

AL WATANI FUND (2)
DOHA – QATAR

**INTERIM CONDENSED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2024**

AL WATANI FUND (2)

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the six-month period ended June 30, 2024

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QR. 99-8

RN: 129/AT/FY2025

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 June 30, 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 six-month period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of the interim condensed 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

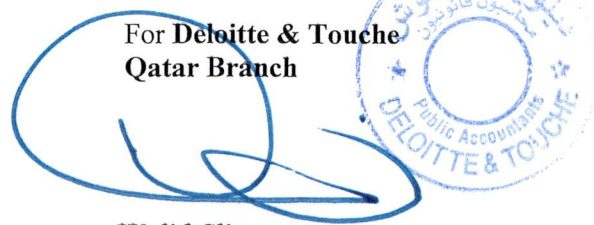
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The interim financial information of the Fund for the six -month period ended June 30, 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 August 10, 2023 and February 20, 2024 respectively.

Doha – Qatar
July 16, 2024

For Deloitte & Touche
Qatar Branch



Walid Slim
Partner
License No. 319
QFMA Audit Registration 120156

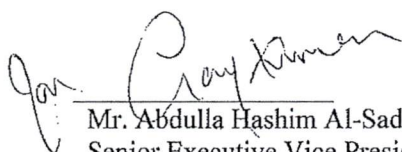
AL WATANI FUND (2)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Notes	June 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
ASSETS			
Investment securities	5	6,179,110	6,702,751
Prepayment and other receivables	6	44	198,464
Bank balances	7	620,846	147,226
TOTAL ASSETS		6,800,000	7,048,441
LIABILITIES			
Due to related parties	8	149,415	104,835
Payables and accrued expenses	9	50,539	59,876
		199,954	164,711
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS		6,600,046	6,883,730
NUMBER OF UNITS IN ISSUE (UNITS)		321,764	322,754
NET ASSET VALUE PER UNIT (QR)		20.51	21.33

This interim condensed financial information was approved by the Fund Manager on 16 July 2024 and were signed on its behalf by:



Mr. Abdulla Hashim 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.

AL WATANI FUND (2)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and six months period ended June 30, 2024

		For the three-month period ended		For the six-month period ended	
	Notes	June 30, 2024 (Reviewed) QR.	June 30, 2023 (Reviewed) QR.	June 30, 2024 (Reviewed) QR.	June 30, 2023 (Reviewed) QR.
INCOME					
Net gain/ loss from investment securities	5	102,686	38,748	(392,634)	(44,759)
Dividend income		40,205	2,302	268,394	275,524
Interest income		4,922	5,296	12,574	9,743
Total income/(loss)		147,813	46,346	(111,666)	240,508
EXPENSES					
Management fees	8	24,136	24,644	48,806	51,230
Custodian fees	8	8,053	8,214	16,272	17,088
Brokerage fees		1,574	3,620	3,854	13,882
Professional fees		19,394	19,447	38,788	38,680
Performance fees	8	9,017	(15,481)	44,240	37,663
Other expenses		--	94,235	--	94,235
Total expenses		62,174	134,679	151,960	252,778
Profit/(loss) for the year		85,639	(88,333)	(263,626)	(12,270)
Other comprehensive income for the year		--	--	--	--
CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS					
		85,639	(88,333)	(263,626)	(12,270)



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AL WATANI FUND (2)

INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS

For the six-month period ended June 30, 2024

	June 30, 2024		June 30, 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	--	(263,626)	--	(12,270)
<u>Subscription and redemptions by unit holders:</u>				
Subscription of redeemable units during the year			984	20,000
Redemption of redeemable units during the period	(990)	(20,058)	(51,243)	(1,013,498)
Transactions with the unit holders	(990)	(20,058)	(50,259)	(993,498)
Balance at June 30 (Reviewed)	321,764	6,600,046	322,754	6,334,564



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AL WATANI FUND (2)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six-month period ended June 30, 2024

