

ADCB GCC Equity Fund
REPORT AND AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2025

ADCB GCC Equity Fund

Annual Report and Audited Financial Statements

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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 and Custodian

Apex Group Limited,
acting through its Abu Dhabi branch
8th Floor, Al Maqam Tower,
Al Maryah Island, ADGM Square,
Abu Dhabi, United Arab Emirates

Auditor

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

Legal Counsel

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

Chief Investment Officer Report

The Chief Investment Officer present the report and financial statements ADCB GCC Equity Fund (the “Sub-Fund”) for the year ended 31 December 2025.

Investment Objective

The Sub-Fund's investment objective is achieving capital growth through investment, in compliance with Sharia rules and principles, in shares of companies traded in the markets of GCC countries. In an effort to meet its long-term objective, under normal operating conditions, the Fund will invest at least seventy-five (75%) of the Assets in Shariah-compliant GCC region equity securities. The remaining twenty-five percent (25%) at any time are to be held in the form of cash and/or other short-term investments deemed appropriate by the Fund Manager in its sole discretion

Results

The results for the period end are set out in the statement of profit or loss and other comprehensive income on page 6.

Going concern Considerations

The Chief investment officer (CIO) continually monitors and consider significant risks, assumptions, and uncertainties that may cast doubt on the sub-fund’s ability as going concern.

The CIO have considered and concluded that there are no significant risks, assumptions and uncertainties that may cast doubt on the sub-fund’s ability to continue as a going concern. Therefore, the sub-fund’s financial statements are prepared on a going concern basis

Independent Auditor

The Independent Auditor, Deloitte & Touche (M.E), has indicated their willingness to continue as the sub-fund’s auditor.

Significant events after the year end

There are no significant events after the year end date which require adjustment.

Release from liability

The Chief Investment Officer release from liability the external auditors in connection with their duties for the year ended 31st December 2025.

Chief Investment officer
Gavin Ravin

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF ADCB GCC EQUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of ADCB GCC Equity Fund (the "Fund"), which comprise the statement of financial position as at 31 December 2025, and the 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 year ended 31 December 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025, and its financial performance and cash flows for the year ended 31 December 2025 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the other ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Fund manager is responsible for the other information. The other information comprises the Chief Investment Officer Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF ADCB GCC EQUITY FUND (continued)

Responsibilities of Management and Chief Investment Officer for the Financial Statements

The Fund manager is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as Fund manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Fund manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Chief Investment Officer is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund manager.
- Conclude on the appropriateness of Fund manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Investment Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ADCB GCC EQUITY FUND (continued)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by applicable UAE laws and regulations have been properly kept by the Fund.

Deloitte & Touche (M.E.)

A handwritten signature in blue ink, appearing to read "Mohammad Khamees Al Tah". The signature is stylized and includes a long horizontal stroke extending to the right.

Mohammad Khamees Al Tah
Registration No. 717
27 March 2026
Abu Dhabi
United Arab Emirates

ADCB GCC Equity Fund

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>AED'000</i>	2024 <i>AED'000</i>
INCOME			
Net unrealised loss from financial assets at FVTPL	3	(3,115)	(314)
Net realised gain/(loss) from financial assets at FVTPL	3	2,712	(8)
Dividend income		368	690
Net foreign exchange gain / (loss)		13	(1)
		<u>(22)</u>	<u>367</u>
EXPENSES			
Management fees	9	(126)	(371)
Other expenses	4	(307)	(472)
		<u>(433)</u>	<u>(843)</u>
Loss before tax		<u>(455)</u>	<u>(476)</u>
Income tax credit	12	53	58
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(402)</u>	<u>(418)</u>

The attached notes 1 to 15 form an integral part of these financial statements.

