

Al Mada Investment Fund
INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2020 (Reviewed)

Al Mada Investment Fund
Interim condensed financial statements
For the six-month period ended 30 June 2020

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Hamad Al Humaidi (Chairman)
Muthana Al Maktoum (Director)
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AND PLACEMENT AGENT**

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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 2020, comprising the interim statements of net assets, portfolio investments and receivables as at 30 June 2020 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.



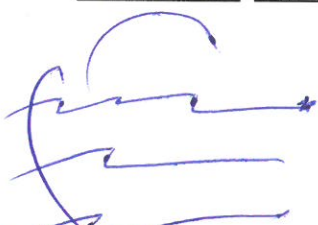
24 August 2020
Manama, Kingdom of Bahrain

Al Mada Investment Fund
INTERIM STATEMENT OF NET ASSETS
As at 30 June 2020 (Reviewed)

		30 June	<i>31 December</i>
		2020	<i>2019</i>
		US\$	<i>US\$</i>
	<i>Note</i>	Reviewed	<i>Audited</i>
ASSETS			
Balances with banks and brokers	4	1,270,121	1,087,913
Equity securities held at fair value through the statement of income	5	27,290,989	31,691,290
Due from broker		286,938	-
Other receivables		105,465	875
TOTAL ASSETS		<u>28,953,513</u>	<u>32,780,078</u>
LIABILITIES			
Accounts payable	6	408,863	59,742
Management fee payable	8,10	69,374	82,382
Shari'a advisor fee payable	8,10	1,367	29,120
Custodian fee payable	8	8,672	10,298
Administration fee payable	8	4,856	5,767
Redemptions payable		-	46,513
Redemption fees payable to the Fund Manager	10	-	233
Shari'a purification charges payable	11	-	6,801
TOTAL LIABILITIES		<u>493,132</u>	<u>240,856</u>
Net assets	7	<u>28,460,381</u>	<u>32,539,222</u>
Number of units outstanding	7	<u>38,006,673</u>	<u>38,351,471</u>
Net Asset Value per unit	7	<u>0.75</u>	<u>0.85</u>



Hamad Al Humaidi
Chairman
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 13 form part of these interim condensed financial statements.

Al Mada Investment Fund
INTERIM STATEMENT OF OPERATIONS

For the six-month period ended 30 June 2020 (Reviewed)

	Note	Six months ended	
		30 June	
		2020	2019
		US\$	US\$
Income from investments			
Dividend income		472,886	935,254
Other income		-	17,726
Total income from investments		472,886	952,980
Expenses			
Management fee	8,10	142,327	176,418
Custodian fees	8	17,791	22,052
Shari'a advisor fees	8,10	1,367	1,364
Administration fee	8	9,961	12,349
Audit fees	10	6,962	6,942
Registrar fee	8	4,973	4,959
Legal and professional fees	9	13,211	2,689
Bank charges and other expenses		3,621	3,465
Shari'a purification charges	11	773	8,880
Total expenses		200,986	239,118
Net income from investments		271,900	713,862
Realised and unrealised			
(losses) gains from investments			
Net realised (loss) gain from investments		(2,984,732)	1,539,995
Foreign exchange gain (loss)		169,017	(6,483)
Changes in fair value of investments		(1,260,572)	629,875
Net (losses) gains from investments		(4,076,287)	2,163,387
Net (loss) income for the period		(3,804,387)	2,877,249



Hamad Al Humaidi
Chairman

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 13 form part of these interim condensed financial statements.

