

**KAMCO Investment Fund
State of Kuwait**

Financial Statements and Independent Auditor's Report
For the year ended 31 December 2025

**KAMCO Investment Fund
State of Kuwait**

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For the year ended 31 December 2025**

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Independent Auditor's Report

**To the Unit Holders
KAMCO Investment Fund
State of Kuwait**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of KAMCO Investment Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2025, and statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025, and its financial performance and its cash flows for the financial year then ended in accordance with IFRS Accounting Standards ("IFRSs"), as issued by the International Accounting Standards Board (IASB).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Fund in accordance with ethical requirements that are relevant to our audit of the financial statements in the State of Kuwait, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Fund Manager for the Financial Statements

The Fund manager is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Accounting Standards as issued by ISAB, 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, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Fund Manager is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is 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 ISAs 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 be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, 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 those 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 the Fund Manager.
- Conclude on the appropriateness of the Fund Manager'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 notes in the financial statements or, if such notes 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 fail to meet the going concern basis.
- 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.

We communicate with the Fund Manager 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.

Report on Other Legal and Regulatory Requirements

Also in our opinion, the financial statements include the disclosures required by Law No. 7 of 2010 concerning Establishment of Capital Markets Authority and Organization of Security Activity, as amended, and its Executive Regulations and the Fund's Articles of Association, and we had obtained the information we required to perform our audit. According to the information available to us, there were no violations during the financial year ended 31 December 2025 of either the provisions of Law No. 7 of 2010 concerning Establishment of Capital Markets Authority and Organization of Security Activity, as amended, and its Executive Regulations, or of the Fund's Articles of Association which might have materially affected the Fund's activity or its financial position.



Faisal Saqer Al Saqer
License No. 172 – "A"
BDO Al Nisf & Partners

Kuwait: 19 January 2026

KAMCO Investment Fund
State of Kuwait

Statement of Financial Position
As at 31 December 2025

	Note	2025 KD	2024 KD
Assets			
Cash at bank		95,771	147,594
Financial assets at fair value through profit or loss	5	31,065,029	30,772,314
Accounts receivable and other debit balances	6	5,956,263	179,694
Total assets		<u>37,117,063</u>	<u>31,099,602</u>
Liabilities and equity			
Liabilities:			
Accounts payable and other credit balances	7	110,029	238,132
Total liabilities		<u>110,029</u>	<u>238,132</u>
Equity:			
Capital	8	13,810,602	13,902,695
Equalization reserve / redemption of units	9	(5,891,574)	(5,764,313)
Retained earnings		29,088,006	22,723,088
Total equity		<u>37,007,034</u>	<u>30,861,470</u>
Total liabilities and equity		<u>37,117,063</u>	<u>31,099,602</u>
Net asset value per unit	10	<u>2.680</u>	<u>2.220</u>

The accompanying notes on pages 7 to 18 form an integral part of these financial statements.



KAMCO Investment Company -
K.S.C. (Public)
Fund Manager



Kuwait International Trustee Company -
K.S.C. (Closed)
Fund Custodian and Investment Controller

KAMCO Investment Fund
State of Kuwait

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2025

	Note	2025 KD	2024 KD
Revenues:			
Net gain on investments	11	7,051,127	4,510,437
Interest income		355	112
Other income		539	10
		<u>7,052,021</u>	<u>4,510,559</u>
Expenses:			
Fund Manager fees	12	350,382	297,263
Fund Custodian and Investment Controller fees	13	31,268	26,428
Incentive fees		-	150,498
General and administrative expenses		305,053	142,057
Foreign exchange difference losses		400	9,226
		<u>687,103</u>	<u>625,472</u>
Profit for the year		6,364,918	3,885,087
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>6,364,918</u>	<u>3,885,087</u>

The accompanying notes on pages 7 to 18 form an integral part of these financial statements.

