

Annex 3

a. Investment Fund Information

1) Name of Investment Fund

Kamco Saudi Equity Fund

2) Investment Objectives & policies

Kamco Saudi Equity Fund is an open-ended investment fund which invests primarily in shares of listed companies and in IPOs on the Saudi Stock Market to achieve long term capital growth.

Fund Manager depends on research and recommendations of its research team in making investment decisions and to evaluate the economic conditions and capital markets, to manage the Fund at a high level of efficiency and professionalism.

Fund shall invest at least 80% of its Net Asset Value (NAV) in shares of listed companies and IPOs and not more than 10% of the NAV can be invested in shares of a single company. In case the market value of a listed company exceeds 10% of the total market capitalization of companies listed on the Saudi Stock Exchange, the Fund Manager can increase the investment proportion in the company to the percentage represented by the company in the mentioned market capitalization. Fund plans to diversify its investment over different sectors, without any intention to concentrate in a single or more sectors. Fund Manager aims to make diversified investments into sectors and companies based on its view of risk-adjusted return expectations and assessment of the investment opportunity.

3) Distribution of Income and Gain Policy

Dividends and/or income are reinvested in the Fund and are not paid out or distributed to unitholders.

4) Fund's reports shall be made available upon request "Free of Charge".

5) Fund's Benchmark: S&P Saudi Arabia Domestic Price Index.

b. Fund Performance

1. Last three (3) financial years

| Year | (A) Net Asset Value (SAR) | (B) Net Asset Value per Unit (SAR) | | (D) No. of Units | (F) Expense Ratio % |
|------|---------------------------|------------------------------------|-------------------|------------------|---------------------|
| | | End | (C)High (C)Low | | |
| 2024 | 1,091,244,116.54 | 499.2801 | 512.5773 452.5466 | 2,185,635.0642 | 1.34% |
| 2023 | 998,701,517.09 | 450.5278 | 450.5278 364.6098 | 2,216,736.9442 | 1.32% |
| 2022 | 854,411,647.35 | 385.4143 | 480.7790 366.8504 | 2,216,865.26 | 1.43% |

E) Income Distribution per unit: Not Applicable.

G) Percentage of borrowed assets from the total asset value, the period of their exposure period and due date: Not Applicable.

H) Fund performance Vs Benchmark performance:

| Year | 2024 | 2023 | 2022 |
|-----------------|--------|--------|--------|
| CI A | 9.50% | 15.59% | -4.62% |
| CI B | 10.77% | 16.93% | -3.52% |
| S&P Saudi Arabi | -0.04% | 14.21% | -7.12% |

2. A performance record that covers the following:
2.a) Total return for 1yr, 3yrs and 5yrs

| Years | 1 year | 3 Years | 5 Years |
|------------------|--------|---------|---------|
| Returns % - CI A | 9.50% | 20.72% | 67.92% |
| Returns % - CI B | 10.77% | 24.96% | 77.77% |

2.b) Annual total return for last 10 years

| Years | Annual Returns % |
|-------|------------------|
| 2024 | CI A – 9.50% |
| | CI B – 10.77% |
| 2023 | CI A – 15.59% |
| | CI B – 16.93% |
| 2022 | CI A – -4.62% |
| | CI B – -3.52% |
| 2021 | CI A – 28.60% |
| | CI B – 30.09% |
| 2020 | CI A – 8.16% |
| | CI B – 9.36% |
| 2019 | 10.01% |
| 2018 | 15.71% |
| 2017 | 5.82% |
| 2016 | -1.85% |
| 2015 | -10.62% |
| 2014 | 13.82% |

2.c) Fund Fees and Expenses

| Year | 2024 |
|--|-------------------|
| Management Fees | 8,124,308 |
| Administration Fees | 1,387,667 |
| Custody Fees | 389,206 |
| Audit Fees | 55,000 |
| Director Fees | 15,000 |
| CMA Fees | 7,500 |
| Tadawul Fees -CL A | 5,000 |
| Tadawul Fees -CL B | 5,000 |
| Other Expenses (Incl Transaction Cost) | 2,859,755 |
| VAT Expenses | 1,498,825 |
| Total | 14,347,261 |
| <i>Expense Ratio</i> | <i>1.34 %</i> |

2.d) The bases for calculating performance data and any assumption made are applied consistently.
3. Material Changes

Not Applicable.

4. Exercise of Voting Rights

During 2024, the Fund Manager exercised voting for the following companies in the Fund.

| # | Name of Issuer | Date of General Assembly | Subject of the Vote | Decision |
|---|-------------------------|--------------------------|---|----------|
| 1 | The Saudi National Bank | 11/01/2024 | Vote on the Board's resolution to appoint Mr. Naif Safouq AlMarshed (Non-Executive) board member to complete the Board term | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on the amendments of the Board Nomination Policy, Criteria and Procedures | Yes |
| | | | Voting on the amendments of the Nomination and Remuneration Committee charter | Yes |
| | | | Voting on the amendments of the Audit Committee Charter | Yes |
| | | | Voting on the amendments of the senior management remuneration policy | Yes |
| 2 | Seera Group Holding | 11/01/2024 | Vote on electing the members of the Board of Directors from among the candidates for the next session, which starts from 29/03/2024 AD and lasts for four years | Abstain |
| 3 | Al Rajhi Bank | 24/03/2024 | Vote on Auditors' report for the FY 2023 | Yes |

| | | | | |
|---|------------|------------|---|---------|
| | | | Vote on the Board of Directors' decision to distribute cash dividends for the second half of FY 2023 at SAR 1.15 per share | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on the remunerations and compensations to the Members of Audit Committee for the FY 2023 | Abstain |
| | | | Vote on amending the Charter of Board Audit Committee | Yes |
| | | | Vote on amending the Bank's Bylaws in accordance with the new Companies Law | Yes |
| | | | Vote on amending the Policy for Remuneration and Compensation of Board, Board Committees, Audit Committee Members and Executive Management | Yes |
| | | | Vote on amending the Board of Directors Nomination and Membership Policy | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| 4 | Riyad Bank | 24/03/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on the Board of Directors' decision to distribute cash dividends for the second half of FY 2023 at SAR 0.75 per share | Yes |
| | | | Vote on amending the policy Remuneration for Board Members, Committees and Senior Management Officers | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |

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| 5 | Advanced Petrochemical Co. | 29/03/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on the amendment of the Article (6), (9), (11), (16), (19), (20), (21), (22), (26), (27), (31), (35), (39), (40), (41), (44), (45) and (46) of the company's bylaws | Yes |
| | | | Vote on adding an article to the company's bylaws numbered (40) related to Creation of Reserves | Yes |
| | | | Vote on the amendment of the Article (46) of the company's bylaws, related to Distribution of Profits | Yes |
| | | | Vote on the amendment of the company's bylaws to comply with the new Companies Law | Yes |
| | | | Vote on the amendment to the Policies, Standards & Procedures for the Membership of the Board of Directors | Yes |
| | | | Vote on transferring the statutory reserve amount of SAR 481,897,492.56 to the retained earnings account | Yes |
| 6 | Almarai Co. | 02/04/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on the Board of Directors' decision to distribute cash dividends for the FY 2023 at SAR 1.00 per share | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| Vote on related party transactions | Abstain | | | |
| Vote on related party transactions | Abstain | | | |

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| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on the Company's purchase of up to a maximum of 10 million shares with a view to allocating them to the employees of the company within the employee equity program | Yes |
| | | | Vote on the amendment of the company's bylaws to comply with the new Companies Law | Yes |
| | | | Vote on amendment of the Audit Committee Charter | Yes |
| 7 | Saudi Electricity Co. | 16/04/2024 | Vote on transferring the balance of the statutory reserve amounting to SAR 7,105,975,171 to retained earnings | Yes |
| | | | Vote on transferring the balance of the general reserve amounting to SAR 702,343,122 to retained earnings | Yes |
| | | | Vote on amending the Remuneration Policy for Members the Board, its Committees, and the Executive Management | Yes |
| 8 | Arriyadh Development Co. | 23/04/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on the Board of Directors' decision to distribute cash dividends for the second half of FY 2023 at SAR 0.25 per share | Yes |
| | | | Vote on the Board of Directors' decision to appoint Mr. Abdul Rahman bin Ayed Al-Qahtani as a non-executive member of the Board of Directors to complete the Board's session | Yes |
| 9 | Alinma Bank | 23/04/2024 | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on the amendments of the Controls, standards and Procedures of Nomination to the Membership of the Board of Directors | Yes |
| | | | Vote on the amendments of the Remuneration policy for Board of Directors, Its Committees and Senior Management | Yes |
| | | | Vote on the Board of Directors' recommendation to increase the capital by capitalization from the retained earnings by | Yes |

| | | | | |
|----|-------------------|------------|---|---------|
| | | | way of granting one share for every four shares | |
| | | | Vote on the amendment of the Article (4), (14), (17), (18), (20), (21), (22), (24), (26), (29), (39), (40), (42), (46) and (49) of the company's bylaws | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) and (2) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on related party transactions | Abstain |
| 10 | Saudi Awwal Bank | 25/04/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on amending the Audit Committee Terms of Reference | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on the Board of Directors' decision to distribute cash dividends for the second half of FY 2023 at SAR 0.98 per share | Yes |
| | | | Vote on the bank's shares buy-back, with a maximum of 4,700,000 shares, to be allocated to the Employee Stock Incentive Plan | Yes |
| | | | Vote on amending the Selection Policy for Board and Committee Members | Yes |
| | | | Vote on amending the Nomination and Remuneration Committee Terms of Reference | Yes |
| | | | Vote on amending the Remuneration Policy for Board Directors, Committee Members & Executive Management | Yes |
| 11 | Saudi Telecom Co. | 25/04/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote on the Board of Directors recommendation for the special one-time dividend distributions for the year 2023 at SAR 1.00 per share | Yes |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| 12 | | 28/04/2024 | Vote on Auditors' report for the FY 2023 | Yes |

