

**GIB Opportunistic Indian Equity Fund
Open-Ended Mutual Fund
(Managed by GIB Capital)
Financial Statements
For the Period from 16 September 2024
to 31 December 2024
Together with the
Independent Auditor's Report to the Unitholders**

**GIB Opportunistic Indian Equity Fund
Open-Ended Mutual Fund
(Managed by GIB Capital)**

Financial Statements

For the year ended 31 December 2024

Together with the Independent Auditor's Report to the Unitholders

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**TO THE UNITHOLDERS OF GIB OPPORTUNISTIC INDIAN EQUITY FUND
(MANAGED BY GIB CAPITAL COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

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OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the GIB Opportunistic Indian Equity Fund (the "Fund") managed by GIB capital company (the "Fund Manager") as at 31 December 2024, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Fund, which comprise of the following:

- The statement of financial position as at 31 December 2024;
- The statement of comprehensive income for the period from 16 September 2024 to 31 December 2024;
- The statement of changes in net assets (Equity) attributable to the unitsholders for the period then ended;
- The statement of cash flows for the period then ended, and;
- The notes to the financial statements, comprising summary of material accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 from the Fund in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and the Fund's Term's and conditions and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, i.e. the Board members, are responsible for overseeing the Fund's financial reporting process

**TO THE UNITHOLDERS OF GIB OPPORTUNISTIC INDIAN EQUITY FUND
(MANAGED BY GIB CAPITAL COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

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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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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 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 management'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's 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.

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RIYADH, KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

(continued)

We communicate with those charged with governance 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.

PKF Albassam Chartered Accountants



Ahmed A. Mohandis
Certified Public Accountant
License No. 477
Riyadh, Kingdom of Saudi Arabia
25 Ramadhan 1446H
Corresponding to: 25 March 2025

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GIB Opportunistic Indian Equity Fund
Open-Ended Mutual Fund
(Managed by GIB Capital)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Amounts in US Dollars)

	Note	31 December 2024
ASSETS		
Cash and cash equivalent	6	5,375
Investments carried at fair value through profit or loss (FVTPL)	7	6,782,310
Prepayments & other receivables		186
Total assets		6,787,871
LIABILITIES		
Management fees payable	11	14,529
Accrued Expenses		14,787
Total liabilities		29,316
Net assets (Equity) attributable to the Unit holders		6,758,555
NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS:		
Class A		3,566,918
Class B		3,124,333
Class C		67,304
		6,758,555
UNITS IN ISSUE (number):		
	8	
Class A		400,000
Class B		350,640
Class C		7,541
		758,181
NET ASSETS ATTRIBUTABLE TO EACH UNIT:		
Class A		8.92
Class B		8.91
Class C		8.93

GIB Opportunistic Indian Equity Fund
Open-Ended Mutual Fund
(Managed by GIB Capital)

STATEMENT OF COMPREHENSIVE LOSS

For the period from 16 September 2024 to 31 December 2024

(Amounts in US Dollars)

	Not	For the period from
	e	16 September 2024 to
		31 December 2024
<u>Investment income</u>		
Net (loss) from investments carried at FVTPL	9	(802,620)
		<u>(802,620)</u>
<u>Expenses</u>		
Management fees	11	(16,601)
Custody fees		(621)
Other expenses	10	(16,804)
		<u>(34,026)</u>
Net loss for the period		<u>(836,646)</u>
Other comprehensive income for the period		-
Total Comprehensive loss for the period		<u>(836,646)</u>

GIB Opportunistic Indian Equity Fund
Open-Ended Mutual Fund
(Managed by GIB Capital)

STATEMENT OF CHANGES IN NET ASSETS (EQUITY) ATTRIBUTABLE TO THE UNIT HOLDERS

For the period from 16 September 2024 to 31 December 2024
(Amounts in US Dollars)

	For the period from 16 September 2024 to 31 December 2024
Net assets (Equity) attributable to the Unit holders at the beginning of the year	-
Total comprehensive loss for the period	(836,646)
Contributions and redemptions by the unitholders	
Issuance of units	
Class A	4,000,000
Class B	75,447
Class C	3,519,754
	<hr/> 7,595,201
Redemption of units	
Class A	
Class B	
Class C	
	<hr/>
Net changes from unit transactions	7,595,201
Net assets (Equity) attributable to the Unit holders at end of the year	<hr/> 6,758,555 <hr/>