KAMCO Investment Fund
State of Kuwait

Statement of Changes in Equity
For the year ended 31 December 2025

	Capital	Equalization reserve / redemption of units	Retained earnings	Total
	KD	KD	KD	KD
Balance as at 31 December 2023	13,989,604	(5,665,199)	18,838,001	27,162,406
Subscriptions during the year	37,149	41,567	-	78,716
Redemptions during the year	(124,058)	(140,681)	-	(264,739)
Total comprehensive income for the year	-	-	3,885,087	3,885,087
Balance as at 31 December 2024	13,902,695	(5,764,313)	22,723,088	30,861,470
Subscriptions during the year	87,084	126,690	-	213,774
Redemptions during the year	(179,177)	(253,951)	-	(433,128)
Total comprehensive income for the year	-	-	6,364,918	6,364,918
Balance as at 31 December 2025	13,810,602	(5,891,574)	29,088,006	37,007,034

The accompanying notes on pages 7 to 18 form an integral part of these financial statements.

KAMCO Investment Fund
State of Kuwait

Statement of Cash Flows

For the year ended 31 December 2025

	<u>2025</u>	<u>2024</u>
	KD	KD
Cash flows from operating activities:		
Profit for the year	6,364,918	3,885,087
<i>Adjustments:</i>		
Net investment profits	(7,051,127)	(4,510,437)
Interest income	(355)	(112)
	<u>(686,564)</u>	<u>(625,462)</u>
<i>Changes in operating assets and liabilities:</i>		
Financial assets at fair value through profit or loss	5,807,668	(92,738)
Accounts receivable and other debit balances	(5,776,569)	1,467,389
Accounts payable and other credit balances	(128,103)	155,277
Net cash (used in)/ generated from operating activities	<u>(783,568)</u>	<u>904,466</u>
Cash flows from investing activities:		
Dividends income received	950,744	970,511
Interest income received	355	112
Net cash generated from investing activities	<u>951,099</u>	<u>970,623</u>
Cash flows from financing activities:		
Proceeds from subscriptions	213,774	78,716
Paid for redemptions	(433,128)	(1,818,169)
Net cash used in financing activities	<u>(219,354)</u>	<u>(1,739,453)</u>
Net (decrease) / increase in cash at bank	(51,823)	135,636
Cash at bank at the beginning of the year	<u>147,594</u>	<u>11,958</u>
Cash at bank at the end of the year	<u>95,771</u>	<u>147,594</u>

The accompanying notes on pages 7 to 18 form an integral part of these financial statements.

KAMCO Investment Fund
State of Kuwait

Notes to the financial statements

For the year ended 31 December 2025

1. Incorporation and activities

KAMCO Investment Fund (“the Fund”) was incorporated as a local investment fund with variable capital on 19 October 2003 under the Law Decree No. 31 of 1990, as amended relating to circulation of securities and establishment of investment funds.

The Fund aims to invest funds and develop capital, in addition to providing investment opportunities based on adequate bases and studies to achieve the highest possible return with limited risks, through buying and selling:

- The securities of the companies listed on Bursa Kuwait, the Gulf and Arab markets, and the initial issues.
- Bonds issued or guaranteed by the governments of GCC to Arab Gulf countries.
- Public subscriptions expected to be listed.
- Investment funds directed to invest in companies listed on Bursa Kuwait, the Gulf and Arab markets, and money market funds.
- Any new financial instruments that the market management approves to trade.

The Fund Manager may also deposit surplus funds in short term and medium term deposits with local banks and with bills.

The Fund is governed under the Law No. 7 of 2010, in respect of the establishment of Capital Market Authority (“CMA”) and the organization of the securities activity, as amended, and its executive regulations.

The term of the Fund is 25 years starting from the date of promulgating the approval thereon.

KAMCO Investment Company - K.S.C. (Public) is the Fund Manager.

On 23 October 2025, the Capital Markets Authority approved the change of the custodian and investment controller and the appointment of Kuwait International Trustee Company - K.S.C. (Closed) as the custodian and investment controller of the Fund instead of Kuwait Clearing Company - K.S.C. (Closed) effective 3 November 2025.

Kuwait International Trustee Company - K.S.C. (Closed) is the Custodian and Investment Controller (Formerly: Kuwait Clearing Company - K.S.C. (Closed) until 2 November 2025).

