

AL WATANI FUND (2)
DOHA – QATAR

**INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2024**

AL WATANI FUND (2)

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the three-month period ended March 31, 2024

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QR. 99-8

RN: 665/AT/FY2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unit Holders of Al Watani Fund (2)
Doha – Qatar

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Watani Fund (2) (the "Fund") as of March 31, 2024, and the related statements of profit or loss and other comprehensive income, changes in net assets attributable to unit holders and cash flows for the three-month period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of the interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

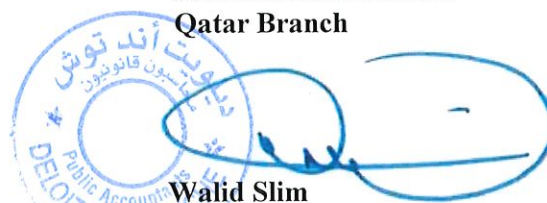
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The interim financial information of the Fund for the three -month period ended March 31, 2023 and the annual financial statements for the year ended December 31, 2023 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion and unmodified opinion on that information and those statements on June 19, 2023 and February 20, 2024 respectively.

Doha – Qatar
April 25, 2024

For Deloitte & Touche
Qatar Branch


Walid Slim
Partner
License No. 319
QFMA Audit Registration 120156

AL WATANI FUND (2)**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

As at March 31, 2024

	Notes	March 31, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
ASSETS			
Investment securities	5	5,596,745	6,702,751
Prepayment and other receivables	6	23,380	198,464
Bank balances	7	1,260,149	147,226
TOTAL ASSETS		6,880,274	7,048,441
LIABILITIES			
Due to related parties	8	172,948	104,835
Payables and accrued expenses	9	172,861	59,876
		345,809	164,711
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS		6,534,465	6,883,730
NUMBER OF UNITS IN ISSUE (UNITS)		322,754	322,754
NET ASSET VALUE PER UNIT (QR)		20.25	21.33

This interim condensed financial information was approved by the Fund Manager on 25 April 2024 and were signed on its behalf by:


Mr. Abdulla Al-Sada
Senior Executive Vice President
Group Asset and Wealth Management



This statement has been prepared by the Fund and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE INTEGRAL PARTS OF THE INTERIM CONDENSED FINANCIAL INFORMATION

AL WATANI FUND (2)**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the three-month period ended March 31, 2024

	Note	March 31, 2024 (Reviewed) QR.	March 31, 2023 (Reviewed) QR.
INCOME			
Net loss from investment securities	5	(495,320)	(83,507)
Dividend income		228,189	273,222
Interest income		7,652	4,447
Total (loss)/income		(259,479)	194,162
EXPENSES			
Management fees		24,670	26,586
Custodian fees		8,219	8,874
Brokerage fees		2,280	10,262
Professional fees		19,394	19,233
Performance fees		35,223	53,144
Total expenses		89,786	118,099
(Loss)/income for the year		(349,265)	76,063
Other comprehensive income for the year		--	--
CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		(349,265)	76,063



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AL WATANI FUND (2)**INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS**

For the three-month period ended March 31, 2024

	March 31, 2024		March 31, 2023	
	Number of units (Reviewed)	QR. (Reviewed)	Number of units (Reviewed)	QR. (Reviewed)
Balance at January 1 (Audited)	322,754	6,883,730	373,013	7,340,332
Change in net assets attributable to the unit holders	--	(349,265)	--	76,063
<u>Subscription and redemptions by unit holders:</u>				
Subscription of redeemable units during the year	--	--	985	20,000
Redemption of redeemable units during the period	--	--	(36,326)	(720,824)
Transactions with the unit holders	--	--	(35,341)	(700,824)
Balance at March 31	322,754	6,534,465	337,672	6,715,571



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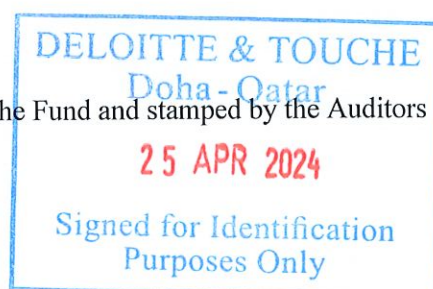
AL WATANI FUND (2)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2024

