

**Al Beit Al Mali Fund
Financial Statements
31 December 2024**

Al Beit Al Mali Fund**Financial Statements**

As at and for the year ended 31 December 2024

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Independent auditors' report

To the Unit Holders 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 2024, the statements of profit or loss and other comprehensive income, changes in net assets attributable to unit holders and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditors' 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 as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 11 June 2024.

Independent auditors' report (continued)

Al Beit Al Mali Fund

Responsibilities of the Fund Manager for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 judgement and maintain professional scepticism 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

Independent auditors' report (continued)

Al Beit Al Mali Fund

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on Other Legal Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- The Fund has maintained proper accounting records and its financial statements are in agreement therewith.
- We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Fund's Articles of Association having occurred during the year which might have had a material effect on the Fund's financial position or performance as at and for the year ended 31 December 2024.

22 May 2025
Doha
State of Qatar



Salim Khalil
KPMG
Qatar Auditors' Registry Number 472

Al Beit Al Mali Fund

Statement of financial position
As at 31 December 2024

In Qatari Riyals

| | Note | 2024 | 2023 |
|--|------|-------------------|-------------------|
| Assets | | | |
| Financial assets measured at fair value through profit or loss | 6 | 50,986,220 | 54,481,890 |
| Bank balance | 7 | 7,243,610 | 2,761,542 |
| Receivable from Fund Manager | | 31,777 | - |
| Total Assets | | 58,261,607 | 57,243,432 |
| Liabilities | | | |
| Fees payable | 9 | 1,274,370 | 992,560 |
| Other payables | 10 | 1,756,798 | 1,376,321 |
| Total Liabilities | | 3,031,168 | 2,368,881 |
| Net assets attributable to the unit holders | | 55,230,439 | 54,874,551 |
| | | Units | Units |
| Number of units in issue | | 2,713,938 | 2,713,938 |
| Net asset value per unit | | 20.35 | 20.22 |

These financial statements were authorized for issue and approved by the Founder of the Fund, Investment House Company (Q.P.S.C) on 22 May 2025 and signed on their behalf by

Mohammed Bin Ahmed Al-Suwaidi
Chairman & Managing Director



The attached notes 1 to 19 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

In Qatari Riyals

| | Note | 2024 | 2023 |
|---|------|---------------------------|---------------------------|
| Income | | | |
| Dividend income | 11 | 2,994,518 | 2,248,183 |
| Net realised gain / (loss) on sale of financial assets measured at fair value through profit or loss | 8 | 699,829 | (135,160) |
| Net unrealised (loss) / gain on re-measurement of financial assets at fair value through profit or loss | 8 | <u>(1,152,506)</u> | <u>1,894,930</u> |
| Total income | | <u>2,541,841</u> | <u>4,007,953</u> |
| Expenses | | | |
| Fees Expense | 12 | (1,348,608) | (1,318,662) |
| Brokerage fees | 13 | (248,063) | (181,670) |
| Zakat expense | 14 | (359,757) | (158,038) |
| Other expense | 15 | <u>(229,525)</u> | <u>(206,200)</u> |
| Total expenses | | <u>(2,185,953)</u> | <u>(1,864,570)</u> |
| Profit for the year | | <u>355,888</u> | <u>2,143,383</u> |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | <u>355,888</u> | <u>2,143,383</u> |



The attached notes 1 to 19 form an integral part of these financial statements.

| | Net assets attributable to the units holders | Number of units | Net assets value per unit |
|---|---|-------------------------|------------------------------|
| Balance at 1 January 2023 | 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 | - | - |
| Balance as at 31 December 2023 | <u>54,874,551</u> | <u>2,713,938</u> | <u>20.22</u> |
| Balance at 1 January 2024 | 54,874,551 | 2,713,938 | 20.22 |
| Redemptions during the year | - | - | - |
| Total comprehensive income for the year | 355,888 | - | - |
| Balance as at 31 December 2024 | <u>55,230,439</u> | <u>2,713,938</u> | <u>20.35</u> |



The attached notes 1 to 19 form an integral part of these financial statements.

