

# **Al Waseela Fund**

## **FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

## **INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF AL WASEELA FUND**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Al Waseela Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2024, and statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy 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 IFRSs 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *International Codes 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.

#### **Responsibilities of Management and the Board of Directors for the financial statements**

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

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

The Board of Directors is responsible for overseeing the Fund's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not 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 considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 override of internal control.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNIT HOLDERS OF AL WASEELA FUND (CONTINUED)**

**Report on the audit of the financial statements (continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 and regulatory requirements**

Furthermore, in our opinion, proper books of account have been kept by the Fund, and the financial statements comply with the Fund's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit and are not aware of any violations of the Articles of Association having occurred during the year, which might have had a material adverse effect on the Fund's financial position or performance.

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

Date: 6 February 2025  
Doha, State of Qatar



# Al Waseela Fund

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	<i>2024</i> <i>QR</i>	<i>2023</i> <i>QR</i>
<b>ASSETS</b>			
Cash and cash equivalents	3	1,680,948	1,378,731
Investment securities at fair value through profit or loss (FVTPL)	4	<u>27,853,952</u>	<u>34,970,131</u>
<b>TOTAL ASSETS</b>		<u><b>29,534,900</b></u>	<u><b>36,348,862</b></u>
<b>LIABILITIES</b>			
Subscription pending allotment		-	4,000
Accrued expenses and other payables	5	288,143	122,591
Income tax payable	7	-	-
<b>TOTAL LIABILITIES</b>		<u><b>288,143</b></u>	<u><b>126,591</b></u>
<b>NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS</b>		<u><b>29,246,757</b></u>	<u><b>36,222,271</b></u>
		<i>Units</i>	<i>Units</i>
<b>Number of units in issue</b>		<u><b>1,350,033</b></u>	<u><b>1,739,814</b></u>
<b>Net asset value per unit (QR) – Before tax</b>		<u><b>21.6637</b></u>	<u><b>20.8196</b></u>
<b>Net asset value per unit (QR) – After tax</b>		<u><b>21.6637</b></u>	<u><b>20.8196</b></u>



Shahnawaz Rashid  
Executive General Manager and  
Head of Retail Banking  
The Commercial Bank (P.S.Q.C.)



Mohamed Farhan  
Senior AGM- Head of MI, planning,  
investor relations and cost control  
The Commercial Bank (P.S.Q.C.)

**ERNST & YOUNG**  
Doha - Qatar

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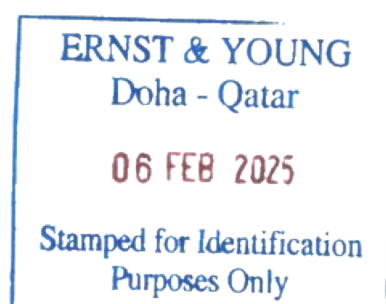
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# Al Waseela Fund

## STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>QR</b>	<b>2023</b> <b>QR</b>
<b>Income</b>			
Dividend income		<b>2,103,827</b>	1,644,070
Loss on investment securities at FVTPL	4	<b>(378,083)</b>	(1,698,561)
Other income		<b>273</b>	250
<b>Total income/ (loss)</b>		<b><u>1,726,017</u></b>	<u>(54,241)</u>
<b>Expenses</b>			
Management fee		<b>(477,400)</b>	(548,184)
Administration fee		<b>(87,360)</b>	(87,360)
Custodian fee		<b>(47,740)</b>	(54,820)
Brokerage commission		<b>(24,664)</b>	(51,455)
Other operating expenses	6	<b>(326,445)</b>	(320,928)
<b>Total expenses</b>		<b><u>(963,609)</u></b>	<u>(1,062,747)</u>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b><u>762,408</u></b>	<u>(1,116,988)</u>
Income tax expense	7	-	-
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b><u>762,408</u></b>	<u>(1,116,988)</u>
Other comprehensive income for the year		-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b><u><u>762,408</u></u></b>	<u><u>(1,116,988)</u></u>



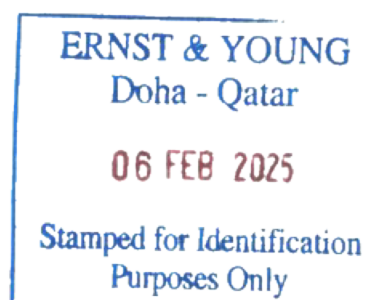
The attached notes 1 to 11 form part of these financial statements.

