents	908,042	-	-	-	908,042
Total assets	908,042	-	-	13,841,970	14,750,012
Liabilities					
Payable on redemption	101,931	-	-	-	101,931
Management fee payable	70,948	-	-	-	70,948
Administration fee payable	20,622	-	-	-	20,622
Custodian fee payable	1,085	-	-	-	1,085
Other liabilities	-	-	5,623	-	5,623
Total liabilities	194,586	-	5,623	-	200,209
Net asset attributable to holders of redeemable units	713,456	-	(5,623)	13,841,970	14,549,803

16.4 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Sub-Fund's interest rate risk is managed by the Fund Manager in accordance with policies and procedures in place.

The Sub-Fund is not directly exposed to the interest rate risk. Therefore, interest rate risk is not material to the Sub-Fund and no sensitivity analysis is presented.

17. Tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("CT Law") to implement a new Federal Corporate Tax ("CT") regime in the UAE. The CT law is effective for the Fund for the accounting period beginning on 19 November 2024.

Under Article 10 of the UAE CT Law, an exemption from corporate tax is available to Funds that qualify as a Qualifying Investment Fund (QIF).

ADCB Income Fund

Notes to condensed financial statements

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17. Tax (continued)

The Fund Manager has assessed that the Fund currently meets the criteria to be classified as a QIF. Accordingly, the Fund is expected to be eligible for the exemption from corporate tax under the CT regime.

Current tax is measured at the amount expected to be paid to or recovered from the tax authorities, based on tax rates and legislation that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is measured using tax rates and legislation that are enacted or substantively enacted by the reporting date, and which are expected to apply in the periods when the related assets and liabilities are realised or settled.

As the Fund qualifies for exemption under the CT regime, no amounts of current or deferred tax have been recognised in the financial statements.

18. Commitments and contingent liabilities

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Sub-Fund 's financial statements as at reporting date.

19. Total expense ratio

The total expense ratio represents the total operating expenses of the unit class as a percentage of the Unit class's average net assets during the financial year. It includes all costs borne by the unit class, such as management fees, audit fees and other administrative expenses but excludes transaction costs and performance fees, if any.

Units	Fund Expense Ratio %
Class A-Dis	1.59%

20. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

21. Approval of financial statements

The financial statements were approved and authorised for issuance by the Chief of Investment on 12th August 2025.