| | Note | 2024 | 2023 |
|---|------|------------------|--------------------|
| OPERATING ACTIVITIES | | | |
| Net income for the year | | 355,888 | 2,143,383 |
| <i>Adjustments for:</i> | | | |
| Net realised (gain) / loss on sale of financial assets measured at fair value through profit or loss | 8 | (699,829) | 135,160 |
| Net unrealised loss / (gain) on re-measurement of financial assets at fair value through profit or loss | 8 | 1,152,506 | (1,894,930) |
| | | <u>808,565</u> | <u>383,613</u> |
| <i>Changes in operating assets and liabilities:</i> | | | |
| Receivable from Fund Manager | | (31,777) | - |
| Fees payable | | 281,810 | 32,635 |
| Other payables | | 380,477 | 364,237 |
| Net cash flows generated from operating activities | | 1,439,075 | 780,485 |
| INVESTING ACTIVITIES | | | |
| Additions to Financial assets measured at fair value through profit or loss | 6 | (71,392,272) | (57,676,409) |
| Sale proceeds from sale of financial assets measured at fair value through profit or loss | 6 | 74,435,265 | 49,100,949 |
| Net cash flows generated from / (used in) investing activities | | 3,042,993 | (8,575,460) |
| FINANCING ACTIVITIES | | | |
| Payment on redemption of units | | - | (48,371) |
| Net cash used in financing activities | | - | (48,371) |
| Net increase / (decrease) in cash and cash equivalents | | 4,482,068 | (7,843,346) |
| Cash and cash equivalents at 1 January | | 2,761,542 | 10,604,888 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 7 | 7,243,610 | 2,761,542 |



1. CORPORATE INFORMATION

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 (Q.P.S.C.) (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.

The financial statements of the Fund for the year ended 31 December 2024 were authorized for issue and approved by the Founder of the Fund, Investment House Company (Q.P.S.C) on 22 May 2025.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

b) Basis of measurement

These financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value through profit or loss ("FVTPL") at the end of each reporting period.

c) Functional and presentation currency

These financial statements are presented in Qatari Riyals ("QR") which is the Fund's functional currency. All financial information presented has been rounded to the nearest QR.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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 have been prepared on a going concern basis.

Notes to the financial statements
As at and for the year ended 31 December 2024

2. BASIS OF PREPARATION (CONTINUED)

d) Use of estimates and judgements (continued)

Impairment of financial assets

The Fund follows expected credit loss (ECL) impairment model under IFRS 9 "Financial Instruments" for all debt instruments not held at fair value through profit or loss, which requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivable and financial assets. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Other provisions and liabilities

Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss and other comprehensive income in the period in which the change occurs.

e) New standards, amendments and interpretations effective from 1 January 2024

During the current year, the below new and amended International Financial Reporting Standards ("IFRS" or "standards") and interpretation to standards became effective for the first time for financial years beginning on 1 January 2024:

| New Accounting Standards or Amendments | Effective date |
|--|-----------------------|
| Non-current Liabilities with Covenants (Amendments to IAS 1) | 1 January 2024 |
| Classification of Liabilities as Current or Non-current and non-current Liabilities with Covenants (Amendments to IAS 1) | 1 January 2024 |
| Lease Liability in a Sale or Leaseback (Amendments to IFRS 16) | 1 January 2024 |
| Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) | 1 January 2024 |

The adoption of the above new and amended standards and the interpretation to a standard had no significant impact on the Fund's financial statements.

f) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

The below new and amended IFRS or standards and interpretations to standards are not effective until a later period, and they have not been applied in preparing these financial statements.

| Standards/ Amendments to standards | Effective date |
|--|--------------------------------------|
| Lack of Exchangeability – Amendments to IAS 21 | 1 January 2025 |
| Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) | 1 January 2026 |
| Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7) | 1 January 2026 |
| Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) | 1 January 2026 |
| IFRS 18 Presentation and Disclosure in the Financial Statements | 1 January 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) | effective date deferred indefinitely |

Management does not expect that the adoption of the above new and amended standards will have a significant impact on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES

a) Revenue recognition

The Fund has consistently applied the following accounting policies regarding revenue recognition to all periods presented in these financial statements:

Dividend income

Dividend income is recognised when the right to receive income is established.