ADCB GCC Equity Fund

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 <i>AED'000</i>	2024 <i>AED'000</i>
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss ("FVTPL")	6	<u>1,318</u>	16,976
Total non-current assets		<u>1,318</u>	<u>16,976</u>
Current assets			
Cash and cash equivalents	5	343	1,452
Deferred tax asset	12	<u>111</u>	<u>58</u>
Total current assets		<u>454</u>	<u>1,510</u>
TOTAL ASSETS		<u>1,772</u>	<u>18,486</u>
LIABILITIES			
Current liabilities			
Due to a related party	9	8	183
Other liabilities	7	<u>333</u>	<u>613</u>
Total current liabilities		<u>341</u>	<u>796</u>
TOTAL LIABILITIES		<u>341</u>	<u>796</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>1,431</u>	<u>17,690</u>
Represented by:		2025 <i>AED</i>	2024 <i>AED</i>
Net Asset Value (NAV) per unit, based on 10,584 units outstanding (2024: 110,584 units)	8	<u>135.20</u>	<u>159.97</u>

These financial statements for the year ended 31 December 2025 were approved on 27 March 2026 by:

Gavin Ravin
Chief Investment Officer

The attached notes 1 to 15 form an integral part of these financial statements.

ADCB GCC Equity Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS For the year ended 31 December 2025

	<i>Number of units</i>	<i>Net assets attributable to unit holders AED'000</i>
As at 1 January 2025	110,584	17,690
Redemption of units during the year	(100,000)	(15,857)
Decrease in net assets attributable to unit holders	-	(402)
	<u>10,584</u>	<u>1,431</u>
As at 31 December 2025 (note 8)		
As at 1 January 2024	110,885	18,157
Redemption of units during the year	(301)	(49)
Decrease in net assets attributable to unit holders	-	(418)
	<u>110,584</u>	<u>17,690</u>
As at 31 December 2024 (note 8)	<u>110,584</u>	<u>17,690</u>

The attached notes 1 to 15 form an integral part of these financial statements.

ADCB GCC Equity Fund

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>AED'000</i>	2024 <i>AED'000</i>
OPERATING ACTIVITIES			
Loss before tax		(455)	(476)
Adjustments for:			
Net unrealised loss from financial asset at FVTPL	3	3,115	314
Net realised (gain)/loss from financial assets at FVTPL	3	(2,712)	8
Net foreign exchange gain / (loss)		(13)	-
Operating cash flows before changes in operating assets and liabilities		<u>(65)</u>	<u>322</u>
Net changes in working capital:			
Decrease in due to a related party		(175)	(80)
(Decrease)/ increase in other liabilities		(280)	173
Purchase of financial assets at fair value through profit or loss		(120)	(9,138)
Proceeds from sale of financial assets at fair value through profit or loss		15,397	9,138
Net cash generated from/(used in) operating activities		<u>14,757</u>	<u>(64)</u>
FINANCING ACTIVITIES			
Payments on redemption of redeemable units		(15,857)	(49)
Net cash used in financing activities		<u>(15,857)</u>	<u>(49)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Foreign currency translation		(9)	-
Cash and cash equivalents at 1 January		1,452	1,565
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	<u>343</u>	<u>1,452</u>

The attached notes 1 to 15 form an integral part of these financial statements.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

ADCB GCC Equity Fund (the "Fund") (formerly known as Al Hilal GCC Equity Fund) is an open-ended public fund established by Al Hilal Bank (the "Previous Fund Manager") and whose fund management has been transferred to Abu Dhabi Commercial Bank on 8 August 2024. The Fund is under the supervision of the Capital Markets Authority ("CMA") of the UAE dated 10 January 2011. The custody of the Fund was delegated to HSBC Bank Middle East Limited and the administration of the Fund is delegated to Apex Fund Services Ltd. (the "Fund Administrator"). The registered office of the Fund is PO Box 63111, Abu Dhabi, United Arab Emirates. The date of commencement of the Fund was 6 April 2011.

