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**Al Mada Investment Fund**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2019 (Reviewed)**

## AL MADA INVESTMENT FUND

### DIRECTORS AND OTHER INFORMATION

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#### DIRECTORS

Hamad Al Humaidi  
Muthana Al Maktoum  
Ghassan Khalifa Al Wagayan

#### FUND MANAGER / OPERATOR AND PLACEMENT AGENT

National Investments Company K.S.C.  
PO Box 25667, Safat 13117  
State of Kuwait

#### FUND COMPANY AND REGISTERED OFFICE

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Kingdom of Bahrain

#### LEGAL COUNSEL

Qays H Zubi Attorneys and  
Legal Consultants  
12th floor, Al Jasrah Tower  
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Kingdom of Bahrain

#### ADMINISTRATOR AND CUSTODIAN

SICO Funds Services Company B.S.C. (c)  
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Manama, Kingdom of Bahrain

*(Up to 11 February 2018)*

HSBC Bank Middle East Limited  
Bahrain Branch  
PO Box 57, Seef District  
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#### EXTERNAL AUDITOR

Associate Partner in Charge:  
Prasanth Govindapuram  
Ernst & Young  
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Kingdom of Bahrain

#### SHARI'A ADVISOR

Al Madar Finance & Investment Company  
14th floor, Al-Salam Tower  
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Salhiyah, Kuwait City  
State of Kuwait

#### SHARI'A SUPERVISORY BOARD

Dr. Khalid Mathkoo Al Mathkoo  
Dr. Mohammed Abdullrazak Al Tabtabaei  
Dr. Eissa Zaki Shaqrah

#### REGISTRAR

SICO Funds Services Company B.S.C. (c)  
BMB Center, floor PO Box 20233  
Manama, Kingdom of Bahrain

*(Up to 11 February 2018)*

Karvy Computershare W.L.L.  
7th floor, Al-Zamil Tower  
PO Box 514  
Manama, Kingdom of Bahrain

## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNITHOLDERS OF AL MADA INVESTMENT FUND**

### *Introduction*

We have reviewed the accompanying interim condensed financial statements of Al Mada Investment Fund (the "Fund") as at 30 June 2019, comprising the interim statements of net assets, portfolio investments and receivables as at 30 June 2019 and the related interim statements of operations, changes in net assets, financial highlights and cash flows for the six-month period then ended and explanatory notes. National Investments Company K.S.C. (the "Fund Manager") and the Board of Directors of National Investments Fund Company B.S.C. (c) (the "Fund Company") (collectively "Management") are responsible for the preparation and presentation of these interim condensed financial statements in accordance with the accounting policies disclosed in note 2 to these interim condensed financial statements. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### *Scope of review*

We conducted our review in accordance with the 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. Consequently, it 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 condensed financial statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.



26 August 2019  
Manama, Kingdom of Bahrain

**Al Mada Investment Fund**  
**INTERIM STATEMENT OF NET ASSETS**  
As at 30 June 2019 (Reviewed)

		<b>30 June 2019 US\$ Reviewed</b>	<b>31 December 2018 US\$ Audited</b>
	<i>Note</i>		
<b>ASSETS</b>			
Balances with banks and brokers	3	<b>5,397,565</b>	1,261,475
Investments held for trading	4	<b>29,380,780</b>	32,382,593
Due from broker		<b>288,330</b>	-
Dividends receivable		<b>58,930</b>	872
Other receivable		<b>2,689</b>	-
<b>TOTAL ASSETS</b>		<b>35,128,294</b>	<b>33,644,940</b>
<b>LIABILITIES</b>			
Trades pending settlement		<b>698,497</b>	-
Management fee payable	7	<b>88,164</b>	85,670
Shari'a advisor fee payable	7	<b>27,734</b>	26,370
Custodian fee payable	7	<b>11,020</b>	10,709
Accounts payable	5	<b>8,557</b>	12,420
Administration fee payable	7	<b>6,171</b>	5,997
Redemptions payable		-	4,007
Redemption fees payable to the Fund Manager		-	20
Shari'a purification charges payable	10	-	36,647
<b>TOTAL LIABILITIES</b>		<b>840,143</b>	<b>181,840</b>
<b>Net assets</b>	6	<b>34,288,151</b>	<b>33,463,100</b>
<b>Number of units outstanding</b>		<b>39,497,439</b>	<b>41,845,852</b>
<b>Net Asset Value per unit</b>	6	<b>0.87</b>	<b>0.80</b>

  
Ghassan Khalifa Al Wagayan  
Director

National Investments Fund Company B.S.C. (c)

  
Muthana Al Maktoum  
Director

National Investments Fund Company B.S.C. (c)

  
Fahad Al Mukhaizim  
Fund Manager  
National Investments Company K.S.C.

