ADCB GCC Equity Fund

REPORT AND CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

ADCB GCC Equity Fund

Report and condensed financial statements for the six-month period ended 30 June 2025

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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

Tel: +971 (0) 2 408 2424
Fax:+971 (0) 2 408 2525
www.deloitte.com

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

Introduction

We have reviewed the accompanying condensed statement of financial position of ADCB GCC Equity Fund (the "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 six months period ended on 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.

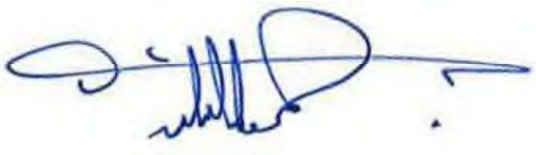
Scope of Review

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2025 (unaudited)

	Note	***Six months ended 30 June 2025 AED'000 (Unaudited)***	*Six months ended 30 June 2024 AED'000 (Unaudited)*
INCOME			
Net unrealised loss on financial assets at fair value through profit and loss	6	**(27)**	(953)
Net realised loss on financial assets at fair value through profit and loss	6	**(326)**	-
Dividend income		**343**	469
Net foreign exchange loss		**(9)**	(1)
Total loss		**(19)**	(485)
EXPENSES			
Management fees	5	**(111)**	(187)
Other expenses		**(56)**	(224)
		(167)	(411)
Loss for the period before tax		**(186)**	(896)
Deferred tax	12	**(58)**	-
DECREASE IN NET ASSETSATTRIBUTABLE TO UNIT HOLDERS		**(244)**	(896)

The attached notes 1 to 13 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	*30 June 2025 AED'000 (Unaudited)*	*31 December 2024 AED'000 (Audited)*
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	6	**1,619**	16,976
Total non-current assets		**1,619**	16,976
Current assets			
Cash and cash equivalents	4	**179**	1,452
Other assets		**22**	-
Deferred tax credit		**-**	58
Total current assets		**201**	1,510
TOTAL ASSETS		**1,820**	18,486
LIABILITIES			
Current liabilities			
Amounts due to a related party	5	**27**	183
Other liabilities	7	**204**	613
Total current liabilities		**231**	796
TOTAL LIABILITIES		**231**	796
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**1,589**	17,690
Represented by:		***AED***	*AED*
Net Asset Value (NAV) per unit, based on 10,584 outstanding units (31 December 2024: 110,584 units)	8	**150.13**	159.97

These Condensed financial statements were approved and authorised for issue by the Chief Investment Officer of ADCB GCC Equity Fund on 12th August 2025

Chief Investment Officer

The attached notes 1 to 13 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the six month period ended 30 June 2025 (unaudited)

	Number of units (Unaudited)	*Net assets attributable to unit holders AED'000 (Unaudited)*
Balances as at 1 January 2024 (audited)	110,885	18,157
Redemption of units during the period	(251)	(41)
Decrease in net assets attributable to unit holders	-	(896)
Balance as at 30 June 2024 (unaudited)	110,634	17,220
Balance as at 1 January 2025 (audited)	**110,584**	**17,690**
Redemption of units during the period	**(100,000)**	**(15,857)**
Decrease in net assets attributable to unit holders	-	**(244)**
Balance as at 30 June 2025 (unaudited)	**10,584**	**1,589**

The attached notes 1 to 13 form an integral part of these condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS
For the six month period ended 30 June 2025 (Unaudited)

	Note	*Six months ended 30 June 2025 AED'000 (Unaudited)*	*Six months ended 30 June 2024 AED'000 (Unaudited)*
OPERATING ACTIVITIES			
Loss before tax		**(186)**	(896)
Adjustments for:			
Net unrealised loss on financial assets FVTPL	6	**27**	953
Net realised loss on financial assets at FVTPL	6	**326**	-
		167	57
Working capital changes:			
Change in other assets		**(22)**	(43)
Change in amounts due to a related party		**(156)**	(167)
Change in other liabilities		**(409)**	89
Cash used in operating activities		**(420)**	(64)
Proceeds from sale of financial assets fair value through profit or loss	6	**15,004**	-
Net cash generated from operating activities		**14,584**	-
FINANCING ACTIVITY			
Payments on redemption of redeemable units	8	**(15,857)**	(41)
Net cash used in financing activity		**(15,857)**	(41)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(1,273)**	(105)
Cash and cash equivalents at the beginning of the period		**1,452**	1,565
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	**179**	1,460

The attached notes 1 to 13 form an integral part of these condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the period ended 30 June 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 Securities and Commodities Authority ("SCA") 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.

The financial statements were approved and authorized for issue by the Chief Investment Officer of the Fund on 12th August 2025.

2 BASIS OF PREPARATION

The condensed financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting.

The condensed financial statements have prepared on the historical cost basis except for financial assets at fair value through profit or loss ("FVTPL"), which have been measured at fair value.

The condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Fund's annual financial statements as at 31 December 2024. In addition, results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

These condensed financial statements have been presented in United Arab Emirates Dirhams (AED), being the functional and presentation currency of the Fund.