The registered address of the Fund Manager is P.O. Box 28873, Safat 13149 - State of Kuwait.

The accompanying financial statements were approved for issue by the Fund Manager, Custodian and investment controller on 19 January 2026.

2. Application of new and revised international financial reporting accounting standards

a) New Standards, interpretations and amendments effective from 1 January 2025

The accounting policies used in preparation of financial statements are consistent with those used in the previous year except for the changes resulting from the application of certain new and amended International Financial Reporting Standards beginning on or after 1 January 2025 (unless otherwise stated) and are explained below.

**KAMCO Investment Fund
State of Kuwait**

Notes to the financial statements

For the year ended 31 December 2025

2. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

a) New Standards, interpretations and amendments effective from 1 January 2025 (Continued)

Amendments to IAS 21 - Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments had no material impact on the Fund’s financial statements.

b) New standards, interpretations and amendments issued but not yet effective

The International Accounting Standards Board (“IASB”) has issued a number of standards, amendments to standards and interpretations that are effective in future accounting periods and which the Fund has decided not to apply early.

The following amendments are effective for the period beginning on 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)

The following standards and amendments are effective for the period beginning on 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Fund is currently assessing the effect of these new accounting standards and amendments.

3. Material accounting policies

3.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the IFRS Accounting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”), and Companies Law No. 1 of 2016 and its Executive Regulations, as amended.

3.2 Basis of preparation

The financial statements are prepared on basis of historical cost except for the financial assets at fair value through profit or loss, which are carried at fair value.

These financial statements have been presented in Kuwaiti Dinar (KD) which is the functional and presentation currency of the Fund in preparation of the financial statements.

KAMCO Investment Fund
State of Kuwait

Notes to the financial statements

For the year ended 31 December 2025

3. Material accounting policies (Continued)

3.2 Basis of preparation (Continued)

The preparation of financial statements in accordance with International Financial Reporting Standards, requires the use of certain critical accounting estimates. It also requires the Fund's management to exercise judgment in applying the Fund's accounting policies. The areas of significant judgments and estimation uncertainty made in preparing the financial statements and their effect are disclosed in Note 4.

The principal accounting policies used in preparing these financial statements are set out below:

3.3 Presenting assets and liabilities in the statement of financial position

The nature of Fund's activity, as an entity established for the purposes of investment, requires classification of assets and liabilities in descending order as per its liquidity in the statement of financial position, as the management believes that this presentation provides information more relevant and reliable to the Fund's activities. This way of presentation of assets and liabilities requires submission of other information about the maturities of all financial assets and liabilities in the notes to the financial statements. The Fund submits this information based on the length of the remaining contractual term as at the financial statements date.

The Fund's financial assets mainly include cash at bank, financial assets at fair value through profit or loss, accounts receivable and other debit balances.

The Fund's financial liabilities mainly include accounts payable and other credit balances.

The amounts expected to be collected for assets or to be paid for the liabilities are presented, at minimum, in notes as assets and liabilities due within one year from the financial statements date. However, the Fund has no assets or liabilities due within a period exceeding one year from the financial statements date.

3.4 Financial instruments

The Fund classifies its financial instruments as financial assets and financial liabilities. Financial assets and financial liabilities are recognized when the Fund becomes a party of the contractual provisions of such instruments.

The financial assets and liabilities that are stated in the statement of financial position include cash at bank, financial assets at fair value through profit or loss, accounts receivable and other debit balances, accounts payable and other credit balances.

Financial assets:

Classification and initial recognition

To determine classification and measurement category of financial assets, IFRS 9 requires assessment of all financial assets, except for equity instruments and derivatives, based on the Fund's business model for managing the Fund's assets and the contractual cash flows characteristics of these instruments.

Notes to the financial statements

For the year ended 31 December 2025

3. Material accounting policies (Continued)

3.4 Financial instruments (Continued)

Financial assets: (Continued)

Classification and initial recognition (Continued)

Financial assets classified in the financial statements within the scope of IFRS 9 are as follows:

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income.
- Equity instruments at fair value through other comprehensive income.
- Equity instruments at Fair value through profit or loss.