The Fund aims at achieving capital growth through investment, in compliance with Sharia rules and principles, in shares of companies traded in the markets of GCC countries. In an effort to meet its long-term objective, under normal operating conditions, the Fund will invest at least seventy-five (75%) of the Assets in Shariah-compliant GCC region equity securities. The remaining twenty-five percent (25%) at any time are to be held in the form of cash and/or other short-term investments deemed appropriate by the Fund Manager in its sole discretion.

2 BASIS OF PREPARATION

2.1 BASIS OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a going concern basis and in compliance with requirements of applicable provisions of the Central Bank Board of Directors Resolution No. 164/8/1994, and Securities and Commodities Authority Decision No. 1/RM/2023 Concerning the Regulation of Investment Funds, and requirements of the applicable provisions of Law No (1) of 2017 (as amended).

2.2 BASIS OF MEASUREMENT

The financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss which are carried at fair value.

2.3 FUNCTIONAL AND PRESENTATIONAL CURRENCY

The financial statements have been presented in United Arab Emirates Dirhams (AED) which is the functional currency of the Fund. All values are rounded to the nearest thousand (AED '000) except as otherwise indicated.

2.4 APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

2.4.1 New and revised IFRSs effective for accounting periods beginning on or after 1 January 2025

In the current period, the Fund has applied amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") that are effective for an annual period beginning on or after 1 January 2025.

The adoption of these amendments has not had a material impact on the disclosures or the amounts recognised in these financial statements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability

Other than the above, there are no other IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

2.4.2 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.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.4 APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (continued)

2.4.2 New Standards and interpretations issued but not yet (continued)

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.

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027
<i>Annual improvements to IFRS Accounting Standards — Volume 11</i>	1 January 2026
The pronouncement comprises the following amendments:	
<ul style="list-style-type: none"> • 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 • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method 	
<i>IFRS Sustainability Disclosure Standards</i>	
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial assets and liabilities

All financial assets under the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Fund's business model for managing the financial assets and contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortised cost, if both the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order 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 financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

- The financial 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.

A financial asset is measured at fair value through profit or loss, unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Fund may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Fund has classified its investments as financial assets at fair value through profit or loss.

All financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- Financial guarantee contracts; and
- Commitments to provide a financing at a below-market profit rate.

At initial recognition, the Fund may irrevocably designate a financial asset or liability as measured at fair value through profit or loss when permitted, or when doing so result in more relevant information, because either:

- It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the fund is provided internally on that basis to the entity's key management personnel.

Reclassification of financial assets and financial liabilities

Where the Fund changes its business model for managing financial assets, it reclassifies all affected financial assets. An entity shall not reclassify any financial liability.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i) Financial instruments (continued)

Measurement of financial assets

Initial measurement of financial assets

At initial recognition, financial assets are measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent measurement of financial assets

After initial recognition, an entity shall measure a financial asset in accordance with its classification at:

- amortised cost less impairment,
- fair value through other comprehensive income less impairment; or
- fair value through profit or loss.

Impairment is assessed on the financial assets other than equity instruments measured at amortised cost and at fair value through other comprehensive income as disclosed below.

Impairment of financial assets

In relation to the impairment of financial assets, the Fund applies the Expected Credit Loss (“ECL”) model. Under the expected credit loss model, the Fund accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. It is not necessary for a credit event to have occurred before credit losses are recognised. The Fund has adopted the simplified approach for measuring the impairment on its financial assets. Under the simplified approach, the Fund measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

A loss allowance for expected credit losses is recognised on all classes of financial assets, other than those that are measured as fair value through profit or loss and equity instruments classified and measured at fair value through other comprehensive income. The financial assets subject to impairment requirements of IFRS 9, include bank balances and other assets.

Derecognition of financial assets

The Fund derecognises a financial asset only when:

- the contractual rights to the cash flows from the asset expire; or
- it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset.

Measurement of financial liabilities

Amounts due to a related party and other payables are classified as ‘financial liabilities’ and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective profit method, with profit expense recognised on an effective yield basis, except for short term liabilities when the recognition of profit is immaterial.

Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund’s obligations are discharged, cancelled or they expire.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i) Financial instruments (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

ii) Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows comprise balances with banks with original maturities of less than three months.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

iii) Net asset value per unit

The net asset value per unit is calculated by dividing the net assets included in the statement of financial position by the closing number of units outstanding at year end.

iv) Provisions

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows, that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

v) Net realised and unrealised gain (loss) from financial assets at fair value through profit or loss

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

Net realised gain (loss) 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 (loss) 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.

vi) Dividend income

Dividend income is recognised in the statement of comprehensive income when the right to receive income is established net of applicable tax on dividends. For quoted equity securities this is usually the ex-dividend date.

vii) 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 (loss) on investments at fair value through profit or loss.

viii) Redeemable units

Redeemable units are classified as equity. In accordance with the Fund's prospectus, the redemption amounts of the redeemable units are based on last published net asset value. The net asset value includes the Fund's underlying investments, calculated using the closing prices.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

viii) Redeemable units (continued)

Distributions to holders of redeemable shares comprise dividends declared and paid by the Fund to the holders of redeemable shares during the year. Dividends are at the discretion of the Fund. A dividend to the Fund's unit holders is accounted for as a reduction in net assets attributable to holders of redeemable units.

ix) Expenses

All expenses, including the management fees, administration fees, custodian fee, organisational costs and other operational expenses are recognised in the statement of comprehensive income on an accrual basis.

x) Subscription fees

Subscription fees are charged to unitholders by the Fund Manager at the time of issuance of units from the Fund.

xi) Taxation

Income tax expense comprises current and deferred tax.

Current tax expense (or benefit) is the tax payable (or receivable) on the current year's taxable income calculated using tax rates (and laws) enacted or substantively enacted by the end of the reporting period in each jurisdiction, adjusted for changes in deferred tax assets and liabilities. Current tax expense is recognised in the income statement except when the tax relates to items directly recognised in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity respectively.

Tax provisions are recognised for uncertain tax positions when it is probable that there will be a future outflow of funds to a tax authority, measured at the best estimate of the amount expected to become payable.

Deferred tax is recognised using the liability method on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax liabilities are recognised for all taxable temporary differences, except for goodwill and temporary differences arising from the initial recognition of assets and liabilities in transactions that do not affect taxable or accounting profit. Deferred tax assets are only recognised for temporary differences to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax relating to items recognised in other comprehensive income or equity are recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

xii) Fair value measurement

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

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

The principal or the most advantageous market must be accessible to by the Fund.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2.5 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

xiii) Fair value measurement (continued)

When available, the Fund measures the fair value of an instrument using quoted closing prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received.

Assets and liabilities are measured at a closing prices.

All changes in fair value, other than dividend income, are recognised in the statement of comprehensive income as net realised and unrealised gain or loss from financial instruments at fair value through profit or loss.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.6 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provision as well as fair value changes.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates, judgements and underlying assumptions are continually evaluated and are based on historical experience and other factors.

Investment entity status

In determining the Fund's status as an investment entity in accordance with IFRS 10, the Fund Manager considered the following:

- The Fund has raised funds from a number of unitholders in order to raise capital to invest in equity investments and to provide the unitholders with investment management services with respect to these investments;
- The Fund intends to generate capital and income returns from its investments which will, in turn, be distributed to the unitholders; and
- The Fund evaluates its investments' performance on a fair value basis, in accordance with the policies set out in these financial statements.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured at fair value on the reporting date. For quoted securities, market prices are readily available.