The attached explanatory notes 1 to 11 form part of these interim condensed financial statements.

# Al Mada Investment Fund

## STATEMENT OF PORTFOLIO INVESTMENTS AND RECEIVABLES

As at 30 June 2019 (Reviewed)

		30 June 2019		31 December 2018	
	Note	US\$	% of Portfolio	US\$	% of Portfolio
INVESTMENTS					
Investments held for trading	4	29,380,780	98.8%	32,382,593	100.0%
RECEIVABLES					
Dividends receivable		58,930	0.2%	-	-
Due from broker		288,330	1.0%	872	0.0%
Other receivable		2,689	0%	-	-
Total		29,730,729	100%	32,383,465	100%

The attached explanatory notes 1 to 11 form part of these interim condensed financial statements.

# Al Mada Investment Fund

## INTERIM STATEMENT OF OPERATIONS

For the six-month period ended 30 June 2019 (Reviewed)

	Note	Six months ended 30 June	
		2019 US\$	2018 US\$
<b>Income from investments</b>			
Dividend income		935,254	1,208,903
Other income		17,726	-
		<b>952,980</b>	<b>1,208,903</b>
<b>Expenses</b>			
Management fee	7, 8	176,418	180,724
Custodian fees	7	22,052	25,019
Administration fee	7	12,349	13,206
Shari'a purification charges	9	8,880	55,215
Audit fees	8	6,942	7,207
Registrar fee	7	4,959	5,296
Bank charges and other expenses		3,465	1,604
CBB license fees	7	2,689	2,652
Shari'a advisor fees	7,8	1,364	17,356
Transaction fees		-	4,052
<b>Total expenses</b>		<b>239,118</b>	<b>312,331</b>
<b>Net income from investments</b>		<b>713,862</b>	<b>896,572</b>
<b>Realised and unrealised gains (losses) from investments</b>			
Net realised gain from investments		1,539,995	131,139
Foreign exchange loss		(6,483)	(66,153)
Changes in fair value of investments		629,875	1,836,952
<b>Net gains from investments</b>		<b>2,163,387</b>	<b>1,901,938</b>
<b>Net income for the period</b>		<b>2,877,249</b>	<b>2,798,510</b>



Ghassan Khalifa Al Wagayan  
Director

National Investments Fund Company B.S.C. (c)



Muthana Al Maktoum  
Director

National Investments Fund Company B.S.C. (c)



Fahad Al Mukhaizim  
Fund Manager

National Investments Company K.S.C.

The attached explanatory notes 1 to 11 form part of these interim condensed financial statements.

# Al Mada Investment Fund

## INTERIM STATEMENT OF CHANGES IN NET ASSETS

For the six-month period ended 30 June 2019 (Reviewed)

	<i>Number of units outstanding</i>	<i>Unitholders' capital US\$</i>
Balance as at 1 January 2018	45,352,943	34,789,457
Capital transactions - 2018		
Subscription of units	1,000	785
Redemption of units	(1,736,887)	(1,429,686)
Net capital transactions - 2018	43,617,056	33,360,556
Net income for the period	-	2,798,510
Balance as at 30 June 2018	43,617,056	36,159,066
<b>Balance as at 1 January 2019</b>	<b>41,845,852</b>	<b>33,463,100</b>
<b>Capital transactions - 2019</b>		
Redemption of units	(2,348,413)	(2,052,198)
Net income for the period	-	2,877,249
<b>Balance as at 30 June 2019</b>	<b>39,497,439</b>	<b>34,288,151</b>

The attached explanatory notes 1 to 11 form part of these interim condensed financial statements.

