

**Ahli International Multi-Asset Holding Fund  
(Fund Manager – Ahli Capital Investment Company K.S.C.C.)  
Kuwait**

**Annual Financial Statements and  
Independent Auditor's Report**

**31 December 2024**

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**Kuwait**

## INDEPENDENT AUDITOR'S REPORT TO THE FUND MANAGER

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Ahli International Multi-Asset Holding Fund ("the Fund") (Fund Manager - Ahli Capital Investment Company K.S.C.C.), which comprise the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and of its financial performance and its cash flows for the year then ended 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Fund Manager for the Financial Statements

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

In preparing the financial statements, the 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 unit holders either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund Manager 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.

**Ahli International Multi-Asset Holding Fund**  
**(Fund Manager - Ahli Capital Investment Company K.S.C.C.)**  
**Kuwait**

## **INDEPENDENT AUDITOR'S REPORT TO THE FUND MANAGER (Continued)**

### **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 the Fund Manager.
- Conclude on the appropriateness of the 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. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- 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 Fund Manager 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.

### **Report on Other Legal and Regulatory Requirements**

Furthermore, in our opinion proper books of accounts have been kept by the Fund and the financial statements are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit, and that the financial statements incorporate all information that is required by the Fund's Articles of Association, as amended, and that, to the best of our knowledge and belief, no violations of the Articles of Association, as amended, have occurred during the year ended 31 December 2024 that might have had a material effect on the business of the Fund or on its financial position.

We further report that, during the course of our audit, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the year ended 31 December 2024, that might have had a material effect on the business of the Fund or on its financial position.



**Bader A. Al-Wazzan**  
**License No. 62A**  
**Deloitte & Touche - Al-Wazzan & Co.**

Kuwait  
13 February 2025

**Ahli International Multi-Asset Holding Fund**  
**{Fund Manager – Ahli Capital Investment Company K.S.C.C.}**  
**Kuwait**

**Statement of Financial Position - as at 31 December 2024**

	Note	Kuwaiti Dinars	
		2024	2023
<b>ASSETS</b>			
Cash and cash equivalents	3	291,845	223,924
Investments at fair value through profit or loss	4	21,214,326	19,655,487
Prepayments		5,865	1,474
<b>Total assets</b>		<b>21,512,036</b>	<b>19,880,885</b>
<b>LIABILITIES</b>			
Payables and accrued expenses	5	78,847	74,918
<b>Total liabilities</b>		<b>78,847</b>	<b>74,918</b>
<b>EQUITY</b>			
Share capital	6	20,155,830	18,639,240
Equalization reserve	6	1,158,112	1,166,221
Retained earnings		119,247	506
<b>Total equity</b>		<b>21,433,189</b>	<b>19,805,967</b>
<b>Total liabilities and equity</b>		<b>21,512,036</b>	<b>19,880,885</b>
<b>Net asset value per redeemable unit</b>	7	<b>10.634</b>	<b>10.626</b>

The accompanying notes form an integral part of these financial statements.

  
Fund Manager  
Ahli Capital Investment Company K.S.C.C

  
Fund Custodian and Investment Controller  
Gulf Custody Company K.S.C.C





**Ahli International Multi-Asset Holding Fund**  
**(Fund Manager – Ahli Capital Investment Company K.S.C.C.)**  
**Kuwait**

**Statement of Profit or Loss and Other Comprehensive Income - Year ended 31 December 2024**

	Kuwaiti Dinars	
	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Investments at fair value through profit or loss		
- realized gain	419,124	561,656
- unrealized gain	1,540,871	1,973,891
Net foreign exchange gain	83,055	28,593
Dividend income	267,733	231,999
Other Income	405	368
	<u>2,311,188</u>	<u>2,796,507</u>
<b>Expenses</b>		
Management fees	(274,570)	(268,822)
Custodian and investment controller fees	(25,423)	(24,891)
Other operating expenses	(85,904)	(19,153)
	<u>(385,897)</u>	<u>(312,866)</u>
<b>Profit for the year</b>	1,925,291	2,483,641
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>1,925,291</u>	<u>2,483,641</u>

The accompanying notes form an integral part of these financial statements.

