





AlAhli Global Equity Fund – Interim Report

A. Fund Manager

1. The Fund Manager is NCB Capital Company.

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2. Sub-manager / investment adviser

None

3. Investment activities

During the first half of 2017, the fund maintained an average overweight stance on equity. Within equity geographic allocation, the fund carried an underweight exposure to US while preferring Japan, Europe and emerging markets. The fund had an exposure to the Saudi market that was increase in Q2.

4. Fund's performance

During the first half of 2017, the fund returned 10.93% (net of fees) vs. 12.61% of the benchmark. The overweight allocation to Europe, Japan and Emerging Markets contributed positively while the exposure to Saudi Arabia was the reason of the underperformance.

5. T&C's Material changes

The fund manager has not made any changes to the terms and conditions of the fund.

6. The management fee is 1.25% of the NAV, the fees charged by the underlying funds for the year ended 2017 were as follows:

Fund Name	Management Fees
AlAhli Europe Index Fund	Rebated
AlAhli Asia Pacific Index Fund	Rebated
AlAhli Emerging Markets Index Fund	Rebated
AlAhli Saudi Trading Equity Fund	Rebated
AlAhli North America Index Fund	Rebated



7. No special commission were received by the fund manager during the period

B. Financial Statements

ALAHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

FINANCIAL STATEMENTS

For the period from 1 September 2016 to 30 June 2017

with

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS



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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

The Unitholders
Al-Ahli Global Equity Fund
Jeddah, Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying 30 June 2017 interim financial statements ("financial statements") of Al-Ahli Global Equity Fund ("the Fund") managed by NCB Capital Company ("the Fund Manager") which comprises:

- the interim balance sheet as at 30 June 2017;
- the interim statement of income for the period from 1 September 2016 to 30 June 2017;
- the interim statement of cash flows for the period from 1 September 2016 to 30 June 2017;
- the interim statement of changes in net assets attributable to the unitholders for the period from 1 September 2016 to 30 June 2017; and
- the notes to the interim financial statements.

The Fund Manager is responsible for the preparation and presentation of these interim financial statements in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia as issued by Saudi Organization for Certified Public Accountants (SOCPA). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. 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 that are endorsed in the Kingdom of Saudi Arabia, 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 30 June 2017 interim financial statements of Al-Ahli Global Equity Fund are not prepared, in all material respects, in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia as issued by SOCPA.

For KPMG Al Fozan & Partners
Certified Public Accountants

Ebrahim Oboud Baeshen
License No. 382



Jeddah, Dhul Qadah 23, 1438H
Corresponding to August 15, 2017

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

BALANCE SHEET (unaudited)

As at 30 June 2017

Expressed in US Dollars '000 (unless otherwise stated)

	<i><u>Notes</u></i>	<i><u>30 June 2017</u></i>
ASSETS		
Cash and cash equivalents	6	55
Held for trading investments	8	4,125
Total assets		<u>4,180</u>
LIABILITY		
Payable to unitholders on account of redemptions		<u>4</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>4,176</u>
Units in issue in thousands (number)	9	<u>3,824</u>
Net assets value per unit (USD)		<u>1.0921</u>

The accompanying notes 1 to 12 form an integral part
of these financial statements.

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

STATEMENT OF INCOME (unaudited)

For the period from 1 September 2016 to 30 June 2017

Expressed in US Dollars '000 (unless otherwise stated)

	<i>For the period from 1 September 2016 to 30 June 2017</i>
	<u>Note</u>
INVESTMENT REVENUE	
Realised gain on sale of held for trading investments	28
Unrealized gain on held for trading investments	364
Other Income	21
Total revenue	<u>413</u>
EXPENSES	7
Management fee	48
Administrative expenses	6
Shariah audit fee	3
Audit fee	2
Fund Board remuneration	3
CMA fee	1
Total expenses	<u>63</u>
Net income for the period	<u><u>350</u></u>

The accompanying notes 1 to 12 form an integral part
of these financial statements.

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

STATEMENT OF CASH FLOWS (unaudited)

For the period from 1 September 2016 to 30 June 2017

Expressed in US Dollars '000 (unless otherwise stated)

	<i>For the period from 1 September 2016 to 30 June 2017</i>
<i>Note</i>	<i>2017</i>
Cash flow from operating activities	
Net income for the period	350
<u>Adjustment for:</u>	
Unrealised gain on held for trading investments	(364)
	(14)
Changes in operating assets and liabilities:	
Increase in held for trading investments	(3,761)
Increase in payable to unitholders on account of redemption	4
Net cash used by operating activities	(3,771)
Cash flow from financing activities	
Proceeds from units sold	5,998
Value of units redeemed	(2,172)
Net cash generated from financing activities	3,826
Net increase in cash and cash equivalents and cash and cash equivalents at the end of the period	55
	6

The accompanying notes 1 to 12 form an integral part
of these financial statements.