Investments are recognized or derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the concerned market. The financial assets are initially recognized at fair value plus transaction cost for all financial assets that are not carried at fair value through profit or loss.

Derecognition

The financial assets are derecognised (wholly or partially) when the contractual rights to receive the cash flows from the financial assets expire or when the Fund transfers its right to receive cash flows from the financial assets in either of the following circumstances: (a) when all risks and rewards of the financial assets ownership are transferred by the Fund, or (b) when all risks and rewards of the financial assets are not transferred or retained, but the control over the financial assets is transferred. When the Fund retains control, it must continue to recognize the financial assets to the extent of its participation therein.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets carried at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and is not designated at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; 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.

Debt instruments at amortized cost are subsequently measured at amortized cost using the effective yield method adjusted for impairment losses, if any. Profits and losses are recognized in the statement of profit or loss and other comprehensive income when the asset is derecognised, adjusted or impaired.

The financial assets carried at amortised cost consist of cash at bank, accounts receivable and other debit balances.

Financial Assets carried at fair value through profit or loss

The Fund classifies the financial assets as held for trading primarily when purchased or issued in order to achieve short-term profits through trading activities or when they form a part of a financial instruments portfolio that are managed together, there is an evidence for emerging a new pattern to achieve short-term profits. Assets held for trading are recognized and measured at fair value in the statement of financial position.

3. Material accounting policies (Continued)

3.4 Financial instruments (Continued)

Financial assets: (Continued)

Subsequent Measurement (Continued)

Financial Assets carried at fair value through profit or loss (Continued)

Profits or losses on the change in fair value, profits or losses on sale and interest income and dividends are recognized in the statement of profit or loss and other comprehensive income under the contract conditions or when the right to receive the profits amount is established.

Impairment of financial assets

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from sale of collateral held or other credit enhancements that are regarded as an integral part of the contractual terms.

In terms of the receivables and other debit balances, the Fund applied the standard's simplified approach and calculated ECL on the basis of ECL period.

Financial liabilities:

All financial liabilities are initially recognized at fair value and in case of loans, borrowings and creditors directly attributable transactions cost are discounted. All financial liabilities are subsequently measured at fair value through profit or loss or at amortised cost using the effective interest rate method.

Accounts payable and other credit balances

Account payable and other credit balances item represents a commitment to repay the amount of services that have been purchased in the ordinary course of business. Accounts payable and other credit balances are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method. Accounts payable and other credit balances are classified as current liabilities if the payment is due within one year or less (or within the natural operational cycle of the activity, whichever is longer), otherwise they shall be classified as non-current liabilities.

3.5 Capital

The Fund issues redeemable units, which are redeemable in accordance with the unit holders option and are classified as equity under the amendment to IAS 32. The redeemable units can be returned to the Fund at any time against cash that is equal to a proportionate share of the net assets of the Fund.

3.6 Provisions

Provisions are recognized where the Fund has a present obligation (legal or probable) arising from a past event and the cost to settle the obligation are both probable and able to be reliably measured. At the end of each financial period, provisions are reviewed and adjusted to reflect the best current estimate. When the time value of money has material effect, the amount recognized as a provision must be the present value of the expected expenses required to settle the obligation. Provisions for operating losses are not recognized.

3. Material accounting policies (Continued)

3.7 Revenue recognition

IFRS 15 establishes a single comprehensive framework to determine how much and when revenue is recognised. Revenue recognition requires recording the amount that reflects the consideration that the Fund expects to be entitled in exchange for sale of goods or performance of services to the customers.

IFRS 15 requires considering the opinions, taking into account all relevant facts and circumstances in the process of applying each step of the model to contracts with its customers. The Standard also specifies method of accounting for the additional cost to obtain the contract and the cost that are directly attributable to the contract execution. The standard also requires comprehensive disclosures.

Revenue is recognized either at a point in time or over time, when the Fund meets the performance commitments by selling the goods or performing the agreed upon services to its customers. The Fund shall transfer control of goods or services over time and not at a point in time upon fulfillment of any of the following criteria:

- The customer receives and consumes the benefits provided through the Fund performance at the same time when the Fund provided the performance, or
- The Fund performance establishes or improves the asset that is controlled by the customer when the asset is constructed or improved, or
- Fund performance does not establish an asset that has an alternative usage to the Fund. The Fund has enforceable right in payments against the completed performance to date.