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|----|------------------------------|------------|--|---------|
| | SABIC Agri-Nutrients Co. | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on amendment of Board Membership Policy | Yes |
| | | | Vote on amendment of Remuneration Policy of Board Members, Committee Members and Senior Executives | Yes |
| | | | Vote on amendment of Audit Committee Charter | Yes |
| | | | Vote on amendment of Remuneration and Nomination Committee Charter | Yes |
| | | | Vote on the amendment of the Article (3), (20), (22) and (48) of the company's bylaws | Yes |
| | | | Vote on the amendment of the company's bylaws to comply with the new Companies Law | Yes |
| | | | Vote on transferring Statutory Reserve balance amount of SAR 1,428,106,212 to Retained Earnings | Yes |
| 13 | Saudi Basic Industries Corp. | 29/04/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on the Board resolution to appoint Dr. Faisal Mohammed Al-Faqeer as a Non-Executive Director in the Board to complete the current board term | Yes |
| | | | Vote on the Board resolution appointing Mr. Ralph Wetzels as a Non-Executive Director Member of the Audit Committee to complete the current Committee term | Yes |
| | | | Vote on amending Nominations and Remuneration Committee charter | Yes |
| | | | Vote on amending Audit Committee charter | Yes |
| | | | Vote on amending Remuneration Policy of Board Members, Committee Members and Executive Management | Yes |
| | | | Vote on amending Board Membership Policy | Yes |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| 14 | The Saudi National Bank | 01/05/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Audit Committee members for the FY 2023 | Abstain |
| | | | Vote on the Board of Directors' decision to distribute cash dividends for the second half of FY 2023 at SAR 0.90 per share | Yes |

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|----|------------------------------------|------------|---|---------|
| | | | Vote on amending the Annual Remuneration and Compensation Policy for Members of The Board and Board Committees | Yes |
| | | | Vote on the amendment of the company's bylaws to comply with the new Companies Law | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on electing the members of the Board of Directors from among the candidates for the next session, which starts from 15/05/2024 for a period of three years | Abstain |
| | | | Vote on the formation of the Audit Committee for the next session, which starts from 15/05/2024 for a period of three years | Abstain |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| 15 | Al Hassan Ghazi Ibrahim Shaker Co. | 19/05/2024 | Voting on the Board of Directors recommendation to increase the company's capital by way of issuing bonus shares | Yes |
| | | | Vote to amend Article No. (3) in the Company's Articles of Association related to the Company's purposes | Yes |
| | | | Vote on the amendment of the Audit Committee Bylaws | Yes |
| | | | Vote on the amendment of the Nomination and Remuneration Committee Bylaws | Yes |
| | | | Vote on the amendment of the remuneration policy for the members of the Board of Directors and the committees | Yes |
| | | | Vote on the amendment of the policy and criteria of membership of the Board of Directors | Yes |
| | | | Vote on transferring an amount of SAR 71,682,000 from statutory reserve to the retained earnings | Yes |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on related party transactions | Abstain |
| 16 | | 21/05/2024 | Vote on Auditors' report for the FY 2023 | Yes |

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| Sahara International Petrochemical Co. | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain | | |
| | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain | | |
| | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes | | |
| | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes | | |
| | | Vote on transferring an amount of SAR 2,089,149,000 from statutory reserve to the retained earnings . | Yes | | |
| | | Vote on extending the maximum period within which the Company may hold the treasury shares (8,211,341) for another period of 10 years | Yes | | |
| | | Vote on the amendment of the company's bylaws to comply with the new Companies Law | Yes | | |
| | | Vote on amending Article (3) and (23) of the company's bylaws | Yes | | |
| | | Vote on the amendment to the Audit Committee Charter | Yes | | |
| | | Vote on the amendment of the Remuneration and Nomination Committee Charter | Yes | | |
| | | Vote on the amendment to the Policy on Remuneration and Compensation of Board, Committees Members and Executives | Yes | | |
| | | Vote on the Business Standards Competition and Procedures | Yes | | |
| | 17 | Banque Saudi Fransi | 22/05/2024 | Vote on Auditors' report for the FY 2023 | Yes |
| | | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain | |
| | | | Vote on the Board of Directors' decision to distribute cash dividends for the second half of FY 2023 at SAR 1.00 per share | Yes | |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes | |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) and (2) of Article (27) of the Companies Law to the Board of Directors for one year | Yes | |
| | | | Vote on amending Board Nomination, Membership, Assessment and Succession Policy | Yes | |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes | |
| | | | Vote on amending Audit Committee Charter | Yes | |
| | | | Vote on amending Remuneration and Compensation Policy for Board and Board Committees | Yes | |
| | | | Vote on amending Corporate Social Responsibility Policy | Yes | |
| | | | Vote on the Remuneration Policy for Senior Management | Yes | |
| | | | Vote on the Employees' Shares plans and purchase by Bank of a number of its shares with a maximum of 2,864,388 shares | Yes | |
| | | | Vote on related party transactions | Abstain | |
| | | | Vote on related party transactions | Abstain | |
| | | | Vote on related party transactions | Abstain | |

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| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| 18 | Riyad Bank | 29/05/2024 | Vote on amending the Nomination and Selection Policy for Membership of the Board of Directors and its Committees | Yes |
| | | | Vote on amending the Nominations and Remuneration Committee Regulation | Yes |
| | | | Vote on amending the Audit Committee Regulation | Yes |
| | | | Vote on the amendment of the company's bylaws to comply with the new Companies Law | Yes |
| 19 | Seera Group Holding | 30/05/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on the Company's purchase of a number of its shares, with a maximum of 26,443,812 shares and keeping them as treasury shares | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| 20 | Jahez International Company | 12/06/2024 | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on related party transactions | Abstain |
| 21 | Walaa Cooperative Insurance Co. | 25/06/2024 | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
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| | | | Vote on related party transactions | Abstain |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| 22 | Retal Urban Development Co. | 27/06/2024 | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) and (2) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on amending the company's Corporate Governance | Yes |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |
| | | | Vote on Long-Term Employee Incentives Program and purchase of a maximum of 2,000,000 of its shares for the purpose | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| 23 | Dar Alarkan Real Estate Development Co. | 27/06/2024 | Vote on Board of Directors report for the FY 2023 | Yes |
| | | | Vote on Financial Statements for the FY 2023 | Yes |
| | | | Vote on Auditors' report for the FY 2023 | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote to discharge the members of the Board of Directors from their liabilities for the FY 2023 | Abstain |
| | | | Vote on disbursement of remuneration to the Board members for the FY 2023 | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on authorizing the Board of Directors to distribute interim dividends semi-annually or quarterly for the FY 2024 | Yes |

| | | | | |
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| | | | Vote on the amendment of the policies, standards and procedures of membership in the board of directors | Yes |
| | | | Vote on the amendment of the company's bylaws to comply with the new Companies Law | Yes |
| | | | Vote on the amendment of the charter of the audit committee | Yes |
| | | | Vote on the amendment of the charter of the Remuneration and Nominations Committee | Yes |
| | | | Vote on the amendment of Remunerations Regulation for Members of the Board of Directors, Committees Emanating from the Board and Executive Management | Yes |
| | | | Voting on the competition standards | Yes |
| 24 | Saudi Telecom Co. | 24/07/2024 | Vote on electing the members of the Board of Directors from among the candidates for the next session, which starts from 25/07/2024 for a period of four years | Abstain |
| | | | Vote on business and contracts between Saudi Telecom Company (stc) and Public Investment Fund (PIF) which is an agreement for PIF to acquire 51% of the shares of Telecommunications Towers Company (TAWAL) for a cash consideration amounted to SAR 8.7 billion | Yes |
| | | | Voting on Competing Standards Charter | Yes |
| | | | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| 25 | Mouwasat Medical Services Co. | 25/11/2024 | Vote on the amendment of Article (15) of the Company's Bylaw | Yes |
| | | | Vote on election of a board member for the vacant seat from among the candidates for the current session, which started from 04/01/2023 for a period of three years | Abstain |
| 26 | Saudi Arabian Mining Co. | 11/12/2024 | Vote on increasing Ma'aden's share capital from SAR 36,917,734,380 to SAR 38,027,858,710, which represents a 3.01% increase in the current share capital of Ma'aden for the purpose of acquiring 100% of the shares owned by Mosaic Phosphates B.V. in Ma'aden Wa'ad Al Shamal Phosphate Company | Yes |
| | | | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |
| | | | Vote on related party transactions | Abstain |
| | | | Vote on Board of Directors Nomination Policy, Standards and Procedures | Yes |
| | | | Vote on Standards & Controls for Competing Businesses | Yes |
| 27 | Middle East Specialized Cables Co. | 12/12/2024 | Vote on delegating the Ordinary General Assembly authorization powers stipulated in Paragraph (1) of Article (27) of the Companies Law to the Board of Directors for one year | Yes |
| | | | Vote on transferring the company's entire statutory reserve to retained earnings | Yes |
| | | | Vote on the amendment of Article (3), (16), (19), (20), (21), (23) and (41) of the Company's Articles of Association | Yes |
| 28 | Arabian Internet and Communications Services Co. | 18/12/2024 | Vote on appointment of the Company's auditor from among the Candidates based on the Audit Committee's recommendation | Yes |