# Al Mada Investment Fund

## INTERIM STATEMENT OF FINANCIAL HIGHLIGHTS

For the six month periods ended 30 June 2019, 2018, and 2017

	US\$ per unit 30 June		
	2019	2018	2017
NET ASSET VALUE AT THE BEGINNING OF THE PERIOD	0.80	0.77	0.75
NET ASSET VALUE AT THE END OF THE PERIOD	0.87	0.83	0.79
Capital repayments (average redemption NAV)	0.87	0.82	0.77
	US\$ Weighted average per unit 30 June		
	2019	2018	2017
<b>Net income from investments</b>			
Net income from investments including net realised gains (losses) from investments	0.04	0.02	0.01
Increases from changes in values of investments	0.02	0.04	0.03
Total income from investments	0.06	0.06	0.04
Financial ratios / supplemental data			
Total net assets - end of the period (US\$ millions)*	34.29	36.18	38.72
Weighted average net assets (US\$ millions)	35.53	35.47	48.03
Ratio of expenses to weighted average net assets (in %)	0.67	0.88	0.67
Turnover rate of portfolio investments and receivables (in %)	2.14	0.05	0.17
Semi - annual rate of return (in %)	8.38	7.73	4.79

\*Based on closing price (note 6)

### Disclosure of the methods used to calculate the following:

#### 1) Ratio of expenses to weighted average net assets

The ratio of expenses is computed taking the total expenses for the particular period divided by the weighted average net assets of the Fund.

#### 2) Turnover rate of portfolio investments, receivables and financing

The portfolio turnover ratio is computed taking either the total amount of securities sold or the amount of securities purchased whichever is less - over a particular period, divided by the total net asset value of the Fund as of 30 June.

#### 3) Semi-Annual rate of return

The Semi annual rate of return is computed taking net income (loss) for the period divided by the total net asset value of the Fund as of 30 June.

The attached explanatory notes 1 to 11 form part of these interim condensed financial statements.



# Al Mada Investment Fund

## INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2019 (Reviewed)

	<i>Note</i>	<i>Six months ended 30 June</i>	
		<b>2019</b>	<b>2018</b>
		<b>US\$</b>	<b>US\$</b>
<b>OPERATING ACTIVITIES</b>			
Net income for the period		<b>2,877,249</b>	2,798,510
Adjustments for:			
Dividend income		<b>(935,254)</b>	(1,208,903)
Changes in fair value of investments		<b>(629,875)</b>	(1,836,952)
Net realised gain from investments		<b>(1,539,995)</b>	(131,139)
Foreign exchange loss		<b>6,483</b>	66,153
Operating loss before changes in operating assets and liabilities		<b>(221,392)</b>	(312,331)
Change in operating assets and liabilities:			
Investments held for trading		<b>5,575,367</b>	(365,270)
Other receivables		<b>(2,689)</b>	(1,826)
Management fee payable		<b>2,494</b>	936
Shari'a advisor fee payable		<b>1,364</b>	(9,014)
Accounts payable		<b>(3,863)</b>	(7,863)
Custodian fee payable		<b>311</b>	6,861
Administration fee payable		<b>174</b>	3,910
Shari'a purification charges payable	9	<b>(36,647)</b>	(115,849)
Redemption fees payable to the Fund Manager		<b>(20)</b>	211
Dividend received		<b>877,196</b>	981,358
Net cash flows from operating activities		<b>6,192,295</b>	181,123
<b>FINANCING ACTIVITIES</b>			
Proceed from subscription of units		-	785
Payment on redemption of units		<b>(2,056,205)</b>	(1,399,623)
Net cash flows used in financing activities		<b>(2,056,205)</b>	(1,398,838)
<b>NET INCREASE (DECREASE) IN BALANCES WITH BANKS AND BROKERS</b>		<b>4,136,090</b>	(1,217,715)
Balances with banks and brokers at the beginning of the period		<b>1,261,475</b>	2,830,486
<b>BALANCES WITH BANKS AND BROKERS AT THE END OF THE PERIOD</b>		<b>5,397,565</b>	1,612,771

The attached explanatory notes 1 to 11 form part of these interim condensed financial statements.

## 1 INCORPORATION AND ACTIVITIES

Al Mada Investment Fund (the "Fund") was created by National Investments Fund Company B.S.C. (c) - (Commercial Registration (CR) No. 67559) (the "Fund Company") as an open-ended retail Islamic investment fund by way of an instrument as a contractual arrangement between the Fund Company and the investors under the regulations relating to the General Supervision, Operation and Marketing of Collective Investment Schemes issued by the Central Bank of Bahrain ("CBB"). The Fund is a collective investment undertaking established as per CBB Rulebook Volume-7 "Collective Investment Undertakings" issued by the CBB. The Fund was approved by the CBB on 24 December 2007. The investment manager, sponsor, operator and placement agent of the Fund is National Investments Company K.S.C. (the "Fund Manager").