Control shall be transferred at a point in time if any of the criteria required for transferring goods or service is not met over time. The following items should be considered by the Fund whether or not control is transferred:

- The Fund shall have immediate right in payments against the asset.
- The customer shall have a legal right in the asset.
- The Fund shall transfer the material acquisition of the asset.
- The customer shall have the significant risks and benefits of ownership of the asset.
- The customer shall accept the asset.

The Fund's income is mainly represented in net investment income that falls outside the scope of IFRS 15, the following represents the Fund's income:

Profits on sale of financial assets at fair value through profit or loss

Profits or losses on sale of financial assets at fair value through profit or loss are recognized when the Fund transfers the significant risks and benefits attributable to the ownership of the sold investment. Profits on sale of the financial assets at fair value through profits or losses are measured by the difference between the sale proceeds and the carrying amount of the assets at the date of sale and are recognized at the date of sale.

Interest revenues

Interest revenues are recognized on time proportion basis using the effective interest method.

Dividends

Dividend income are recognized when the Fund's right to receive payment is established.

**KAMCO Investment Fund
State of Kuwait**

Notes to the financial statements

For the year ended 31 December 2025

3. Material accounting policies (Continued)

3.8 Foreign currencies

Foreign currency transactions are recorded in Kuwaiti Dinar at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Kuwaiti Dinar at the rate of exchange prevailing on the reporting date. Profits or losses resulted from exchange rate differences are taken to the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Kuwaiti Dinar at the foreign exchange rates ruling at the date when the value was determined.

3.9 Dividends

According to the Fund's Articles of Association, the Fund Manager may determine, as deemed appropriate for the benefit of the Fund and its subscribers, the portion that will be distributed to the unit holders after the end of annual financial period, and announces the distribution, its date and value thereof via the email or fax of unit holders specified in the subscription application or updated by the unit holder directly. The Manager may distribute cash dividends or through distributing free units in the Fund at the units' nominal value or both of them, while notifying the Supervision Authority of the same.

4. Material accounting estimates, judgments and assumptions

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. Actual results could differ from estimates.

Accounting judgements

In the process of applying the Fund's accounting policies, management has used judgements and made estimates in determining the amounts recognized in the financial statements. The most significant use of judgments and estimates are as follows:

The Fund's status as a principal

The Fund regularly conducts a revision and assessment to determine whether its current status as a principal or an agent in its commercial transactions has changed. Such revision and assessment cover any change in the overall relationship between the Fund and other parties dealing with the Fund, which may mean that its current status as a principal or an agent has changed. Such as if changes occurred to rights of the Fund or other parties, the Fund would reconsider its current status as a principal or an agent. Initial assessment considers market conditions that originally led the Fund to consider itself as principal working as a main principal or an agent in arrangements of revenues contracts. The Fund concluded that it works as a main principal in all contracts and arrangements leading to revenues to the Fund.

Contingent liabilities

Contingent liabilities are possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Fund's management. The Fund recognizes provisions for contingent liabilities when the loss therefrom is considered possible and can be reliably measured. In determining whether or not such provisions shall be recognized as well as the related amounts requires the exercise of significant management judgment. The Fund uses the principles and criteria established within International Financial Reporting Standards and best practices prevailing within the industry in which it operates in making such judgments.