| | | | | |
|----|-----------------------------|------------|--|---------|
| | | | Vote on amending the Nomination & Remuneration Policy for Member of the Board, Committees & Executive Management | Yes |
| | | | Vote on amending the Nomination & Remuneration Committee Charter | Yes |
| | | | Vote on amending the Audit Committee charter | Yes |
| 29 | Saudi Steel Pipe Co. | 18/12/2024 | Vote on the amendment of the company's bylaws to comply with the new Companies Law | Yes |
| 30 | Almasane Alkobra Mining Co. | 26/12/2024 | Vote on the election of the members of the Board of Directors among the candidates for the next session, which starts from 09/01/2025 for a period of four years | Abstain |
| | | | Vote on the amendment of the Corporate Governance Manual. | Yes |
| | | | Vote on amendment of the Audit Committee work regulations | Yes |
| | | | Vote on the amendment of the Remuneration and Nominations Committee work regulations | Yes |

5. Fund Board Members and Meetings:

a) Names of Fund Board members and indicating membership type:

- Mr. Mohammad Abdullah Al-Jebreen (Chairman of the Fund's Board of Directors - Non-Independent).
- Mr. Tariq Zaid bin Abdulaziz Al-Fayyad (Independent Member).
- Mr. Saleh Abdulhadi Al-Qahtani (Independent Member).

b) A brief about of the fund board members' qualifications:

- Mr. Mohammad Abdullah Al- Jebreen: He is currently the Assistant Vice President of Wealth Management at KAMCO Investment Company. Mr. Mohammad has more than 20 years of practical experience in the banking sector and the financial markets. He also holds a bachelor's degree in business administration with a major in Marketing from King Saud University. Mr. Mohammed held many positions, including managing major branches and private banking centers in Riyadh Bank for major clients before joining KAMCO Investment Company, where Mr. Mohammed was working as Vice President of A&B Branch Manager (Olaya Branch), which is considered one of the largest main branches of the bank in the Kingdom of Saudi Arabia.
- Mr. Tariq Zaid Al-Fayyad: He is currently the Executive Director of the Board of Directors of Sheikh Saleh Abdulaziz Al-Rajhi, Vice-Chairman of the Investment Committee of the Charitable Society for the Memorization of the Holy Qur'an in Riyadh, Member of the Board of Directors for Import Development at the Charitable Society for the Memorization of the Holy Qur'an in Riyadh, and Vice-Chairman of the Board of Directors Charitable Engineering Services. In addition to his membership in the Saudi Society for Science and Urbanism, and his membership in the Islamic Press Advocacy Foundation. He has long experience in the business sector, project management and development consultancy, and is the owner and manager of (Al Fayyad Consulting Engineers) office. Previously, he worked as an urban planning and distribution engineer at the Ministry of Municipal and Rural Affairs, in addition to his work as a project manager or consultant for several projects in different regions of the Kingdom. He holds a bachelor's degree in urban planning and design from the College of Architecture and Planning at King Saud University, in addition to a bachelor's degree in Sharia sciences from Imam Muhammad bin Saud Islamic University, and a master's degree in business administration from the Arab Academy for Science and Technology.
- Mr. Salah Abdulhadi Al-Qahtani holds a bachelor's degree in business administration from the University of Houston - Texas, USA, and is currently the Vice Chairman of the Abdulhadi Abdullah Al-Qahtani & Sons Group of Companies.

c) Description of the roles and responsibilities of the Fund Board:

- Approval of all contracts, decisions, and essential reports to which the Fund is a party.
- Adopting a written policy regarding voting rights related to the Fund's assets.
- Supervising, and when appropriate, approving or approving any conflict of interest disclosed by the fund manager in accordance with the Investment Funds Regulations.
- Meeting at least twice annually with the compliance officer (the Compliance and Compliance Committee) at the fund manager and his Money Laundering and Terrorist Financing Reporting Officer, to ensure that the fund manager complies with all applicable rules and regulations.

- Approval of all changes (basic and non-essential) before the fund manager obtains the approval or notification of the unit owners and the authority.
 - Ensuring the completeness and accuracy of the terms and conditions of the fund and any other document that includes disclosures related to the fund, the fund manager and its management of the fund, and their compliance with the investment funds regulations.
 - Ensuring that the fund manager carries out his responsibilities in a manner that serves the interest of the unit holders in accordance with the terms and conditions of the fund, and the provisions of the investment funds regulations.
 - Reviewing the report that includes evaluating the performance and quality of services provided by the parties concerned with providing essential services to the fund to ensure that the fund manager fulfills his responsibilities in the interest of unit holders in accordance with the terms and conditions of the fund and the investment funds regulations.
 - Evaluate the fund manager's handling of risks related to the fund's assets in accordance with the fund manager's policies and procedures regarding monitoring risks related to the fund and how to deal with them.
 - Act with honesty, good faith, interest, skill, care, and diligence in the interest of the investment fund and its unit holders.
 - Recording the minutes of the meetings that show all the minutes of the meetings and the decisions taken by the Board.
 - Reviewing the report that includes all complaints and the measures taken against them, to ensure that the fund manager is carrying out his responsibilities in a way that serves the interests of unit holders in accordance with the terms and conditions of the fund and the investment funds regulations.
- d) Details on the remuneration of fund board members:**

Each of the independent board members shall receive a remuneration of (5,000) Saudi riyals for each meeting of the fund's board of directors, and a maximum of 40,000 Saudi riyals per year for the two independent members.

In addition, each independent member receives a maximum of 1,500 Saudi riyals to cover travel and accommodation expenses for each meeting.

- e) There are no conflict or potential conflict of interest between the interests of a fund board member and the interests of the fund. and in the event of any potential conflict of interest, a fund board member shall not have the right to vote on any decision taken by the fund manager regarding any matter in which a fund board member has any direct or indirect interest and any such benefits shall be disclosed to the fund board.**
- f) Only one of the Board members of KAMCO Saudi Equity Fund is a member in other fund boards managed by the fund manager.**
- g) Topics discussed and issued resolutions, as well as the fund performance and fund achievement of its objectives:**

I. Held on March 19, 2024 (No. 01/2024)

Topics Discussed

- **Attendance and Approval of Previous Minutes:**
 - The meeting was held virtually, and the attendance of board members and invitees was recorded.
 - The board approved the minutes of the previous meeting held on August 1, 2023.
- **Approval of Previous Decisions:**
The board ratified several decisions made between the last meeting and the current one, including:
 - Decision 1: Approval of rules for collecting Zakat (Islamic tax) from investment funds.
 - Decision 2: Approval of changing the benchmark index for the KAMCO Saudi Equity Fund.
 - Decision 3: Authorization for Mr. Hussein Taker (Fund Manager) to manage subscriptions for IPOs and offerings in Saudi equities.
- **Fund Performance Review:**
The board reviewed the annual performance report of the KAMCO Saudi Equity Fund for 2023.

Key Highlights:

The fund achieved a return of 16.93% (Class A) and 15.59% (Class B), outperforming the benchmark index.

 - **Market Conditions:**
 - The year 2023 was challenging due to rising inflation and interest rate pressures, which negatively impacted market sentiment in the first half of the year.
 - However, market sentiment improved in the second half, driven by the implementation of Vision 2030 projects, which boosted small and mid-cap stocks.