The Fund has been established for an indefinite period. The Fund Company reserves the right to terminate the Fund at any time. The Fund Company is a wholly owned subsidiary of the Fund Manager, a Kuwaiti shareholding company, incorporated in the State of Kuwait.

### Activities

The activities of the Fund are subject to Islamic guidelines, as defined from time to time by the shari'a advisor. The Fund has appointed Al-Madar Finance and Investment Company as its Shari'a Advisor (the "Shari'a Advisor"). The Shari'a advisor provides Shari'a guidance and is responsible for the annual Shari'a audit of the Fund. The Shari'a advisor also reviews the various agreements, documents and instruments on a regular basis to advise the Fund Company on compliance by the Fund with Shari'a guidelines.

### Investment objective

The Fund primarily focuses on investment opportunities in Shari'a compliant companies listed in the Gulf Co-operation Council (GCC) members countries. The Fund will aim to achieve its investment objective by investing in various equity securities, listed on the stock markets of the GCC countries complying with Shari'a principles.

The interim condensed financial statements of the Fund for the period ended 30 June 2019 were authorised for issue by the Board of Directors of the Fund Company and the Fund Manager (collectively "Management") dated 26 August 2019.

## 2 ACCOUNTING POLICIES

### 2.1 Basis of preparation

These interim condensed financial statements for the six-month period ended 30 June 2019 have been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Fund Manager, the CBB and Financial Institutions Law and the CBB Rule Book (Volume 7) and CBB directives. In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standards exist, the Fund adopt the relevant International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), including the International Accounting Standard 34 "Interim Financial Reporting" for interim reporting.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 31 December 2018. In addition, results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

These interim condensed financial statements have been prepared on a historical cost basis, except for investments held for trading that have been measured at fair value. The interim condensed financial statements are presented in United States Dollars (US\$) which is the functional and the reporting currency of the Fund.

## 2 ACCOUNTING POLICIES

### 2.2 Statement of compliance

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective as of 1 January 2019. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

### New Accounting standards

#### *FAS 28 - Murabaha and Other Deferred Payment Sale*

This standard is effective from 1 January 2019 and prescribes the accounting and reporting principles and requirements for Murabaha and deferred payment sales transactions and different elements of such transactions, excluding Tawarruq and commodity Murabaha transactions. FAS 28 supersedes the earlier FAS 2 "Murabaha and Murabaha to the Purchase Order" and FAS 20 "Deferred Payment Sale", where it aims at setting out the accounting rules for measurement, recognition and disclosure of the transactions of Murabaha and other deferred payment sales that are carried out by Islamic banks of IFI. Also, this standard shall not apply to investments made in investment instruments e.g. equity instruments or Sukuk, where the underlying asset for such instrument is a Murabaha or deferred payment sale.

The adoption of FAS 28 did not have an impact on the interim condensed financial statements of the Fund.

### Standards issued but not yet effective

#### *FAS 30 - Impairment, credit losses and onerous commitments*

In November 2017, AAOIFI issued Financial Accounting Standard (FAS) 30 - Impairment, credit losses and onerous commitments, the standard supersedes the earlier FAS 11 "Provisions and Reserves" effective for the financial periods beginning on or after 1 January 2020, with early adoption permitted. The Fund's investment portfolio consists only of quoted investments which are classified as held for trading and will continue to be measured at fair value in accordance with FAS 30. Therefore, the Fund does not expect a significant impact on its financial position, financial performance or disclosures due to the adoption of FAS 30, effective 1 January 2020.

## 3 BALANCES WITH BANKS AND BROKERS

These balances are placed with reputed banks and brokers in the Kingdom of Bahrain, State of Kuwait, United Arab Emirates, State of Qatar and Kingdom of Saudi Arabia.

## 4 INVESTMENTS HELD FOR TRADING

Investments comprise quoted shares of various entities incorporated within the GCC countries in accordance with the investment policy of the Fund.

