Al Beit Al Mali Fund

FINANCIAL STATEMENTS

31 DECEMBER 2022

Building a better working world

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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 2022, 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 a summary of significant 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 2022, 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.

Other matter

The financial statements of the Fund for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 27 June 2022.

Responsibilities of management and the Board of Directors 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.

The Board of Directors 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.

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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 Board of Directors 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

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

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Date: 10 August 2023
Doha

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 QR	2021 QR
ASSETS			
Financial assets measured at fair value through profit or loss (FVTPL)	4	**44,146,660**	55,353,766
Balance with bank – Current account		**10,604,888**	2,083,714
Total assets		**54,751,548**	57,437,480
LIABILITIES			
Fees payable	5	**959,925**	873,658
Other payables and credit balances	6	**1,012,084**	753,752
Total liabilities		**1,972,009**	1,627,410
NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		**52,779,539**	55,810,070
		Units	*Units*
NUMBER OF UNITS IN ISSUE		**2,716,438**	2,718,438
NET ASSET VALUE PER UNIT (QR)		**19.43**	20.53

These financial statements were approved by the Founder of the Fund, Investment House Company (Q.P.S.C), and signed on 10 August 2023.

Mohammed Bin Ahmed Al-Suwaidi
Chairman & Managing Director

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Doha - Qatar
10 AUG 2023
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The attached notes 1 to 12 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	*2022* *QR*	*2021* *QR*
INCOME			
Dividend income		**2,103,841**	2,198,979
Net realised gain on sale of financial assets measured at FVTPL	4	**5,415,574**	7,318,536
Net unrealised (loss)/gain on re-measurement of financial assets at FVTPL	4	**(8,189,594)**	977,463
Total (loss)/income		**(670,179)**	10,494,978
EXPENSES			
Fees expense	7	**(1,531,170)**	(1,843,737)
Brokerage fees		**(358,589)**	(262,183)
Zakat expense		**(238,124)**	(331,989)
Other expenses	8	**(185,700)**	(196,800)
Total expenses		**(2,313,583)**	(2,634,709)
Net (loss)/income for the year		**(2,983,762)**	7,860,269
Other comprehensive income		**-**	-
Total comprehensive (loss)/income for the year		**(2,983,762)**	7,860,269

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2022

	Net assets attributable to units holders QR	*Number of units*	*Net assets value per unit QR*
At 1 January 2021	79,819,625	4,251,855	18.77
Dividends declared (Note 9)	(1,115,532)	-	
Redemptions during the year	(30,754,292)	(1,533,417)	20.06
Total comprehensive income for the year	7,860,269	-	
At 31 December 2021	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**

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STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	2022	*2021*
	QR	*QR*
OPERATING ACTIVITIES		
Net (loss)/income for the year	**(2,983,762)**	7,860,269
Adjustments for:		
Unrealised loss/(gain) on re-measurement of financial assets at FVTPL	**8,189,594**	(977,463)
	5,205,832	6,882,806
Changes in operating assets and liabilities:		
Financial assets measured at FVTPL, net	**3,017,512**	23,615,063
Fees payable	**86,267**	382,030
Other payables and credit balances	**258,332**	405,891
Net cash generated from operating activities	**8,567,943**	31,285,790
FINANCING ACTIVITIES		
Dividends paid	**-**	(1,115,532)
Payment on redemption of units	**(46,769)**	(30,754,292)
Net cash used in financing activities	**(46,769)**	(31,869,824)
Net increase/(decrease) in cash and cash equivalents during the year	**8,521,174**	(584,034)
Balance of cash and cash equivalents at 1 January	**2,083,714**	2,667,748
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**10,604,888**	2,083,714

The attached notes 1 to 12 form part of these financial statements.

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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2021.

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 2021, except for the adoption of the following standards and amendments to standards effective from 1 January 2022. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards and Interpretations
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
Reference to the Conceptual Framework – Amendments to IFRS 3
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 Leases
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
IAS 41 Agriculture – Taxation in fair value measurements

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

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

Standards and Interpretations	*Effective date*
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
IFRS 17: Insurance contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	1 January 2023

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

2.5 Summary of significant accounting policies

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.

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.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (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

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (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 rate (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
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.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (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.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (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 and credit balances.

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, 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 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Cash and bank balances
Cash and bank balances in the statement of financial position comprise cash at banks. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks.

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.

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.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Fair value
Some of the Fund's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Fund uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Fund has designated policies and procedures to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 ***QR***	*2021* *QR*
Listed equity securities – State of Qatar	**44,146,660**	55,353,766

Net changes in fair value of financial assets at fair value through profit or loss are as follows:

	2022 ***QR***	*2021* *QR*
Net realised gain	**5,415,574**	7,318,536
Net unrealised (loss)/gain	**(8,189,594)**	977,463
	(2,774,020)	8,295,999

5 FEES PAYABLE

	2022 ***QR***	*2021* *QR*
Management fee payable	**459,431**	349,463
Founder fee payable	**270,779**	349,463
Custodian fee payable	**229,715**	174,732
	959,925	873,658

6 OTHER PAYABLES AND CREDIT BALANCES

	2022	*2021*
	QR	*QR*
Zakat payable	**854,626**	616,502
Audit fee payable	**79,500**	36,250
Shariah fee payable	**37,757**	37,500
Advertising payable	**31,201**	54,500
Others	**9,000**	9,000
	1,012,084	753,752

7 FEES EXPENSE

	2022	*2021*
	QR	*QR*
Management fee (Note 10 (b))	**612,468**	737,495
Founder fee (Note 10 (b))	**612,468**	737,495
Custodian fee (Note 10 (b))	**306,234**	368,747
	1,531,170	1,843,737

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

8 OTHER EXPENSES

	2022	*2021*
	QR	*QR*
Audit fee	**79,500**	72,500
Shariah fee	**75,000**	75,000
Advertisement expenses	**31,200**	49,300
	185,700	196,800

9 DIVIDENDS DECLARED

The Founder of the Fund did not declare any dividends to unitholders for the year ended 31 December 2021 (2021: 3% to unitholders (QR 0.30 per share)).