- The MSCI SMID Index rose by 25% in 2023, and foreign participation increased in the fourth quarter.
 - **Challenges:**
 - Bank earnings were under pressure due to narrowing interest margins, and petrochemical companies faced margin pressures in the second half of the year.
 - Collective earnings for all companies are expected to decline by 20% in 2023 due to market valuations trading at a premium compared to historical averages.
 - **Fund Strategy:**
 - The fund focused on investing in companies with strong operations and solid balance sheets, which contributed to its outperformance.
 - The fund maintained a high cash position by the end of the year, reflecting cautious market sentiment.
- **Financial Statements:**
 - The board reviewed the audited financial statements of the KAMCO Saudi Equity Fund as of December 31, 2023.
 - **Key Points:**
 - The external auditor raised no reservations regarding the financial statements.
 - The financial statements were approved for publication on the company's website and the Tadawul platform.
- **Future Meeting Schedule:**
 - Tentative dates for future board meetings were set:
 - Meeting 2024/02: July 30, 2024, at 1:00 PM.
 - Meeting 2025/01: March 18, 2025, at 1:00 PM.
 - The date for the 2025 meeting may be adjusted due to potential scheduling conflicts with the Fund Manager, Mr. Hussein Taker.
- **Independence of Board Members:**
 - Ms. Munira Al-Obaid confirmed the independence of the independent board members, as the independent members confirmed that there is no contractual relationship between them and the company or any of its subsidiaries. They also confirmed that there is no conflict of interest between the members and the company.
- **External Service Providers:**
 - The board reviewed the performance and quality of services provided by external parties.
 - Members expressed satisfaction with the services provided by external service providers.
- **Annual Fund Report:**
 - The board reviewed the annual fund report, prepared in accordance with the Investment Fund Regulations (Appendix No. 3).
 - The report will be published on the Tadawul platform and the company's website.
- **Compliance and Anti-Money Laundering:**
 - **Updates on Compliance:**
 - A new Zakat requirement imposed by the Capital Market Authority (CMA) and the Zakat, Tax, and Customs Authority was discussed.
 - The requirement has been added to the fund's terms and conditions after board approval.
 - **No Violations:**
 - No violations or irregularities were reported by the CMA or the fund's compliance team.
 - Daily monitoring of fund activities continues to ensure compliance.
 - **Audit of Board Records:**
 - The compliance team conducted an audit of the board's records in accordance with CMA regulations, and no issues were identified.
- **Other Topics:**
 - **Zakat and Tax Advisory Services:**
 - The company, as the fund manager, held several meetings with tax advisory firms (PMG, Ernst & Young, PWC) regarding Zakat and tax matters.
 - Dr. Sultan Consulting Services was selected for Zakat filing for the 2023 fiscal year at a cost of 7,000 SAR.
 - For the 2024 fiscal year, the company will compare proposals from KPMG, Ernst & Young, and PWC to select the most suitable advisor.
 - The board recommended appointing the same advisor for both Zakat and other financial matters to maintain consistency.
 - **Audit Services:**
 - KPMG has been the fund's auditor since 2017, but their contract ends after the 2023 audit.
 - KPMG warned of potential fee increases starting in 2024.
 - Ernst & Young (EY) offered to continue as the auditor at the current rate of 55,000 SAR (excluding VAT) for the next three years (2024-2026).
 - The board will decide whether to approve EY's proposal or seek alternative options.

- **Custody Fees Reduction:**
 - The board approved a reduction in custody fees to 3.5 basis points.
 - This change will be implemented after notifying the CMA and unit holders, and it will be announced on the Tadawul platform and the company's website.

II. Held on July 30, 2024 (No. 02/2024)

Topics Discussed

- **Approval of Previous Meeting Minutes**
 - The board approved the minutes of the **previous meeting** (Meeting No. 2024/01) held on **March 19, 2024**
- **Approval of Board Decisions During the Interim Period**
 - The board ratified decisions made between the last meeting and the current one, including:
 - Approval of **non-material changes** to the **KAMCO Saudi Equity Fund**, such as appointing **Ernst & Young (EY)** as the external auditor for the fund for **2024**.
- **Follow-Up on Board Recommendations and Requests**
 - The board followed up on recommendations from the previous meeting regarding the appointment of a **Zakat and tax advisor**.
 - The fund management recommended appointing the same advisor for both Zakat and other financial matters to maintain consistency.
 - **PwC (PricewaterhouseCoopers)** was appointed as the **Zakat and tax advisor** for the fund for **2024**.
- **Review of Fund Performance**

The board reviewed the **semi-annual performance report** of the **KAMCO Saudi Equity Fund** for the first half of **2024**.

 - **Key Highlights:**
 - The fund outperformed its benchmark index by **10%**, driven by the strategic decisions made at the end of **2023**.
 - The fund utilized its **higher cash reserves** to make opportunistic purchases before the market downturn in **June 2024**.
 - The **KAMCO Saudi Equity Fund** ranked **#1** among traditional funds with assets under management exceeding **300 million SAR** as of **June 2024**.
- **Approval of Financial Statements**

The board reviewed the **audited financial statements** of the **KAMCO Saudi Equity Fund** as of **June 30, 2024**.

 - **Key Points:**
 - The external auditor raised **no reservations** regarding the financial statements.
 - The financial statements were approved for publication on the company's website and the **Tadawul** platform.
- **Schedule of Future Meetings**

Tentative dates for future board meetings were set:

 - **Meeting 2025/01:** March 18, 2025, at 3:00 PM.
 - **Meeting 2025/02:** July 29, 2025, at 1:00 PM.
- **Compliance and Anti-Money Laundering**
 - **Updates on Compliance:**
 - No new requirements were issued by the **Capital Market Authority (CMA)**.
 - No violations or irregularities were reported by the **CMA** or the fund's compliance team since the last meeting.
 - **Audit of Board Records:**
 - The compliance team conducted an audit of the board's records in accordance with **CMA regulations**, and no issues were identified.
 - **Compliance Monitoring Program:**
 - Ms. Munira Al-Obaid presented the fund's **compliance monitoring program**, which continues to ensure adherence to regulatory requirements.

C. Fund Manager
1) Name and address of the fund manager

Kamco Investment Company S.C.S.C
 P.O. Box 66930
 Riyadh 11586
 Kingdom of Saudi Arabia

2) Names and addresses of sub-manager and/or investment adviser (if any)

Not applicable

3) Review of Investment Activities

At Kamco Invest (Saudi), investment decision making is fundamental research driven process in order to generate higher risk-adjusted returns for unitholders. As an investment strategy, the Fund Manager uses a top-down economic and sector overlay along with bottom-up company analysis.

2023 was a year of 2 halves. Tadawul started the year on a weaker footing with high inflation putting upward pressure on Fed rates and the spill over of the US bank crisis on the Saudi markets. However, post Q1, market sentiment started to charge up with Vision 2030 project execution that led to a significant jump in small and midcap stock prices with the MSCI SMID up c.25% during 2023. This led to increased market turnover with higher foreign participation in Q4. Prospects of weaker earnings momentum from Banks, due to pressure on NIMs, and Petrochemicals and other Material companies, due to margin compression, during 2H 2023 weighed on investor appetite for the space. As a result, collective earnings of all companies are expected to drop 20% in 2023.

Market valuations trade at a premium compared to the historical average in anticipation of higher domestic economic activity in lieu of different market reforms and project executions. The Fund is positioned opportunistically with investment in companies supported by strong operations and a healthy balance sheet.

4) Fund Performance

Kamco Saudi Equity Fund had a return of 9.50% (Class A) and 10.76% (Class B) as of December 31, 2024 vis-a-vis -0.04% for the benchmark. The outperformance was above the industry average as the Fund focus remained on positioning alpha opportunities with emphasis on fundamental research amid challenging and volatile equity market conditions. Since inception, the Fund has delivered an annualized return of 10.23% (Class A) and 10.62% (Class B) vis-à-vis 5.91% for the benchmark for the corresponding period.

5) Material Changes on the T&C:

- Adding fees for the article of Zakat in compliance with the ministerial decision and the directives of the Capital Market Authority and Change the Custody fees for the Kamco Saudi Equity Fund from 0.05% to 0.035%, plus 15% value-added tax
- Appointing Ernst & Young as the fund's external auditor for the current year 2024, following the expiration of the fund's audit services contract with the present external auditor, KPMG Professional Consulting
- Appointing PwC as the Zakat Advisor for the purpose of calculating the Fund's Zakat for the current year 2024 AD, after the expiration of the Zakat Advisor services contract for the purpose of calculating the Fund's Zakat with the current Zakat Advisor, Sultan Mohammed Al Sultan & Partners Professional Consulting Company and Changing the Zakat Advisor fees from 7,000 Saudi Riyals to 13,000 Saudi Riyals, in addition to 15% value-added tax fees.

6) There was no other information that would enable unitholders to make an informed judgment about the fund's activities during 2024.
7) Kamco Saudi Equity Fund does not invest substantially in other investment funds.
8) There was no special commission received by the fund manager during 2024.
9) The Fund Manager believes there are no other data and other information required by the IFRs to be included in this report.