Al Mada Investment Fund

STATEMENT OF PORTFOLIO INVESTMENTS AND RECEIVABLES

As at 30 June 2020 (Reviewed)

	Note	30 June 2020		31 December 2019	
		US\$	% of Portfolio	US\$	% of Portfolio
INVESTMENTS					
Equity securities held at fair value the statement of income	5	27,290,989	98.6%	31,691,290	100.0%
RECEIVABLES					
Due from broker		286,938	1.0%	-	-
Other receivable		105,465	0.4%	875	-
Total		27,683,392	100.0%	31,692,165	100.0%

The attached explanatory notes 1 to 13 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 2020 (Reviewed)

	<i>Number of units outstanding</i>	<i>Unitholders' capital US\$</i>
Balance as at 1 January 2019	41,845,852	33,463,100
Capital transactions - 2019		
Redemption of units	(2,348,413)	(2,052,198)
Net capital transactions - 2019	39,497,439	31,410,902
Net income for the period	-	2,877,249
Balance as at 30 June 2019	39,497,439	34,288,151
Balance as at 1 January 2020	38,351,471	32,539,222
Capital transactions - 2020		
Redemption of units	(344,798)	(274,454)
Net capital transactions - 2020	38,006,673	32,264,768
Net loss for the period	-	(3,804,387)
Balance as at 30 June 2020	38,006,673	28,460,381

The attached explanatory notes 1 to 13 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 2020, 2019, and 2018

	<i>US\$ per unit</i>		
	<i>June</i>		
	<i>2020</i>	<i>2019</i>	<i>2018</i>
NET ASSET VALUE AT THE BEGINNING OF THE PERIOD	0.85	0.80	0.77
NET ASSET VALUE AT THE END OF THE PERIOD	0.75	0.87	0.83
Capital repayments (average redemption NAV)	0.79	0.87	0.82
	<i>US\$ Weighted average per unit</i>		
	<i>June</i>		
	<i>2020</i>	<i>2019</i>	<i>2018</i>
Net income from investments			
Net income from investments including net realised (losses) gains from investments	(0.07)	0.04	0.02
(Decreases) increases from changes in values of investments	(0.03)	0.02	0.04
Total (loss) income from investments	(0.1)	0.06	0.06
Financial ratios / supplemental data			
Total net assets - end of the period (US\$ millions)	28.46	34.29	36.18
Weighted average net assets (US\$ millions)	30.50	35.53	35.47
Ratio of expenses to weighted average net assets (in %)	0.66	0.67	0.88
Turnover rate of portfolio investments and receivables (in %)	0.89	2.14	0.05
Semi - annual rate of return (in %)*	(13.35)	8.38	7.73

*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 13 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 2020 (Reviewed)

	Note	Six months ended	
		30 June	
		2020	2019
		US\$	US\$
OPERATING ACTIVITIES			
Net (loss) income for the period		(3,804,387)	2,877,249
Adjustments for:			
Dividend income		(472,886)	(935,254)
Changes in fair value of investments		1,260,572	(629,875)
Net realised loss (gain) from investments		2,984,732	(1,539,995)
Foreign exchange (gain) loss		(169,017)	6,483
Operating loss before changes in operating assets and liabilities		(200,986)	(221,392)
Change in operating assets and liabilities:			
Equity securities held			
at fair value through the statement of income		324,014	5,575,367
Due from broker		(286,938)	-
Management fee payable		(13,008)	2,494
Shari'a advisor fee payable		(27,753)	1,364
Accounts payable		349,121	(3,863)
Custodian fee payable		(1,626)	311
Administration fee payable		(911)	174
Shari'a purification charges payable	11	(6,801)	(36,647)
Other assets		(2,681)	(2,689)
Redemption fees payable to the Fund Manager		(233)	(20)
Dividend received		370,977	877,196
Net cash flows from operating activities		503,175	6,192,295
FINANCING ACTIVITY			
Payment on redemption of units		(320,967)	(2,056,205)
Net cash flows used in financing activity		(320,967)	(2,056,205)
NET INCREASE IN BALANCES WITH A BANK		182,208	4,136,090
Balances with a bank at the beginning of the period		1,087,913	1,261,475
BALANCES WITH A BANK AT THE END OF THE PERIOD	4	1,270,121	5,397,565

The attached explanatory notes 1 to 13 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 which commenced operations on 17 January 2008.

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.