# Al Waseela Fund

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS

For the year ended 31 December 2024

	<i>Number of units</i>	<i>Net assets attributable to the unit holders QR</i>
Balance as at 1 January 2023	1,820,797	39,056,215
Total comprehensive loss for the year	-	(1,116,988)
Contributions and redemptions by unit holders:		
Issue of redeemable units during the year	4,321	93,828
Redemption of redeemable units during the year	<u>(85,304)</u>	<u>(1,810,784)</u>
Balance as at 31 December 2023	<u>1,739,814</u>	<u>36,222,271</u>
<b>Balance as at 1 January 2024</b>	1,739,814	36,222,271
Total comprehensive income for the year	-	762,408
Contributions and redemptions by unit holders:		
Issue of redeemable units during the year	1,085	22,370
Redemption of redeemable units during the year	<u>(390,866)</u>	<u>(7,760,292)</u>
<b>Balance as at 31 December 2024</b>	<u><b>1,350,033</b></u>	<u><b>29,246,757</b></u>



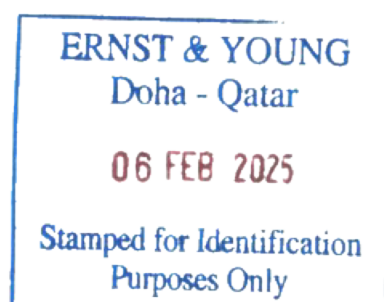
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# Al Waseela Fund

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>QR</i>	<b>2023</b> <i>QR</i>
<b>OPERATING ACTIVITIES</b>			
Profit / (loss) before tax		<b>762,408</b>	(1,116,988)
<i>Adjustments for:</i>			
Loss from investment securities measures at FVTPL	4	<u><b>378,083</b></u>	<u>1,698,561</u>
Operating profit before changes in operating assets and liabilities		<b>1,140,491</b>	581,573
<i>Changes in:</i>			
Investment securities at FVTPL		<b>6,738,096</b>	722,054
Subscriptions pending allotment		<b>(4,000)</b>	1,000
Accrued expenses and other payables		<u><b>165,552</b></u>	<u>(95,708)</u>
<b>Cash flows generated from operating activities</b>		<b>8,040,139</b>	1,208,919
Income tax paid		<u>-</u>	<u>(133,619)</u>
<b>Net cash flows generated from operating activities</b>		<u><b>8,040,139</b></u>	<u>1,075,300</u>
<b>FINANCING ACTIVITIES</b>			
Payment for redemption of redeemable units		<b>(7,760,292)</b>	(1,810,784)
Proceeds from issuance of redeemable units		<u><b>22,370</b></u>	<u>93,828</u>
<b>Net cash flows used in financing activities</b>		<u><b>(7,737,922)</b></u>	<u>(1,716,956)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>302,217</b>	(641,656)
Cash and cash equivalents as at 1 January		<u><b>1,378,731</b></u>	<u>2,020,387</u>
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER</b>	3	<u><u><b>1,680,948</b></u></u>	<u><u>1,378,731</u></u>



The attached notes 1 to 11 form part of these financial statements.

## 1 LEGAL STATUS AND MAIN ACTIVITIES

Al Waseela Fund (the “Fund”) was established on 14 November 2006, as an open ended fund and is registered in the Investment Funds Register at the Ministry of Economy and Commerce under registration certificate no. 34168 and is licensed by the Qatar Central Bank under license no. I.F/6/2006 in accordance with Law No. (25) of 2002 concerning Investment Funds, and its Implementation Regulations, promulgated by virtue of Ministerial Resolution No. (69) of 2004 of the Minister of Business and Trade.

The Fund was founded by The Commercial Bank (P.S.Q.C), (the “Founder”) with a commercial registration No. 150; QCB License No. BC/101/1975, licensed, supervised and regulated by Qatar Central Bank established under the laws of the State of Qatar and having its principal office at P.O. Box 3232 Doha, State of Qatar.

The Fund is managed by National Bank of Oman (“Fund Manager”) and the custodian of the Fund is HSBC Bank Middle East Limited (“Fund Custodian”), Qatar Branch, with an office at P.O. Box 57 Doha, State of Qatar.

