

**NBK Kuwait Equity Fund  
State of Kuwait**

**Independent auditor's review report and condensed interim  
financial information (unaudited) for the three-month period  
ended 31 March 2025**

**NBK Kuwait Equity Fund**  
**State of Kuwait**

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# Independent auditor's report on review of condensed interim financial information

The Fund Manager  
NBK Kuwait Equity Fund  
State of Kuwait

## Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial information of NBK Kuwait Equity Fund (the "Fund") for the three-month period ended 31 March 2025, which comprises the condensed interim statement of financial position as at 31 March 2025, the condensed interim statements of profit or loss and other comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the three-month period then ended, and notes to the condensed interim financial information. Management of the Fund Manager is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 condensed interim financial information for the three-month period ended 31 March 2025 is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.



## Report on Review of Other Legal and Regulatory Requirements

Furthermore, based on our review, the condensed interim financial information is in agreement with the books of account of the Fund. We further report that, nothing has come to our attention that causes us to believe that there were any violations of the provisions of Law No. 7 of 2010, as amended, pertaining to the establishment of the Capital Markets Authority and the regulation of securities activity, or of the Fund's Articles of Association, as amended, during the three-month period ended 31 March 2025 that might have had a material effect on the business of the Fund or on its financial position.

Safi A. Al-Mutawa  
License No. 138  
of KPMG Al-Qenae & Partners  
Member firm of KPMG International

Kuwait: 22 April 2025

**NBK Kuwait Equity Fund  
State of Kuwait**

**Condensed interim statement of financial position (unaudited)  
as at 31 March 2025**

	Note	31 March 2025 KD (unaudited)	31 December 2024 KD (audited)	31 March 2024 KD (unaudited)
<b>Assets</b>				
Cash and cash equivalents	5	12,715	36,060	2,793
Investments at fair value through profit or loss	6	3,747,293	3,381,359	3,187,633
Other receivables		41,396	38,008	49,476
<b>Total assets</b>		<b>3,801,404</b>	<b>3,455,427</b>	<b>3,239,902</b>
<b>Liabilities</b>				
Other liabilities	7	105,871	55,377	21,632
<b>Total liabilities</b>		<b>105,871</b>	<b>55,377</b>	<b>21,632</b>
<b>Net assets attributable to holders of redeemable units</b>		<b>3,695,533</b>	<b>3,400,050</b>	<b>3,218,270</b>
<b>Represented by:</b>				
Unitholders' contributions	8	3,060,811	3,100,059	3,096,940
Unit deficit	8	(192,465)	(181,368)	(181,833)
Retained earnings		827,187	481,359	303,163
<b>Total</b>		<b>3,695,533</b>	<b>3,400,050</b>	<b>3,218,270</b>
<b>Outstanding number of redeemable units</b>	8	<b>3,060,811</b>	<b>3,100,059</b>	<b>3,096,940</b>
<b>Net Asset Value ("NAV") per unit</b>	9	<b>1.20737</b>	<b>1.09677</b>	<b>1.03918</b>



Watani Investment Company K.S.C.C.  
In its capacity as Fund Manager



Kuwait Clearing Company S.A.K.  
In its capacity as Investment Controller

The accompanying notes form an integral part of this condensed interim financial information.

**NBK Kuwait Equity Fund**  
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**Condensed interim statement of profit or loss and other comprehensive income (unaudited)**  
*for the three-month period ended 31 March 2025*

	Note	Three-month period ended 31 March	
		2025 KD (unaudited)	2024 KD (unaudited)
<b>Income</b>			
Realised gain on investments at fair value through profit or loss, net		21,251	31,075
Unrealised gain on investments at fair value through profit or loss, net		340,611	190,618
Dividend income		-	3,174
		<u>361,862</u>	<u>224,867</u>
<b>Expenses</b>			
Management fees	10	(13,478)	(12,444)
Custodian and safekeeping fees	11	(1,124)	(1,037)
Other operating expenses		(1,432)	(1,466)
		<u>(16,034)</u>	<u>(14,947)</u>
<b>Net profit for the period</b>		<b>345,828</b>	209,920
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b><u>345,828</u></b>	<b><u>209,920</u></b>

The accompanying notes form an integral part of this condensed interim financial information.