The portfolio consists of investments quoted on the stock exchanges of the following countries:

	<b>30 June 2019 US\$ (Reviewed)</b>	<b>31 December 2018 US\$ (Audited)</b>
Kingdom of Saudi Arabia	<b>13,926,586</b>	16,199,457
State of Kuwait	<b>10,125,012</b>	9,487,505
United Arab Emirates	<b>4,365,121</b>	6,202,535
State of Qatar	<b>964,061</b>	493,096
	<b>29,380,780</b>	<b>32,382,593</b>

#### 4 INVESTMENTS HELD FOR TRADING (continued)

The Fund's exposure analysed by industry sector as at 30 June 2019 and 31 December 2018 is as follows:

	<b>30 June 2019 US\$ (Reviewed)</b>	<b>31 December 2018 US\$ (Audited)</b>
Banking	<b>10,935,917</b>	10,871,147
Manufacturing and industry	<b>8,195,209</b>	7,383,843
Services	<b>4,228,685</b>	7,532,568
Building, construction and real estate	<b>4,090,375</b>	3,744,597
Food	<b>1,930,594</b>	1,289,722
Utilities	-	1,109,733
Healthcare	-	450,983
	<b>29,380,780</b>	32,382,593

#### 5 ACCOUNTS PAYABLE

	<b>30 June 2019 US\$ (Reviewed)</b>	<b>31 December 2018 US\$ (Audited)</b>
Audit fee payable	<b>6,064</b>	9,900
Registrar fee payable	<b>2,493</b>	2,520
	<b>8,557</b>	12,420

#### 6 NET ASSET VALUE PER UNIT

As stipulated in the Fund's prospectus, the Administrator of the Fund calculates the Net Asset Value (the "NAV") based on closing trading price of investments held for trading in each market on valuation day. The Fund has valued these investments based on closing quoted bid prices on the reporting date.

The following table presents a reconciliation of the NAV calculated based on the terms in the prospectus and based on the closing quoted bid prices:

	<b>30 June 2019 US\$ (Reviewed)</b>	<b>31 December 2018 US\$ (Audited)</b>
Unitholders' funds / net assets (based on bid price)	<b>34,288,151</b>	33,463,100
Adjustment for:		
Valuation difference relating to investments held for trading	<b>47,774</b>	76,548
Unitholders' funds / net assets (based on closing price)	<b>34,335,925</b>	33,539,648
Number of units outstanding at end of the period / year	<b>39,497,439</b>	41,845,852
NAV per unit (based on bid price)	<b>0.87</b>	0.80
NAV per unit (based on closing price)	<b>0.87</b>	0.80



**7 FEES**

<b>Nature</b>	<b>Payable to</b>	<b>Basis</b>
Management fee	National Investments Company K.S.C.	The Fund Manager is entitled to a management fee of 1% per annum of the NAV (prior to the deduction of management fee) of the Fund calculated monthly and payable quarterly. The Fund Manager has appointed sub-advisors to manage the investments in certain GCC countries.
Administration fee	SICO Fund Services Company B.S.C. (c)	The Fund will pay to the Administrator an annual administration fee calculated as 0.07% per annum of the NAV of the Fund. The fee shall be accrued and paid on a monthly basis. With the consent of the administrator, the Fund has paid the fees on a quarterly basis during the period ended 30 June 2019.
	HSBC Bank Middle East Limited (Until 11 February 2018).	The Fund will pay to the Administrator an annual administration fee calculated as per the below mentioned fee scale (calculated on monthly NAV for these purposes prior to the deduction of management fees) accrued monthly and payable on a monthly basis.  The administration fee is subject to a minimum fee of US\$ 2,500 per month. The Administrator is also paid US\$ 5,000 per annum for preparing the interim and year end financial statements of the Fund.  <i>Administration fee scale:</i> Up to US\$ 75 Million - 0.07% per annum of NAV From US\$ 75 to US\$ 150 Million - 0.06% per annum of NAV From US\$ 150 Million and above - 0.05% per annum of NAV
Custodian fee	SICO Fund Services Company B.S.C. (c)	An annual custody fee calculated as 0.125 % per annum of the NAV of the Fund. The fee shall be accrued and paid on a monthly basis. With the consent of the custodian, the Fund has paid the fees on a quarterly basis during the period ended 30 June 2019.
	HSBC Bank Middle East Limited (Until 11 February 2018).	An annual custody fee calculated as per the below mentioned fee scale based on the NAV of the assets held by the Custodian for the account of the Fund, as determined from time to time by the administrator. The custody fee shall be subject to a minimum of US\$ 2,500 per month and accrue on each valuation day and is payable on a monthly basis. The Custodian's fee shall include the safe keeping fee of the sub custodian and is valid only for investments listed in Oman, Bahrain, Kuwait, Saudi Arabia, UAE and Qatar. In addition, the Custodian charges the Fund a transaction fee of US\$ 50 per transaction.  <i>Custodian fee scale:</i> Up to US\$ 0 to US\$ 75 Million - 0.15% per annum of NAV From US\$ 75 to US\$ 150 Million - 0.14% per annum of NAV From US\$ 150 Million and above - 0.12% per annum of NAV