The financial statements as at and for the year ended 31 December 2024 were authorised for issue by the Founder on 6 February 2025.

### Objective of the Fund and Nature of its Activity

The Fund will invest primarily in shares and other securities issued by companies established or operating in Qatar. The benchmark for performance is the Qatar Stock Exchange Index.

However, the Fund Manager will have the flexibility to invest up to 40% of the portfolio in shares and other securities issued by companies operating or established in other GCC countries. The exposure to GCC markets will only be increased when the Fund Manager believes opportunities in those markets are greater than available opportunities in Qatar on a short to medium term basis. It is not expected that the weighting in other GCC markets will be significant on a long-term basis as the Fund’s objective is to participate in the growth of Qatar’s economy and capital markets.

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The financial statements of the Fund for the year ended 31 December 2024 have been prepared in accordance with IFRSs Accounting Standards. It is presented in Qatari Riyals (“QR”), which is the functional and presentation currency of the Fund.

These financial statements are prepared on a historical cost basis, except for investment securities classified at fair value through profit or loss. The Fund presents its statement of financial position in order of liquidity.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. The Key judgments and estimates made by the management are detailed in Note 11.

### 2.2 Standards, amendments and interpretations issued

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Fund’s financial statements for the year ended 31 December 2023, except for certain standards and amendments applied by the Fund for the first-time, which are effective for annual periods beginning on or after 1 January 2024. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.



## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.2 Standards, amendments and interpretations issued (continued)

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

The adoption of the above amended and improved standards had no impact on the financial statements of the Fund.

### 2.3 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

<i>Standards and Interpretations</i>	<i>Effective date</i>
Lack of exchangeability – Amendments to IAS 21	1 January 2025
Classification and measurement of financial instruments – Amendments to IFRS 9 & IFRS 7	1 January 2026
IFRS 18 - Presentation and disclosure in 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 associates or joint venture – Amendments to IFRS 10 and IAS 28	Indefinitely

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

### 2.4 Material accounting policy information

#### (a) Revenue recognition

- Net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes profits and dividend income; and
- Dividend income is recognized when the Fund has the right to collect the dividends.

#### (b) Fee and commission

Fee and commission expenses are recognized in profit or loss as the related services are performed.

#### (c) Financial assets and liabilities

##### *Recognition*

The Fund recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

##### *Initial measurement*

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs related to such financial assets and liabilities are recognized directly in profit and loss.

The Fund classifies financial assets and financial liabilities into the following categories.

Financial assets at fair value through profit or loss: *investment securities and bank-current account*

Financial liabilities at amortised cost: *Accrued expenses and other payables*

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**2.4 Material accounting policy information (continued)**

**(c) Financial assets and liabilities (continued)**

*Initial measurement (continued)*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Subsequent measurement*

Financial assets at fair value through profit or loss are re-measured at fair value at the end of each reporting period and the resultant re-measured gain or loss is recognized in the profit or loss in the period in which they arise.

*Fair value measurement*

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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Other financial assets and financial liabilities of the Fund are subsequently measured at amortised cost.

*Amortised cost measurement*

The amortised cost of financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

*De-recognition*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the asset have expired or it has transferred its rights to receive cash flows of a transaction where all the risks and rewards of ownership of the asset, are transferred.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

The Fund derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

*Offsetting*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master-netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

**(d) Foreign currencies**

Transactions in foreign currencies are translated into Qatari Riyals at the exchange rate at the dates of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date into Qatari Riyals at the exchange rate at that date.

## NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2024

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****2.4 Material accounting policy information (continued)****(d) Foreign currencies (continued)**

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Qatari Riyals at the exchange rate at that date the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss as net foreign exchange loss, except for those arising on financial instruments at fair value through profit or loss, which are recognized as net gain on revaluation of investment securities at fair value through profit or loss.

**(e) Accrued expenses and other payables**

Other payables and accruals are recognized for amounts to be paid in the future for services received, whether billed by the supplier or not.

**(f) Subscriptions pending allotment**

The initial subscriptions made by the investors before the allotment of units will be recorded as liabilities against the cash received including the commission related to the Fund Manager.

**3 CASH AND CASH EQUIVALENTS**

	<i>2024</i> <i>QR</i>	<i>2023</i> <i>QR</i>
Current accounts*	<u>1,680,948</u>	<u>1,378,731</u>

\*The bank balances are held with a bank, which is rated as A+, based on Fitch ratings.