Fair value estimates are made at specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matter of significant judgment and therefore, cannot be determined with precision.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3 NET (LOSSES)/GAINS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Net unrealised loss from financial assets at fair value through profit or loss (note 6)	(3,115)	(295)
Net realised gain/(loss) from financial assets at fair value through profit or loss (note 6)	2,712	(8)

4 OTHER EXPENSES

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Custodian fees (reversal)/charge	(5)	231
Administration, statutory reporting and other service fees	143	136
Index provider fees	44	44
Legal and professional fees	54	43
Dividends withholding tax	5	14
Commissions and other charges	31	-
Others	35	4
	<u>307</u>	<u>472</u>

5 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Bank and other balances with original maturity of less than 3 months	<u>343</u>	<u>1,452</u>

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

The Fund’s financial assets at FVTPL comprise listed equity securities that are held for trading. Movement in the balance of financial assets at FVTPL during the year is as follows:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Balance at the beginning of the year	16,976	17,295
Purchases during the year	120	9,138
Sales during the year	(15,397)	(9,135)
Net unrealised loss on financial assets at FVTPL (note 3)	(3,115)	(295)
Net realised gain/(loss) on financial assets at FVTPL (note 3)	2,712	(8)
Net foreign exchange gain/(loss) on financial assets at FVTPL	22	(19)
Balance at the end of the year	<u>1,318</u>	<u>16,976</u>

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

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6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”) (continued)

Investments by geography are as follows:

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Saudi Arabia	661	9,230
UAE	379	3,791
Qatar	161	2,354
Kuwait	117	1,601
	<u>1,318</u>	<u>16,976</u>

7 OTHER LIABILITIES

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Custodian fees	232	566
Professional fees	43	29
Other payables	58	18
	<u>333</u>	<u>613</u>

8 NET ASSET VALUE

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Net asset attributable to unit holders (<i>AED'000</i>)	<u>1,431</u>	<u>17,690</u>
Number of units outstanding	<u>10,584</u>	<u>110,584</u>
Net asset value per unit (<i>AED</i>)	<u>135.20</u>	<u>159.97</u>

The initial offering of units was at a price of AED 100 per unit (par value). Subsequent to the initial offering, the subscription and redemption price for units is based on the Net Assets Value (NAV) per unit on every Wednesday of each week.

ADCB GCC Equity Fund

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9 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise members of the Fund Advisory Board, the Sharia Supervisory Board and the Fund Manager and those entities over which the Fund, members of the Fund Advisory Board, the Sharia Supervisory Board 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 Investment Manager. In the ordinary course of business, the Fund renders and receives services from such related parties at agreed rates, terms and conditions set out by the Fund Manager.

Terms and conditions

Key terms and conditions are shown below:

Banking:

The Fund Manager provides banking services at rates agreed with the Fund.

Others:

The Fund Manager is entitled to investment management fees of 2% of net assets value (2024: 2%) attributable to unit holders as set out in the Funds' term sheet.

Transactions with the related parties included in the statement of comprehensive income are as follows:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Management fees	<u>126</u>	<u>371</u>

Balances with related parties at the reporting dates are shown below:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Number of units held by	<u>100</u>	<u>100</u>
Total value of redeemable units held by related parties	<u>13,520</u>	<u>15,944</u>
<i>Due to related parties</i>		
Fee payable to the Fund Manager	<u>8</u>	<u>183</u>

Compensation of key management personnel

The Fund is managed by the Fund Manager and there are no key management personnel of the Fund.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

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10 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values

Carrying amounts of all the financial assets and liabilities approximated their fair values at the statement of financial position date.

Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at 31 December 2025 and 2024, the Fund held the following financial instruments measured at fair value:

<i>31 December 2025</i>	<i>Total AED'000</i>	<i>Level 1 AED'000</i>	<i>Level 2 AED'000</i>	<i>Level 3 AED'000</i>
Financial assets				
Financial assets at fair value through profit or loss	<u>1,318</u>	<u>1,318</u>	<u>-</u>	<u>-</u>
<i>31 December 2024</i>	<i>Total AED'000</i>	<i>Level 1 AED'000</i>	<i>Level 2 AED'000</i>	<i>Level 3 AED'000</i>
Financial assets				
Financial assets at fair value through profit or loss	<u>16,976</u>	<u>16,976</u>	<u>-</u>	<u>-</u>

During the year ended 31 December 2025 and 2024, there were no transfers between or into Level 1, Level 2 and Level 3 fair value measurements.