10) Period for the management of the person registered as fund manager

8 Years and 9 months.

11) A disclosure of the expense ratio of each underlying fund at end of the year and the weighted average expense ratio of all underlying funds that invested in:

Not Applicable.

d. Custodian**1) Name and address of custodian:**

HSBC Saudi Arabia
2nd Floor, HSBC Building, Olaya Road
7267 Olaya, Al Murooj,
Riyadh 12283-2255,
Kingdom of Saudi Arabia

2) Duties and responsibilities:

A custodian is a service provider to the Fund in line with article 22 to 29 of Investment Funds Regulations issued by the Capital Market Authority. Below are the brief responsibilities of the custodian:

- Opening of segregated accounts for the Fund in the name of the custodian for the benefit of Kamco Saudi Equity Fund.
- Safekeeping and periodic reconciliation of assets under custody
- Movements of Funds for Fund's investment and Operational purposes based on Fund Manager Instructions
- Settlements of trades after execution and handling corporate action in the Fund portfolio based on Fund Manager Instructions
- Providing periodic statements to the Fund's managers and the auditors.
- Complying with Client Money rules and Investment Account Instructions issued by the CMA.

e. Fund Operator**1) Name and address of Fund Operator:**

KAMCO Investment Company (Fund Manager), a closed joint stock company, commercial registration No. 1010245276
P.O. Box 66930
Riyadh 11586
Kingdom of Saudi Arabia

2) Duties & Responsibilities:

- The fund operator is responsible for evaluating the assets of the general fund. In doing so, the fund operator must make a full and fair evaluation.
- The fund operator must comply with the provisions of the Investment Funds Regulations regarding the valuation of public funds.
- The fund operator must keep books and records relating to the operation of all the funds it manages.
- The fund operator shall maintain, always, records of all issued and canceled units, and shall maintain an up-to-date record of the outstanding unit balance for each fund in the course of its operation.
- The fund operator must create a register of unit holders and keep it in the Kingdom. The fund operator must promptly update the unit holders' register to reflect changes in the information.
- The fund operator shall process subscription or redemption requests at the price calculated at the next evaluation point after the deadline for submitting subscription or redemption requests.

f. Auditor**1) Name and address of Auditor:**

Ernst & Young
Al Faisaliah Tower, Level 14
P.O. Box 2732, Riyadh 11461
Kingdom of Saudi Arabia.

g. Financial Statement:

The Financial statements for Kamco Saudi Equity Fund are prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
For the year ended 31 December 2024
together with the
Independent Auditor's Report to the Unitholders



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Head Office
Al Faisaliah Office Tower, 14th Floor
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Kingdom of Saudi Arabia

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of KAMCO Saudi Equity Fund (Managed by KAMCO Investment Company)

Opinion

We have audited the financial statements of KAMCO Saudi Equity Fund (the “Fund”) managed by KAMCO Investment Company (the “Fund Manager”), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in net assets (equity) attributable to the Unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

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 of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Fund for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants, the applicable provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority, and the Fund’s terms 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance is responsible for overseeing the Fund’s financial reporting process.

INDEPENDENT AUDITOR'S REPORT
To the Unitholders of KAMCO Saudi Equity Fund
(Managed by KAMCO Investment Company) (Continued)

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 the 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.



INDEPENDENT AUDITOR'S REPORT
To the Unitholders of KAMCO Saudi Equity Fund
(Managed by KAMCO Investment Company) (Continued)

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.

for Ernst & Young Professional Services


Abdullah A. Alshenaibir
Certified Public Accountant
License No. (583)



Riyadh: 25 Ramadan 1446H
(25 March 2025)

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(Saudi Arabian Riyals)

| | <i>Notes</i> | 31 December 2024 | 31 December 2023 |
|--|--------------|---------------------------------|------------------------|
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | 10 | 8,398,845 | 58,177,357 |
| Investments at fair value through profit or loss | 11 | 1,065,608,799 | 899,106,199 |
| Receivables from broker | 9 | 30,213,192 | 42,378,675 |
| TOTAL ASSETS | | <u>1,104,220,836</u> | <u>999,662,231</u> |
| <u>LIABILITIES</u> | | | |
| Payables to broker | 9 | 11,916,317 | - |
| Management fee payable | 12 | 799,656 | 728,693 |
| Accrued expenses and other current liabilities | | 260,746 | 232,021 |
| TOTAL LIABILITIES | | <u>12,976,719</u> | <u>960,715</u> |
| NET ASSETS EQUITY ATTRIBUTABLE TO THE UNITHOLDERS - TOTAL | | <u>1,091,244,117</u> | <u>998,701,516</u> |
| - Class A | | <u>10,260,852</u> | <u>22,773,774</u> |
| - Class B | | <u>1,080,983,265</u> | <u>975,927,742</u> |
| Units in issue (numbers) (Note 1): | | | |
| - Class A | | <u>21,745</u> | <u>52,847</u> |
| - Class B | | <u>2,163,890</u> | <u>2,163,890</u> |
| Net assets (equity) value per unit (Note 1): | | | |
| - Class A | | <u>471.8718</u> | <u>430.9376</u> |
| - Class B | | <u>499.5556</u> | <u>451.0062</u> |

The accompanying notes 1 to 19 form an integral part of these financial statements.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(Saudi Arabian Riyals)

| | <i>Notes</i> | 31 December 2024 | 31 December 2023 |
|--|--------------|-----------------------------|---------------------|
| <u>INCOME</u> | | | |
| Net gain from investments | <i>11.1</i> | 87,281,986 | 124,827,060 |
| Dividend income | | 33,840,788 | 31,501,803 |
| Other income | | - | 2,035 |
| Total income | | <u>121,122,774</u> | <u>156,330,898</u> |
| <u>EXPENSES</u> | | | |
| Management fee | <i>12</i> | 8,124,308 | 7,015,575 |
| Other expenses | <i>13</i> | 3,389,202 | 3,189,962 |
| Transaction costs | | 2,833,751 | 1,787,885 |
| Total expenses | | <u>14,347,261</u> | <u>11,993,422</u> |
| Profit for the year | | 106,775,513 | 144,337,476 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | <u>106,755,513</u> | <u>144,337,476</u> |

The accompanying notes 1 to 19 form an integral part of these financial statements.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
STATEMENT OF CHANGES IN NET ASSETS (EQUITY)
ATTRIBUTABLE TO THE UNITHOLDERS
For the year ended 31 December 2024
(Saudi Arabian Riyals)

| | 31 December 2024 | 31 December 2023 |
|---|-----------------------------|---------------------|
| Net assets (equity) attributable to the Unitholders at the beginning of the year | 998,701,516 | 854,411,647 |
| Total comprehensive income for the year: | | |
| Profit for the year | 106,755,513 | 144,337,476 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 106,755,513 | 144,337,476 |
| Subscriptions and redemptions by the Unitholders: | | |
| Value of Units issued during the year | | |
| - Class A | 104,478 | 16,914 |
| - Class B | - | - |
| | | 16,914 |
| Value of Units redeemed during the year | | |
| - Class A | (14,337,392) | (64,521) |
| - Class B | - | - |
| | (14,337,392) | (64,521) |
| Redemptions by the Unitholders, net | (14,232,914) | (47,607) |
| Net assets (equity) attributable to the Unitholders at the end of the year | <u>1,091,244,116</u> | <u>998,701,516</u> |

Units transactions (numbers):

Transactions in units for the year ended 31 December are summarised as follows:

| | (in Units) | |
|--|-----------------------------|---------------------|
| | 31 December 2024 | 31 December 2023 |
| Class A: | | |
| Units at the beginning of the year | 52,847 | 52,975 |
| Units issued during the year | 219 | 42 |
| Units redeemed during the year | (31,321) | (170) |
| Net change in units during the year | (31,102) | (128) |
| Units at end of the year | <u>21,745</u> | <u>52,847</u> |
| Class B: | | |
| Units at the beginning of the year | 2,163,890 | 2,163,890 |
| Units issued during the year | - | - |
| Units redeemed during the year | - | - |
| Net change in units during the year | - | - |
| Units at end of the year | <u>2,163,890</u> | <u>2,163,890</u> |

The accompanying notes 1 to 19 form an integral part of these financial statements.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(Saudi Arabian Riyals)

| | <i>Notes</i> | 31 December 2024 | <u>31 December 2023</u> |
|---|--------------|-----------------------------|-----------------------------|
| OPERATING ACTIVITIES | | | |
| Profit for the year | | 106,775,513 | 144,337,476 |
| <i>Adjustment to reconcile net income for the year to net cash generated from operating activities:</i> | | | |
| Net gain from investments | <i>11.1</i> | (87,281,986) | (124,827,060) |
| | | 19,493,527 | 19,510,416 |
| <i>Changes in operating assets and liabilities:</i> | | | |
| Purchase of investments at fair value through profit or loss | | (1,707,913,798) | (932,462,210) |
| Proceeds from sale of investments at fair value through profit or loss | | 1,628,693,184 | 978,146,070 |
| Decrease / (increase) in receivables from broker | | 12,165,483 | (18,670,944) |
| Increase / (decrease) in payables to broker | | 11,916,317 | (10,297,096) |
| Increase in management fee payable | | 70,963 | 92,522 |
| Increase / (decrease) in accrued expenses and other current liabilities | | 28,725 | (1,627) |
| Net cash (used in) / generated from operating activities | | (35,545,599) | 36,317,131 |
| FINANCING ACTIVITIES | | | |
| Receipt from subscription of units | | 104,478 | 16,914 |
| Payment against redemption of units | | (14,337,392) | (64,521) |
| Net cash used in financing activities | | (14,232,914) | (47,607) |
| Net (decrease) / increase in cash and cash equivalents | | (49,778,513) | 36,269,524 |
| Cash and cash equivalents at beginning of the year | | 58,177,357 | 21,907,833 |
| Cash and cash equivalents at the end of the year | <i>10</i> | 8,398,845 | 58,177,357 |

The accompanying notes 1 to 19 form an integral part of these financial statements.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. REPORTING ENTITY

KAMCO Saudi Equity Fund (the “Fund”) is an open-ended Saudi Riyal denominated investment fund created by agreement between KAMCO Investment Company (the “Fund Manager”) and investors (the “Unitholders”) in the Fund. The objective of the Fund is long-term capital growth through investment in equities traded on the Saudi Stock Market (“Tadawul”).