**4 INVESTMENT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<i>2024</i> <i>QR</i>	<i>2023</i> <i>QR</i>
Listed equity securities - State of Qatar	24,590,154	31,984,491
Listed equity securities - Other GCC Countries	<u>3,263,798</u>	<u>2,985,640</u>
Investments at FVTPL	<u>27,853,952</u>	<u>34,970,131</u>

The carrying amount of investment securities at fair value through profit or loss includes total unrealised fair value gain of QR 1,880,208 as at 31 December 2024 (31 December 2023: QR 2,276,495).

Net realised and unrealised loss on investments securities at FVTPL for the year ended 31 December 2024 is QR 378,083 (2023: QR 1,698,561).

**5 ACCRUED EXPENSES AND OTHER PAYABLES**

	<i>2024</i> <i>QR</i>	<i>2023</i> <i>QR</i>
Redemption payable	196,199	-
Management fee	39,624	46,220
Administration fee	7,280	7,280
Custodian fee	3,962	4,622
Other accruals	<u>41,078</u>	<u>64,469</u>
	<u>288,143</u>	<u>122,591</u>

## NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2024

**6 OTHER OPERATING EXPENSES**

	<i>2024</i> <i>QR</i>	<i>2023</i> <i>QR</i>
Custody transaction fee	32,760	34,580
Registrar and transfer fee	8,736	8,736
Investor transaction fee	6,133	9,636
Miscellaneous expenses	<u>278,816</u>	<u>267,976</u>
	<u><b>326,445</b></u>	<u><b>320,928</b></u>

**7 INCOME TAX**

The reconciliation between the accounting profit and profit calculated as per Qatar Income Tax Law is as follows:

	<i>2024</i> <i>QR</i>	<i>2023</i> <i>QR</i>
Accounting profit/ (loss) before tax	762,408	(1,116,988)
Adjustments:		
Income that is exempt in determining taxable profit	(2,103,827)	(1,644,070)
Expenses that are not deductible in determining taxable profit	<u>379,464</u>	<u>278,074</u>
Tax loss	(961,955)	(2,482,984)
Less: Carried forward tax losses utilised	<u>-</u>	<u>-</u>
Total taxable profit	-	-
Tax rate	<b>10%</b>	10%
Non-Qatari shareholding of the Parent	<u><b>19.03%</b></u>	<u>18.42%</u>
Income tax expense	<u>-</u>	<u>-</u>

**8 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent associated entities, Founder, the Fund Manager, directors and key management personnel of the Fund, and entities controlled, jointly controlled or significantly influenced by such parties. The terms of all transactions between these parties are approved by the Fund's Board of Directors.

**Management fee**

The Fund Manager receives a management fee based on the net asset value estimated based on traded values, payable monthly in arrears using the annual rate of 1.5% which is shared equally with the Founder.

**Custodian fee**

The Fund Custodian charges a custodian fee based on cumulative net asset value of Al Waseela Funds in accordance with the rates included in the revised agreement between the Founders and the Fund Custodian.

The Fund Custodian, in addition to the custodian fee, is entitled to custody transaction fee of QR 219 per investment sale or purchase and investor transaction fees of QR 146 for each subscription and redemption into and from the Fund.

**Administration fee**

The Fund has engaged the services of the Fund Custodian to provide administrative services for a fee. The fee is charged on cumulative net asset value of Al Waseela Funds in accordance with the rates included in the revised agreement between the Founders and the Custodians.

# Al Waseela Fund

## NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2024

### 8 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### Performance fee

The Fund Managers are entitled to a performance fee calculated at 20% of any incremental increases of net asset value over a 10% hurdle rate. This performance fee is shared equally with the Founder.

#### Registrar and transfer fee

The Fund pays the Fund Custodian an investment plan service fee QR 728 per month to cover 250 investors.

#### Subscription fee

Subscription fee equal to 3% of the subscription price will be payable to the Founder from the amount paid by each Unit holders upon subscription.

#### Redemption fee

Redemption fee equal to 1% of the net asset value of the units being redeemed, will be payable to the Fund by the relevant unit holders on the redemption proceeds of units redeemed. The redemption fee is shared equally between the Fund and the Founder. This amount will be charged at the time of redemption of units by the unit holders.