**Ahli International Multi-Asset Holding Fund**  
**(Fund Manager – Ahli Capital Investment Company K.S.C.C.)**  
**Kuwait**

**Statement of Changes in Equity – Year ended 31 December 2024**

	Kuwaiti Dinars			Total
	Share capital	Equalization reserve	Retained earnings	
<b>Balance at 31 December 2023</b>	18,639,240	1,166,221	506	19,805,967
Subscriptions during the year	1,418,820	86,607	-	1,505,427
Redemptions during the year	(1,708,780)	(94,716)	-	(1,803,496)
Bonus to unit holders (note 6)	1,806,550	-	(1,806,550)	-
Total comprehensive income for the year	-	-	1,925,291	1,925,291
<b>Balance at 31 December 2024</b>	<b>20,155,830</b>	<b>1,158,112</b>	<b>119,247</b>	<b>21,433,189</b>

	Kuwaiti Dinars			Total
	Share capital	Equalization reserve	(Accumulated losses)/ retained earnings	
<b>Balance at 31 December 2022</b>	20,792,830	1,222,425	(1,707,875)	20,307,380
Subscriptions during the year	14,580	266	-	14,846
Redemptions during the year	(2,943,430)	(56,470)	-	(2,999,900)
Bonus to unit holders (note 6)	775,260	-	(775,260)	-
Total comprehensive loss for the year	-	-	2,483,641	2,483,641
<b>Balance at 31 December 2023</b>	<b>18,639,240</b>	<b>1,166,221</b>	<b>506</b>	<b>19,805,967</b>

The accompanying notes form an integral part of these financial statements.

**Ahli International Multi-Asset Holding Fund**  
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**Kuwait**

**Statement of Cash Flows – Year ended 31 December 2024**

	Kuwaiti Dinars	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Profit for the year	1,925,291	2,483,641
Adjustment for:		
Unrealized gain from changes in fair value of investments at fair value through profit or loss	(1,540,871)	(1,973,891)
Dividend income	(267,733)	(231,999)
Investments at fair value through profit or loss	(17,968)	2,364,881
Prepayments	(4,391)	3,275
Payables and accrued expenses	3,929	(4,222)
Net cash generated from operating activities	98,257	2,641,685
<b>Cash flow from investing activities</b>		
Dividend income received	267,733	231,999
Net cash generated from investing activities	267,733	231,999
<b>Cash flows from financing activities</b>		
Proceed from subscription of units	1,505,427	14,846
Redemption of units	(1,803,496)	(2,999,900)
Net cash used in financing activities	(298,069)	(2,985,054)
<b>Net increase/(decrease) in cash and cash equivalents</b>	67,921	(111,370)
<b>Cash and cash equivalents</b>		
at beginning of the year	223,924	335,294
at end of the year	291,845	223,924

The accompanying notes form an integral part of these financial statements.



**1. Incorporation and activities**

Ahli International Multi-Asset Holding Fund ("the Fund") was incorporated in Kuwait on 19 November 2018. The Fund is regulated by Capital Markets Authority (CMA) established under Law No. 7 of 2010.

The Fund Manager is Ahli Capital Investment Company K.S.C.C ("the Fund Manager"). The Fund Manager is located at Baitak Tower, Ahmed Al-Jaber Street in the State of Kuwait. The Investment Controller is Gulf Custody Company K.S.C.C.

As per Law No. 7 of 2010 concerning Capital Markets Authority and organization of Security Activity, the Fund is subject to the supervision of Capital Markets Authority.

The term of the Fund is 10 years starting from the date of publication in the official gazette and is renewable for similar terms after obtaining regulatory approval. The license of the Fund is expiring on 18 November 2027 which is renewable in the normal course of business.

The Fund has no employees.

The objective of the Fund is to achieve a return on invested funds by collecting funds from investors for investment on their behalf in other investment funds licensed and controlled by the official regulatory authority in the country of origin in compliance with investment policies and restrictions, under the terms of the Articles of Association and the regulations and the resolutions applicable in this regard.

The Fund's functional currency is Kuwaiti Dinars ("KD").

The registered address of the Fund Manager is located at Baitak Tower, Block 10, Floor 16, Abdullah Al Salem St., Qibla, Kuwait City.

These financial statements have been approved for issue by the Fund Manager and the Fund Custodian and investment controller on 13 February 2025.

**2. Basis of preparation and Summary of material accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards - IFRS Accounting Standards (International Accounting Standards and Interpretations issued by the International Financial Reporting Interpretations Committee) under the historical cost convention modified by the revaluation of financial instruments classified as "at fair value through profit or loss".

These financial statements are presented in Kuwaiti Dinars ("KD").

