ADCB Global Sukuk Fund

REPORT AND CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

ADBC Global Sukuk Fund

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

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

Introduction

We have reviewed the accompanying condensed statement of financial position of ADCB Global Sukuk 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 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 USD (Unaudited)*	*Six months ended 30 June 2024 USD (Unaudited)*
Income			
Sukuk profit distribution		**396,631**	689,113
Net realised loss on financial assets at fair value through profit or loss	6	**(22,371)**	(470,983)
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	6	**26,375**	(359,505)
Other income		**84**	-
Total income/(loss)		**400,719**	(141,375)
Operating expenses			
Management fees	5	**(68,290)**	(126,991)
Other expenses		**(49,582)**	(44,653)
Total operating expenses		**(117,872)**	(171,644)
Profit/ (loss) for the period before tax		**282,847**	(313,019)
Income tax expense	11	**(20,626)**	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		**262,221**	(313,019)

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 USD (Unaudited)*	*31 December 2024 USD (Audited)*
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	6	**6,039,277**	20,186,723
Total non-current assets		**6,039,277**	20,186,723
Current assets			
Cash and cash equivalents	4	**206,164**	3,832,887
Profit receivable from Sukuk		**104,996**	345,724
Total current assets		**311,160**	4,178,611
Total assets		**6,350,437**	24,365,334
LIABILITIES			
Current liabilities			
Amounts due to a related party	5	**33,749**	68,144
Redemption payable		**-**	9,370
Other liabilities	7	**77,979**	67,369
Total current liabilities		**111,728**	144,883
Total Liabilities		**111,728**	144,883
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**6,238,709**	24,220,451
Represented by:		***USD***	*USD*
Net Asset Value (NAV) per unit, based on outstanding units of 638,724 (31 December 2024: 2,494,341)	8	**9.77**	9.71

These Condensed financial statements were approved and authorised for issue by the Chief Investment Officer of ADCB Global Sukuk 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 USD (Unaudited)*
As at 1 January 2025 (audited)	**2,494,341**	**24,220,451**
Redemption of units during the period	**(1,855,617)**	**(18,169,510)**
Dividend paid during the period	**-**	**(74,453)**
Increase in net assets attributable to unitholders	**-**	**262,221**
As at 30 June 2025 (unaudited)	**638,724**	**6,238,709**
Balance as at 1 January 2024 (audited)	3,762,959	35,887,298
Redemption of units during the period	(1,071,410)	(10,071,942)
Decrease in net assets attributable to unitholders	-	(313,019)
Balance as at 30 June 2024 (unaudited)	2,691,549	25,502,337

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 USD (Unaudited)*	*Six months ended 30 June 2024 USD (Unaudited)*
OPERATING ACTIVITIES			
Profit/ (loss) for the period before tax		**282,847**	(313,019)
Adjustments for:			
Net realised loss on financial assets at fair value through profit or loss	6	**22,371**	470,983
Net unrealised (gain)/loss on financial assets at fair value through profit or loss	6	**(26,375)**	359,505
Sukuk profit distribution		**(396,631)**	(689,113)
		(117,788)	(171,644)
Working capital changes:			
(Decrease) in amount due to a related party		**(34,395)**	(20,210)
(Decrease) in redemption payable		**(9,370)**	-
(Decrease)/increase in other liabilities		**(10,016)**	6,113
		(171,569)	(185,741)
Purchase of financial assets at fair value through profit or loss	6	**(1,762,375)**	(46,461,735)
Proceeds from sale of financial assets at fair value through profit or loss	6	**15,913,825**	56,123,063
Sukuk profit received		**637,359**	692,713
Net cash generated from operating activities		**14,617,240**	10,168,300
FINANCING ACTIVITIES			
Payments on redemption of redeemable units		**(18,169,510)**	(10,071,942)
Dividend paid		**(74,453)**	-
Net cash used in financing activities		**(18,243,963)**	(10,071,942)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(3,626,723)**	96,358
Cash and cash equivalents at the beginning of the period		**3,832,887**	409,003
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4	**206,164**	505,361

