

AL BEIT AL MALI FUND

FINANCIAL STATEMENTS

31 DECEMBER 2023



**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF AL BEIT AL MALI FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Beit Al Mali Fund (the "Fund"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in net assets attributable to 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 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for 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 our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

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 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 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 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF AL BEIT AL MALI FUND (CONTINUED)**

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.

We communicate with the those charged with governance 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.

Report on legal and other regulatory requirements

Furthermore, in our opinion, proper books of accounts have been kept by the Fund and the financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 and the Fund's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Fund's financial position or performance.

Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326

Date: **xx** April 2024
Doha

Al Beit Al Mali Fund

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 QR	2022 QR
ASSETS			
Financial assets measured at fair value through profit or loss	4	54,481,890	44,146,660
Bank balance	5	<u>2,761,542</u>	<u>10,604,888</u>
Total assets		<u>57,243,432</u>	<u>54,751,548</u>
LIABILITIES			
Fees payable	6	992,560	959,925
Other payables	7	<u>1,376,321</u>	<u>1,012,084</u>
Total liabilities		<u>2,368,881</u>	<u>1,972,009</u>
NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		<u>54,874,551</u>	<u>52,779,539</u>
		<i>Units</i>	<i>Units</i>
NUMBER OF UNITS IN ISSUE		<u>2,713,938</u>	<u>2,716,438</u>
NET ASSET VALUE PER UNIT (QR)		<u>20.22</u>	<u>19.43</u>

These financial statements were approved by the Founder of the Fund, Investment House Company (Q.P.S.C).

Mohammed Bin Ahmed Al-Suwaidi
Chairman & Managing Director

Al Beit Al Mali Fund

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	<i>2023</i> <i>QR</i>	<i>2022</i> <i>QR</i>
INCOME			
Dividend income	8	2,248,183	2,103,841
Net realised (loss)/gain on sale of financial assets measured at fair value through profit or loss	4	(135,160)	5,415,574
Net unrealised gain/(loss) on re-measurement of financial assets at fair value through profit or loss	4	1,894,930	(8,189,594)
Total income/(loss)		4,007,953	(670,179)
EXPENSES			
Fees expense	9	(1,318,662)	(1,531,170)
Brokerage fees	10	(181,670)	(358,589)
Zakat expense	11	(158,038)	(238,124)
Other expenses	12	(206,200)	(185,700)
Total expenses		(1,864,570)	(2,313,583)
Net income/(loss) for the year		2,143,383	(2,983,762)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		2,143,383	(2,983,762)

The attached notes 1 to 18 form part of these financial statements.



Al Beit Al Mali Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
UNITHOLDERS

For the year ended 31 December 2023

	<i>Net assets attributable to units holders QR</i>	<i>Number of units</i>	<i>Net assets value per unit QR</i>
At 1 January 2022	55,810,070	2,718,438	20.53
Redemptions during the year	(46,769)	(2,000)	23.38
Total comprehensive loss for the year	(2,983,762)	-	
At 31 December 2022	52,779,539	2,716,438	19.43
Redemptions during the year	(48,371)	(2,500)	19.35
Total comprehensive income for the year	2,143,383	-	
At 31 December 2023	54,874,551	2,713,938	20.22

The attached notes 1 to 18 form part of these financial statements.

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS
As at 31 December 2023
STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	<i>Notes</i>	<i>2023</i> <i>QR</i>	<i>2022</i> <i>QR</i>
OPERATING ACTIVITIES			
Net income/(loss) for the year		2,143,383	(2,983,762)
<i>Adjustments for:</i>			
Unrealised (gain)/loss on re-measurement of financial assets at fair value through profit or loss	4	(1,894,930)	8,189,594
		248,453	5,205,832
<i>Changes in operating assets and liabilities:</i>			
Financial assets measured at FVTPL, net		(8,440,300)	3,017,512
Fees payable		32,635	86,267
Other payables		364,237	258,332
Net cash (used in)/generated from operating activities		(7,794,975)	8,567,943
FINANCING ACTIVITIES			
Payment on redemption of units		(48,371)	(46,769)
Net cash used in financing activities		(48,371)	(46,769)
Net (decrease)/increase in cash and cash equivalents		(7,843,346)	8,521,174
Balance of cash and cash equivalents at 1 January		10,604,888	2,083,714
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	2,761,542	10,604,888

The attached notes 1 to 18 form part of these financial statements.



Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

1 INCORPORATION AND ACTIVITIES

Al Beit Al Mali Fund (the “Fund”) is registered on 13 June 2006 at Ministry of Commerce and Industry of the State of Qatar under commercial registration No. 33162. The Fund holding license No. IF/5/2006 from Qatar Central Bank to act as an Islamic Investment Fund investing in Qatari securities, with its transactions complying with the provisions of the Shariah Islamic Law.

The Fund is established by Investment House Company (Q.P.S.C.) (the “Founder”) having registered office is P.O Box 22633 Doha, Qatar.

The Founder appointed Qatar National Bank (registered office is P.O Box 1000, Doha – Qatar) as the Custodian of the Fund in accordance of custodian agreement dated 15 July 2006.

The financial statements as at and for the year ended 31 December 2023 were authorised for issue on 29 March 2024.

On 1 March 2019, the Fund has appointed “QNB Suisse” as the Fund’s manager.

The Fund is an open-ended fund that invests in securities listed on Qatar Exchange within the State of Qatar. The Fund also invests its assets in other corporate funds established and launched by parties and establishments, other than the Founder, to realize the best possible financial returns to investors for short, medium and long terms through investing high quality assets, in accordance with the provisions of the Islamic Shariah.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared in Qatari Riyal (QR), which is the Fund’s functional and presentation currency, and all values are rounded to the nearest thousands except when otherwise indicated.

The financial statements are prepared under the historical cost, except for financial instruments measured at fair value through profit or loss, which are measured at fair value.

2.2 Statement of compliance

The financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2022.

2.3 New standards, amendments, and interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Fund’s annual financial statements for the year ended 31 December 2022, except for the adoption of the following standards and amendments to standards effective from 1 January 2023. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards and Interpretations

IFRS 17: Insurance contracts

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Amendments to IAS 8: Definition of Accounting Estimates

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above standards and amendments to standards had no impact on the Fund’s financial statements.

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Standards, amendments and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<i>Standards and Interpretations</i>	<i>Effective date</i>
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

The Fund is assessing the potential impact on its financial statements resulting from the adoption of the above new and amended standards.

2.5 Material accounting policy information

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Dividend income

Dividend income is recognised when the right to receive the dividend has been established.

Profit income

Profit income is recognised as the profit accrues using the effective profit method, under which the rate used exactly discounts, estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Fee expenses

Fee expenses are recognised in statement of comprehensive income as the related services are performed.

Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that the Fund will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Redeemable units

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. In accordance with the provisions of the Fund's Article of Association, redemption from the Fund are conducted on the 15th day of every month.

Net asset value per unit

The net asset value of the Fund on any valuation day is determined by dividing the total assets less liabilities of the Fund by the total number of units outstanding at that time.

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Material accounting policy information (continued)

Dividend distribution

Dividend distributions to the unitholders are recognised as a liability in the Fund's financial statements in the period in which the dividend is approved by the Unit holders.

Unitholders' fund

Unitholders' fund representing the units issued by the Fund is carried at the redemption amount representing the investor's right to residual interest in the Fund' assets.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and profit (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective profit (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Fund's financial assets at amortised cost includes bank balances.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, profit income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Fund did not have any debt instruments at fair value through OCI as at the reporting date.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Fund did not have any equity instruments designated at fair value through OCI as at the reporting date.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes the Fund's investments in listed equity securities and managed funds, which the Fund had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of comprehensive income when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has either 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 or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Impairment

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs 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, discounted at an approximation of the original effective profit rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables, the Fund applies a simplified approach in calculating ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Fund applies the low credit risk simplification. At every reporting date, the Fund evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Fund reassesses the internal credit rating of the debt instrument. In addition, the Fund considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Fund considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Fund may also consider a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Fund's financial liabilities include fees payable, brokerage payable, and other payables.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Fund that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Fund has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Fund. After initial recognition, profit-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to profit-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Material accounting policy information (continued)

Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, as defined above, net of outstanding bank overdrafts, if any as they are considered an integral part of the Fund's cash management.