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(unaudited)

For the period from 1 September 2016 to 30 June 2017
Expressed in US Dollars '000 (unless otherwise stated)

	<i>For the period from 1 September 2016 to 30 June 2017</i>
	<u>Note</u>
Net assets attributable to Unitholders at the beginning of the period	--
Net income for the year	350
Increase in net assets from unit transactions during the period	
Proceeds from units sold	5,998
Value of units redeemed	(2,172)
	3,826
Net assets attributable to Unitholders at the end of the period	<u><u>4,176</u></u>

The accompanying notes 1 to 12 form an integral part
of these financial statements.

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 September 2016 to 30 June 2017 (unaudited)
Expressed in US Dollars '000 (unless otherwise stated)

1. THE FUND AND ITS ACTIVITIES

Al-Ahli Global Equity Fund ("the Fund") is a Shariah compliant open-ended investment fund, managed by NCB Capital Company ("the Fund Manager"), a subsidiary of The National Commercial Bank (the "Bank"), for the benefit of the Fund's Unitholders. The Fund is established under Article 30 of the Investment Fund Regulations (the Regulations) issued by the Capital Market Authority (CMA).

NCB Capital Company also acts as the custodian of the Fund. As defined in Capital Market Authority's Regulation No. 2-83-2005 dated 21 Jumada Awal 1426H (28 June 2005) the Fund Manager conducts following securities' activities:

- a) Dealing;
- b) Arranging;
- c) Managing;
- d) Advising;
- e) Custody;

The Fund's objective is to achieve long term capital growth by investing in Units of investment funds of global and/or local equities diversified in terms of geographic and sector exposures.

The terms and conditions of the Fund was approved by the CMA on 8 August 2016 corresponding to 4 Dhul Qadah 1437. The Fund commenced its activities on 1 September 2016.

The results for the period from 1 September 2016 to 30 June 2017 are not necessarily indicative of the results that may be expected for the period from 1 September 2016 to 31 December 2017.

2. REGULATING AUTHORITY

The Fund is governed by the Regulations issued by the CMA pursuant to resolution number 7-219-2006 dated 3 Dhul Hijja 1427H (corresponding to 24 December 2006) as amended by the Resolution No 1/61/2016 of Board of the CMA dated 16 Sha'ban 1437H (corresponding to 23 May 2016), which provided detailed requirements for all funds within the Kingdom of Saudi Arabia.

3. SUBSCRIPTIONS / REDEMPTIONS

The Fund is open for subscriptions / redemptions of units on each dealing day (from Monday to Thursday provided they are business days in Saudi Arabia and United States). The net asset value of the fund is determined on each valuation day (from Sunday to Thursday provided they are Saudi Business Days). All transactions for purchase / sale of units are entered on the net assets value of the Fund, determined by dividing the value of net assets of the Fund by the number of outstanding units prior to such transaction.

4. BASIS OF PREPARATION

Statement of compliance

These financial statements are prepared in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia promulgated by Saudi Organization for Certified Public Accountants ("SOCPA"). The Fund prepares its financial statements as at and for the year ended on its last valuation date (note 11). Since these are the first interim financial statements of the Fund so no comparative information is included in these interim financial statements.

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 September 2016 to 30 June 2017 (unaudited)
Expressed in US Dollars '000 (unless otherwise stated)

4. BASIS OF PREPARATION (continued)

Basis of measurement

These financial statements have been prepared under the historical cost convention using the accrual basis of accounting and the going concern concept, except for held for trading investments which are carried at fair value.

Functional and presentation currency

These financial statements are presented in US Dollars (USD), which is the Fund's functional currency. All financial information presented in US Dollars has been rounded to the nearest thousand.

Use of estimates and judgments

The preparation of the financial statements in conformity with the generally accepted accounting standards as applicable in the Kingdom of Saudi Arabia requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Valuation of financial assets

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. As the Fund's financial instruments are accounted for under the historical cost convention, except for held for trading investments, differences may arise between the carrying values and fair values. The Fund Manager believes that at the reporting date, the fair values of the Fund's financial assets and liabilities are not materially different from their carrying values.

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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within 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: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

All financial assets of the fund, carried at fair value at the reporting date, are classified under hierarchy level 2.

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 September 2016 to 30 June 2017 (unaudited)
Expressed in US Dollars '000 (unless otherwise stated)

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in respect of accounting period presented in these financial statements.

a) *Held for trading investments*

Securities listed or traded on a stock exchange are classified as Held for Trading and are initially recognised at cost, being the fair value of the consideration given and are subsequently measured at fair value. Changes in fair values of held for trading investments ("investments"), comprising unrealised gains and losses are included in the statement of income. Realised gains and losses on investments sold are determined on weighted average basis.

b) *Investment transaction*

Investment transactions are accounted for as of the trade date which is the date on which Fund becomes a part to the contractual provisions of the instrument.

c) *Impairment of financial assets*

An assessment is made at the balance sheet date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the statement of income. If a financial asset is impaired, impairment is determined as follows:

- (i) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of income;
- (ii) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- (iii) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective commission rate.

d) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Fund has transferred its rights to receive cash flows from the asset; and
- (iii) Either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset.