Income from Financial assets measured at fair value through profit or loss

Gains or losses on the disposal of financial assets measured at fair value through profit or loss are recognized in profit or loss and other comprehensive income as the difference between fair value of the consideration received and carrying amount of the financial assets measured at fair value through profit or loss.

b) Financial instruments

Initial recognition and measurement

Investments are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instrument. A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified at:

- amortised cost (AC) – if it meets both of the following conditions and is not designated as at FVTPL:
 - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Fair Value Through Other Comprehensive Income (FVOCI) – if it meets both of the following conditions and is not designated as at FVTPL:
 - it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
 - its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by investment basis

Fair Value Through Profit or Loss (FVTPL) – All financial assets not classified as measured at amortised cost or FVOCI as described above. Investments in equity instruments are classified as at FVTPL, unless the Fund designates an equity instrument that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition. On initial recognition, the Fund may irrecoverably designate a financial asset as FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets – Business model assessment

The Fund makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets

Financial assets – Assessment whether contractual cash flows are Solely Payments of Principle and Interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principle and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principle and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

Financial assets – Subsequent measurement and gains and losses

- Financial assets at Fair Value Through Profit or Loss (FVTPL) - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Subsequent measurement and gains and losses (continued)

- Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI) - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Fund does not hold such assets.
- Equity investments at Fair Value Through Other Comprehensive Income (FVOCI) - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

Financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

Non-derivative financial assets

The Fund recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost (bank balances and receivables). The Fund does not hold debt investments measured at amortised cost.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Financial instruments (continued)

Impairment (continued)

Non-derivative financial assets (continued)

The Fund measures loss allowance either at an amount equal to:

- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or
- 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Fund individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Fund expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

c) Fees expenses

Fees expenses are recognised in profit or loss and other comprehensive income as the related services are performed.

d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances with an original maturity of not exceeding 90 days.

e) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets. The reclassification takes place from the start of the first reporting period following the change.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Foreign currency translation

The Fund maintains its financial records and prepares its financial statements in QR.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting period. All differences are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

g) Provisions and payables

A provision is recognised when:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that the Company will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Liabilities are recognised for amounts to be paid in the future for goods or services received.

h) 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.

i) 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.

j) 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.

k) 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's assets.

4. FINANCIAL RISK MANAGEMENT**Objectives and policies**

The Fund's financial liabilities comprise of due to related parties and other liabilities. The Fund's financial assets comprise of Financial assets measured at fair value through profit or loss and bank balances, which arise directly from its operations.

The main risks arising from the Fund's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's 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

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Fund's functional currency. The Fund is not exposed to foreign exchange risk arising as it primarily transacts in QR, which is the Fund's functional currency.

Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is not exposed to interest rate risk since the Fund has no floating rate interest-bearing financial instruments

Equity price risk

Equity price risk is the risk that the fair value of the 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 profit or loss and other comprehensive income for an assumed increase in fair value. An equivalent decrease would have resulted in an equivalent but opposite impact.

| Indices | Change in equity price 2024 % | Effect on profit or loss and other comprehensive income | | Change in equity price 2023 % | Effect on profit or loss and other comprehensive income 2023 QR |
|---|--|--|-----------|--|--|
| | | 2024 QR | 2023 % | | |
| Financial assets measured at fair value through profit or loss | 5 | 2,549,311 | 5 | 2,724,095 | |

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's exposure to credit risk is as indicated by the carrying amount of its assets which consist of other receivables and bank balances. The Fund seeks to limit its credit risk with respect to banks by dealing with reputable banks.

The following table shows the maximum exposure to credit risk by class of financial assets at the end of the reporting period date. Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

| | 2024 | 2023 |
|--------------|-------------------------|-------------------------|
| Bank balance | 7,243,610 | 2,761,542 |
| | <u>7,243,610</u> | <u>2,761,542</u> |

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

The Fund limits its exposure to credit risk on bank balances by maintaining balances with reputable and credit worthy banks having high credit ratings. The Fund's bank balances are held with a bank that is independently rated Aa3 (2023: Aa3) by credit rating agency (Moody's Ratings). As a result, management believes that credit risk in respect of these balances is minimal, hence ECL is expected to be insignificant.

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.

The table below summarises the maturity profile of the Fund's financial liabilities at the reporting period on contractual undiscounted payments.

| | Within one year | Total |
|----------------------------|-------------------------|-------------------------|
| At 31 December 2024 | | |
| Fees payable | 1,274,370 | 1,274,370 |
| Other payables | <u>1,756,798</u> | <u>1,891,585</u> |
| | <u>3,031,168</u> | <u>3,165,955</u> |
| At 31 December 2023 | | |
| Fees payable | 992,560 | 992,560 |
| Other payables | <u>1,376,321</u> | <u>1,376,321</u> |
| | <u>2,368,881</u> | <u>2,368,881</u> |

5. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

5. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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.