	Note	For the three month-period ended March 31, 2024 (Reviewed) QR.	For the three- month period ended March 31, 2023 (Reviewed) QR.
OPERATING ACTIVITIES			
Change in net assets attributable to the unit holders		(349,265)	76,063
Adjustments for:			
Interest income		(7,652)	(4,447)
Net unrealized loss on revaluation of investment securities	5	476,749	159,812
		<u>119,832</u>	<u>231,428</u>
<i>Changes in:</i>			
Investment securities		629,257	(263,676)
Prepayment and other receivables		175,084	(40)
Due to related parties		68,113	(12,989)
Payables and accrued expenses		<u>112,985</u>	<u>43,157</u>
Cash generated by/(used in) by operating activities		1,105,271	(2,120)
Interest received		<u>7,652</u>	<u>4,447</u>
Net cash generated by operations activities		<u>1,112,923</u>	<u>2,327</u>
FINANCING ACTIVITIES			
Proceeds from subscription of redeemable units		--	20,000
Payments for redemption of redeemable units		--	(720,824)
Net cash used in financing activities		--	(700,824)
Net increase in cash and cash equivalents		1,112,923	(698,497)
Cash and cash equivalents at the beginning of the period		147,226	1,274,486
Cash and cash equivalents at the end of the period	7	<u>1,260,149</u>	<u>575,989</u>

This statement has been prepared by the Fund and stamped by the Auditors for identification purposes only.



THE ACCOMPANYING NOTES ARE INTEGRAL PARTS OF THE INTERIM CONDENSED FINANCIAL INFORMATION

1. LEGAL STATUS AND MAIN ACTIVITIES

Al Watani Fund (2) (the "Fund") is an open ended fund incorporated on 8 September 2005, under Law No. 25 of the year 2002 and the Ministry of Commerce and Industry Decision No. (69) of the year 2004 for issuing bylaws for investment funds of the State of Qatar. The Fund was licensed by Qatar Central Bank ("QCB") with License No.1.F/3/2005 and registered with the Ministry of Commerce and Industry ("Ministry") with a registration no.31350. The Fund invests for capital growth and income in companies listed on the Qatar Exchange and in local funds.

The term of the Fund shall be 10 years, starting from the date of registration of the Fund in the Investment Funds Register of the Ministry, renewable by the founder on approval from Qatar Central Bank. On 22 July 2015 the Fund has renewed the licence for another 10 years of operation.

The founder of the Fund is Qatar National Bank (Q.P.S.C.), ("QNB"), a Qatari Joint Stock Company established under the laws of Qatar and having its principal office in Doha, Qatar, P.O. Box 1000 (the "Founder"). QNB is the appointed Custodian of the Fund. The Fund is managed by QNB Banque Privee (Suisse), a Company established under the laws of Switzerland (Company Registration Number CH-170-3-031-263-3) and having its registered office in Geneva, Switzerland.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The interim condensed financial information ("the financial information") is prepared in accordance with IAS 34 – "Interim Financial Reporting" and the applicable provisions of Qatar Central Bank Regulations. The financial information should be read in conjunction with the 2023 annual financial statements of the Fund, as described in Note 3 to the financial information.

The financial information does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards ((IFRS Accounting Standards). In addition, results for the three-month period ended March 31, 2024 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024.

The financial information is prepared on a historical cost basis, except for investment securities classified as fair value through profit or loss which are carried at fair value.

The financial information have been presented in Qatari Riyals, which is the presentational currency of the Fund's financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**Judgements, estimates and risk management**

The preparation of the financial information requires Fund Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by Fund Manager in applying the Fund's material accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2023.

Financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2023.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the interim condensed financial statements for the year ended December 31, 2023, except for the adoption of new standards effective as of January 01, 2024. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Fund.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and estimates used in the preparation of the financial information are consistent with those used in the preparation of the Fund's annual financial statements for the year ended December 31, 2023.