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 September 2016 to 30 June 2017 (unaudited)
Expressed in US Dollars '000 (unless otherwise stated)

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue recognition

Realised gains and losses on investments sold are determined on an average cost basis. Dividends are recognised when the Fund's right to receive the payment is established.

Increases or decreases in the difference between the cost and market value of the Fund's portfolio of investments are recognised as change in fair value of investments in the statement of income.

f) Foreign currency transactions

Transactions during the year in currencies other than the functional currency are translated into the functional currency at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities that are denominated in a foreign currency are retranslated at the rate of exchange ruling at the balance sheet date. Exchange gains or losses are reflected in the statement of Income.

g) Taxation/zakat

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

h) Cash and cash equivalents

For the purposes of the statement of cashflows, cash and cash equivalents consist of bank balances.

i) Net asset value per unit

The net asset value per unit of the fund is the monetary value of the assets of the fund minus its liabilities and expenses divided by the number of units outstanding at the period end.

j) Provisions and accruals

Provisions and accruals are recognized when the Fund has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably.

k) Offsetting

Financial assets and liabilities are offset and reported net in the balance sheet when there is a legally enforceable right to set off the recognized amounts and when the Fund intends to settle 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 accounting standards generally accepted in the Kingdom of Saudi Arabia, or for gains and losses arising from a group of similar transactions.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash held in current accounts with National Commercial Bank (a related party).

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 September 2016 to 30 June 2017 (unaudited)
Expressed in US Dollars '000 (unless otherwise stated)

7. MANAGEMENT FEE AND OTHER EXPENSES

The Fund is managed and administered by the Fund Manager. For these services, the Fund accrues, daily a management fee, as determined by the Fund Manager, which should not be more than the maximum annual rate of 1.25% p.a. of the Fund's daily net assets as set out in the Fund's terms and conditions.

The Fund Manager is also entitled to recover expenses incurred on behalf of the Fund relating to audit, custody, advisory, data processing and other similar charges. The maximum amount of such expenses that can be recovered from the Fund by the Fund Manager is restricted to 0.5% per annum of the Fund's net assets at the respective valuation days. These expenses have been recovered by the Fund Manager on an actual basis.

Furthermore, the Fund Manager is entitled to a subscription fee of 2% at the time of the investment in the Fund by a Unitholder. This fee may be waived at the discretion of the Fund Manager.

8. INVESTMENTS

The composition of held for trading investments by industry sector is summarized below:

	30 June 2017 (Unaudited)		
	<u>% of Total</u>	<u>Cost</u>	<u>Fair Value</u>
<i>Funds managed by Fund Manager</i>	<i>Investment</i>		
Al-Ahli North America Index Fund	36.92	1,404	1,523
Al-Ahli Europe Index Fund	27.15	1,001	1,120
Al-Ahli Asia Pacific Index Fund	15.08	556	622
Al-Ahli Emerging Market Trading Equity Fund	11.39	425	470
Al-Ahli Saudi Trading Equity Fund	9.46	375	390
	100	3,761	4,125

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 September 2016 to 30 June 2017 (unaudited)
Expressed in US Dollars '000 (unless otherwise stated)

9. UNIT TRANSACTIONS

Transactions in units during the year are summarised as follows:

	<i>For the period from 1 September 2016 to 30 June 2017 Units' 000</i>
Units at the beginning of the period	--
Units sold	5,988
Units redeemed	(2,164)
Net increase in units during the period	3,824
Units at the end of the period	3,824

As at 30 June 2017, top five Unitholders represented 38.76% of the Fund's units.

10. RELATED PARTY TRANSACTIONS

In the ordinary course of its activities, the Fund transacts business with related parties on the basis of approved terms and conditions of the Fund. All related party transactions are approved by the Fund Board.

<u>Name of entity</u>	<u>Relationship</u>
NCB Capital Company	Fund Manager
National Commercial Bank (NCB)	Shareholder of Fund Manager
Al-Ahli Multi-Asset Conservative Fund	Unitholder

In addition to the below disclosure, balances with related parties are also disclosed in note 6 and 8.

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

<u>Related party</u>	<u>Nature of transaction</u>	<u>Amount of transactions 2017</u>	<u>Value of units held as at 30 June 2017</u>
NCBC	Management Fee	48	
	Expenses paid on behalf of the fund	15	--
Al-Ahli Multi Asset Conservative Fund	Subscription of units	2,000	
	Redemption of units	2,007	--

AL-AHLI GLOBAL EQUITY FUND
(Managed by NCB Capital Company)

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 September 2016 to 30 June 2017 (unaudited)

Expressed in US Dollars '000 (unless otherwise stated)

11. LAST VALUATION DAY

The last valuation day of the period was 22 June 2017. There is no significant change in the net asset value per unit of the Fund between last valuation and 30 June 2017.

12. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Fund Manager on Dhul Qadah 23, 1438H, corresponding to August 15, 2017.