**GIB Opportunistic Indian Equity Fund
Open-Ended Mutual Fund
(Managed by GIB Capital)**

STATEMENT OF CASH FLOWS

For the period from 16 September 2024 to 31 December 2024

(Amounts in US Dollars)

		For the period from 16 September 2024 to 31 December 2024
	Note	
Cash flows from operating activities:		
Net loss for the period		(836,646)
Adjustments for:		
Net loss from investments carried at FVTPL	9	<u>802,620</u>
		(34,026)
Net changes in operating assets and liabilities:		
Investments carried at FVTPL		(7,584,930)
Prepayments & other receivables		(186)
Management fees payable		14,529
Accrued expenses		14,787
Net cash (used in) operating activities		<u>(7,589,826)</u>
Cash flows from financing activities:		
Proceeds from issuance of units		7,595,201
Redemptions of the units		
Net cash generated from financing activities		<u>7,595,201</u>
Net increase in cash and cash equivalents		5,375
Cash and cash equivalents at beginning of the year		<u>-</u>
Cash and cash equivalents at end of the year		<u>5,375</u>

**GIB Opportunistic Indian Equity Fund
Open-ended Mutual Fund
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Notes to the financial statements

For the period from 16 September 2024 to 31 December 2024

(Amounts in USD Dollars)

1 FUND AND ITS ACTIVITIES

The GIB Opportunistic Indian Equity Fund (“the Fund”) is an open-ended investment fund which aims to achieve medium to long term capital growth by investing in a foreign fund (Tata Indian Sharia Fund) of Tata Asset Management Private Limited. The foreign fund invests its assets in a diversified portfolio of Sharia compliant equity securities representing the constituents of the Nifty 500 Sharia Index. It was established and managed by GIB Capital (“Fund Manager”), which is a one-person company in accordance with the laws in the Kingdom of Saudi Arabia under the Commercial Registration No. 1010244294 dated 6/2 / 1429H and Capital Market Authority License No. 37-07078.

The fund's units are divided into three categories A, B, and C as follows:

- Category (A), which is for institutional and individual investors, who are those whose subscription amount exceeds or equals 2,600,000 USD
- Category (B), which is for institutional and individual investors, who are those whose subscription amount is equal to more than 2000 USD and less than 2,600,000 USD.
- Category (C), which is for the employees of the fund manager, Gulf International Bank, and the investment portfolio of the fund manager and Gulf International Bank. The minimum amount for this class is 2000 USD.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Management prepares a separate Financial Statement for the Fund. The management of the Fund is the responsibility of the Fund Manager. However, in accordance with the Fund's Agreement, the Fund Manager can delegate or assign its duties to one or more of the financial institutions in the Kingdom of Saudi Arabia and overseas.

The Fund Manager and administrator of the Fund is GIB Capital. The Custodian of the fund is Albilad Capital.

Date of approval of the Capital Market Authority for the establishment of the fund and the offering of its units: July 7, 2024.

The financial statements are the first financials of the fund for the period from 16 September 2024 to 31 December 2024 so there is no comparative figures have been presented.

SUBSCRIPTION / REDEMPTION

Subscription / redemption requests are accepted on Monday and Wednesday. The value of the Fund's portfolio is determined on Thursday and Sunday. The net asset value of the Fund for the purpose of purchase or sale of units is determined by dividing the net assets (fair value of the Fund's assets minus fund's liabilities) of the Fund by the total number of outstanding units on the following day.

2 REGULATING AUTHORITY

The Fund is governed by the Investment Fund Regulations (the “Regulations”) published by CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) thereafter amended on 16 Sha’ban 1437H (corresponding to 23 May 2016). The regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442H (corresponding to 1 March 2021) detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations have effective dates starting from 19 Ramadan 1442H (corresponding to 1 May 2021).

GIB Opportunistic Indian Equity Fund
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Notes to the financial statements

For the period from 16 September 2024 to 31 December 2024

(Amounts in USD Dollars)

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered And Professional Accountants (“SOCPA”).

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, using accrual basis of accounting except for the investments carried at fair value through profit or loss at fair value. The Fund presents its statement of financial position in the order of liquidity.

3.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). These financial statements are presented in US Dollars (USD) which is the Fund’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into USD using the exchange rates prevailing at date of the statement of financial position. Foreign exchange gains and losses, if any, arising from translation are included in the statement of comprehensive income.