5. INVESTMENT SECURITIES

Investment securities carried at fair value through profit or loss:

	March 31, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
Listed equity securities – State of Qatar	<u>5,596,745</u>	<u>6,702,751</u>
	<u>5,596,745</u>	<u>6,702,751</u>

AL WATANI FUND (2)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the three-month period ended March 31, 2024

5. INVESTMENT SECURITIES (CONTINUED)**Net (loss)/gain From Investment Securities**

	March 31, 2024 (Reviewed)	March 31, 2023 (Reviewed)
	QR	QR
(Loss) /gain on sale of investment securities	(18,571)	76,305
Net loss from changes in fair value of investment securities classified as FVTPL	(476,749)	(159,812)
	<u>(495,320)</u>	<u>83,507</u>

6. PREPAYMENT AND OTHER RECEIVABLES

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	QR.	QR.
Interest receivable	91	11
Dividend Receivables	23,289	--
Brokerage Receivables	--	198,453
	<u>23,380</u>	<u>198,464</u>

7. BANK BALANCES

	March 31, 2024 (Reviewed)	December 31, 2023 (Audited)
	QR	QR
Balances with bank	<u>1,260,149</u>	<u>147,226</u>

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Qatar Central Bank. Accordingly, management of the Fund estimates the loss allowance on balances with banks at end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at end of 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 reached any loss allowances on these balances.

For the three-month period ended March 31, 2024

8. RELATED PARTIES DISCLOSURES

Related parties represent the Founder, the Fund Manager, directors and key management personnel of the Fund, and entities controlled, jointly controlled or significantly influenced by such parties. Transaction policies and terms are approved by the management.

Management fees

The management fee is calculated and payable to the Fund Manager on a monthly basis at an annual rate of 1.5% of the net asset value of the Fund.

Performance fees

The performance fee is calculated and payable to the Fund Manager on a monthly basis at an annual rate of 15% on positive excess returns.

Custodian fees

The custodian fee is calculated and payable to the Custodian on a monthly basis at an annual rate of 0.5% of the net asset value of the Fund.

Related party balances

Balance with related party included for the period end are as follows:

Due to related parties

	Relationship	March 31, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
QNB Banque Privee (Suisse)	Fund manager	156,766	96,872
Qatar National Bank (Q.P.S.C.)	Founder	16,182	7,963
		<u>172,948</u>	<u>104,835</u>

Related party transactions

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

	March 31, 2024 (Reviewed) QR	December 31, 2023 (Reviewed) QR
<i>QNB Banque Privee (Suisse)</i>		
Performance fees	35,223	53,144
Management fees	24,670	26,586
	<u>59,893</u>	<u>79,730</u>
<i>Qatar National Bank (Q.P.S.C.)</i>		
Custodian fees	<u>8,219</u>	<u>8,874</u>

AL WATANI FUND (2)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the three-month period ended March 31, 2024

9. ACCRUED EXPENSES AND OTHER PAYABLES

	March 31, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
Audit fees	79,270	59,876
Brokerage payables	93,591	--
	<u>172,861</u>	<u>59,876</u>

10. FINANCIAL INSTRUMENTS

The carrying amounts of the financial instruments, other than financial assets at fair value through profit or loss which is carried at fair value, are a reasonable approximation of their fair values.

Fair value hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique: Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Fund can access at the measurement date; Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. The following table provides the fair value measurement hierarchy of the Fund's financial asset and liabilities at March 31, 2024 and December 31, 2023:

March 31, 2024 (Reviewed)

	Financial assets		Financial liabilities	Hierarchy level
	FVTPL	Amortized cost	Amortized cost	1
	QR.	QR.	QR.	QR.
Bank balances (note 7)	--	1,260,149	--	--
Other receivables (note 6)		23,380		
Investment securities (note 5)	5,596,745	--	--	5,596,745
Due to related parties (note 8)			172,948	
Payables and accrued expenses (note 9)	--	--	172,861	--

AL WATANI FUND (2)**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**

For the three-month period ended March 31, 2024

10. FINANCIAL INSTRUMENTS (CONTINUED)**December 31, 2023 (Audited)**

	Financial assets		Financial liabilities	Hierarchy level
	FVTPL	Amortized cost	Amortized cost	1
	QR.	QR.	QR.	QR.
Bank balances (note 7)	--	147,226	--	--
Other receivables (note 6)		198,464		
Investment securities (note 5)	6,702,751	--	--	6,702,751
Due to related parties (note 8)	--	--	104,835	--
Payables and accrued expenses (note 9)	--	--	59,876	--

11. APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS

The financial information for the three month period ended March 31, 2024 was authorised for issue by the Fund Manager on April 25,2024.