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 Global Sukuk Fund ("the Fund") (formerly known as Al Hilal Global Sukuk 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 United Arab Emirates ("UAE") dated 5 February 2012. Since January 2019, the custody of the Fund has been delegated to Standard Chartered Bank (the "Custodian"). The custody had previously been handled by HSBC Bank Middle East Limited and the administration services is delegated to Apex Fund Services Ltd ("the Fund Administrator"). The registered address of the Fund is P O Box 63111, Abu Dhabi, UAE.

The Fund aims to generate appropriate periodic returns on its investments giving the investors a chance to receive periodic coupons in addition to achieving long-term capital growth by investing in a diversified portfolio of Sharia-compliant global fixed-income securities (Sukuk) and in accordance with the controls stipulated in the investment guidelines.

The condensed financial statements were approved and authorised 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, issued by the International Accounting Standards Board.

The condensed financial statements have prepared on the historical cost basis except for financial assets at fair value through profit or loss, 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 States Dollar (USD) which is 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 DISCLOSURES

The accounting policies adopted 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 DISCLOSURES (continued)

3.2 Standards and Interpretations in issue and but not yet effective

STANDARDS ISSED BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED

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

New and revised IFRS Accounting Standards	*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 cash flow, cash and cash equivalent comprise of the following:

	30 June 2025 USD (Unaudited)	*31 December 2024 USD (Audited)*
Bank balances	**206,164**	3,832,887

4.1 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 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 0.85% of net assets value (2024: 0.85%) attributable to unit holders as set out in the Funds' term sheet.

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 USD (Unaudited)*	*Six months ended 30 June 2024 USD (Unaudited)*
Management fees	Al Hilal Bank	Fund Manager	**68,290**	126,991

5 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

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

	30 June 2025 USD (Unaudited)	*30 December 2024 USD (Audited)*
Number of units held by related parties	-	2,136,849
Total value of redeemable units held by related parties (in USD)	-	20,770,172
Cash and cash equivalents (note 5)	**206,164**	3,832,887
Due to related parties		
Investment management fees payable to the Fund Manager	**33,749**	68,144

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 investments in Sukuk that are held for trading. Movement in the balance of financial assets at FVTPL during the period/ year is as follows:

	30 June 2025 USD (Unaudited)	*31 December 2024 USD (Audited)*
Balance at the beginning of the period / year	**20,186,723**	35,213,424
Purchases during the period / year	**1,762,375**	60,021,300
Sales during the period / year	**(15,913,825)**	(74,465,456)
Net unrealised gains/ (losses) on financial assets at FVTPL	**26,375**	(183,480)
Net realised losses on financial assets at FVTPL	**(22,371)**	(399,065)
Balance at period / year end	**6,039,277**	20,186,723

	30 June 2025 USD (Unaudited)	*31 December 2024 USD (Audited)*
Saudi Arabia	**2,304,096**	5,906,836
UAE	**1,259,728**	3,994,956
Oman	**1,011,935**	3,494,228
Indonesia	**736,913**	2,467,475
Kuwait	**252,690**	1,248,438
Cayman Islands	**251,230**	-
Malaysia	**222,685**	389,050
Bahrain	-	1,947,540
United Kingdom	-	483,600
Qatar	-	254,600
	6,039,277	20,186,723

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

Investments by geography are as follows:

7 OTHER LIABILITIES

	30 June 2025 USD (Unaudited)	*31 December 2024 USD (Audited)*
Custodian fees	**2,900**	3,718
Professional fees	**11,272**	22,345
Current tax payable (note 11)	**52,836**	34,825
Other payables	**10,971**	6,481
	77,979	67,369

8 NET ASSET VALUE

Net Asset Value per share 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 (USD)	**6,238,709**	24,220,451
Number of units outstanding	**638,724**	2,494,341
Net asset value per unit (USD)	**9.77**	9.71

The initial offering of units was at a price of USD 10 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. Redemption is made at the price per unit as determined at the relevant applicable dealing day without any deductions.