3.4 Critical accounting judgments, estimates and assumption

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Going concern

The Fund Manager of the Fund has made an assessment of the Fund’s ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Fund’s ability to continue as a going concern.

GIB Opportunistic Indian Equity Fund
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Notes to the financial statements

For the period from 16 September 2024 to 31 December 2024

(Amounts in USD Dollars)

4 MATERIAL ACCOUNTING POLICIES

4.1 New standards, interpretations and amendments

There are new standards, amendments and interpretations apply for the first time in 2024, but do not have an impact on the financial statements of the Fund.

There are other several amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements. In the opinion of the Fund's Board, these will have no significant impact on the financial statements of the Fund. The Fund intends to adopt those amendments and interpretations, if applicable.

4.1.1 New standards, amendments to standards and interpretations

Amendments

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Fund's Financial Statements, except for where referenced below.

New amendments to standards issued and applied effective January 1, 2024

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	<p>The amendment has clarified</p> <ul style="list-style-type: none"> ○ what is meant by a right to defer settlement, ○ that a right to defer must exist at the end of the reporting period, ○ that classification is unaffected by the likelihood that an entity will exercise its deferral right, and ○ that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	<p>These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.</p>
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	<p>These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.</p>

GIB Opportunistic Indian Equity Fund
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Notes to the financial statements

For the period from 16 September 2024 to 31 December 2024

(Amounts in USD Dollars)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 New standards, interpretations and amendments (continued)

4.1.2 New standards, amendments and revised IFRS issued but not yet effective

The Fund has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Fund in the period of initial application.

GIB Opportunistic Indian Equity Fund
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(Managed by GIB Capital)

Notes to the financial statements

For the period from 16 September 2024 to 31 December 2024

(Amounts in USD Dollars)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash placed with the Custodian. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

4.3 Financial instruments

4.3.1 Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

4.3.2 Classification and measurement of financial assets

The Fund classifies its financial assets either as subsequently measured at amortized cost or measured at fair value through profit or loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit (SPPI), and that are not designated at FVTPL, are measured at amortized cost.

Fair value through profit or loss (FVTPL): If financial asset's cash flows do not represent solely SPPI or if it is not held within the held to collect or the held to collect and sell business model, or then it is measured at FVTPL. A gain or loss on a debt investment measured at FVTPL is recognized in the statement of comprehensive income, within "Net gain / (loss) in investments mandatorily measured at FVTPL", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value or which are not held for trading are presented separately from debt investments that are mandatorily measured at fair value through profit or loss, within "Net gain / (loss) in investments designated at FVTPL". Profit earned from these financial assets is recognized in the statement of comprehensive income using the effective profit rate method.

Business model: The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Fund in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is internally evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVTPL.

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Notes to the financial statements

For the period from 16 September 2024 to 31 December 2024

(Amounts in USD Dollars)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Financial instruments (Continued)

4.3.2 Classification and measurement of financial assets (Continued)

Fair value through profit or loss (FVTPL) (Continued)

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPI" test). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual profit in the issuer's net assets.

The Fund classifies its financial assets at fair value through profit or loss (FVTPL). The Fund subsequently measures all equity investments at fair value through profit or loss, except where the Fund Manager has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade.

When this election is used, fair value gains and Losses are recognized in OCI and are not subsequently reclassified to the statement of comprehensive income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in the statement of comprehensive income when the Fund's right to receive payments is established.

4.3.3 Impairment of financial assets

The Fund assesses on a forward-looking basis the expected credit loss ("ECL") associated with its financial instrument assets carried at amortized cost. The Fund recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and

Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

GIB Opportunistic Indian Equity Fund
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Notes to the financial statements

For the period from 16 September 2024 to 31 December 2024

(Amounts in USD Dollars)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Financial instruments (continued)

4.3.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

(a) Transferred substantially all of the risks and rewards of the asset or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained. The Fund recognized a financial liability when the obligation under the liability is discharged, cancelled or expired.

4.3.5 Financial liabilities

The Fund classifies its financial liabilities at amortized cost unless it has designated liabilities at FVTPL. The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

4.4 Trade date accounting

A regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e. the date that the fund commits to purchase or sell the assets). Regular way purchases or sales are purchase or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the market place.

4.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.6 Accrued expenses

Accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective profit rate method.

