

AL WATANI FUND (2)
DOHA – QATAR

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

AL WATANI FUND (2)

INTERIM CONDENSED FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the nine-month period ended September 30, 2024

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QR. 99-8

RN: 319/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 September 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 nine-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 nine -month period ended September 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 October 29, 2023 and February 20, 2024 respectively.

Doha – Qatar
October 23, 2024

For Deloitte & Touche
Qatar Branch



Walid Slim
Partner

License No. 319

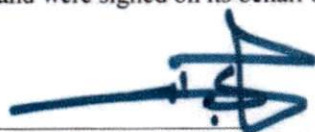
QFMA Audit Registration 120156

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

As at September 30, 2024

	Notes	September 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
ASSETS			
Investment securities	5	6,460,682	6,702,751
Prepayment and other receivables	6	19	198,464
Bank balances	7	362,434	147,226
TOTAL ASSETS		6,823,135	7,048,441
LIABILITIES			
Due to related parties	8	152,405	104,835
Payables and accrued expenses	9	45,291	59,876
		197,696	164,711
NET ASSETS ATTRIBUTABLE TO THE UNITHOLDERS		6,625,439	6,883,730
NUMBER OF UNITS IN ISSUE (UNITS)		307,922	322,754
NET ASSET VALUE PER UNIT (QR)		21.52	21.33

This interim condensed financial information was approved by the Fund Manager on 21 October 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.

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

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

For the three and nine months period ended September 30, 2024

		For the three-month period ended		For the nine-month period ended	
	Notes	September 30, 2024 (Reviewed) QR.	September 30, 2023 (Reviewed) QR.	September 30, 2024 (Reviewed) QR.	September 30, 2023 (Reviewed) QR.
INCOME					
Net gain/ (loss) from investment securities	5	312,289	213,792	(80,345)	169,033
Dividend income		70,217	--	338,611	275,524
Interest income		2,713	4,578	15,287	14,321
Total income		385,219	218,370	273,553	458,878
EXPENSES					
Management fees	8	24,525	24,601	73,331	75,831
Custodian fees	8	8,176	8,200	24,448	25,288
Consultant fees		--	10,557	--	10,557
Brokerage fees		2,981	7,241	6,835	21,123
Professional fees		34,752	19,660	73,540	58,340
Performance fees	8	2,480	13,824	46,720	51,487
Other expenses		--	--	--	94,235
Total expenses		72,914	84,083	224,874	336,861
Profit for the period		312,305	134,287	48,679	122,017
Other comprehensive income for the period		--	--	--	--
CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		312,305	134,287	48,679	122,017



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

AL WATANI FUND (2)

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

For the nine-month period ended June 30, 2024

	<u>September 30, 2024</u>		<u>September 30, 2023</u>	
	<u>Number of units (Reviewed)</u>	<u>QR. (Reviewed)</u>	<u>Number of units (Reviewed)</u>	<u>QR. (Reviewed)</u>
Balance at January 1 (Audited)	322,754	6,883,730	373,013	7,340,332
Change in net assets attributable to the unit holders	--	48,679	--	122,017
<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	<u>(14,832)</u>	<u>(306,970)</u>	<u>(51,243)</u>	<u>(1,013,498)</u>
Transactions with the unit holders	<u>(14,832)</u>	<u>(306,970)</u>	<u>(50,259)</u>	<u>(993,498)</u>
Balance at September 30 (Reviewed)	<u>307,922</u>	<u>6,625,439</u>	<u>322,754</u>	<u>6,468,851</u>



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

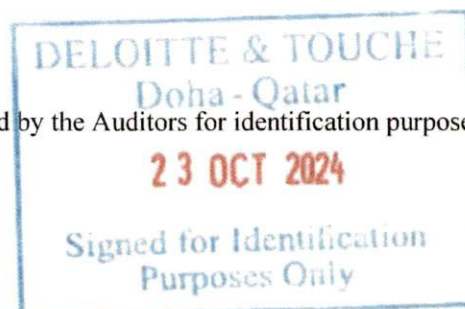
AL WATANI FUND (2)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the nine-month period ended September 30, 2024

	Notes	For the nine month-period ended September 30, 2024 (Reviewed) QR.	For the nine- month period ended September 30, 2023 (Reviewed) QR.
OPERATING ACTIVITIES			
Change in net assets attributable to the unit holders		48,679	122,017
Adjustments for:			
Interest income		(15,287)	(14,321)
Net unrealized loss/(gain) on revaluation of investment securities	5	67,422	(42,358)
		<u>100,814</u>	<u>65,338</u>
<i>Changes in:</i>			
Investment securities		174,647	544,865
Prepayment and other receivables		198,445	(455,004)
Due to related parties		47,570	23,406
Payables and accrued expenses		(14,585)	(3,659)
Cash generated by operating activities		<u>506,891</u>	<u>174,946</u>
Interest received		15,287	14,321
Net cash generated by operations activities		<u>522,178</u>	<u>189,267</u>
FINANCING ACTIVITIES			
Proceeds from subscription of redeemable units		--	20,000
Payments for redemption of redeemable units		(306,970)	(1,013,498)
Net cash used in financing activities		<u>(306,970)</u>	<u>(993,498)</u>
Net increase/(decrease) in cash and cash equivalents		215,208	(804,231)
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>362,434</u>	<u>470,255</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

AL WATANI FUND (2)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended September 30, 2024

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 nine-month period ended September 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.