The Fund was established on 21 Dhul Qadah 1429H (corresponding to 19 November 2008) per approval from the Capital Market Authority (“CMA”) and commenced its operations on 28 January 2009. As approved by CMA, in response to letter No. T.N.264 dated 29 December 2019, the existing units in the Fund were converted to two different classes i.e. “Unit Class A” and “Unit Class B” effective from 9 January 2020.

The Fund appointed HSBC Securities Limited to act as its custodian, administrator and registrar. During 2010, the Fund transferred the responsibility of registrar and administration to the Fund Manager. HSBC Securities Limited continues to act as custodian of the Fund. The related fees are paid by the Fund.

Effective from 22 Shawwal 1441H (Corresponding to 14 June 2020), the name of the Fund was changed from Global Saudi Equity Fund to KAMCO Saudi Equity Fund, and the name of the Fund Manager was changed from Global Investment House Saudia to KAMCO Investment Company.

In dealing with the Unitholders, the Fund Manager considers the Fund as an independent accounting unit. Accordingly, the Fund Manager prepares separate financial statements for the Fund.

The Fund Manager’s registered address is as follows:

Mazaya Tower
King Saud Street
P.O Box 66930
Riyadh 11586
Kingdom of Saudi Arabia.

2. REGULATING AUTHORITY

The Fund is governed by the Investment Funds Regulations (the “Regulations”) issued by the CMA on 3 Dhul Hijja 1427H (corresponding to 24 December 2006) and amended by the CMA on 16 Sha’aban 1437H (corresponding to 23 May 2016), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations came into effect from 6 Safar 1438 H (corresponding to 6 November 2016).

The Regulation was further amended (the “Amended Regulations”) on 17 Rajab 1442 H (corresponding to 1 March 2021), detailing requirements for all funds within the Kingdom of Saudi Arabia. The Amended Regulations came into effect from 19 Ramadan 1442 H (corresponding to 1 May 2021). Accordingly, the Fund has amended their terms and conditions in accordance with the Amended Regulations.

3. SUBSCRIPTION / REDEMPTION OF UNITS

The Fund is open for subscriptions / redemptions with a cutoff time of 12:00 pm on Sunday and Tuesday (each a “Dealing Day”). The net assets attributable to the Unitholders of the Fund’s portfolio is published on Monday and Wednesday. The net assets attributable to the Unitholders of the Fund for the purpose of subscription / redemption of units is determined by dividing the net assets attributable to the 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 dealing day.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

4. BASIS OF ACCOUNTING

a) *Statement of compliance*

These financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and to comply with the applicable provisions of the Investment Funds Regulations issued by Capital Market Authority and the Fund’s Terms and Conditions.

b) *Basis of measurement*

These financial statements have been prepared on a historical cost basis, except for measurement of investments at fair value through profit or loss (“FVTPL”) at fair value, using the accrual basis of accounting and the going concern concept.

5. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements have been presented in SAR, which is also the functional and presentation currency of the Fund. All financial information presented has been rounded to the nearest SAR.

6. USE OF ESTIMATES AND JUDGMENTS

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Major areas where estimates or judgements made are significant to the Fund’s financial statements or where judgement was exercised in the application of accounting policies are as follows:

Use of Judgements

Assessment as an investment entity

Entities that meet the definition of an investment entity under IFRS are required to measure their investments at fair value through profit or loss rather than applying equity accounting method or consolidation. The criteria, which define an investment entity, is as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services.
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all its investments on a fair value basis.

The Fund’s investment proposal to the unit holders clearly states its objective of providing investment management services to investors, for the purpose of capital appreciation with a clearly documented exit strategy from the investment.

The Fund reports to its investors and to its management, the investment it manages on a fair value basis. The investment is reported at fair value to the extent allowed by accounting standards in the Fund’s annual financials. The Fund’s exit strategy for its investment is reviewed annually. Therefore, the Management concluded that the Fund meets the definition of an investment entity.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

6. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

Going concern

The Fund's management 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. Accordingly, these financial statements have been prepared on a going concern basis

Measurement of fair values

The Fund's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Fund uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted priced included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Fund recognizes transfers between the levels of the fair value hierarchy at the end of the reporting year during which the change has occurred. There were no transfers between various levels of fair value hierarchy during the current year or prior year.

7. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Foreign currency

Transactions in foreign currencies are translated into SAR at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into SAR at the exchange rate at the reporting date. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income as net foreign exchange gains or losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gain from financial instruments at FVTPL.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) *Foreign currency (continued)*

Transactions in foreign currencies are translated into SAR at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into SAR at the exchange rate at the reporting date. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income as net foreign exchange gains or losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gain from financial instruments at FVTPL.

b) *Revenue Recognition*

Dividend income

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

Net gain from financial instruments at FVTPL

Net gain from financial instruments at FVTPL includes all realised and unrealised fair value changes and excludes dividend income and transaction costs. Net realised gain from financial instruments at FVTPL is calculated using the weighted average cost method.

c) *Zakat and income tax*

Zakat is the obligation of the Unitholder and is not provided for in these financial statements

d) *Net asset value*

Net asset value per unit for Class A and Class B, disclosed in the statement of financial position, is calculated by dividing the net assets of the Fund attributable to Class A and Class B by the number of units in issue for Class A and Class B at year-end.

e) *Provisions*

Provisions are recognized whenever there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

f) *Subscription and redemption of units*

Units subscribed and redeemed are recorded at the net asset value (NAV) per unit on the dealing day for which the subscription request and redemption applications are received.

g) *Cash and cash equivalents*

Cash and cash equivalents represents cash maintained with the custodian held under an omnibus account with a local bank, and are available to the Fund without any restrictions.

h) *Trade date accounting*

All 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 purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the marketplace.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Fees and other expenses

Fees and other expenses are recognized in the statement of comprehensive income as the related services are received.

j) Financial assets and liabilities

Classification of financial assets

On initial recognition, a financial asset is classified and measured at amortized cost, FVOCI or FVTPL.

Financial Asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial instruments not measured at fair value are short-term financial assets whose carrying amounts are a reasonable approximation of fair value. The Fund Manager classifies cash and cash equivalents, receivable from broker as financial assets at amortized cost.

Financial Asset at fair value through other comprehensive income (“FVOCI”)

A financial asset is measured at fair value through OCI only if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund Manager may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

The Fund does not have any debt or equity instruments classified at FVOCI and thus this does not apply to the Fund.

Financial Asset at fair value through profit or loss (“FVTPL”)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Investments in equity securities are classified under this category.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Fund changes its business model for managing financial assets.

Classification of financial liabilities

Financial liabilities includes management fee payable, payable to broker, accrued expenses and other current liabilities and are classified as financial liabilities at amortized cost.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
Managed by KAMCO Investment Company
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

j) Financial assets and liabilities (Continued)

Initial recognition and measurement

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at FVTPL are initially recognized at fair value, with transaction costs recognized in statement of income. Financial assets or financial liabilities not classified as FVTPL are initially recognized at fair value plus / (minus) transaction costs that are directly attributable to their acquisition or issue.

Net gains from financial assets at FVTPL includes all realized and unrealized fair value changes and foreign exchange differences, but excludes commission and dividend income. Net realized gain / loss from financial assets at FVTPL is calculated using the average cost method.

Financial assets and liabilities at amortized cost are initially measured at fair value including direct and incremental transaction costs, and subsequently measured at amortized cost. The amortized cost is the amount at which the financial asset or financial liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any allowance for impairment.

Derecognition

The Fund derecognizes a financial asset (or where applicable, a part of a financial asset or a part of a group of similar financial assets) when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed), and (ii) any cumulative gain or loss that had been recognized in Other Comprehensive Income (OCI) is recognized in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

The Fund may enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

For transactions in which the Fund neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and where it retains control over the asset, the Fund continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
 Managed by KAMCO Investment Company
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

7. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial assets and liabilities (Continued)

Offsetting

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

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

l) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

The Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market as per the official closing price in the related stock exchange where the instrument is traded.

8. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

8.1 Standards, interpretations and amendments issued and effective

The following standards, interpretations or amendments, are effective from the current year and adopted by the Fund however, these do not have significant impact on the financial statements of the Fund.

| Standards, interpretations and amendments | Description | Effective date |
|---|---|---|
| Amendment to IFRS 16 – Leases on sale and leaseback | 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. | Annual periods beginning on or after 1 January 2024 |
| Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements | These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. | Annual periods beginning on or after 1 January 2024 |
| Amendment to IAS 1 – Non-current liabilities with covenants | These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. | Annual periods beginning on or after 1 January 2024 |

KAMCO SAUDI EQUITY FUND
An open-ended mutual fund
 Managed by KAMCO Investment Company
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

8. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS (Continued)

8.2 Standards, interpretations and amendments issued and not effective

The International Accounting Standard Board (IASB) has issued following accounting standards, interpretations and / or amendments, which will become effective from periods beginning on or after 1 January 2025. The Fund has opted not to early adopt these pronouncements.

| Standards, interpretations and amendments | Description | Effective date |
|---|--|---|
| Amendment to IAS 21 – Lack of exchangeability | IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique. | Annual periods beginning on or after 1 January 2025 |
| Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments | IASB amended to the requirements related to setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features. | Annual periods beginning on or after 1 January 2026 |
| Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. | Effective date deferred indefinitely. |
| IFRS 18, Presentation and Disclosure in Financial Statements | IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences | Annual periods beginning on or after 1 January 2027 |

9. RECEIVABLES FROM AND PAYABLES TO BROKER

This represents receivables from broker and payables to broker for sale and purchase trades that were executed immediately before the end of the year.