Impact of COVID-19

During the period ended 30 June 2020, there was an outbreak of coronavirus (COVID-19). The existing and anticipated effects of the outbreak on the global economy is expected to continue to evolve. While these developments continue to impact the Fund's operations, the scale and duration of further developments remain uncertain at this stage and could potentially further impact the Fund's financial position, financial performance and cash flows in the future, the extent of which is presently undeterminable.

The interim condensed financial statements of the Fund for the period ended 30 June 2020 were authorised for issue by the Board of Directors of the Fund Company and the Fund Manager (collectively "Management") dated 24 August 2020.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The interim financial statements for the six-month period ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" and in conformity with Volume 7 "Collective Investment Undertaking Rules" issued by the CBB. The 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 2019. In addition, results for the six-month period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

The interim condensed financial statements have been prepared on a historical cost basis, except for investments equity securities held at fair value through the statement of income 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 (continued)

2.2 Statement of compliance

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2019 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, including interim financial reporting, the Fund uses the relevant International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

3 SIGNIFICANT ACCOUNTING POLICIES

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 2019, except for the adoption of new standards and interpretations effective as of 1 January 2020. The Fund has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Adoption of new and amended standards and interpretations

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.

Transition

Changes in accounting policies resulting from the adoption of FAS 30 have been applied retrospectively, except that comparative periods have not been restated. Differences, if any, in the carrying amounts of financial assets and financial liabilities resulting from the adoption of FAS 30 are recognised in retained earnings and reserves as at 1 January 2020.

Impact of adopting FAS 30

The Fund's investments portfolio consists only of quoted investments which are classified as Equity securities held at fair value through the statement of income (previously classified as held for trading) and will continue to be measured at fair value through the statement of income in accordance with FAS 30. Therefore, the Fund did not have significant impact on its financial position, financial performance or disclosures due to the adoption of FAS 30, effective 1 January 2020. Further, all of the Fund's receivables outstanding as of the adoption date were recovered subsequently and hence there were no requirement to record expected credit losses on adoption of FAS 30 on 1 January 2020.

Impairment assessment (policy applicable from 1st January 2020)

Impairment of financial assets

FAS 30 replaces the 'incurred loss' model in FAS 11 with the ECL model. The new impairment model also applies to certain financing commitments and financial guarantee contracts but not to equity investments.

The Fund applies a three-stage approach to measure ECL on financial assets carried at amortised cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: Twelve months ECL

For credit exposures where there has not been a Significant Increase in Credit Risk ("SICR") since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

Twelve-month ECL (Stage 1) is the portion of ECL that results from probable default events on a financial contract within twelve months after the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new and amended standards and interpretations (continued)

Impairment assessment (policy applicable from 1st January 2020) (continued)

Impairment of financial assets (continued)

Stage 2: Lifetime ECL – not credit impaired

Lifetime ECL (Stage 2) is a probability-weighted estimate of credit losses and is determined based on the difference between the present value of all cash shortfalls. The cash shortfall is the difference between all contractual cash flows that are due to the Fund and the present value of the recoverable amount, for financial assets that are not credit-impaired at the reporting date.

Stage 3: Lifetime ECL – credit impaired

Financial contracts are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

For Stage 3 financial contracts, the provisions for credit-impairment are determined based on the difference between the net carrying amount and the recoverable amount of the financial contract. As this uses the same criteria as under FAS 11, the Fund methodology for specific allowance for credit losses remains largely unchanged.

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event; and
- probability that the borrower will enter bankruptcy or other financial reorganization.

Measurement of ECL

The key inputs into the measurement of ECL are the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure At Default (EAD).

These parameters are generally derived from internally developed models and other historical data. These are adjusted to reflect forward-looking information as described below.

Definition of default

The Fund considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as liquidating collateral; or the borrower is past due 90 days or more on any credit obligation to the Fund. In assessing whether a borrower is in default, the Fund considers both qualitative factors such as breaches of covenants and quantitative factors such as overdue status and non-payment on another obligation of the same issuer to the Fund.