**2.2 New standards and amendments effective from 1 January 2024**

The following amendments are effective from the current year and are adopted by the Fund but however these does not have any impact on the financial statements of the year unless otherwise stated below:

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements*

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

- *Amendments to IAS 1 Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

## Notes to the Financial Statements – 31 December 2024

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- *Amendments to IAS 1 Non-current Liabilities with Covenants*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

- *Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback*

Amendment amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

### 2.3 Standards and revisions issued but not yet effective

At the date of authorization of these financial statements, the Fund has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Standard, interpretation, amendments	Description	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	<p>The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.</p> <p>The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.</p> <p>When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.</p> <p>The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.</p>	1 January 2025

**Notes to the Financial Statements – 31 December 2024**

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	<p>These amendments:</p> <ul style="list-style-type: none"> <li>clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</li> <li>clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</li> <li>add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and</li> <li>make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).</li> </ul>	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	<p>IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.</p> <p>IFRS 18 introduces new requirements to:</p> <ul style="list-style-type: none"> <li>present specified categories and defined subtotals in the statement of profit or loss</li> <li>provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements</li> <li>improve aggregation and disaggregation.</li> </ul>	1 January 2027

The Fund Manager anticipates that these new standards and amendments will be adopted in the financial statements in the period of initial application and adoption of these new standards, interpretations and amendments will not have any material impact on the financial statements of the Fund in the period of initial application.

## **2.4 Financial instruments**

### ***Recognition and de-recognition***

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instruments. A financial asset (in whole or in part) is de-recognised when the right to receive cash flows from the financial asset expires or, when the Fund transfers substantially all the risks and rewards of ownership. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A regular way purchase and sale of financial assets is recognized using trade date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the marketplace.

### ***Classification and Measurement***

#### ***Classification***

The Fund classifies its financial instruments as “investments at fair value through profit or loss”, “loans and receivables” and “financial liabilities other than at fair value through profit or loss”.

### *Measurement*

Financial assets and liabilities are measured initially at fair value.

### *Financial assets at fair value through profit or loss*

These are financial assets that are either financial assets held for trading or those designated as investments at fair value through profit or loss upon initial recognition. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. Financial assets classified as investments at fair value through profit or loss are subsequently measured and carried at fair value. Resultant unrealised gains and losses arising from changes in fair value are included in the statement of profit or loss and other comprehensive income.

### *Loans and receivables*

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortized cost using the effective yield method. Cash and cash equivalents are classified as "loans and receivables".

### *Financial liabilities other than at fair value through profit or loss*

Financial liabilities other than at fair value through profit or loss are subsequently measured at amortized cost using the effective yield method.

Payables and accruals are classified as "financial liabilities other than at fair value through profit or loss".

### **Fair values**

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 Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities. The fair value of investments in mutual funds, unit trusts or similar investment vehicles are based on the last published net assets value.

For financial instruments carried at amortised cost, the fair value is estimated by discounting future cash flows at the current market rate of return for similar financial instruments.

### **Impairment**

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset or a group of similar assets may be impaired. If such evidence exists, the asset is written down to its recoverable amount. The recoverable amount of an equity instrument is determined with reference to market rates or appropriate valuation models. Any impairment loss is recognised in the statement of profit or loss or other comprehensive income.

Financial assets are written off when there is no realistic prospect of recovery.

**Notes to the Financial Statements – 31 December 2024**

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**2.5 Cash and cash equivalents**

Cash in hand and demand and time deposits with banks whose original maturities do not exceed three months are classified as cash and cash equivalents in the statement of cash flows.

**2.6 Redeemable units**

The Fund issues redeemable units, which are redeemable at the holder's option and are classified as equity in accordance with the amendment to IAS 32. The redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value.

If the redeemable units' terms or conditions change such that they do not comply with the strict criteria contained in the amendment, the redeemable units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

The units are issued and redeemed at the holders' option at prices based on the Fund's net assets value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the total equity with the total number of outstanding redeemable units.

**2.7 Revenue recognition**

Gains and losses on sale of investments represent the difference between the selling price and the investment's carrying value. Realized gains or losses are recognized in the statement of profit or loss and other comprehensive income.

Gains or losses arising from changes in the fair value of investments at fair value through profit or loss are recognized in the statement of profit or loss and other comprehensive income.

Dividend income is recognised when the right to receive the payment is established.

Interest income is recognized using the effective yield method.

**2.8 Distributions payable to unit holders**

Dividend distribution to the Fund's unit holders is recognised as a liability in the Fund's financial statements in the year in which dividends are approved by the Fund Manager while notifying the supervisory authority.