4.7 Provision

A provision is recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provision is not recognized for future operating loss.

GIB Opportunistic Indian Equity Fund
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For the period from 16 September 2024 to 31 December 2024

(Amounts in USD Dollars)

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Redeemable units

The Fund is open for subscriptions / redemptions with a “cutoff” Monday and Wednesday (each day a “Dealing Day”). The net asset value of the Fund’s portfolio is determined on Thursday and Sunday (each a “Valuation Day”). The net asset value of the Fund for the purpose of subscription / redemption of units is determined by dividing the net assets attributable to unitholders of the Fund (fair value of the Fund’s assets minus the Fund’s liabilities) by the total number of the Fund’s units outstanding on the relevant valuation day.

The subscription and redemption of redeemable units are accounted for as equity transactions as long as units are classified as equity.

The Fund classifies its redeemable units as an equity instrument if the redeemable units have all of the following features:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder’s rights to a pro rata shares of the Fund’s net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the Fund over the life of the instrument.

The subscription and related of redeemable units are accounted for as equity transactions as long as units are classified as equity.

4.9 Zakat / Taxation

Taxation/zakat is the obligation of the unitholders and therefore, no provision for such liability is made in these financial statements.

4.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, taxes and rebates.

4.11 Net gain or loss on financial assets at Fair Value through Profit or Loss (“FVTPL”)

Net gains or losses on financial assets at FVTPL are changes in the fair value of financial assets held for trading or designated upon initial recognition as at FVTPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of the prior period’s unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the weighted average cost method. They represent the difference between an instrument’s initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.12 Dividend income

Dividend income, if any is recognized in the statement of comprehensive income on the date on which the right to receive the payment for dividend is established. For quoted equity securities, this is usually the ex-dividend date. Dividend income from equity securities designated as at FVTPL, is recognized in the statement of comprehensive income in a separate line item.

4.13 Management fees

Management fee is calculated at rate mentioned in terms and conditions of the Fund and is payable quarterly in arrears.

4.14 Other expenses

Other expenses are charged at rates / amounts within limits mentioned in terms and conditions of the Equity Fund.

4.15 Net asset value per unit

The net asset value per unit as disclosed in the statement of financial position is calculated by dividing the net assets of the fund by the number of units outstanding at year end

5 MANAGEMENT FEE, ADMINISTRATION AND OTHER CHARGES

The Fund Manager charges the management fees for categories A, B and C at 0.8%, 1.75% and 0.5% per annum respectively of the net asset value of the Fund, calculated on a daily basis and payable on a quarterly basis. The Fund bears other expenses such as custodian fees of 0.015% as maximum per annum of the net asset value of the Fund and transaction fees of USD 8 as maximum per transaction.

6 CASH AND CASH EQUIVALENT

	<u>Notes</u>	<u>31 December 2024</u>
Cash in investment account	6.1	<u>5,375</u>
		<u>5,375</u>

6.1 Cash in investment account are held in investment account with Al-Bilad Capital. The Fund does not earn profit on these investment accounts.

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7 INVESTMENTS CARRIED AT FVPL

7.1 The Fund invests primarily in equity of listed Saudi companies. The market value of trading investment portfolio by sector wise is summarized as follows:

	31 December 2024
Sectors	
Mutual Funds	6,782,310
Total Market value	6,782,310
Total cost	7,576,353

7.2 The movement during the year is summarized as follows:

	2024
Carrying amount as at 1 January	-
Additions during the year	15,204,755
Sold during the year	(7,619,825)
Unrealized (loss)	(802,128)
Realized (loss)	(492)
Dividend income	-
Carrying amount as at the year end	6,782,310

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8 UNIT TRANSACTIONS

Transactions in units for the year are summarized as follows:

	For the period from 16 September 2024 to 31 December 2024
Units at the beginning of the year	-
Units issued during the year	
Class A	400,000
Class B	7,541
Class C	350,640
	<u>758,181</u>
Units redeemed during the year	
Class A	
Class B	
Class C	
	<u> </u>
Net change in units	<u>758,181</u>
Units at the end of the year	<u>758,181</u>

9 NET (LOSS) FROM INVESTMENTS CARRIED AT FVTPL

	For the period from 16 September 2024 to 31 December 2024
Realized (loss) on disposal of investments	(492)
Unrealized (loss) from revaluation of investments	(802,128)
	<u>(802,620)</u>

10 OTHER EXPENSES

	For the period from 16 September 2024 to 31 December 2024
	<u> </u>
Board of directors' fees	773
VAT expenses	3,853
Other expenses	12,178
	<u>16,804</u>

Notes

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11 TRANSACTIONS AND BALANCE WITH RELATED PARTY

Related parties of the Fund include “GIB Capital” being the Fund Manager, (GIB Bank being the shareholder of GIB Capital) and Board of Directors.