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

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.

Fair value hierarchy

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***
	USD	***USD***	***USD***	***USD***
30 June 2025 (unaudited)				
Financial assets at fair value through profit or loss	**6,039,277**	**6,039,277**	**-**	**-**

	Total	*Level 1*	*Level 2*	*Level 3*
	USD	*USD*	*USD*	*USD*
31 December 2024 (audited)				
Financial assets at fair value through profit or loss	20,186,723	20,186,723	-	-

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: USD 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 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 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, to set appropriate risk limits and controls, and to 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.

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.

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Risk management framework (continued)

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

Liquidity risk
Liquidity risk is the risk that the Fund will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or a credit downgrade which may cause certain sources of funding to dry up immediately.

The Fund's approach to manage the risk is to have sufficient liquidity to meet its liabilities, including anticipated redemptions of units, as and when due, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The Fund's overall liquidity risks are monitored on a weekly basis by the Fund Advisory Board.

Under normal operating conditions, up to 25% of Fund NAV may 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 Sharia-compliant 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 account for up to 70% of Fund NAV. The Fund's term sheet provides for the weekly redemption of units and it is therefore exposed to the liquidity risk of meeting unit holders' redemptions at any time. The Fund's redemption policy only allows for redemptions on the last day of each week and unit holders must provide at least four business days prior notice of dealing day.

The Fund's financial instruments includes bank balances and listed Sukuk securities which are considered to be readily realisable as they are actively traded globally on major markets.

The maturity profile of assets and liabilities at 30 June 2025 is as follows:

	Up to three months USD	*From three months to one year USD*	*From one year to five years USD*	*More than five years USD*	*Unspecified maturity USD*	*Total USD*
ASSETS						
Bank balances	**206,164**	-	-	-	-	**206,164**
Financial assets at fair value through profit or loss	-	**1,764,935**	**4,274,342**	-	-	**6,039,277**
Profit receivable from Sukuk	**104,996**	-	-	-	-	**104,996**
Total	**311,160**	**1,764,935**	**4,274,342**	-	-	**6,350,437**
LIABILITIES AND NET ASSETS						
Amounts due to a related party	**33,749**	-	-	-	-	**33,749**
Other liabilities	**77,979**	-	-	-	-	**77,979**
Total	**111,728**	-	-	-	-	**111,728**

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Liquidity risk (continued)

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

	Up to three months USD	*From three months to one year USD*	*From one year to five years USD*	*More than five years USD*	*Unspecified maturity USD*	*Total USD*
ASSETS						
Bank balances	3,832,887	-	-	-	-	3,832,887
Financial assets at fair value through profit or loss	-	-	7,986,036	12,200,687	-	20,186,723
Profit receivable from Sukuk	345,724	-	-	-	-	345,724
Total	4,178,611	-	7,986,036	12,200,687	-	24,365,334
LIABILITIES AND NET ASSETS						
Amounts due to a related party	68,144	-	-	-	-	68,144
Redemption payable	9,370	-	-	-	-	9,370
Other liabilities	67,369	-	-	-	-	67,369
Total	144,883	-	-	-	-	144,883

The Fund's expected cash flows on these instruments do not vary significantly from this analysis except for net assets attributable to the unit holders, which the Fund has the contractual obligation to redeem within 10 business days from the relevant dealing day. Historical experience indicates that these units are held by unit holders based on medium or long term basis and redemption levels are not expected to exceed 10% of Fund NAV in one dealing day.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It arises principally from cash at bank and Sukuk investments. 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. The Fund's concentration matrix reflecting diversification is as follows:

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Credit risk (continued)

	30 June 2025 %	*31 December 2024* %
Geographical diversification:		
Saudi Arabia	**38.15**	29.26
UAE	**20.86**	19.79
Oman	**16.76**	17.31
Indonesia	**12.20**	12.22
Kuwait	**4.18**	6.18
Cayman Islands	**4.16**	-
Malaysia	**3.69**	1.93
Bahrain	-	9.65
United Kingdom	-	2.40
Qatar	-	1.26
	100.00	100.00

	30 June 2025 %	*31 December 2024* %
Sector diversification:		
Financial	**50.67**	46.63
Sovereign	**20.06**	17.85
Real Estate	**4.21**	9.83
Government		9.65
Utilities	**8.08**	7.27
Others	**16.98**	8.77
	100.00	100.00

The Fund's individual significant exposure in its portfolio of investments at fair value through profit or loss is as follows:

Issuer diversification:

30 June 2025 (Unaudited)			*31 December 2024(Audited)*		
Sukuk	**%**	***Credit Ratings***	*Sukuk*	*%*	*Credit Ratings*
Perusahaan Penerbit SBSN Indonesia III	**12.19**	**BBB**	Perusahaan Penerbit SBSN Indonesia III	12.22	BBB
SUCI SECOND INVEST CO	**8.97**	**A+**	SUCI SECOND INVEST CO	9.25	A+
TMS ISSUER SARL	**8.56**	**A+**	TMS ISSUER SARL	5.04	A
EDO SUKUK LTD	**8.43**	**BBB-**	EDO SUKUK LTD	-	-
ALPHA STAR HLD VII	**8.39**	**BB**	ALPHA STAR HLD VII	-	-
AL Rajhi Sukuk	**8.37**	**BBB-**	AL Rajhi Sukuk	-	-
Saudi Electricity CO	**8.08**	**A+**	Saudi Electricity CO	7.27	A+
ESIC Sukuk Ltd	**4.21**	**BBB-**	ESIC Sukuk Ltd	5.03	BBB-
KFH SUKUK CO	**4.18**	**A**	KFH SUKUK CO	6.18	BB+
ALINMA TIER 1 SUKUK LTD	**4.18**	**NR**	ALINMA TIER 1 SUKUK LTD	-	-
Sultanate of Oman	**4.17**	**BBB-**	Sultanate of Oman	-	-
AL RAJHI SUKUK LTD	**4.16**	**BBB-**	AL RAJHI SUKUK LTD	-	-
OTEL SUKUK LTD	**4.16**	**BB+**	OTEL SUKUK LTD	9.88	BB+
DIB SUKUK LIMITED	**4.16**	**A**	DIB SUKUK LIMITED	8.78	BBB-

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Credit risk (continued)

30 June 2025 (Unaudited)			*31 December 2024(Audited)*		
Sukuk	***%***	***Credit Ratings***	*Sukuk*	*%*	*Credit Ratings*
Dubai Islamic Bank PJSC	**4.10**	**A**	Dubai Islamic Bank PJSC	-	-
Malaysia Wakala Sukuk	**3.69**	**A-**	Malaysia Wakala Sukuk	-	-
EMAAR SUKUK LTD	-	-	EMAAR SUKUK LTD	5.99	BBB
Kingdom of Bahrain	-	-	Kingdom of Bahrain	9.65	B+

Cash and cash equivalents
The Fund's bank balances are with the custodian. There were no significant concentrations of credit risk to any individual issuer or group of issuers as at 30 June 2025 and 31 December 2024 except the bank balances which are held with the custodian.

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 so as 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.

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Operational risk (continued)
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 investing in a balanced portfolio of Sukuk based on Islamic Sharia Rules and Principles, listed in globally recognized 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.

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. There are no restrictions on the currency in which the Sukuk are denominated. However, non-USD and non-USD-pegged currencies should not account for more than 50% of the Fund's net assets value and no single non-USD currency should account for more than 20% of the Fund's net assets value.