**2.9 Foreign currencies**

The Fund's functional currency is the Kuwaiti Dinar. Foreign currency transactions are recorded in Kuwaiti Dinar at the exchange rates prevailing at the trade date of the transactions. Monetary assets and liabilities in foreign currencies at year end are converted into Kuwaiti Dinars at the exchange rates prevailing at the statement of financial position date. Resultant exchange gains or losses are taken to the statement of profit or loss and other comprehensive income.

**2.10 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with International Financial Reporting Standards requires the Fund to make estimates and assumptions that may affect amounts reported in these financial statements, as actual results could differ from those estimates. It also requires the Fund to exercise its judgment in the process of applying the Fund's accounting policies.

**Notes to the Financial Statements – 31 December 2024**

**3. Cash and cash equivalents**

	Kuwaiti Dinars	
	<b>2024</b>	<b>2023</b>
Cash at bank	283,961	193,723
Cash with foreign financial services company	7,884	30,201
Cash and cash equivalents in the statement of cash flows	291,845	223,924

The carrying amounts of the Fund's cash and cash equivalents are denominated in the following currencies represented in equivalent Kuwaiti dinars:

	Kuwaiti Dinars	
	<b>2024</b>	<b>2023</b>
Kuwaiti Dinar	244,922	25,783
US Dollar	44,649	195,809
Euro	2,274	2,332
	291,845	223,924

**4. Investments at fair value through profit or loss**

Investments at fair value through profit or loss represents investments in various funds across the globe. The carrying amount of the Fund's investments are denominated in US Dollar.

**5. Payables and accrued expenses**

	Kuwaiti Dinars	
	<b>2024</b>	<b>2023</b>
Accrued management fee	70,792	64,507
Accrued custodian and investment controller fee	6,555	5,973
Other accrued expenses	1,500	4,438
	78,847	74,918

The Fund Custodian is paid an annual fee of 0.0625% of the Fund's net asset value or a minimum of KD 3,125, calculated monthly and paid on quarterly basis.

The Investment controller is paid an annual fee of 0.0625% of the Fund's net asset value or a minimum of KD 3,125, calculated monthly and paid on quarterly basis.

The carrying amount of the Fund's payables and accrued expenses are denominated in Kuwaiti Dinars.

**6. Share capital**

The Fund has capital units ranging from 200,000 to 30,000,000 units (31 December 2023: 200,000 to 30,000,000 units) with par value of KD 10 each (31 December 2023: par value of KD 10 each). These units are issued and redeemed at the unit holders' option based on the value of the Fund's net assets at the time of issue or redemption, subject to the limits mentioned in the Articles of Association, as amended. The issued and paid-up units were 2,015,583 units as of 31 December 2024 (31 December 2023: 1,863,924 units).

The Fund's net asset value as on 31 December 2024 was calculated using incorrect price of security - BRADUHA - BLACKROCK FDS I ICAV-A.EU.EX UK (BRADUHA) which resulted in excess payment of KD 2,834 to unitholder for redemption of units of the Fund. The error was identified on 9th January 2025 and rectified subsequently.



**Notes to the Financial Statements – 31 December 2024**

**Equalization reserve**

Shortfalls/surpluses of par value on redemptions/subscriptions are taken to the equalization reserve.

**Bonus issue**

On 16th April 2024, the fund manager approved the issue of bonus units of 10% per unit to the unit holders in the unit holders register as at 01 May 2024. (2023: 4% per unit).

**7. Net asset value per redeemable unit**

	2024	2023
Net assets attributable to redeemable unit holders (KD)	21,433,189	19,805,967
Number of redeemable units	2,015,583	1,863,924
Net asset value per redeemable investment unit (KD)	10.634	10.626

The net asset value per unit is calculated in accordance with the Articles of Association, as amended.

**8. Related parties**

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operation decisions. Transactions with related parties are approved by the Fund Manager.

The Fund Manager is paid an annual fee of 1.35% of the Fund's net asset value accrued monthly and paid quarterly. In all cases, total annual fees payable to Fund Manager shall not exceed 5% of Fund's NAV.

The Fund Manager is required to hold units with a minimum value of KD 250,000 in the Fund subject to a maximum of 50% of the issued units. As at 31 December 2024, Fund Manager holds 35,987 units representing 1.79% of outstanding redeemable units (31 December 2023 – 32,716 units representing 1.76% of outstanding redeemable units).

Fund management fee is disclosed in the statement of profit or loss and other comprehensive income and the related accrued expense is disclosed in Note 5.