The fair value of Financial assets measured at fair value through profit or loss that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets at the close of business on the reporting date.

For financial instruments where there is no active market, the fair value is determined by using discounted cash flow analysis or reference to broker or dealer price quotations. For discounted cash flow analysis, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

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.

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

| | | 2024 | |
|--|-------------------------------------|--------------------------|--------------------------|
| | Financial instrument classification | Carrying value | Fair Value |
| <i>Financial assets</i> | | | |
| Financial assets measured at fair value through profit or loss | FVTPL | 50,986,220 | 50,986,220 |
| Bank balance | AC | 7,243,610 | 7,243,610 |
| Receivable from Fund Manager | AC | 31,777 | 31,777 |
| | | <u>58,261,607</u> | <u>58,261,607</u> |
| <i>Financial liabilities</i> | | | |
| Fees payable | AC | 1,274,370 | 1,274,370 |
| Other payables | AC | 1,756,798 | 1,756,798 |
| | | <u>3,031,168</u> | <u>3,031,168</u> |
| | | 2023 | |
| | Financial instrument classification | Carrying value | Fair Value |
| <i>Financial assets</i> | | | |
| Financial assets measured at fair value through profit or loss | FVTPL | 54,481,890 | 54,481,890 |
| Bank balance | AC | 2,761,542 | 2,761,542 |
| Receivable from Fund Manager | AC | - | - |
| | | <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> |

5. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy.

| As at 31 December 2024 | Total | Level 1 | Level 2 | Level 3 |
|--|-------------------|-------------------|---------|---------|
| <i>Asset measured at fair value</i> | | | | |
| Financial assets measured at fair value through profit or loss | <u>50,986,220</u> | <u>50,986,220</u> | - | - |
| As at 31 December 2023 | Total | Level 1 | Level 2 | Level 3 |
| <i>Asset measured at fair value</i> | | | | |
| Financial assets measured at fair value through profit or loss | <u>54,481,890</u> | <u>54,481,890</u> | - | - |

During the year ended 31 December 2024 and 2023, 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.

6. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Notes | 2024 | 2023 |
|---|-------|-------------------|-------------------|
| Listed equity securities – State of Qatar | | <u>50,986,220</u> | <u>54,481,890</u> |

The movement of the financial assets measured at fair value through profit or loss is as follows:

| | 2024 | 2023 |
|---|-------------------|-------------------|
| At 1 January | 54,481,890 | 44,146,660 |
| Purchases during the year | 71,392,272 | 57,676,409 |
| Disposals during the year | (74,435,265) | (49,100,949) |
| Fair value changes during the year (Note 8) | (452,677) | 1,759,770 |
| As at 31 December | <u>50,986,220</u> | <u>54,481,890</u> |

7. BANK BALANCES

| | 2024 | 2023 |
|---------------|------------------|------------------|
| Bank balances | <u>7,243,610</u> | <u>2,761,542</u> |

The Fund's current account is maintained with Qatar National Bank which is rated as Aa3 (2023: Aa3), based on Moody's ratings.

8. NET (LOSS) / GAIN FROM FINANCIAL ASSETS AT FVTPL

| | 2024 | 2023 |
|---|------------------|------------------|
| Net realised gain / (loss) on sale of financial assets measured at fair value through profit or loss | 699,829 | (135,160) |
| Net unrealised (loss) / gain on re-measurement of financial assets at fair value through profit or loss | (1,152,506) | 1,894,930 |
| As at 31 December | <u>(452,677)</u> | <u>1,759,770</u> |

9. FEES PAYABLE

| | 2024 | 2023 |
|------------------------|------------------|----------------|
| Management fee payable | 138,308 | 129,544 |
| Founder fee payable | 1,066,908 | 798,244 |
| Custodian fee payable | 69,154 | 64,772 |
| | <u>1,274,370</u> | <u>992,560</u> |