The same accounting policy information, presentation and methods of computation have been followed in this condensed financial information as were applied in the preparation and presentation of the financial statements for the year ended December 31, 2024.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE

The accounting policies used in the preparation of the condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective from 1 January 2025.

3.1 New and revised IFRS Accounting Standards effective for accounting periods beginning on or after January 1, 2025.

In the current period, the Fund has applied the amendments to IAS 21. The application of these amendments to IFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Fund's future transactions or arrangements. Other than the above, there are no other significant IFRS Accounting Standards, amendments or interpretations that were effective for the first time for the financial year beginning on or after January 1, 2025.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE (continued)

3.2 Standards and Interpretations in issue but not yet effective

The Fund has not early adopted any new and revised IFRS Accounting Standards that have been issued but are not yet effective.

New standards and significant amendments to standards applicable to the Fund	Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments.	1 January 2026
IFRS – Volume 11 Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards	1 January 2026
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements - IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures - IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS.	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective. The impact of these standards and amendments is currently being assessed by management.

3.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

4 CASH AND CASH EQUIVALENTS

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

	30 June 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Bank and other balances with original maturity of less than 3 month	**179**	1,452

5.1 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.

5 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise members of the Sharia Supervisory Board, the Fund Manager and those entities over which the Fund, members of 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 Fund 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 fund management fees of 2% of net assets value attributable to unit holders (2024: 2%) as set out in the Funds' term sheet.

In addition, the Fund will also pay annual Performance Fee ("Performance Fee") to Fund Manager equal to 10% per annum on the excess return of the good performance as set out in the Funds' term sheet.

The good performance charges are to be specified by a rate of (10 %) per year out of the increase in the net assets value of the Unit over the rate of (15 %) which represents the minimum return after which the good performance charges will become due.

The value of the increase for which good performance charges will be due will be calculated by the product of (the increase for which good performance charges for the Unit will be due) x (the total number of the Units existing at the end of each week of the valuation weeks / the number of the valuation weeks).

5 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

Nature of transaction	*Related party*	*Nature of relationship*	***Six months ended 30 June 2025 AED'000 (Unaudited)***	*Six months ended 30 June 2024 AED'000 (Unaudited)*
Management fees	Al Hilal Bank	Fund Manager	**111**	187

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

	30 June 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Number of units held by related parties	-	100
Total value of redeemable units held by related parties	-	15,944
Cash and cash equivalents (note 5)	**179**	1,452
Due to related parties		
Fees payable to the Fund Manager	**27**	183

Compensation of key management personnel

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

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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 period/ year is as follows:

	30 June 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Balance at the beginning of the period/year	**16,976**	17,295
Purchases during the period / year	-	9,138
Sales during the period/year	**(15,004)**	(9,135)
Net unrealised loss on financial assets at FVTPL	**(27)**	(314)
Net realised loss on financial assets at FVTPL	**(326)**	(8)
Balance at period/year end	**1,619**	16,976

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the period ended 30 June 2025

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

Investments by geography are as follows:

	30 June 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Saudi Arabia	**835**	9,230
UAE	**419**	3,791
Qatar	**225**	2,354
Kuwait	**140**	1,601
	1,619	16,976

7 OTHER LIABILITIES

	30 June 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Custodian fees	**116**	566
Professional fees	**32**	29
Other payables	**56**	18
	204	613

8 NET ASSET VALUE

Net Asset Value is calculated by dividing the net assets by the number of shares outstanding as of period/ year end.

	30 June 2025 (Unaudited)	*31 December 2024 (Audited)*
Net asset attributable to unit holders (AED'000)	**1,589**	17,690
Number of units outstanding	**10,584**	110,584
Net asset value per unit (AED)	**150.13**	159.97

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 calculated on every Wednesday of each week.

8 NET ASSET VALUE (continued)

Movement in issued and redemption of units of the Fund for the period/year ended 30 June 2025 and 31 December 2024 was as follows:

	30 June 2025	
	No. of units	*AED'000*
At the beginning of the period	**110,584**	**17,690**
Units redeemed during the period	**(100,000)**	**(15,857)**
Decrease in net assets during the period	**-**	**(244)**
At the end of the period	**10,584**	**1,589**
Net asset value per redeemable unit as of 30 June 2025 (AED)		**150.13**

	31 December 2024	
	No. of units	*AED'000*
At the beginning of the year	110,885	18,157
Units redeemed during the year	(301)	(49)
Decrease in net assets during the year	-	(418)
At the end of the year	110,584	17,690
Net asset value per redeemable unit as of 31 December 2024 (AED)		159.97

9 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.

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

	Total	***Level 1***	***Level 2***	***Level 3***
	AED'000	***AED'000***	***AED'000***	***AED'000***
30 June 2025 (unaudited)				
Financial assets at fair value through profit or loss	**1,619**	**1,619**		

	Total	*Level 1*	*Level 2*	*Level 3*
	AED'000	*AED'000*	*AED'000*	*AED'000*
31 December 2024 (audited)				
Financial assets at fair value through profit or loss	16,976	16,976	-	-

During the period ended 30 June 2025, there were no transfers between or into Level 1, Level 2 and Level 3 fair value measurements (31 December 2024: Nil).