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10. CASH AND CASH EQUIVALENTS

| | <i>Note</i> | 31 December 2024 | 31 December 2023 |
|-------------------------|-------------|-----------------------------|---------------------|
| Cash in trading account | <i>10.1</i> | 8,398,845 | 58,177,357 |

10.1 This balance is maintained with the custodian and is used to conduct investment transactions. Cash is held in a client account with a local bank having an investment grade credit rating.

11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31 December 2024 | 31 December 2023 |
|---|-----------------------------|---------------------|
| Investments measured at fair value through profit | 1,065,608,799 | 899,106,199 |

11.1 Below are the details of net gain from investments for the year ended 31 December:

| | 31 December 2024 | 31 December 2023 |
|--|-----------------------------|---------------------|
| Realized gain on investments at fair value through profit or loss | 100,768,953 | 55,197,935 |
| Unrealized (loss) / gain on investments at fair value through profit or loss | (13,486,967) | 69,629,125 |
| | 87,281,986 | 124,827,060 |

11.2 Investments at fair value through profit or loss are investments in equity securities that are held for trading and listed on Saudi Stock Exchange (“Tadawul”). Following is the sectoral exposures as at reporting date:

| 31 December 2024: | % of Fair value | Fair value | Carrying value | Unrealised gain / (loss) |
|--------------------------|----------------------------|-----------------------|---------------------------|-------------------------------------|
| <u>Sectors</u> | | | | |
| Financials | 49.09% | 523,069,000 | 522,849,268 | 219,732 |
| Materials | 12.95% | 137,984,000 | 144,577,517 | (6,593,517) |
| Industrials | 9.01% | 96,011,799 | 92,574,847 | 3,436,953 |
| Real Estate | 5.87% | 62,550,000 | 63,183,171 | (633,171) |
| Communication Services | 5.03% | 53,600,000 | 53,908,591 | (308,591) |
| Consumer Discretionary | 4.99% | 53,159,000 | 59,038,966 | (5,879,966) |
| Health Care | 4.63% | 49,349,000 | 54,100,569 | (4,751,569) |
| Utilities | 3.39% | 36,126,000 | 36,113,639 | 12,361 |
| Consumer Staples | 3.22% | 34,320,000 | 33,835,567 | 484,434 |
| Information Technology | 1.82% | 19,440,000 | 18,913,632 | 526,368 |
| | 100% | 1,065,608,799 | 1,079,095,767 | (13,486,967) |

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11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

| <u>31 December 2023:</u> <u>Sectors</u> | <u>% of Fair value</u> | <u>Fair value</u> | <u>Carrying value</u> | <u>Unrealised gain / (loss)</u> |
|--|------------------------|-------------------|-----------------------|---------------------------------|
| Financials | 49.01% | 440,656,000 | 406,904,737 | 33,751,263 |
| Energy | 9.18% | 82,500,000 | 73,175,180 | 9,324,820 |
| Communication Services | 8.38% | 75,316,200 | 66,738,139 | 8,578,061 |
| Consumer Discretionary | 7.94% | 71,346,000 | 67,265,039 | 4,080,961 |
| Materials | 6.68% | 60,049,000 | 59,873,308 | 175,692 |
| Real Estate | 5.24% | 47,095,000 | 45,160,709 | 1,934,291 |
| Consumer Staples | 5.19% | 46,625,000 | 46,352,117 | 272,883 |
| Industrials | 4.28% | 38,460,000 | 31,628,032 | 6,831,968 |
| Information Technology | 2.14% | 19,239,000 | 16,498,438 | 2,740,562 |
| Health Care | 1.98% | 17,820,000 | 15,881,375 | 1,938,625 |
| Total | 100% | 899,106,200 | 829,477,075 | 69,629,125 |

12. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Fund include the Fund Manager, Parent of the Fund Manager and the Fund Board. In the ordinary course of its activities, the Fund transacts with the Fund Manager (Refer Note 1).

Management fee

The Fund pays management fees to the Fund Manager calculated at an annual rate of 1.75% of the net assets (equity) value for Class A and 0.75% of the net assets (equity) value for Class B. The said fee is accrued on a daily basis.

Administration fee

The Fund also pays an administration fee to the Fund Manager calculated at an annual rate of 0.13% of the net assets (equity) value accrued on a daily basis.

In addition to the transactions disclosed elsewhere in the financial statements, transactions with related parties for the years ended 31 December are as follows:

| <u>Related party</u> | <u>Nature of transactions</u> | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|-----------------------------------|-------------------------|-------------------------|
| The Fund Manager – KAMCO Investment Company | Management fees excluding VAT | 8,124,308 | 7,015,575 |
| | Administration fees excluding VAT | 1,387,667 | 1,179,916 |
| The Fund Board | Meetings fees | 15,000 | 15,000 |

The Unitholders' transactions for the year ended 31 December are as follows:

| <u>Related party</u> | <u>Nature of transactions</u> | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|---------------------------------|-------------------------|-------------------------|
| | | <u>--Numbers--</u> | |
| Parent of the Fund Manager -KAMCO Investment Kuwait* | Subscription of units – Class A | 219 | 42 |
| | Redemption of units – Class A | (3,023) | (170) |
| Fund Manager – KAMCO Investment Company | Redemption of units – Class A | (28,248) | - |

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12. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Outstanding balances with related parties as at reporting date are as follows:

| <u>Related party</u> | <u>Nature of balances</u> | 31 December 2024 | 31 December 2023 |
|---|----------------------------|-----------------------------|---------------------|
| The Fund Manager – KAMCO Investment Company | Management fee payable | <u>799,656</u> | <u>728,693</u> |
| The Fund Board | Administration fee payable | <u>136,864</u> | <u>122,579</u> |
| | Fund Board fee | <u>10,000</u> | <u>10,000</u> |

The Unitholders' account as at reporting date included the following:

| <u>Units held by:</u> | 31 December 2024 | 31 December 2023 |
|---|-----------------------------|---------------------|
| | <u>--Numbers--</u> | |
| The Fund Manager | | |
| - Class A | <u>17,660</u> | <u>45,908</u> |
| - Class B | <u>--</u> | <u>--</u> |
| Parent of the Fund Manager – KAMCO Investment Kuwait* | | |
| - Class A | <u>4,085</u> | <u>6,889</u> |
| - Class B | <u>2,163,890</u> | <u>2,163,890</u> |

* These investments have been made by the Parent of the Fund Manager, on behalf of their clients.

13. OTHER EXPENSES

| | 31 December 2024 | 31 December 2023 |
|------------------------------|-----------------------------|---------------------|
| Administration fee (note 12) | <u>1,387,667</u> | <u>1,179,916</u> |
| Custody fee (note 13.1) | <u>389,206</u> | <u>588,501</u> |
| Others (note 13.2) | <u>1,612,329</u> | <u>1,421,545</u> |
| | <u>3,389,202</u> | <u>3,189,962</u> |

13.1 The Fund pays a custody fee to the custodian calculated at an annual rate of % 0.035 on the portfolio value of the Fund, accrued on a daily basis, payable on a monthly basis, and is subject to the respective monthly minimum fee.

13.2 This includes VAT on fees and expenses amounting to SAR 1,498,825 (2023: SAR 1,327,982).

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14. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The table below sets out the classification of the carrying amounts of the Funds' financial assets and financial liabilities into categories of financial instruments:

| <u>31 December 2024</u> | Amortized cost | FVTPL |
|--|---------------------------|-----------------------------|
| <u>Financial Assets</u> | | |
| Cash and cash equivalents | 8,398,845 | - |
| Investments at fair value through profit or loss | - | 1,065,608,799 |
| Receivables from broker | <u>30,213,192</u> | - |
| Total Assets | <u><u>38,612,037</u></u> | <u><u>1,065,608,799</u></u> |
| <u>Financial Liabilities</u> | | |
| Payable to broker | 11,916,317 | - |
| Management fee payable | 799,656 | - |
| Accrued expenses and other current liabilities | <u>260,746</u> | - |
| Total Liabilities | <u><u>12,976,719</u></u> | <u><u>-</u></u> |
| | | |
| <u>31 December 2023</u> | Amortized cost | FVTPL |
| <u>Financial Assets</u> | | |
| Cash and cash equivalents | 58,177,357 | - |
| Investments at fair value through profit or loss | - | 899,106,199 |
| Receivables from broker | <u>42,378,675</u> | - |
| Total Assets | <u><u>100,556,032</u></u> | <u><u>899,106,199</u></u> |
| <u>Financial Liabilities</u> | | |
| Payable to broker | - | - |
| Management fee payable | 728,693 | - |
| Accrued expenses and other current liabilities | <u>232,021</u> | - |
| Total Liabilities | <u><u>960,715</u></u> | <u><u>-</u></u> |

15. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

When available, the Fund measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market as per the official closing price in the related stock exchange where the instrument is traded.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

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15. FAIR VALUE MEASUREMENT (CONTINUED)

Valuation models:

The fair values of financial instruments that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Fund values equity securities that are traded on an approved stock exchange at their last reported prices. To the extent that equity securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy, hence the Fund's assets recorded at fair value have been categorized based on fair value hierarchy Level 1.