2.1 New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January, 2024, have been adopted in these financial information.

<u>New and revised IFRS</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback arrangement	1 January 2024
Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements	1 January 2024

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years.

AL WATANI FUND (2)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended September 30, 2024

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted

The Fund has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

<u>New and revised IFRS</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025
The new standard, IFRS 18 – replaces IAS 1 Presentation of Financial Statements	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the Fund financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Fund in the period of initial application.

2.3 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.

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

For the nine-month period ended September 30, 2024

5. INVESTMENT SECURITIES

Investment securities carried at fair value through profit or loss:

	September 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
Listed equity securities – State of Qatar	<u>6,460,682</u>	<u>6,702,751</u>
	<u>6,460,682</u>	<u>6,702,751</u>

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

	For the three-month period ended		For the nine-month period ended	
	September 30, 2024 (Reviewed) QR.	September 30, 2023 (Reviewed) QR.	September 30, 2024 (Reviewed) QR.	September 30, 2023 (Reviewed) QR.
Net realized gain/(loss) on sale of investment securities	(26,740)	(11,428)	(12,923)	126,675
Net unrealized gain/ (loss) on revaluation of investment securities	<u>339,029</u>	<u>225,220</u>	<u>(67,422)</u>	<u>42,358</u>
Net gain/ (loss) from investment securities	<u>312,289</u>	<u>213,792</u>	<u>(80,345)</u>	<u>169,033</u>

6. PREPAYMENT AND OTHER RECEIVABLES

	September 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
Interest receivable	19	11
Brokerage Receivables	<u>--</u>	<u>198,453</u>
	<u>19</u>	<u>198,464</u>

7. BANK BALANCES

	September 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
Balances with bank	<u>362,434</u>	<u>147,226</u>

AL WATANI FUND (2)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended September 30, 2024

7. BANK BALANCES(CONTINUED)

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.

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

		September 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
	Relationship		
QNB Banque Privee (Suisse)	Fund manager	144,230	96,872
Qatar National Bank (Q.P.S.C.)	Founder	8,175	7,963
		<u>152,405</u>	<u>104,835</u>

AL WATANI FUND (2)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the nine-month period ended September 30, 2024

8. RELATED PARTIES DISCLOSURES (CONTINUED)

Related party transactions

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

Relationship	For the three-month period ended		For the nine-month period ended	
	September 30, 2024 (Reviewed)	September 30, 2023 (Reviewed)	September 30, 2024 (Reviewed)	September 30, 2023 (Reviewed)
	QR.	QR.	QR.	QR.
<i>QNB Banque Privee (Suisse)</i> Fund manager				
Performance fees	2,480	13,824	46,720	51,487
Management fees	24,525	24,601	73,331	75,831
	<u>27,005</u>	<u>38,425</u>	<u>120,051</u>	<u>127,318</u>

Relationship	For the three-month period ended		For the nine-month period ended	
	September 30, 2024 (Reviewed)	September 30, 2023 (Reviewed)	September 30, 2024 (Reviewed)	September 30, 2023 (Reviewed)
	QR.	QR.	QR.	QR.
<i>Qatar National Bank (Q.P.S.C.)</i> Founder				
Custodian fees	8,176	8,200	24,448	25,288
	<u>8,176</u>	<u>8,200</u>	<u>24,448</u>	<u>25,288</u>

9. PAYABLES AND ACCRUED EXPENSES

	September 30, 2024 (Reviewed) QR.	December 31, 2023 (Audited) QR.
Audit fees	45,291	59,876
	<u>45,291</u>	<u>59,876</u>

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

For the nine-month period ended September 30, 2024

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 September 30, 2024 and December 31, 2023:

September 30, 2024 (Reviewed)

	Financial assets		Financial liabilities	Hierarchy level
	FVTPL	Amortized cost	Amortized cost	
	QR.	QR.	QR.	1
				QR.
Bank balances (note 7)	--	362,434	--	--
Other receivables (note 6)	--	19	--	--
Investment securities (note 5)	6,460,682	--	--	6,460,682
Due to related parties (note 8)	--	--	152,405	--
Payables and accrued expenses (note 9)	--	--	45,291	--

December 31, 2023 (Audited)

	Financial assets		Financial liabilities	Hierarchy level
	FVTPL	Amortized cost	Amortized cost	
	QR.	QR.	QR.	1
				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 nine month period ended September 30, 2024 was authorised for issue by the Fund Manager on October 21, 2024.