Probability of default

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Fund collects performance and default information about its credit risk exposures. The Fund employs statistical models for analysing the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Fund has taken exposures. For most exposures, the key macro-economic indicators include gross domestic product (GDP) growth, real interest rates, oil prices and equity prices.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new and amended standards and interpretations (continued)

FAS 30 - Impairment, credit losses and onerous commitments (continued)

Impairment assessment (policy applicable from 1st January 2020) (continued)

Incorporation of forward - looking information

The Fund employs statistical models to incorporate macro-economic factors on historical default rates. In case none of the macro-economic parameters are statistically significant or the results of forecasted PDs are significantly deviated from the present forecast for the economic conditions, quantitative PD overlay shall be used by the management after analyzing the portfolio.

Incorporating forward-looking information increases the level of judgment as to how changes in these macroeconomic factors will affect the ECL applicable to the stage 1 and stage 2 exposures which are considered as performing (Stage 3 are the exposures under default category). The methodologies and assumptions involved, including any forecasts of future economic conditions, are reviewed periodically.

Loss Given Default

LGD is the magnitude of the likely loss if there is a default. The Fund's estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties, based on historical data using both internal and external factors including hair cuts.

Cure Rate: Defined as the ratio of accounts which have fallen to default and have managed to move backward to the performing accounts.

Recovery Rate: Defined as the ratio of liquidation value to market value of the underlying collateral at the time of default would also account for expected recovery rate from a general claim on the individual's assets for the unsecured portion of the exposure.

Discounting Rate: Defined as the opportunity cost of the recovery value not being realized on the day of default adjusted for time value.

Exposure At Default

EAD represents the expected exposure in the event of a default. The Fund's derives the EAD from the current exposure to the counterparty and potential changes to the current amounts allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For financing commitments and financial guarantees, the EAD is converted to consolidated statement of financial position equivalents.

Significant Increase in Credit Risk

When determining whether the risk of default on a financial contracts has increased significantly since initial recognition, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and expert credit assessment including forward-looking information.

The criteria for determining whether credit risk has increased significantly vary on a portfolio level and include quantitative and qualitative factors, including days past due and risk rating.

Backward transition

FAS 30 staging model is of symmetrical nature as exposures may migrate from lifetime ECL measurement (Stage 2 and Stage 3) to 12 month ECL measurement (Stage 1). Once such indicators are no longer triggered, movement back to Stage 1 or Stage 2 are subject to certain criterias such as cooling off period, SICR indicators and payment history, where applicable.

Credit Conversion Factor

The estimation of EAD takes into account any unexpected changes in the exposure after the assessment date, including expected drawdowns on committed facilities through the application of a credit conversion factor (CCF). The EAD is estimated using the outstanding exposure adjusted by CCF times undrawn portion of the facilities. In case of financial guarantee, EAD is estimated as CCF times the committed amount.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new and amended standards and interpretations (continued)

FAS 31 Investment Agency (Al-Wakala Bi Al-Istithmar)

This standard intends to define the accounting principles and reporting requirements for investment agency (Al-Wakala Bi Al-Istithmar) transactions and instruments, in the hands of both the principal and the agent. This standard shall be effective beginning on or after 1 January 2020, with early adoption permitted. The Fund adopted FAS 31 on the effective date and its adoption did not have any impact on the Fund's financial position as of the date as the Fund does not conduct any Wakala Bi Al Istithmar transaction.

FAS 33 Investment in sukuk, shares and similar instruments

This standard aims at setting out principles for the classification, recognition, measurement, presentation, and disclosure of investment in Sukuk, shares and other similar instruments of investments made by Islamic financial institution. The standard defines the key types of instruments of Shari'ah compliant investments and the primary accounting treatments commensurate to the characteristic and business model of institution under which the investments are made, managed and held. This standard supersedes FAS 25 "Investment in Sukuk" and is effective beginning on or after 1 January 2020 with early adoption permitted. As the Fund does not investment in Sukuk, the adoption of this standard did not have to any impact on the Fund's financial position or operations.