10 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

	Related Party	***2022 QR***	*2021 QR*
Management fee payable (Note 5)	QNB Suisse	**459,431**	349,463
Founder fee payable (Note 5)	Investment House Company	**270,779**	349,463
Custodian fee payable (Note 5)	Qatar National Bank	**229,715**	174,732
Shariah fee payable (Note 6)	Investment House Company	**37,757**	37,500
		997,682	911,158

(b) Related party's transactions

	Related Party	***2022 QR***	*2021 QR*
Management fee (Note 7)	QNB Suisse	**612,468**	737,495
Founder fee (Note 7)	Investment House Company	**612,468**	737,495
Custodian fee (Note 7)	Qatar National Bank	**306,234**	368,747
Shariah fee (Note 8)	Investment House Company	**75,000**	75,000
		1,606,170	1,918,737

11 FAIR VALUES OF FIANCIAL 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.

		2022	
	Financial instrument classification	***Carrying value QR***	***Fair value QR***
Financial assets			
Financial investments measured at FVTPL	FVTPL	**44,146,660**	44,146,660
Balance with bank – Current account	AC	**10,604,888**	10,604,888
		54,958,950	54,958,950
Financial liabilities			
Fees payable	AC	**959,925**	959,925
Other payables and credit balances	AC	**1,012,084**	1,012,084
		1,972,009	1,972,009

11 FAIR VALUES OF FIANCIAL INSTRUMENTS (CONTINUED)

	Financial instrument classification	*2021* Carrying value QR	Fair value QR
Financial assets			
Financial investments measured at FVTPL	FVTPL	**55,353,766**	55,353,766
Balance with bank – Current account	AC	**2,083,714**	2,083,714
		57,437,480	57,437,480
Financial liabilities			
Fees payable	AC	**873,658**	873,658
Other payables and credit balances	AC	**753,752**	753,752
		1,627,410	1,627,410

Legends:

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

The management assessed that bank balances, fees payable and other payables and credit balances 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 2022.

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

At 31 December 2021	*Fair value measurement using*			
	Fair value	*Level 1*	*Level 2*	*Level 3*
	QR	*QR*	*QR*	*QR*
Financial investments measured at FVTPL	55,353,766	55,353,766	-	-

During the year ended 31 December 2022 and 31 December 2021, 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.

12 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.

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
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

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Credit risk (continued)

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 2022	***External credit rating***	***Internal credit rating***	***12-month or lifetime ECL?***	***Gross carrying amount QR***	***Loss allowance QR***	***Net carrying amount QR***
Balance with bank – Current account	Aa3	N/A	12-month ECL	**10,604,888**	-	**10,604,888**

31 December 2021	*External credit rating*	*Internal credit rating*	*12-month or lifetime ECL?*	*Gross carrying amount QR*	*Loss allowance QR*	*Net carrying amount QR*
Balance with bank – Current account	Aa3	N/A	12-month ECL	2,083,714	-	2,083,714

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.

Exposure to credit risk

The Fund's maximum exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

	2022 QR	*2021 QR*
Financial assets measured at FVTPL	**44,146,660**	55,353,766
Balance with bank – Current account	**10,604,888**	2,083,714
Total credit risk exposure	**54,751,548**	57,437,480

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Liquidity risk

Maturity analysis
Analysis of equity at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will 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 will be realised.

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	**54,751,548**	**-**	**-**	**54,751,548**
Financial liabilities				
Fees payable	**959,925**	**-**	**-**	**959,925**
Other payables and credit balances	**1,012,084**	**-**	**-**	**1,012,084**
Total financial liabilities	**1,972,009**	**-**	**-**	**1,972,009**
Liquidity gap	**52,779,539**	**-**	**-**	**52,779,539**

31 December 2021	*0 to 3 months QR*	*3 to 12 months QR*	*More than 1 year QR*	*Total QR*
Financial assets				
Financial assets measured at FVTPL	55,353,766	-	-	55,353,766
Balance with bank - Current account	2,083,714	-	-	2,083,714
Total financial assets	57,437,480	-	-	57,437,480
Financial liabilities				
Fees payable	873,658	-	-	873,658
Other payables and credit balances	753,752	-	-	753,752
Total financial liabilities	1,627,410	-	-	1,627,410
Liquidity gap	55,810,070	-	-	55,810,070

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Market risk

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.

The Fund did not have any profit-bearing assets or liabilities as at 31 December 2022 (2021: QR Nil).

Concentration of equity price risk
The following table analyses the Fund's concentration of unit holders 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).

	2022 % of equity securities	*2021 % of equity securities*
State of Qatar	**100%**	100%

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

	2022 % of equity securities	*2021 % of equity securities*
Industrials	**40%**	34%
Financial institutions	**35%**	34%
Real estate	**12%**	14%
Telecommunication services	**7%**	12%
Consumer discretionary	**3.5%**	5%
Logistics	**2%**	0.5%
Healthcare	**0.5%**	0.5%
	100%	100%