KAMCO Investment Fund
State of Kuwait

Notes to the financial statements
For the year ended 31 December 2025

5. Financial assets at fair value through profit or loss

	<u>2025</u>	<u>2024</u>
	KD	KD
Quoted equity securities - State of Kuwait	30,678,859	30,484,927
Quoted securities - Gulf Cooperation Council Countries	-	249,909
Unquoted securities - State of Kuwait	386,170	37,478
	<u>31,065,029</u>	<u>30,772,314</u>

Below is an analysis for the financial assets carried at fair value through profit or loss in the following currencies:

	<u>2025</u>	<u>2024</u>
	KD	KD
KD	31,065,029	30,522,405
AED	-	249,909
	<u>31,065,029</u>	<u>30,772,314</u>

6. Accounts receivable and other debit balances

	<u>2025</u>	<u>2024</u>
	KD	KD
Due from brokers	5,950,654	177,403
Others	5,609	2,291
	<u>5,956,263</u>	<u>179,694</u>

7. Accounts payable and other credit balances

	<u>2025</u>	<u>2024</u>
	KD	KD
Accrued Fund Manager fees	98,833	79,690
Accrued Fund Custodian and Investment Controller fees	8,988	7,132
Incentive fees payable	-	150,498
Subscriptions received in advance	1,000	-
Others	1,208	812
	<u>110,029</u>	<u>238,132</u>

8. Capital

The Fund's capital ranges from 2,000,000 units to 100,000,000 units with a nominal value of KD 1 per unit. As at 31 December 2025, the Fund's issued capital consists of 13,810,602 units (2024: 13,902,695 units) with a nominal value of KD 1 per unit.

9. Equalization reserve / redemption of units

This item represents the difference between net assets value for issued and redeemed units.

KAMCO Investment Fund
State of Kuwait

Notes to the financial statements

For the year ended 31 December 2025

10. Net asset value per unit

	<u>2025</u>	<u>2024</u>
Total assets (KD)	37,117,063	31,099,602
Total liabilities (KD)	(110,029)	(238,132)
Net asset value (KD)	37,007,034	30,861,470
Number of the outstanding units (units)	13,810,602	13,902,695
Net asset value per unit (KD)	<u>2.680</u>	<u>2.220</u>

11. Net investment profits

	<u>2025</u>	<u>2024</u>
	KD	KD
Realized profits on sale of financial assets at fair value through profit or loss	4,957,076	2,245,181
Unrealised gain from change in fair value of financial assets at fair value through profit or loss	1,143,307	1,294,745
Dividend income	950,744	970,511
	<u>7,051,127</u>	<u>4,510,437</u>

12. Fund Manager fees

The Fund Manager fees are calculated on a weekly basis and paid on a quarterly basis at 1% per annum of the Fund net asset value.

13. Fund Custodian and Investment Controller fees

The Fund Custodian fees are calculated at 0.05% per annum of the Fund net asset value. Investment Controller fees are calculated at 0.05% per annum on a weekly basis and paid on a quarterly basis.

On 23 October 2025, the Capital Markets Authority approved the change of the custodian and investment controller and the appointment of Kuwait International Trustee Company - K.S.C. (Closed) as the custodian and investment controller of the Fund instead of Kuwait Clearing Company - K.S.C. (Closed) effective 3 November 2025.

14. Related party disclosures

These transactions represent the transactions carried out with units' holders, Fund manager, Custodian, investment controller and other related parties. Prices and terms of such transactions are subject to the Fund's Articles of Association. As for the matters which are not subject to the article of association, they shall be subject to the approval of the Fund Manager. Significant related party balances and transactions are as follows:

Balances included in the statement of financial position:

	<u>2025</u>	<u>2024</u>
	KD	KD
Accrued Fund Manager fees	98,833	79,690
Accrued Fund Custodian and Investment Controller fees	8,988	7,132
Incentive fees payable	-	150,498

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14. Related party disclosures (Continued)

**Transactions included in statement of profit or loss
and other comprehensive income:**

	<u>2025</u>	<u>2024</u>
	KD	KD
Fund Manager fees	350,382	297,263
Fund Custodian and Investment Controller fees	31,268	26,428
Incentive fees	-	150,498

As at 31 December 2025, the number of units subscribed by the Fund Manager is 6,132,141 units (2024: 6,132,141 units) representing 44.40% (2024: 44.11%) of the Fund's capital.

15. Financial risk management

Capital risk management

The Fund's financial resources represent total equity. The equity value available to the unit holders may be significantly changed due to the subscriptions and redemptions that are implemented by the unit holders. The Fund's objective, when managing the financial resources, is to safeguard the Fund's ability to continue in order to provide returns for the unit holders and benefits for other stakeholders and to maintain financial resources that support the investment activities of the Fund.