10 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 Chief Investment Officer has the overall responsibility for the establishment and oversight of the Fund's risk management framework. The Fund is managed by the Fund Manager on the basis of the Fund's investment objectives and guidelines, subject to the supervision of the Chief Investment Officer, on a day to day basis. The Chief Investment Officer 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.

Risk management framework
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 condensed statement of financial position date to the contractual maturity date.

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Liquidity risk (continued)
The maturity profile of assets and liabilities at 30 June 2025 is as follows:

	Up to Three months AED'000	*From three months to one year AED'000*	*From one year to five years AED'000*	*Unspecified maturity AED'000*	*Total AED'000*
Assets					
Bank balances	**179**	-	-	-	**179**
Other assets	-	**22**	-	-	**22**
Financial assets at fair value through profit or loss	-	-	-	**1,619**	**1,619**
Total	**179**	**22**	-	**1,619**	**1,820**
Liabilities					
Amounts due to a related party	**27**	-	-	-	**27**
Other liabilities	**204**	-	-	-	**204**
Total	**231**	-	-	-	**231**

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

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

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

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.

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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the period ended 30 June 2025

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

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 Fund Manager in accordance with the policies and procedures in place. The Fund's overall market positions are monitors by the Chief Investment Officer 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 30 June 2025 and 31 December 2024, the effect of the assumed changes in exchange rates on equity is insignificant.

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 my 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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the period ended 30 June 2025

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Market risk (continued)
Other price risk (continued)
The distribution of the Fund's financial assets by geographical region is as follows:

	30 June 2025 %	*31 December 2024* %
Geographic region		
Saudi Arabia	**51.59**	54.37
U.A.E	**25.88**	22.33
Qatar	**13.87**	13.87
Kuwait	**8.65**	9.43
	100.00	100.00

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

	30 June 2025 %	*31 December 2024* %
Sector/Industry		
Financial	**28.29**	26.35
Telecommunication	**17.21**	15.69
Chemical	**8.07**	9.25
Industrial	**7.72**	8.63
Real estate	**7.06**	7.14
Retail	**4.35**	4.90
Others	**27.30**	28.04
	100.00	100.00

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

	30 June 2025 %	*31 December 2024* %
Saudi Telecom Co	**6.43**	5.92
Emirates Telecom Group Co	**6.25**	5.63
Abu Dhabi Islamic Bank PJSC	**5.88**	3.66
Industries Qatar	**5.43**	5.69
Emaar Properties PJSC	**5.13**	4.92
Qatar Islamic Bank	**5.05**	4.82
Kuwait Finance House	**4.88**	6.08
Dubai Islamic Bank PJSC	**4.41**	3.44
Elm Co	**4.24**	5.34
Saudi Arabian Mining Co	**4.22**	3.66

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Market risk (continued)
Other price risk (continued)

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 30 June 2025 and 31 December 2024. The analysis assumes that all other variables, in particular profit and foreign currency rates remain constant.

	30 June 2025	*31 December 2024*
Effect in AED thousand		
Financial assets at fair value though profit or loss	**16**	170
Effect in % of net assets		
Financial assets at fair value though profit or loss	**1.01%**	0.96%

As a result of adverse market movement of 5%, the net asset value of the Fund is expected to decline by AED 81 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.

During the reporting period Fund manager was changed from Al Hilal Bank to Abu Dhabi Commercial Bank PJSC

11 CONTINGENCIES AND COMMITMENTS

The Fund has no significant contingent liabilities and commitments at the reporting date (31 December 2024: Nil).

12 INCOME 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. CT law is effective for the Fund for the current accounting period.

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

	30 June 2025 AED'000	30 December 2024 *AED'000*
Current tax expense		-
Deferred tax expense	**(58)**	58
Total tax expense	**(58)**	58

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For the period ended 30 June 2025

12 INCOME TAX (continued)

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

	30 June 2025	31 December 2024
	AED'000	*AED'000*
Loss before taxation	**(186)**	(476)
Prima facie tax credit at 9% / 9%	**17**	43
Tax effect of difference		
Tax effect of exempt income	**14**	44
Tax effect of non-deductible expenses	**(2)**	(29)
Changes in unrecognized deferred tax	**(87)**	-
Income tax expense	**(58)**	58

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.

The Group has incurred tax losses in the current and prior periods. As at 30 June 2025, the Fund has accumulated tax losses of AED 964 thousand (2024: AED 642 thousand) available for carry forward against future taxable profits. Given the Fund's history of recent losses and the absence of convincing evidence that sufficient taxable profit will be available in the foreseeable future, deferred tax recognized last year was reversed, and no deferred tax asset has been recognized in respect of current period losses.

13 SUBSEQUENT EVENTS

There were no other subsequent events after the reporting period which affect the financial statements as at 30 June 2025.