Listed equity securities are valued using quoted prices in an active market for an identical instrument (Level 1 measurement).

Carrying amounts and fair value

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The following table shows the carrying amounts and fair values of financial instruments including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

| | 31 December 2024 | | | | Total |
|--|------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------------|
| | <i>-----Fair value-----</i> | | | | |
| <u>Financial assets at fair value</u> | <u>Carrying Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | |
| Investments at fair value through profit or loss | <u>1,065,608,799</u> | <u>1,065,608,799</u> | <u>-</u> | <u>-</u> | <u>1,065,608,799</u> |

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15. FAIR VALUE MEASUREMENT (CONTINUED)

| | 31 December 2023 | | | | |
|--|-----------------------|----------------------|----------------|----------------|--------------|
| <u>Financial assets at fair value</u> | <u>Carrying Value</u> | -----Fair value----- | | | <u>Total</u> |
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | |
| Investments at fair value through profit or loss | 899,106,199 | 899,106,199 | - | - | 899,106,199 |

There were no inter-level transfers during the year.

16. FINANCIAL RISK MANAGEMENT

The Operations department is primarily responsible for identifying and controlling risks. The Fund Board supervises the Investment Manager and is ultimately responsible for the overall risk management of the Fund.

The Fund has exposure to the following risks from financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risks; and
- d) operational risk.

Risk management framework

Financial instruments and associated risks

The Fund primarily aims to invest in a diversified portfolio consisting of listed equities in Saudi Arabia. The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Fund are discussed below.

The Portfolio Management Team has been given discretionary authority to manage the assets in line with the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio are monitored by the portfolio management team on a weekly basis.

In instances where the portfolio has diverged from target asset allocations, the Portfolio Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

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

'Market Risk' is the risk that changes in market prices – such as commission rates, foreign exchange rates, equity prices and credit spreads – will affect the Fund's income or the fair value of its holdings in financial instruments.

The Fund's strategy for the management of market risk is driven by the Fund's investment objective as per the Fund's terms and conditions.

The Fund's market risk is managed by the Fund Manager in accordance with the policies and procedures in place. The Fund's market positions are monitored on a daily basis by the portfolio manager.

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16. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Market risk (continued)

i) Foreign exchange risk/currency risk

Foreign currency risk arises as the value of future transactions, recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Fund does not invest in financial instruments or enter into transactions that are denominated in currencies other than its functional currency, hence, is not directly exposed to this risk.

ii) Commission rate risk

Commission rate risk arises from the possibility that the changes in commission rates will affect either the fair values or the future cash flows of financial instruments. The Fund Manager monitors positions daily to ensure maintenance of positions within established gap limits, if any. The Fund is not subject to significant direct commission rate risk on its investments.

(iii) Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from commission rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Fund Manager.

The fair value of individual securities may fluctuate as a result of e.g. company specific news, broad market movements, interest rate risk or foreign currency movements. The Fund Manager continuously monitors the (potential) determinants of the value of the securities held and the total portfolio value. As such, risk management is an integral part of investment management process which comprises security selection and portfolio construction. The exposures in various stocks, economic sectors and country economic outlook are frequently monitored, measured and managed against the norms which have been defined for those exposures.

All of the Fund's listed investments in equity securities that are listed on Saudi Stock Exchange (Tadawul). For such investments carried at fair value, a 10% increase in the Saudi Stock Exchange (Tadawul) at the reporting date would have increased equity by SAR 106.56 million (31 December 2023: SAR 89.91 million); an equal change in the opposite direction would have decreased equity by SAR 106.56 million (31 December 2023: SAR 89.91 million).

The Fund Manager endeavours to minimize the risk through diversification across various sectors of the Saudi stock market. Further, the Fund Manager has established risk guidelines to manage its equity price risk.

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16. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from cash and cash equivalents and receivable from broker. The Fund's policy over credit risk is to minimize its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the certain credit standards.

The Fund's activities may give rise to settlement risk. "Settlement risk" is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

| | 31 December 2024 | 31 December 2023 |
|--------------------------------------|-----------------------------|---------------------|
| Cash and cash equivalents | 8,398,845 | 58,177,357 |
| Receivable from broker | 30,213,192 | 42,378,675 |
| Total exposure to credit risk | <u>38,612,037</u> | <u>100,556,032</u> |

Analysis of credit quality

The Fund's cash and cash equivalents are held with the custodian under an omnibus account with a local bank having sound credit ratings. Credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the broker used. The portfolio management team monitors the financial position of the broker on a regular basis. The Fund has not offset any financial assets and financial liabilities in the statement of financial position. The Fund does not have enforceable master netting or similar arrangements that cover similar financial instruments.

Allowance for impairment

The Fund has investment in only equity securities classified as FVTPL. Hence, no impairment allowance is recorded in these financial statements as per IFRS 9.

(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 every valuation day and it is, therefore, exposed to the liquidity risk of meeting unitholder redemptions on each of these days. The Fund's financial liabilities primarily consist of management fee payable and payable to broker, 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 or liquidation of the investment portfolio.

The Fund's investments in listed securities are considered to be readily realizable because they are actively traded on Tadawul.

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16. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The contractual maturity profile of the financial assets and financial liabilities of the Fund is as follows:

| <u>31 December 2024</u> | <u>Within 3 months</u> | <u>3 to 12 months</u> | <u>More than 1 year</u> | <u>No fixed maturity</u> | <u>Total</u> |
|--|------------------------|-----------------------|-------------------------|--------------------------|----------------------|
| <u>Financial Assets</u> | | | | | |
| Cash and cash equivalents | - | - | - | 8,398,845 | 8,398,845 |
| Investments at fair value through profit or loss | - | - | - | 1,065,608,799 | 1,065,608,799 |
| Receivables from broker | 30,213,192 | - | - | - | 30,213,192 |
| Total financial assets | 30,213,192 | - | - | 1,074,007,644 | 1,104,220,836 |
| <u>Financial Liabilities</u> | | | | | |
| Payable to broker | 11,916,317 | - | - | - | 11,916,317 |
| Management fee payable | 799,656 | - | - | - | 799,656 |
| Accrued expenses and other current liabilities | 260,746 | - | - | - | 260,746 |
| Total financial liabilities | 12,976,719 | - | - | - | 12,976,719 |
| Net position | 17,236,473 | - | - | 1,074,007,644 | 1,091,244,117 |
| 31 December 2023 | Within 3 months | 3 to 12 months | More than 1 year | No fixed maturity | Total |
| <u>Financial Assets</u> | | | | | |
| Cash and cash equivalents | - | - | - | 58,177,357 | 58,177,357 |
| Investments at fair value through profit or loss | - | - | - | 899,106,199 | 899,106,199 |
| Receivables from broker | 42,378,675 | - | - | - | 42,378,675 |
| Total financial assets | 42,378,675 | - | - | 957,283,556 | 999,662,231 |
| <u>Financial Liabilities</u> | | | | | |
| Payable to broker | - | - | - | - | - |
| Management fee payable | 728,693 | - | - | - | 728,693 |
| Accrued expenses and other current liabilities | 232,021 | - | - | - | 232,021 |
| Total financial liabilities | 960,715 | - | - | - | 960,715 |
| Net position | 41,417,960 | - | - | 957,283,556 | 998,701,516 |

(d) 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.

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16. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Operational risk (continued)

The primary responsibility for the development and implementation of control over operational risks rests with the Risk Management Team. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- documentation of controls and procedures;
- requirements for:
 - appropriate segregation of duties between various functions, roles and responsibilities;
 - reconciliation and monitoring of transactions; and
 - yearly assessment of operational risks faced,
- the adequacy of controls and procedures to address the risks identified;
- compliance with regulatory and other legal requirements;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance if this is effective.

17. ZAKAT

On 22 March 2024, Minister of Finance's issued its decision No. (1007) approving the new Zakat regulations (ZR), which will be applied to the fiscal years starting on or after 1/1/2024. According to Article Seventy-Six of the new Zakat regulations Funds required to register with the Zakat, Tax, and Customs Authority (ZATCA) before the end of the first fiscal year and mandate Investment Funds to submit a Zakat information declaration to ZATCA within 120 days after the end of their fiscal year, which should include audited financial statements, records of related party transactions, and any other data requested by ZATCA. The Fund is obliged to provide the unit owner with the necessary information to calculate their Zakat liability. Funds are not subject to the collection of Zakat in accordance with the regulations.

18. LAST VALUATION DAY

The Fund's units are valued on Sunday and Tuesday and the unit price is announced on the following business day. The last valuation day of the year was 31 December 2024 (2023: 31 December 2023).

19. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Fund Board on 24 Ramadan 1446H (corresponding to 24 March 2025).