The exchange rate of AED, which is the Fund's largest non-USD currency, 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 USD or in foreign currencies pegged with the USD, the Investment Manager estimates that any reasonable possible changes in exchange rates would not have a significant impact on the Fund's financial statements.

As there are no foreign investments held at 30 June 2025 and 31 December 2024 thus the Fund is not exposed to any currency risk.

Profit rate risk
Profit rate risk is the risk that arises from timing difference in the re-pricing of the Fund's profit bearing assets and liabilities.

Profit rate risk in trading book is applicable to the Fund's exposure to various Sukuk holdings issued by Governments and Corporates which are classified as Fair Value through Profit and Loss ("FVTPL"). The market value of these Sukuk is impacted as a result of fluctuations in the prevailing levels of profit rates on cash flows. The Investment Manager sets limits on the maximum exposure allowable as a result of adverse profit rate movement.

If the profit rates increased/decreased by 200 basis points, with all other variables remaining constant, the impact on the market value of Sukuk classified at fair value through profit and loss will be as follows:

Impact on results of the Fund:

	30 June 2025 USD (Unaudited)	*31 December 2024 USD (Audited)*
Increase of 200 basis points change in profit rates	**(637,427)**	(2,270,677)
Decrease of 200 basis points change in profit rates	**638,805**	2,861,781

In addition to profit rate risk on financial assets at fair value through profit or loss, the Fund does not have any other profit bearing financial assets and liabilities which are exposed to profit rate risk.

10 FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

Profit rate 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 and profit rate 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:

- Unrated sovereign Sukuk should not account for more than 10% of the Fund's net assets.
- Convertible Sukuk should not account for more than 10% of the Fund's net assets.
- Any Sukuk issuance at the time of investing in them should not account for more than 15% of the Fund's net assets and should not account for more than 15% of the issuance. The Fund shall not invest more than 20% of the Fund's net assets in securities issued by the same group of corporate entities.
- Sovereign and quasi-sovereign issuances should account for at least 30% of the Fund's net assets. The classification of an issuance as quasi-sovereign shall be determined by the Investment Manager in its sole discretion.
- No more than 60% of the Fund's net assets should be held in Sukuk issued by entities in the UAE and, in relation to all other jurisdictions, no more than 50% of the Fund's net assets.
- Under normal operating conditions, up to 25% of the Fund's net assets may 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 Sharia-compliant 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 account for up to 70% of the Fund's net assets.

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 Fund estimates the future reasonably possible market price fluctuations for Sukuk investments on an individual investment basis.

Capital management

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 maximize unitholders value.

The Fund's capital is represented by the number of units outstanding. The objective of the Fund is to invest the subscriptions amounts in a portfolio with a view to both achieve and provide capital growth and attractive returns over medium term, while reducing directional downward risk in underlying market.

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.

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

11 CORPORATE 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.

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

The Fund Manager has assessed that the Fund currently does not meets the criteria to be classified as a QIF. Accordingly, the Fund is not eligible for the exemption from corporate tax under the CT regime.

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

	30 June 2025	31 December 2024
	US$	US$
Current tax expense	**20,626**	34,825
Deferred tax expense	**-**	-
Total tax expense	**20,626**	34,825

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

	30 June 2025	31 December 2024
	US$	US$
Profit before taxation	**282,847**	386,947
Prima facie tax expense at 9%/9%	**25,456**	34,825
Tax effect of difference		
Exempt taxable profit	**(4,830)**	-
Income tax expense	**20,626**	34,825

The tax rate applicable in the UAE is 9% (2024: 9%) for taxable profits exceeding AED 375,000. The effective tax rate is 7.36% (30 June 2024: NIL).

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.

12 CONTINGENCIES AND COMMITMENTS

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

13 SUBSEQUENT EVENTS

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