**9. Financial risk management**

The Fund's use of financial instruments exposes it to a variety of financial risks such as market risk, credit risk and liquidity risk. The Fund maintains positions in a variety of financial instruments based on the Fund Manager's investment management strategy, which is primarily driven by the Fund's investment objective as described in note 1. Asset allocation is determined by the Fund Manager who manages the distribution of the assets to achieve those objectives. Risk management is carried out by the Fund Manager in accordance with the policies and procedures in place.

The significant risks that the Fund is exposed to are discussed below:

**(a) Market risk**

Market risk, comprising of currency risk, interest rate risk and equity price risk arises due to movements in foreign currency rates, interest rates and market prices of assets respectively.

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to foreign exchange risk as a result of investments and balance with foreign financial services company denominated in foreign currencies. The Fund is exposed to foreign currency risk primarily with respect to US Dollar and Euro currencies.

**Notes to the Financial Statements – 31 December 2024**

As at 31 December 2024, if Kuwaiti Dinars had strengthened by 50 basis points against foreign currencies with all other variables remaining constant, the profit for the year would have been higher by KD 106,306 (the profit for the year ended 31 December 2023 would have been higher by KD 99,268). A 50 basis points weakening of Kuwaiti Dinars against foreign currencies with all other variables remaining constant would have an equal, but the opposite effect on the profit.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund does not hold interest bearing instruments and therefore is not exposed to interest rate risk.

(iii) Equity price risk

Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in equity market prices, whether caused by factors specific to an individual investment, issuer or all factors affecting all instruments traded in the market. The Fund is exposed to equity price risk because majority of the Fund's financial assets are quoted investment funds held and classified in the statement of financial position as at fair value through profit or loss and therefore all changes in market conditions will directly affect statement of profit or loss and comprehensive income.

The Fund Manager moderates this risk through a careful selection of securities with specified sectorial limits within a market.

If as at 31 December 2024, the fair value of invested funds was higher by 50 basis points with all other variables remaining constant, the profit for the year would have been higher by KD 106,072 (the profit for the year ended 31 December 2023 would have been higher by KD 98,277). A 50 basis points decrease in the fair value of invested funds with all other variables remaining constant would have an equal but the opposite effect on the profit.

(b) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying amounts of financial assets best represent the maximum credit risk exposure at the statement of financial position date.

The Fund's maximum exposure to credit risk is as follows:

	Kuwaiti Dinars	
	2024	2023
Cash and cash equivalents	291,845	223,924
	<u>291,845</u>	<u>223,924</u>

The Fund minimizes credit risk by placing funds with financial institutions of high credit rating having investment grade and therefore, impact of Expected Credit Loss is not significant to the financial statements taken as a whole.

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet its payment obligations associated with its financial liabilities when they fall due. Liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Finance department maintains flexibility in funding by maintaining availability under committed credit lines. All financial liabilities of the Fund are due within a period of 12 months.



**10. Capital risk management**

The capital of the Fund is represented by the total equity. The amount of equity attributable to unitholders can change significantly, as the Fund is subject to subscriptions and redemptions at the discretion of the unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide return on investment to the unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- Monitor the level of weekly subscriptions and redemptions relative to assets it expects to be able to liquidate within three months and adjust the amount of distributions the Fund pays to redeemable unit holders.
- Redeem and issue new units in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Fund Manager monitors capital based on the value of net assets attributable to redeemable unit holders.

**11. Fair value of financial instruments**

The Fund's assets and liabilities include the following financial instruments acquired in the normal course of business:

Cash and cash equivalents

Investments at fair value through profit or loss

Payables and accrued expenses

**Fair value hierarchy**

The fair value of a financial instrument 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 assumes 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

A significant portion of the Fund's financial assets are carried at fair value on the statement of financial position date and those fair values were determined by reference to published price quotations. The fair values of financial instruments that are carried at amortized cost are not significantly different from book value as they are short term in nature.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

**Notes to the Financial Statements – 31 December 2024**

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The Fund's financial assets carried at fair value are classified under level 1 category. During the year, there were no transfer between levels.

**12. Segment information**

The Fund is organised into one business segment, which is investing primarily in equity and fixed income securities denominated in US Dollar. As at 31 December 2024 64%, (31 December 2023: 64%) of the Fund's investments are in equity funds and the balance in fixed income and multi asset funds.

**13. Taxation**

The Fund is not subject to taxation inside Kuwait.

**14. Annual general meeting**

The unitholders' annual general meeting (AGM) held on 06 October 2024 approved the audited financial statements of the Fund for the year ended 31 December 2023 (31 December 2022: 09 May 2023).