**NBK Kuwait Equity Fund**  
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**Condensed interim statement of changes in net assets attributable to holders of redeemable units (unaudited)**  
*for the three-month period ended 31 March 2025*

	Outstanding number of redeemable units	Capital KD	Unit deficit KD	Retained earnings KD	Total KD
<b>Balance at 1 January 2025 (audited)</b>	<b>3,100,059</b>	<b>3,100,059</b>	<b>(181,368)</b>	<b>481,359</b>	<b>3,400,050</b>
Net profit and total comprehensive income for the period	-	-	-	<b>345,828</b>	<b>345,828</b>
Subscriptions during the period	<b>35,078</b>	<b>35,078</b>	<b>3,987</b>	-	<b>39,065</b>
Redemptions during the period	<b>(74,326)</b>	<b>(74,326)</b>	<b>(15,084)</b>	-	<b>(89,410)</b>
<b>Balance at 31 March 2025 (unaudited)</b>	<b><u>3,060,811</u></b>	<b><u>3,060,811</u></b>	<b><u>(192,465)</u></b>	<b><u>827,187</u></b>	<b><u>3,695,533</u></b>
<b>Balance at 1 January 2024 (audited)</b>	3,116,940	3,116,940	(180,996)	223,223	3,159,167
Net profit and total comprehensive income for the period	-	-	-	209,920	209,920
Dividend paid (note 8)	-	-	-	(129,980)	(129,980)
Redemptions during the period	<b>(20,000)</b>	<b>(20,000)</b>	<b>(837)</b>	-	<b>(20,837)</b>
<b>Balance at 31 March 2024 (unaudited)</b>	<b><u>3,096,940</u></b>	<b><u>3,096,940</u></b>	<b><u>(181,833)</u></b>	<b><u>303,163</u></b>	<b><u>3,218,270</u></b>

The accompanying notes form an integral part of this condensed interim financial information.

**NBK Kuwait Equity Fund**  
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**Condensed interim statement of cash flows (unaudited)**  
*for the three-month period ended 31 March 2025*

	Note	Three-month period ended	
		31 March	
		2025	2024
		KD	KD
		(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>			
Net profit for the period		345,828	209,920
<i>Adjustments:</i>			
Realised gain on investments at fair value through profit or loss, net		(21,251)	(31,075)
Unrealised gain on investments at fair value through profit or loss, net		(340,611)	(190,618)
		<u>(16,034)</u>	<u>(11,773)</u>
<i>Changes in:</i>			
- investments at fair value through profit or loss		(4,072)	197,698
- other receivables		(3,388)	(38,251)
- other liabilities		50,494	3,943
<i>Net cash flows from operating activities</i>		<u>27,000</u>	<u>151,617</u>
<b>Cash flows from financing activities</b>			
Subscription of redeemable units		39,065	-
Redemption of redeemable units		(89,410)	(20,837)
Dividend paid	8	-	(129,980)
<i>Net cash flows used in financing activities</i>		<u>(50,345)</u>	<u>(150,817)</u>
Net change in cash and cash equivalents		(23,345)	800
Cash and cash equivalents at beginning of the period		36,060	1,993
<b>Cash and cash equivalents at end of the period</b>	5	<u>12,715</u>	<u>2,793</u>

The accompanying notes form an integral part of this condensed interim financial information.



**NBK Kuwait Equity Fund**  
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**Notes to the condensed interim financial information (unaudited)**  
*for the three-month period ended 31 March 2025*

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**1. Reporting entity**

NBK Kuwait Equity Fund (the “Fund”) was established on 23 January 2007 in accordance with Law No. 31 of 1990, as amended. The Fund is governed under the Law No. 7 of 2010, as amended, pertaining to the establishment of the Capital Markets Authority (the “CMA”) and the regulation of securities activity.

The Fund is managed by Watani Investment Company K.S.C. (Closed) (“NBK Wealth” or the “Fund Manager”), distribution activities are managed by National Bank of Kuwait S.A.K.P. (“Parent of the Fund Manager”) and custodian activities are managed by Kuwait Clearing Company S.A.K. (the “Custodian”).

The Fund’s objective is to achieve long-term capital appreciation by investing mainly in any of the shares listed on the Boursa Kuwait. The Fund Manager shall have the right to invest the Fund’s money in non-Kuwaiti shares listed outside the Kuwaiti market where the activities of the issuers thereof are linked to the Kuwaiti economy, provided that such investment shall not exceed 20% of the Net Asset Value and provided further that it does not conflict with the investment methods and policies specified in Article 15 of the Fund’s Articles of Association, as amended.