FAS 34 Financial Reporting for Sukuk -holders

This standard prescribes the accounting principles and reporting requirements for underlying assets of a sukuk instrument. It requires the originator to prepare or cause to prepare financing reports as needed under this standard. This standard shall be effective from the financial periods beginning on or after 1 January 2020, with early adoption permitted. The adoption of this standard did not have an impact on the Fund's financial position or operations as the Fund does not have any Sukuk issued.

4 BALANCES WITH A BANK

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

5 EQUITY SECURITIES HELD AT FAIR VALUE THROUGH THE STATEMENT OF INCOME

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:

	30 June 2020 US\$ (Reviewed)	31 December 2019 US\$ (Audited)
Kingdom of Saudi Arabia	13,752,075	15,482,869
State of Kuwait	7,754,606	9,329,688
United Arab Emirates	4,219,816	5,054,669
State of Qatar	1,564,492	1,824,064
	<u>27,290,989</u>	<u>31,691,290</u>

**5 EQUITY SECURITIES HELD AT FAIR VALUE THROUGH THE STATEMENT OF INCOME
(continued)**

The Fund's exposure analysed by industry sector as at 30 June 2020 and 31 December 2019 is as follows:

	30 June 2020 US\$ (Reviewed)	31 December 2019 US\$ (Audited)
Banking	10,533,405	10,190,843
Services	6,064,178	5,336,507
Manufacturing and industry	5,083,363	7,535,389
Building, construction and real estate	1,437,240	4,886,439
Utilities	1,047,461	-
Food	2,744,139	3,742,112
Healthcare	381,203	-
	27,290,989	31,691,290

6 ACCOUNTS PAYABLE

	30 June 2020 US\$ (Reviewed)	31 December 2019 US\$ (Audited)
Audit fee payable	5,513	8,817
Registrar fee payable	2,486	2,520
Trades pending settlement	400,864	48,405
	408,863	59,742

7 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:

	30 June 2020 US\$ (Reviewed)	31 December 2019 US\$ (Audited)
Unitholders' funds / net assets (based on bid price)	28,460,381	32,539,222
Adjustment for:		
Valuation difference relating to investments - held for trading	34,615	(57,256)
Unitholders' funds / net assets (based on closing price)	28,494,996	32,481,966
Number of units outstanding at end of the period / year	38,006,673	38,351,471
NAV per unit (based on bid price)	0.75	0.85
NAV per unit (based on closing price)	0.75	0.85

8 FEES

Nature	Payable to	Basis
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 2020.
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 2020.
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 2020.
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. The Shari'a Advisory fee will be calculated and paid on semi-annual basis.

9 LEGAL AND PROFESSIONAL FEES

	<i>30 June</i>	
	<i>Six months ended</i>	
	<i>Reviewed</i>	
	2020	2019
	US\$	US\$
Legal fees	10,559	-
CBB registration fee	2,652	2,689
	13,211	2,689

10 RELATED PARTY BALANCES AND TRANSACTIONS

As per FAS1: 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.

National Investments Fund Company B.S.C. (c) and National Investments Company K.S.C. are the related parties of the Fund as explained in note 1. Transactions with related parties included in these interim condensed financial statements are as follows:

	30 June 2020 US\$ (Reviewed)	<i>31 December 2019 US\$ (Audited)</i>
Interim statement of net assets		
Management fee payable	69,374	82,382
Shari'a advisor fee payable	1,367	29,120
Audit fee payable	5,513	8,817
Redemption fees payable to Fund Manager	-	233
	76,254	120,552
	<i>30 June Six months ended Reviewed</i>	
	2020	<i>2019</i>
	US\$	<i>US\$</i>
Interim statement of operations		
Management fee to the Fund Manager	142,327	176,418
Shari'a advisor fees	1,367	1,364
Audit fee payable	6,962	4,959
	150,656	182,741

As a result of redemption of units during the period, as at 30 June 2020, the Fund Manager held 49.99% (31 December 2019: 49.54%) of the net assets of the Fund.

11 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.

12 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 2019.

13 LAST VALUATION DAY

The last valuation day of the Fund was 30 June 2020.