10. OTHER PAYABLES

| | 2024 | 2023 |
|---------------------|------------------|------------------|
| Zakat payable | 1,404,198 | 1,012,664 |
| Audit fee payable | 100,000 | 179,500 |
| Shariah fee payable | 150,000 | 112,757 |
| Advertising payable | 93,600 | 62,400 |
| Others | 9,000 | 9,000 |
| | <u>1,756,798</u> | <u>1,376,321</u> |

11. DIVIDEND INCOME

| | 2024 | 2023 |
|---|------------------|------------------|
| Listed equity securities – State of Qatar | 2,994,518 | 2,248,183 |
| | <u>2,994,518</u> | <u>2,248,183</u> |

12. FEES EXPENSE

| | 2024 | 2023 |
|--------------------|------------------|------------------|
| Management fee (1) | 539,443 | 527,465 |
| Founder fee (2) | 539,443 | 527,465 |
| Custodian fee (3) | 269,722 | 263,732 |
| | <u>1,348,608</u> | <u>1,318,662</u> |

- (1) 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.
- (2) As per the Articles of Association, the Founder is entitled of 1% of monthly net asset value of the Fund as Founder Fee.
- (3) 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.

13. BROKERAGE EXPENSE

| | 2024 | 2023 |
|----------------|----------------|----------------|
| Brokerage fees | 248,063 | 181,670 |
| | <u>248,063</u> | <u>181,670</u> |

Brokerage fee is computed based on the transaction price in all buy and sell transactions.

14. ZAKAT EXPENSE

| | 2024 | 2023 |
|---------------|----------------|----------------|
| Zakat expense | 359,757 | 158,038 |
| | <u>359,757</u> | <u>158,038</u> |

14. ZAKAT EXPENSE (CONTINUED)

Zakat is levied by determining the purification amount by the management based on the Shariah Law and in accordance with the articles of association of the Fund. It is calculated by taking the quantity of shares and multiplying it with annually approved rates by the by the Fatwa and Shari'a Supervisory Board of the Fund on a daily basis. The Zakat provision is charged to the statement of comprehensive income.

15. OTHER EXPENSE

| | 2024 | 2023 |
|--|-----------------------|-----------------------|
| Professional fees | 100,000 | 100,000 |
| Shariah fee | 75,000 | 75,000 |
| Advertisement expenses | 31,200 | 31,200 |
| CR renewal and logo registration charges | 23,325 | - |
| | <u>229,525</u> | <u>206,200</u> |

16. RELATED PARTY 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.

Related party transactions

Transactions with related parties included in the statement of profit or loss and other comprehensive income are as follows:

| | 2024 | 2023 |
|---|-----------------------|-----------------------|
| <i>QNB Suisse</i> | | |
| Management fee | <u>539,443</u> | <u>527,465</u> |
| Zakat to be settled by Fund Manager on behalf of the Fund | <u>31,777</u> | <u>-</u> |
| <i>Qatar National Bank (Q.P.S.C.)</i> | | |
| Custodian fee | <u>269,722</u> | <u>263,732</u> |
| <i>Investment House Company (Q.P.S.C.)</i> | | |
| Founder Fee | <u>539,443</u> | <u>527,465</u> |
| Shariah Fee | <u>75,000</u> | <u>75,000</u> |

Related party balances

Due from and to related parties at the end of the reporting period arise in the normal course of business.

(a) Due from related party

| | 31 December 2024 (Audited) | 31 December 2023 (Audited) |
|------------------|----------------------------------|----------------------------------|
| Other receivable | <u>31,777</u> | <u>-</u> |

(b) Due to related parties

| | 2024 | 2023 |
|------------------------|-----------------------------------|-------------------------|
| Management fee payable | QNB Suisse | 138,308 |
| Founder fee payable | Investment House Company Q.P.S.C. | 1,066,908 |
| Custodian fee payable | Qatar National Bank Q.P.S.C. | 69,154 |
| Shariah fee payable | Investment House Company Q.P.S.C. | 150,000 |
| | | <u>1,424,370</u> |
| | | <u>1,105,317</u> |

17. SUBSEQUENT EVENTS

There were no significant events after the reporting date, which have a bearing on the understanding of these financial statements.

18. COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies as at 31 December 2024 (31 December 2023: None).

19. COMPARATIVE FIGURES

The comparative figures may have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications did not affect the previously reported net profits, net assets or equity.