11 FINANCIAL RISK MANAGEMENT AND OBJECTIVES

Risk management framework

The Fund's principal financial liabilities consist of amounts due to a related party and other payables. The Fund has financial assets such as financial assets at fair value through profit or loss and bank balances. The Fund's financial assets and liabilities arise directly from its operations.

The Fund Advisory Board has the overall responsibility for the establishment and oversight of the Fund's risk management framework. The Fund is managed by the Investment Manager on the basis of the Fund's investment objectives and guidelines, subject to the supervision of the Fund Advisory Board, on a day to day basis. The Fund Advisory Board reviews the activities and performance of the Fund (including Fund's investment strategies as set out in the investment guidelines) and makes appropriate recommendations to the Investment Manager.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly, on an ongoing basis, to reflect changes in market conditions, products and services offered.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

11 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Risk management framework (continued)

The main risks arising from the Fund's financial instruments are as follows:

1. Liquidity risk;
2. Credit risk;
3. Operational risk; and
4. Market risk.

The Investment Manager reviews and agrees policies for managing each of these risks which are summarised below:

Liquidity risk

Liquidity risk is the risk that the Fund will be unable to meet its funding requirements. It arises principally due to related parties and unit holders redeeming their units.

The Fund's liquidity risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place by having sufficient liquidity to meet its liabilities including anticipated redemptions of units, as and when due, without incurring unacceptable losses or risking damages to the Fund's reputation. Under normal operating conditions, up to twenty-five percent (25%) of the Assets may at any time be held in the form of cash and / or other short-term investments deemed appropriate by the Investment Manager in its sole discretion. Cash will be invested in a Shariah-complaint manner. Under non-normal operating conditions, including events such as providing liquidity for client transactions or during periods of excessive market volatility, cash and / or other short-term investments may comprise greater than twenty-five percent (25%) but no more than seventy percent (70%) of the assets.

The table below summarises the liquidity profile of the Fund's liabilities based on contractual maturities determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date.

The maturity profile of assets and liabilities at 31 December 2025 is as follows:

	<i>Up to Three months AED'000</i>	<i>From three months to one year AED'000</i>	<i>From one year to five years AED'000</i>	<i>Unspecified maturity AED'000</i>	<i>Total AED'000</i>
Assets					
Bank balances	343	-	-	-	343
Financial assets at fair value through profit or loss ("FVTPL")	-	-	-	1,318	1,318
Deferred tax credit	-	111	-	-	111
Total	343	111	-	1,318	1,772
Liabilities					
Due to a related party	8	-	-	-	8
Other liabilities	333	-	-	-	333
Total	341	-	-	-	341

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

11 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Liquidity risk (continued)

The maturity profile of assets and liabilities at 31 December 2024 was as follows:

	<i>Up to Three months AED '000</i>	<i>From three months to one year AED '000</i>	<i>From one year to five years AED '000</i>	<i>Unspecified maturity AED '000</i>	<i>Total AED '000</i>
Assets					
Bank balances	1,452	-	-	-	1,452
Financial assets at fair value through profit or loss ("FVTPL")	-	-	-	16,976	16,976
Deferred tax credit	-	58	-	-	58
Total	1,452	58	-	16,976	18,486
Liabilities					
Due to a related party	183	-	-	-	183
Other liabilities	613	-	-	-	613
Total	796	-	-	-	796

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It arises from bank balances and financial assets at fair value through profit or loss. The Investment Manager attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The maximum credit risk is limited to amounts appearing on the statement of financial position.