Fair value measurement

The Fund measures its investments in listed equity securities and managed funds, at fair value at each balance sheet date. 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

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or 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

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

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

Going concern

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. The management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 <i>QR</i>	2022 <i>QR</i>
Listed equity securities – State of Qatar	<u>54,481,890</u>	<u>44,146,660</u>
Net changes in fair value of financial assets at fair value through profit or loss are as follows:		
Net realised gain	(135,160)	5,415,574
Net unrealised gain/(loss)	<u>1,894,930</u>	<u>(8,189,594)</u>
	<u>1,759,770</u>	<u>(2,774,020)</u>

5 BANK BALANCE

	2023 <i>QR</i>	2022 <i>QR</i>
Current account	<u>2,761,542</u>	<u>10,604,888</u>

The Fund's current account is maintained with Qatar National Bank.

6 FEES PAYABLE

	2023 <i>QR</i>	2022 <i>QR</i>
Management fee payable (Note 13 (a))	129,544	459,431
Founder fee payable (Note 13 (a))	798,244	270,779
Custodian fee payable (Note 13 (a))	<u>64,772</u>	<u>229,715</u>
	<u>992,560</u>	<u>959,925</u>

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

7 OTHER PAYABLES

	2023 QR	2022 QR
Zakat payable	1,012,664	854,626
Audit fee payable	179,500	79,500
Shariah fee payable (Note 13 (a))	112,757	37,757
Advertising payable	62,400	31,201
Others	<u>9,000</u>	<u>9,000</u>
	<u>1,376,321</u>	<u>1,012,084</u>

8 DIVIDEND INCOME

	2023 QR	2022 QR
Listed equity securities – State of Qatar	<u>2,248,183</u>	<u>2,103,841</u>

As at 31 December 2023, the Fund does not have any dividend receivable amounting (2022: QR Nil).

9 FEES EXPENSE

	2023 QR	2022 QR
Management fee (Note 13 (b))	527,465	612,468
Founder fee (Note 13 (b))	527,465	612,468
Custodian fee (Note 13 (b))	<u>263,732</u>	<u>306,234</u>
	<u>1,318,662</u>	<u>1,531,170</u>

As per schedule no (1), clause no. (1) of investment management agreement, the Fund Manager is entitled to 1% of monthly net asset value of the Fund as Management fee.

As per paragraph (11), clause no. (1) of custodian agreement, the custodian is entitled of 0.5% of monthly net asset value of the Fund as Custodian Fee.

As per the Articles of Association, the Founder is entitled of 1% of monthly net asset value of the Fund as Founder Fee.

10 BROKERAGE FEES

	2023 QR	2022 QR
Brokerage fees	<u>181,670</u>	<u>358,589</u>

Brokerage fee is computed based on the transaction price in all buy and sell transactions. QNB Financial Services is acting in the capacity of the Fund's Stockbroker.

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

11 ZAKAT EXPENSE

	2023 <i>QR</i>	2022 <i>QR</i>
Zakat expense	<u>158,038</u>	<u>238,124</u>

Zakat is levied at the higher of adjusted income subject to Zakat or the Zakat base in accordance with the articles of the Zakat Fund established under the supervision of the Ministry of Endowments and Islamic Affairs. Zakat measurement basis are determined by the management based on the Shariah Law. The Zakat provision is charged to the statement of comprehensive income.

12 OTHER EXPENSES

	2023 <i>QR</i>	2022 <i>QR</i>
Audit fee	100,000	79,500
Shariah fee (Note 13 (b))	75,000	75,000
Advertisement expenses	<u>31,200</u>	<u>31,200</u>
	<u>206,200</u>	<u>185,700</u>

13 RELATED PARTIES TRANSACTIONS

Related parties represent the Founder, the Custodian and the Fund Manager. Transactions with related parties include the founder fees, custodian fees, management fees, and Shariah fees.

Balances with related parties included for the year end are as follows:

(a) Due to related parties

	<i>Related Party</i>	2023 <i>QR</i>	2022 <i>QR</i>
Management fee payable (Note 6)	QNB Suisse	129,544	459,431
Founder fee payable (Note 6)	Investment House Company	798,244	270,779
Custodian fee payable (Note 6)	Qatar National Bank	64,772	229,715
Shariah fee payable (Note 7)	Investment House Company	<u>112,757</u>	<u>37,757</u>
		<u>1,105,317</u>	<u>997,682</u>

(b) Related party's transactions

	<i>Related Party</i>	2023 <i>QR</i>	2022 <i>QR</i>
Management fee (Note 9)	QNB Suisse	527,465	612,468
Founder fee (Note 9)	Investment House Company	527,465	612,468
Custodian fee (Note 9)	Qatar National Bank	263,732	306,234
Shariah fee (Note 12)	Investment House Company	<u>75,000</u>	<u>75,000</u>
		<u>1,393,662</u>	<u>1,606,170</u>

14 COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies as at 31 December 2023 (31 December 2022: None).

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair values

Set out below is a comparison, by category, of the carrying amounts and fair values of the Fund's financial instruments, that are carried in the financial statements.