	Notes	For the six month- period ended June 30, 2024 (Reviewed) QR.	For the six- month period ended June 30, 2023 (Reviewed) QR.
OPERATING ACTIVITIES			
Change in net assets attributable to the unit holders		(263,626)	(12,270)
Adjustments for:			
Interest income		(12,574)	(9,743)
Net unrealized loss on revaluation of investment securities	5	406,451	182,862
		130,251	160,849
<i>Changes in:</i>			
Investment securities		117,190	687,916
Prepayment and other receivables		198,420	(68,277)
Due to related parties		44,580	4,388
Payables and accrued expenses		(9,337)	38,680
Cash generated by operating activities		481,104	823,556
Interest received		12,574	9,743
Net cash generated by operations activities		493,678	833,299
FINANCING ACTIVITY			
Proceeds from subscription of redeemable units		--	20,000
Payments for redemption of redeemable units		(20,058)	(1,013,498)
Net cash used in financing activity		(20,058)	(993,498)
Net increase/(decrease) in cash and cash equivalents		473,620	(160,199)
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	620,846	1,114,287



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

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 six-month period ended June 30, 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 information.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six-month period ended June 30, 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 information are consistent with those followed in the preparation of the 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 information 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:

	June 30, 2024 <i>(Reviewed)</i>	December 31, 2023 <i>(Audited)</i>
	<u>QR.</u>	<u>QR.</u>
Listed equity securities – State of Qatar	<u>6,179,110</u>	<u>6,702,751</u>
	<u>6,179,110</u>	<u>6,702,751</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six-month period ended June 30, 2024

5. INVESTMENT SECURITIES (CONTINUED)

Net changes in investment securities at fair value through profit or loss are as follows:

	For the three-month period ended		For the six-month period ended	
	June 30, 2024 (Reviewed) QR.	June 30, 2023 (Reviewed) QR.	June 30, 2024 (Reviewed) QR.	June 30, 2023 (Reviewed) QR.
Net realized gain on sale of investment securities	32,388	61,798	13,817	138,103
Net unrealized gain/ (loss) on revaluation of investment securities	70,298	(23,050)	(406,451)	(182,862)
Net gain/ (loss) from investment securities	102,686	38,748	(392,634)	(44,759)

6. PREPAYMENT AND OTHER RECEIVABLES

	June 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
Interest receivable	44	11
Brokerage Receivables	--	198,453
	44	198,464

7. BANK BALANCES

	June 30, 2024 (Reviewed) QR	December 31, 2023 (Audited) QR
Balances with bank	620,846	147,226

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 six-month period ended June 30, 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

		June 30, 2024	December 31,
	Relationship	(Reviewed)	2023
		QR.	(Audited)
			QR.
QNB Banque Privee (Suisse)	Fund manager	141,362	96,872
Qatar National Bank (Q.P.S.C.)	Founder	8,053	7,963
		149,415	104,835

Related party transactions

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

		For the three-month		For the six-month	
		period ended		period ended	
		June 30,	June 30,	June 30,	June 30,
		2024	2023	2024	2023
	Relationship	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
		QR.	QR.	QR.	QR.
<i>QNB Banque</i>					
<i>Privee (Suisse)</i>	Fund manager				
Performance fees		9,017	(15,479)	44,240	37,665
Management fees		24,136	24,644	48,806	51,230
		33,153	9,165	93,046	88,895

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six-month period ended June 30, 2024

8. RELATED PARTIES DISCLOSURES (CONTINUED)**Related party transactions (continued)**

Relationship	For the three-month period ended		For the six-month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	QR.	QR.	QR.	QR.
Qatar National Bank (Q.P.S.C.) Founder				
Custodian fees	<u>8,053</u>	<u>8,214</u>	<u>16,272</u>	<u>17,088</u>

9. PAYABLES AND ACCRUED EXPENSES

	June 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
Audit fees	<u>50,539</u>	<u>59,876</u>
	<u>50,539</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 June 30, 2024 and December 31, 2023:

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six-month period ended June 30, 2024

10. FINANCIAL INSTRUMENTS (CONTINUED)**June 30, 2024 (Reviewed)**

	Financial assets		Financial liabilities	Hierarchy level
	FVTPL	Amortized cost	Amortized cost	1
	QR.	QR.	QR.	QR.
Bank balances (note 7)	--	620,846	--	--
Other receivables (note 6)		44		
Investment securities (note 5)	6,179,110	--	--	6,179,110
Due to related parties (note 8)			149,415	
Payables and accrued expenses (note 9)	--	--	50,539	--

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 INFORMATION

The financial information for the six month period ended June 30, 2024 was authorised for issue by the Fund Manager on July 16, 2024.