The Fund had initial duration of ten years commencing from the date of establishment. This duration may be renewed for similar period(s) subject to approval of 50% of the unit holders and the CMA. The Fund’s duration is renewed up to 4 February 2027 with the license renewed up to 19 March 2026 and the necessary approvals have been obtained.

The address of the Fund's registered office is Watani Investment Company K.S.C. (Closed), P.O. Box No.4950, Safat 13050, State of Kuwait.

The condensed interim financial information was authorised for issuance by the Fund Manager on 22 April 2025.

**2. Basis of preparation**

This condensed interim financial information has been prepared in accordance with IAS 34, *Interim Financial Reporting* and should be read in conjunction with the Fund’s latest annual financial statements as at and for the year ended 31 December 2024 (“latest annual financial statements”). This does not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund’s financial position and performance since the latest annual financial statements.

This condensed interim financial information is presented in Kuwaiti Dinars (“KD”), which is also the functional currency of the Fund.

Operating results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

**NBK Kuwait Equity Fund**  
**State of Kuwait**

**Notes to the condensed interim financial information (unaudited)**  
*for the three-month period ended 31 March 2025*

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**3. Material accounting policies**

The accounting policies used in the preparation of this condensed interim financial information are consistent with those used in the preparation of the latest annual financial statements, except for the new standards and interpretations which are effective as of 1 January 2025. The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2025, but do not have a material impact on the condensed interim financial information of the Fund.

**4. Judgment and estimates**

In preparing this condensed interim financial information, the 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.

The significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those applied to the latest annual financial statements.

**5. Cash and cash equivalents**

Cash and cash equivalents represent call account denominated in Kuwaiti Dinars with a local financial institution, a related party (note 12).

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

Investments classified as at fair value through profit or loss comprises of quoted equity instruments listed on the Boursa Kuwait, measured at traded market prices and accordingly are classified under Level 1 of the fair value hierarchy (note 14).

**7. Other liabilities**

	<b>31 March 2025 KD (unaudited)</b>	31 December 2024 KD (audited)	31 March 2024 KD (unaudited)
Management fee payable (note 12)	<b>13,478</b>	12,530	12,444
Subscriptions received in advance	-	30,600	-
Other payables	<b>92,393</b>	12,247	9,188
	<b><u>105,871</u></b>	<u>55,377</u>	<u>21,632</u>

**8. Unitholders' contribution and unit deficit**

*Unitholders' contributions*

As at 31 March 2025, the issued and paid up unit capital of the Fund was KD 3,060,811 divided into 3,060,811 redeemable units with par value of KD 1 each (31 December 2024: KD 3,100,059 divided into 3,100,059 redeemable units with par value of KD 1 each and 31 March 2024: KD 3,096,940 divided into 3,096,940 redeemable units with par value of KD 1 each).

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**Notes to the condensed interim financial information (unaudited)**  
*for the three-month period ended 31 March 2025*

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*Unit deficit*

This represents shortfalls of par value on subscriptions / redemptions of the Fund's units.

*Dividend*

On 21 March 2024, the Fund's Executive Committee approved cash dividend of KD 0.0417 per unit amounting to KD 129,980 for the year ended 31 December 2023.

**9. Net Asset Value per unit**

	<b>31 March 2025 (unaudited)</b>	31 December 2024 (audited)	31 March 2024 (unaudited)
Net assets attributable to holders of redeemable units (KD)	<b>3,695,533</b>	3,400,050	3,218,270
Outstanding number of redeemable units	<b>3,060,811</b>	3,100,059	3,096,940
Net Asset Value per unit (KD)	<b>1.20737</b>	1.09677	1.03918

**10. Management fees**

The Fund Manager is entitled to a management fee of 1.5% per annum (31 December 2024 and 31 March 2024: 1.5%) of the average weekly Net Asset Value of the Fund, payable quarterly in arrears (note 12).

**11. Custodian, safekeeping fees and performance fees**

The Fund has entered into an agreement with Kuwait Clearing Company S.A.K. to perform the duties of the custodian, safekeeping and investment controller. As per the agreement, the Custodian is paid a fee of 0.125% per annum (31 December 2024 and 31 March 2024: 0.125% per annum) of the average weekly Net Asset Value of the Fund, payable quarterly in arrears.