		2023	
	<i>Financial instrument classification</i>	<i>Carrying value</i> <i>QR</i>	<i>Fair value</i> <i>QR</i>
<i>Financial assets</i>			
Financial investments measured at FVTPL	FVTPL	54,481,890	54,481,890
Bank balance	AC	2,761,542	2,761,542
		<u>57,243,432</u>	<u>57,243,432</u>
<i>Financial liabilities</i>			
Fees payable	AC	992,560	992,560
Other payables	AC	1,376,321	1,376,321
		<u>2,368,881</u>	<u>2,368,881</u>
		2022	
	<i>Financial instrument classification</i>	<i>Carrying value</i> <i>QR</i>	<i>Fair value</i> <i>QR</i>
<i>Financial assets</i>			
Financial investments measured at FVTPL	FVTPL	44,146,660	44,146,660
Bank balance	AC	10,604,888	10,604,888
		<u>54,751,548</u>	<u>54,751,548</u>
<i>Financial liabilities</i>			
Fees payable	AC	959,925	959,925
Other payables	AC	1,012,084	1,012,084
		<u>1,972,009</u>	<u>1,972,009</u>

Legends:

- 1) AC - Amortised Cost
- 2) FVTPL - Fair Value Through Profit or Loss

The management assessed that bank balances, fees payable and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy

The following table presents the financial assets and liabilities that are measured at fair value at 31 December 2023.

<i>At 31 December 2023</i>	<i>Fair value</i> <i>QR</i>	<i>Fair value measurement using</i>		
		<i>Level 1</i> <i>QR</i>	<i>Level 2</i> <i>QR</i>	<i>Level 3</i> <i>QR</i>
Financial investments measured at FVTPL	54,481,890	54,481,890	-	-

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

15 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

At 31 December 2022	Fair value QR	Fair value measurement using		
		Level 1 QR	Level 2 QR	Level 3 QR
Financial investments measured at FVTPL	44,146,660	44,146,660	-	-

During the year ended 31 December 2023 and 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

16 COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies as at 31 December 2023 (31 December 2022: None).

17 CAPITAL MANAGEMENT

As a result of the ability to issue, repurchase and resell units, the capital of the Fund may vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable shares beyond those included in the Fund's Articles of Association.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its Articles of Association.
- To achieve consistent returns while safeguarding capital by investing in a diversified portfolio of public shareholding companies listed in Qatar Exchange.
- To maintain sufficient liquidity to meet the expenses of the Fund, dividend distributions, and to meet redemption requests as they arise.

18 FINANCIAL RISK MANAGEMENT

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

- a) Credit risk;
- b) Liquidity risk; and
- c) Market risk

Introduction and overview

The Fund's objective in managing risks is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability.

Risk management structure

Management is responsible for identifying and controlling risks. Management supervises and is ultimately responsible for the overall risk management of the Fund.

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk measurement and reporting system

The Fund risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss based on statistical models. The models make use of the probabilities derived from experience, adjusted to reflect the economic environment.

Management monitors and measures the overall risk in relation to the aggregate risk exposure across all risks type and activities.

Excessive risk concentration

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the Fund has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together. In order to avoid excessive concentration of risk, the management seeks to maintain a diversified portfolio.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund manages this risk by placing its bank balance with high credit rated institutions. The Fund considers the credit quality of amounts that are neither past due nor impaired to be good.

In order to minimise credit risk, the Fund has developed and maintained the Fund's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Fund's own trading records to rate its major debtors.

The Fund's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired

The tables below detail the credit quality of the Fund's financial assets as well as the Fund's maximum exposure to credit risk by credit risk rating grades:

31 December 2023	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount QR	Loss allowance QR	Net carrying amount QR
Bank balance	Aa3	N/A	12-month ECL	2,761,542	-	2,761,542
31 December 2022	External credit rating	Internal credit rating	12-month or lifetime ECL?	Gross carrying amount QR	Loss allowance QR	Net carrying amount QR
Bank balance	Aa3	N/A	12-month ECL	10,604,888	-	10,604,888

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Credit risk (continued)

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Fund estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Fund have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet obligations as they fall due. The Fund's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's operations.