	<i>As at 31 December 2024</i>			<i>As at 31 December 2023</i>		
	<i>Fund</i>			<i>Fund</i>		
	<i>Founder QR</i>	<i>Manager QR</i>	<i>Custodian QR</i>	<i>Founder QR</i>	<i>Manager QR</i>	<i>Custodian QR</i>
<b>Related party balances</b>						
Accrued management fee	19,812	19,812	-	23,110	23,110	-
Accrued custodian fee	-	-	3,962	-	-	4,622
Accrued administration fee	-	-	7,280	-	-	7,280
Accrued registrar and transfer fee	-	-	728	-	-	728
	<u>19,812</u>	<u>19,812</u>	<u>11,970</u>	<u>23,110</u>	<u>23,110</u>	<u>12,630</u>
	<i>For the year ended 31 December 2024</i>			<i>For the year ended 31 December 2023</i>		
	<i>Fund</i>			<i>Fund</i>		
	<i>Founder QR</i>	<i>Manager QR</i>	<i>Custodian QR</i>	<i>Founder QR</i>	<i>Manager QR</i>	<i>Custodian QR</i>
<b>Related party transactions</b>						
<i>Expenses:</i>						
Management fee	238,700	238,700	-	274,092	274,092	-
Custodian fee	-	-	47,740	-	-	54,820
Administration fee	-	-	87,360	-	-	87,360
Registrar and transfer fee	-	-	8,736	-	-	8,736
	<u>238,700</u>	<u>238,700</u>	<u>143,836</u>	<u>274,092</u>	<u>274,092</u>	<u>150,916</u>

### 9 FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investment securities at fair value through profit or loss held for trading are valued as per the Level 1 valuation method except for the Fund's investment on the shares of NMC Health PLC which have been valued at zero, using the level 3 fair value techniques as at 31 December 2024 and 31 December 2023.

**10 FINANCIAL RISK MANAGEMENT**

**Objectives and policies**

The Fund's financial liabilities include other payables and accrued expenses. The Fund's financial asset comprises of investment securities at fair value through profit or loss (FVTPL) 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 in the following paragraph.

**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 Funds 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.

*Foreign currency risk*

Foreign currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. As the Qatari Riyal is pegged to the US Dollar, balances in US Dollar are not considered to represent a significant currency risk. The Fund's exposure to currency risk is limited to currencies other than US Dollar and US Dollar pegged currencies with the exception of Kuwaiti Dinar, whereby it is not considered to represent a significant currency risk.

The Fund's foreign currency risk exposure arises from foreign currency bank balances in currencies other than the Fund's functional currency.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates, with all other variables held constant, the impact on the Fund's profit due to changes in the fair value of monetary assets and liabilities held at 31 December.

The effect of decreases in foreign exchange rates is expected to be equal and opposite to the effect of the increases shown.

	<i>Effect on profit</i>	
	<i>2024</i>	<i>2023</i>
	<i>QR</i>	<i>QR</i>
	<i>+5%</i>	<i>+5%</i>
KWD	<b>174,709</b>	140,309
OMR	<b>34,554</b>	53,448

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to 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 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 comprehensive income for an assumed increase in fair value. An equivalent decrease would have resulted in an equivalent but opposite impact.

<i>Change in price index</i>	<i>Effect on comprehensive income</i>	<i>Change in price index</i>	<i>Effect on comprehensive income</i>
<i>2024</i>	<i>2024</i>	<i>2023</i>	<i>2023</i>
<i>%</i>	<i>QR</i>	<i>%</i>	<i>QR</i>
<b>+5</b>	<b>1,392,698</b>	<b>+5</b>	1,748,507
<b>-5</b>	<b>(1,392,698)</b>	<b>-5</b>	(1,748,507)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2024

**10 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**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. With respect to credit risk arising from the financial assets, the Fund's exposure to credit risk arises from default of the counterparty, with a maximum exposure as follows:

	<i>2024</i> <i>QR</i>	<i>2023</i> <i>QR</i>
Cash and cash equivalents	<u>1,680,948</u>	<u>1,378,731</u>

**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.

All financial liabilities of the Fund will mature within 12 months from the end of the reporting period.

**11 KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with IFRS requires that management make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed for on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

*Going concern*

The Fund's 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. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.