In the ordinary course of its activities, the Fund transacts business with related parties. All related party transactions are approved by the Fund Board of Director.

The significant related party transactions entered into by the Fund during the period and the balances resulting from such transactions are as follows:

Related Party	Nature of transactions	Amount of transaction during the year	Closing balance (Payable)
		2024	31-Dec-24
GIB Capital	Management fees	(16,601)	(14,529)
	Board of Directors Fees	(773)	(773)
	Accrued VAT*	(1,363)	(1,363)

*Accrued VAT to related party is included in the financial position under Accrued expenses.

12 FINANCIAL INSTRUMENTS BY CATEGORY

31 December 2024

Assets as per statement of financial position

	Amortized cost	FVTPL
Cash and cash equivalent	5,375	-
Investments carried at FVTPL	-	6,782,310
Prepayments & other receivables	186	-
Total	5,561	6,782,310

All financial liabilities as at 31 December 2024 were classified as financial liabilities carried at amortized cost.

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13 RISK MANAGEMENT

13.1 Financial risk factors

The objective of the Funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its Unit Holders and to ensure reasonable safety to the Unit Holders.

The Fund's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk.

The Fund Manager is responsible for identifying and controlling risks. The Fund Board supervises the Fund Manager and is ultimately responsible for the overall management of the Fund.

Monitoring and controlling risks is primarily set up to be performed based on the limits established by the Fund Board. The Fund has its Terms and Conditions document that set out its overall business strategies, its tolerance of risks and its general risk management philosophy and is obliged to take actions to rebalance the portfolio in line with the investment guidelines.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

(i) Price risk

Price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and commission rate movements.

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. The Fund Manager diversifies the investment portfolio and closely monitors the price movement of its investments in financial instruments. As of the statement of financial position date, Fund has equity investments.

The effect on the net assets value (as a result of the change in the fair value of investments as at 31 December 2024 due to a reasonably possible change in equity indices based on the industry concentration, with all other variables held constants is as follows:

	31 December 2024	
	Potential reasonable change %	Effect on NAV
Mutual funds	1%	67,823

(ii) Commission rate risk

Commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates.

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13 RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund is exposed to credit risk for its cash and cash equivalent and receivables. Bank balances are deposited in investment account in Albilad Capital which is Bank with good financial rating.

The following table shows the Fund's maximum exposure to credit risk for components of the statement of financial position.

	<u>31 December 2024</u>
Cash and cash equivalent	5,375

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund's terms and conditions provide for subscription and redemption of units on Sunday and Tuesday, therefore, exposed to the liquidity risk of meeting unitholder redemptions on these days. The Fund's financial liabilities primarily consist of payables which are expected to be settled within one month from the statement of financial position date.

The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any commitments as they arise, either through new subscriptions, liquidation of the investment portfolio or by taking short term loans from the Fund Manager.

The expected maturity of the assets and liabilities of the Fund is less than 12 months.

13.2 Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities either internally or externally at the Fund's service provider and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to unitholders.

13.3 Capital risk Management

The capital of the Fund is represented by the equity attributable to holders of redeemable units. The amount of equity attributable to holders of redeemable units can change significantly on each Valuation Day, as the Fund is subject to subscriptions and redemptions at the discretion of unitholders on every Valuation Day, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other unitholders and maintain a strong capital base to support the development of the investment activities of the Fund.

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14 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales was reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying value less impairment provision of financial instruments carried at amortized cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equity and debt instruments. The Fund does not adjust the quoted price for these instruments.

Fund classifies all of its financial assets except for those carried at amortized cost, at fair value as level 1.

15 SUBSEQUENT EVENTS

As of the date of approval of these financial statements, there have been no significant subsequent events requiring disclosure to or adjustment in these financial statements

16 LAST VALUATION DAY

The last valuation day of the year was 31 December 2024.

17 APPROVALS OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Fund Manager on 26 February 2025 (corresponding to 27 Sha'ban 1446H)