Maturity analysis

The table below summarises the maturity profile of the Fund's financial assets and liabilities based on contractual undiscounted receipts and payments.

Financial assets

Analysis of equity and debt securities at fair value through profit or loss (FVTPL) into maturity groupings is based on the expected date on which these assets could be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets could be realised.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

31 December 2023	0 to 3 months	3 to 12 months	More than 1 year	Total QR
	QR	QR	QR	
Financial assets				
Balance with bank - Current account	2,761,542	-	-	2,761,542
Financial assets measured at FVTPL	<u>54,481,890</u>	<u>-</u>	<u>-</u>	<u>54,481,890</u>
Total financial assets	<u>57,243,432</u>	<u>-</u>	<u>-</u>	<u>57,243,432</u>
Financial liabilities				
Fees payable	(992,560)	-	-	(992,560)
Other payables	<u>(1,376,321)</u>	<u>-</u>	<u>-</u>	<u>(1,376,321)</u>
Total financial liabilities	<u>(2,368,881)</u>	<u>-</u>	<u>-</u>	<u>(2,368,881)</u>
	<u>54,874,551</u>	<u>-</u>	<u>-</u>	<u>54,874,551</u>

Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Liquidity risk (continued)

31 December 2022	0 to 3 months QR	3 to 12 months QR	More than 1 year QR	Total QR
Financial assets				
Financial assets measured at FVTPL	44,146,660	-	-	44,146,660
Balance with bank - Current account	10,604,888	-	-	10,604,888
Total financial assets	<u>54,751,548</u>	<u>-</u>	<u>-</u>	<u>54,751,548</u>
Financial liabilities				
Fees payable	(959,925)	-	-	(959,925)
Other payables	(1,012,084)	-	-	(1,012,084)
Total financial liabilities	<u>(1,972,009)</u>	<u>-</u>	<u>-</u>	<u>(1,972,009)</u>
	<u>52,779,539</u>	<u>-</u>	<u>-</u>	<u>52,779,539</u>

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Funds income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. However, the Fund does not invest in securities and other investments that are denominated in currencies other than the Qatari Riyal. Accordingly, the value of the Fund's assets are not affected favourably or unfavourably by fluctuations in currency rates.

Concentration of foreign currency exposure

The following tables set out the Fund's exposure to foreign currency exchange rates on monetary financial assets and liabilities at the reporting date:

	2023	2022
% of total financial assets		
Qatari Riyal (QR)	<u>100%</u>	<u>100%</u>
% of total financial liabilities		
Qatari Riyal (QR)	<u>100%</u>	<u>100%</u>

Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future cash flows or the fair values of financial instruments.

At 31 December 2023, the Fund does not have any financial instruments subject to profit rate risk.

Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices where those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The table below shows the sensitivity of the comprehensive income and net assets attributable to unitholders for an assumed increase in fair value. An equivalent decrease would have resulted in an equivalent but opposite impact.



Al Beit Al Mali Fund

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2023

18 FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Market risk (continued)

Equity price risk (continued)

	<i>Change in equity index %</i>	<i>Effect on comprehensive income / Net assets attributable to unitholders of the Fund</i>	
		<i>2023 QR</i>	<i>2022 QR</i>
Qatar Stock Exchange (QSE)	+/-10%	<u>+/- 5,448,189</u>	<u>+/- 4,414,666</u>

Concentration of equity price risk

The following table analyses the Fund's concentration of equity price risk in the Fund's equity portfolio by geographical distribution (based on counterparties' place of primary listing or, if not listed, place of domicile):

<i>% of equity securities</i>	<i>2023</i>	<i>2022</i>
State of Qatar	<u>100%</u>	<u>100%</u>

The following table analyses the Fund's concentration of equity price risk in the Fund's equity portfolio by industrial distribution:

	<i>2023 % of equity securities</i>	<i>2022 % of equity securities</i>
Banks & financial services	35%	35%
Consumer goods & services	10%	4%
Industrials	29%	40%
Real estate	8%	12%
Telecommunication	13%	7%
Transportation	5%	2%
	<u>100%</u>	<u>100%</u>