The Fund Manager monitors its financial resources based on the Fund's net asset value available to the unit holders that are recoverable.

Credit risk

Credit risk represents the inability of one party to the financial instrument to meet its liabilities on maturity date, resulting into financial losses to the other party. Financial assets, which potentially subject the Fund to credit risk, consist principally of cash at bank and accounts receivable and other debit balances. Cash at banks are placed with high credit rating financial institutions.

The Fund's maximum exposure arising from default of the counterparty is the nominal value of cash at bank and accounts receivable and other debit balances.

Equity price risk

Equity price risk is the risk that fair values of equity instruments decrease as the result of changes in level of equity indices and the value of individual stocks. The equity price risk exposure arises from the Fund's investment in equity instruments that are classified as financial assets at fair value through profit or loss. To manage such risks, the Fund diversifies its investee segments within its investment portfolio.

The following table demonstrates the sensitivity to a reasonably possible change in equity indices as a result of changes in the fair value of the financial assets at fair value through profit or loss, to which the Fund had significant exposure as at the reporting date:

	<u>2025</u>		<u>2024</u>	
	<u>Change in equity price</u>	<u>Effect on the Statement of Profit or Loss and Other Comprehensive Income</u>	<u>Change in equity price</u>	<u>Effect on the Statement of Profit or Loss and Other Comprehensive Income</u>
<u>Market indices</u>	%	KD	%	KD
Quoted securities	± 5%	± 1,533,943	± 5%	± 1,536,742

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15. Financial risk management (Continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will be affected as a result of changes in foreign currency exchange rates. The Fund is exposed to foreign currency risk arising from transactions denominated in currencies other than Kuwaiti Dinars. The Fund can reduce its exposure to fluctuations in foreign exchange rates through its usage of derivative financial instruments. The Fund ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the Kuwaiti Dinar.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates used by the Group against the Kuwaiti Dinar.

	2025		2024	
	Increase / (decrease) against KD %	Effect on the Statement of Profit or Loss KD	Increase / (decrease) against KD %	Effect on the Statement of Profit or Loss KD
AED	± 5%	-	± 5%	15,259
Total		-		15,259

Liquidity risk

Liquidity risk is the risk that the Fund will encounter the difficulty in raising the funds required to meet its commitments associated with the financial instruments. To manage this risk, the Fund invests in other investments that are readily realizable, along with planning and managing the Fund's forecasted cash flows by maintaining adequate cash reserves, and matching the maturity profiles of financial assets and liabilities.

All financial liabilities are maturing within a period not exceeding 3 months from the reporting date.

16. Fair value measurement

The Fund measures financial assets such as financial assets at fair value through profit or loss at fair value at end of the reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants as 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.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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16. Fair value measurement (Continued)

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

<u>2025</u>	<u>Level 1</u> KD	<u>Level 3</u> KD	<u>Total</u> KD
Financial assets at fair value through profit or loss	<u>30,678,859</u>	<u>386,170</u>	<u>31,065,029</u>
<u>2024</u>	<u>Level 1</u> KD	<u>Level 3</u> KD	<u>Total</u> KD
Financial assets at fair value through profit or loss	<u>30,734,836</u>	<u>37,478</u>	<u>30,772,314</u>

At 31 December, the fair values of financial instruments approximate their carrying amounts. The Fund Manager has assessed that fair value of its financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these financial instruments.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization based on the lowest level input that is significant to the fair value measurement as a whole at end of each reporting period.

The movement in level 3 fair value hierarchy during the year is as follows:

	<u>2025</u> KD	<u>2024</u> KD
Balance as at 1 January	37,478	30,459
Transfer from level 1	350,000	-
Change in fair value	<u>(1,308)</u>	<u>7,019</u>
Balance as at 31 December	<u>386,170</u>	<u>37,478</u>

17. General Assembly of Unit Holders

The General Assembly of the Unit Holders was held on 18 November 2025 and approved the Fund's financial statements for the year ended 31 December 2024.