The Fund Manager is entitled to a performance fee, calculated at 10% (31 December 2024 and 31 March 2024: 10%) of any positive variance between the return on the Fund and the Index during the financial year, and only if the Fund has yielded a positive return during the year.

**12. Related party balances and transactions**

Related parties comprise of Fund Manager, Parent of the Fund Manager, major unit holders and companies of which they are principal owners or over which they are able to exercise significant influence. All related party transactions are carried out on terms approved by the Fund Manager.

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*for the three-month period ended 31 March 2025*

Balances and transactions with related parties were as follows:

	<b>31 March 2025 KD (unaudited)</b>	31 December 2024 KD (audited)	31 March 2024 KD (unaudited)
<i>Condensed interim statement of financial position</i>			
<b>Balances with the Parent of the Fund Manager</b>			
Cash and cash equivalents (note 5)	<b>12,715</b>	36,060	2,793
<b>Balances with the Fund Manager</b>			
Other payables	<b>2,240</b>	500	3,000
Management fee payable (note 7)	<b>13,478</b>	12,530	12,444
		<b>Three-month period ended 31 March</b>	
		<b>2025 KD (unaudited)</b>	2024 KD (unaudited)
<i>Condensed interim statement of profit or loss and other comprehensive income</i>			
<b>Transactions with the Fund Manager</b>			
Management fees (note 10)		<b>13,478</b>	12,444

The Law No. 7 of 2010, as amended, stipulates that participation of the Fund Manager in the units of the Fund must not be less than KD 100,000 or equivalent. The Fund's Articles of Association, as amended, further stipulates that the Fund Manager may hold a maximum of 75% of the total unitholders' contributions of the Fund at any time.

The numbers of units attributable to the Fund Manager at the reporting date were 612,715 units amounting to KD 739,774 (31 December 2024: 612,715 units amounting to KD 672,007 and 31 March 2024: 612,715 units amounting to KD 636,719) which represented approximately 20.02% (31 December 2024: 19.76% and 31 March 2024: 19.78%) of the issued and paid-up capital of the Fund.

There were no units attributable to the Parent of the Fund Manager at the reporting date (31 December 2024 and 31 March 2024: nil).

The numbers of units attributable to other related parties at the reporting date were 1,597,675 units amounting to KD 1,928,985 (31 December 2024: 1,597,675 units amounting to KD 1,752,282 and 31 March 2024: 1,597,675 units amounting to KD 1,660,267) which represented approximately 52.20% (31 December 2024: 51.54% and 31 March 2024: 51.59%) of the issued and paid-up capital of the Fund.

**13. Financial risk management policies**

All aspects of the Fund's financial risk management objectives and policies are consistent with that disclosed in the latest annual financial statements.

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**Notes to the condensed interim financial information (unaudited)**  
*for the three-month period ended 31 March 2025*

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**14. Fair value of financial instruments**

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 the financial assets and liabilities at the reporting date were not significantly different from their carrying value due to the of short-term maturities or are repriced immediately based on market movement in interest rates.

*Fair value hierarchy*

The Fund classifies financial assets into the following three levels based on the significance of inputs used in measuring the fair value of the financial assets:

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

The level within which the financial asset is classified is determined based on the lowest level of significant input to the fair value measurement.

Investments classified as at fair value through profit or loss in the condensed interim statement of financial position are based on quoted market prices, therefore, the investments are classified as Level 1 (note 6). There have not been any transfers between levels of the fair value hierarchy during the period.

**15. Commitments and contingent liabilities**

There are no contingent liabilities outstanding as at 31 March 2025 (31 December 2024 and 31 March 2024: nil).

**16. Capital management**

The Fund's Articles of Association, as amended, specify the minimum amount of capital that must be held by the Fund.

The Fund manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

There has been no change in capital management strategy of the Fund during the period.

The table below summarises the capital held by the Fund:

	<b>31 March 2025 KD (unaudited)</b>	31 December 2024 KD (audited)	31 March 2024 KD (unaudited)
Unitholders' contribution	<b>3,060,811</b>	3,100,059	3,096,940
Minimum capital requirement	<b>2,000,000</b>	2,000,000	2,000,000