Where the credit risk is not in accordance with the investment policy or guidelines of the Fund, the Investment Manager is obliged to rebalance the portfolio as soon as it is reasonably practicable after each determination that the portfolio is not in compliance with the stated investment parameters.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Fund cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Fund is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

The Fund's objective is to manage operational risk to balance limiting of financial losses and damage to its reputation whilst achieving its investment objective of generating returns to investors.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

11 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Operational risk (continued)

The primary responsibility for the development and implementation of controls over operational risk rests with the Investment Manager. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- Requirements for appropriate segregation of duties between various functions, roles and responsibilities
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Contingency plans
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

Compliance with policies and procedures is supported by periodic reviews undertaken by the Investment Manager's Audit and Compliance Division. The results of these reviews are discussed with the management, with summaries submitted to the Audit Committee and senior management of the Investment Manager.

The Investment Manager's assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular discussions with the service providers.

Substantially all of the securities of the Fund are held with reputable custodians. Bankruptcy or insolvency of the custodians may cause the Fund's rights with respect to the securities held by the custodian to be delayed or limited. The Investment Manager monitors the credit ratings, internal control and financial position of its custodians on a periodic basis.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The Fund is exposed to market risk with respect to its investments. The Fund limits market risk by maintaining a diversified portfolio of equities based on Islamic Sharia Rules and Principles, listed in Dubai, Abu Dhabi and other Arab equities markets. The Fund's market risk is managed on a daily basis by the Investment Manager in accordance with the policies and procedures in place. The Fund's overall market positions are monitored by the Fund Advisory Board on periodic basis. In addition, the Fund actively monitors the key factors that affect stock and bond market movement, including analysis of the operational and financial performance of investees.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund has set limits on positions by currency. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

The exchange rate of AED and most of GCC currencies, in which the Fund invests, is pegged against US Dollar and hence the Fund's exposure to currency risk is limited to that extent.

Since the majority of the assets and liabilities are in AED or in foreign currencies pegged with the AED, the Fund management estimates that any reasonable possible changes in exchange rates would not have a significant impact on the Fund's financial statements.

At 31 December 2025 and 2024, the effect of the assumed changes in exchange rates on equity is insignificant.

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

11 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Market risk (continued)

Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Fund's financial instruments are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect net investment income.

Price risk is managed by the Investment Manager by constructing a diversified portfolio of instruments, in different industry sectors and traded on different markets. Under normal circumstances the Fund invests in the trading instruments in accordance with the investment guidelines.

As per the prospectus of the Fund, the policy for concentration of its investment portfolio profile is as follows:

- The Fund will hold no more than 65 equity securities at any point in time.
- The Fund Manager may invest up to 10% of assets in listed equity securities in the index, without regard to traditional weighting techniques such as market capitalisation weighting or index benchmarking.
- No more than 30% of the assets may at any time be held in equity securities in any one Industry Classification Benchmark ("ICB") super sector in the index as defined by Dow Jones.
- No more than 55% of the assets may be held in equities from Kingdom of Saudi Arabia. No more than 45% of the assets may be held in equities from any other country represented in the index.

Where the market risk is not in accordance with the investment policy or guidelines of the Fund, the Investment Manager is obliged to rebalance the portfolio as soon as is reasonably practicable after each determination that the portfolio is not in compliance with the stated investment parameters.

The distribution of the Fund's financial assets by geographical region is as follows:

	2025	2024
	%	%
<i>Geographic region</i>		
Saudi Arabia	50.14	54.37
U.A.E	28.79	22.33
Qatar	12.22	13.87
Kuwait	8.85	9.43
	100.00	100.00

The distribution of the Fund's financial assets by sector / industry is as follows:

	2025	2024
	%	%
<i>Sector/Industry</i>		
Financial	29.38	26.35
Telecommunication	14.30	15.69
Chemical	9.09	9.25
Industrial	8.83	8.63
Real estate	6.90	7.14
Retail	5.05	4.90
Oil & Gas	4.78	-
Others	21.67	28.04
	100.00	100.00

ADCB GCC Equity Fund

NOTES TO THE FINANCIAL STATEMENTS

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11 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Market risk (continued)

Other price risk (continued)

The Fund had the following individual significant exposure in its portfolio of investments at fair value through profit or loss:

	2025	2024
	%	%
Saudi Telecom Co	7.98	5.92
Emaar Properties PJSC	6.51	4.92
Abu Dhabi Islamic Bank PJSC	5.90	-
Industries Qatar QSC	5.35	5.69
Etihad Etisalat Co	4.97	-
Abu Dhabi National Oil Co for Distribution PJSC	4.78	-
Qatar Islamic Bank SAQ	4.37	4.82
Al Rajhi Bank	4.04	-
Saudi Arabian Mining Co	3.76	3.66
Kuwait Finance House KSCP	3.67	6.08
Saudi Basic Industries Corp	-	3.84
ELM CO	-	5.34
Emirates Telecom Group Co	-	5.63

The Fund estimates the future reasonably possible market price fluctuation for equity investments on an individual investments basis.

The table below sets out the sensitivity analysis and its effect on the Fund's statement of comprehensive income and net assets attributable to unitholders of a reasonably possible strengthening in the individual equity market prices of 1% at 31 December 2025 and 2024. The analysis assumes that all other variables, in particular profit and foreign currency rates remain constant.

	2025	2024
<i>Effect in AED thousand</i>		
Financial assets at fair value through profit or loss	<u>13</u>	<u>170</u>
<i>Effect in % of net assets</i>		
Financial assets at fair value through profit or loss	<u>0.91%</u>	<u>0.96%</u>

As a result of adverse market movement of 5%, the net asset value of the Fund is expected to decline by AED 66 thousand (2024: AED 849 thousand).

A weakening of market prices would have resulted in an equal but opposite effect to the amounts shown above.

Capital management

The Fund's capital is represented by the number of units outstanding. The primary objective of the Fund's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise unitholders value.

The Fund aims to deliver this objective mainly through investing in a balanced portfolio as per the Fund's investment guidelines while maintaining sufficient liquidity to meet unit holders' redemptions. The Fund has complied with the externally imposed requirements.

ADCB GCC Equity Fund

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12 INCOME TAX

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after June 1, 2023.

Article 4 of the UAE CT Law lists certain categories of persons exempt from the UAE CT Law, including Qualifying Investment Funds. However, the Fund does not meet the conditions outlined in Article 10 of the UAE CT Law to qualify as a Qualifying Investment Fund.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period.

Below is the summary of total income tax benefit recognised in the statement of comprehensive income.

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Current tax expense	-	-
Deferred tax credit	53	58
Total tax (expense)/benefit	53	58

Reconciliation between the tax expense/ benefit and profit or loss multiplied by applicable tax rate:

The reconciliation of tax expense to the accounting profit before tax is as follows:

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Loss before taxation	(455)	(476)
Tax at statutory rate of 9%	41	43
Tax effect of amounts which are not (deductible) / taxable in calculating taxable income:		
Tax effect of exempt income	14	44
Tax effect of non-deductible expenses	(2)	(29)
Income tax benefit	53	58

The tax rate applicable in the UAE is 9% for taxable profits exceeding AED 375,000. The effective tax rate is - 11.6% attributable to the recognition of deferred tax assets related to the current year's losses incurred by the Fund (2024: -12.1%)

Deferred taxes analyzed by type of temporary difference:

Differences between IFRS Accounting Standards and statutory taxation regulations in the UAE give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases.

The deferred tax asset has been recognized as below in respect of the unused tax losses available for offset against future taxable profits of the Fund:

Particulars	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Deferred tax asset (on unused tax losses)	111	58

As no other temporary differences were identified, the Fund has not recognized any deferred tax impact in its financial statements.

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13 CONTINGENCIES AND COMMITMENTS

The Fund has no significant contingent liabilities at the reporting date.

14 Subsequent events

There have been no significant changes that have had any effect on the financial statements subsequent to period ended 31 December 2025.

15 Approval of financial statements

The financial statements were approved and authorised for issuance by the Chief of Investment Officer on 27 March 2026.