**7 FEES (continued)**

Nature	Payable to	Basis
Performance fee	National Investments Company K.S.C.	The Fund Manager is entitled to a performance fee payable annually of 20% of the amount by which the NAV increases if the Fund exceeds the hurdle rate. The performance fee will be payable only if at the relevant valuation day, the NAV per unit for the Fund has increased by more than 10%, on an annualised basis ("Hurdle Rate") from the NAV per Unit for the Fund on (a) the Initial Offer Period (in respect of the first payment); and (b) thereafter, on the Valuation day on which the immediately preceding payment (or otherwise) of the performance fee was calculated.
Registrar fee	SICO Fund Services Company B.S.C. (c)	The Fund will pay an annual fee of US\$ 10,000. The fee shall be accrued and paid on a monthly basis. With the consent of the registrar, the Fund has paid the fees on a quarterly basis during the period ended 30 June 2019.
	Karvy Computershare W.L.L. (Until 11 February 2018)	The Fund pays an annual fee of US\$ 13,000 to the Registrar. The annual fee is calculated and accrued monthly and paid quarterly.
Shari'a advisor fees	Al Madar Finance and Investment Company	The Fund will pay the Shari'a Advisor an annual fee of US\$ 2,750 effective from 1 January 2019. In the year ended 31 December 2018, the fee was calculated on the basis of 0.06% of the quarterly NAV of the Fund subject to a minimum of US\$ 35,000 and a maximum of US\$ 110,000 per annum. The Shari'a Advisory fee will be calculated and paid quarterly in arrears or on submission of invoice by the Shari'a Advisor.

**8 RELATED PARTY BALANCES AND TRANSACTIONS**

As per FAS 1: *General Presentation and Disclosure in the financial statements of Islamic banks and financial institutions*, related parties consist of the directors of the Fund Company, the external auditors, Shari'a advisor members of the Shari'a board, the general manager and his deputies and equivalent. The Fund's transactions with related parties are authorised by the Management and are undertaken in the ordinary course of business. The pricing policies and terms of transactions with related parties are based on the terms of the prospectus of the Fund.

Transactions with related parties included in these interim condensed financial statements are as follows:

	30 June 2019 US\$ (Reviewed)	31 December 2018 US\$ (Audited)
<b>Interim statement of net assets</b>		
Management fee payable	88,164	85,670
Shari'a advisor fee payable	27,734	26,370
Audit fee payable	6,064	9,900
Redemption fees payable to Fund Manager	-	20
	<b>121,962</b>	<b>121,960</b>

**8 RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

	30 June Six months ended Reviewed	
	2019 US\$	2018 US\$
<b>Interim statement of operations</b>		
Management fee to the Fund Manager	<b>176,418</b>	180,724
Shari'a advisor fees	<b>1,364</b>	17,356
Audit fee	<b>6,942</b>	7,207
	<b>184,724</b>	205,287

As per the terms of the prospectus of the Fund no single investor shall be allotted more than 50% of the Units in the Fund. As a result of redemption of units during the period, as at 30 June 2019, the Fund Manager held 49.37% (31 December 2018: 49.22%) of the net assets of the Fund.

**9 EARNINGS AND EXPENSES PROHIBITED BY SHARI'A AND SHARI'A PURIFICATION CHARGES**

The Fund accrues Shari'a purification charges on cash dividends received from various investments based on information received from the Shari'a Advisor of the Fund.

**10 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The financial risk management objectives and policies of the Fund are consistent with those disclosed in the annual financial statements for the year ended 31 December 2018.

**11 LAST VALUATION DAY**

The last valuation day of the Fund was 30 June 2019.