

**Al Waseela Fund
(formerly known as
Al Waseela Fund –Q Class)**

FINANCIAL STATEMENTS

31 DECEMBER 2021



Ernst & Young - (Qatar Branch)
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INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AI WASEELA FUND (formerly known as AL WASEELA FUND – Q CLASS)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Waseela Fund (formerly known as Al Waseela Fund - "Q" Class) ("the Fund"), which comprise the statement of financial position as at 31 December 2021, 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 significant 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 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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.

Other matter

The financial statements of the Fund as at and for the year ended 31 December 2020 were audited by another auditor, whose reports dated 16 February 2021, expressed unmodified review opinion and audit opinion respectively.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the applicable provisions of Qatar Central Bank ("QCB") regulations, 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.

Management 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.

**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF AI WASEELA FUND
(formerly known as AL WASEELA FUND – "Q" CLASS) (continued)**

Report on the audit of the financial statements

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

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.
- 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 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 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 management 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 Qatar Central Bank Law No. 13 of 2012 and 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 above mentioned law or 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: 27 September 2022
Doha



Al Waseela Fund
(formerly known as Al Waseela Fund – Q Class)

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2021

	Notes	2021 QR	2020 QR
ASSETS			
Cash and cash equivalents	3	713,573	3,056,237
Investment securities at fair value through profit or loss (FVTPL)	4	68,719,516	53,423,365
Receivable from the Founder towards reimbursement of tax	.	435,000	-
Other receivables		4	6
TOTAL ASSETS		69,868,093	56,479,608
LIABILITIES			
Tax payable		435,000	-
Other payables and accrued expenses	5	311,786	94,140
Total liabilities		746,786	94,140
Net assets attributable to the unit holders		69,121,307	56,385,468
		<i>Units</i>	<i>Units</i>
Number of units in issue		3,027,186	2,749,050
Net asset value per unit (QR)		22.8335	20.5109



Shahnawaz Rashid
EGM
Retail and Consumer Banking
The Commercial Bank (P.S.Q.C.)



Hussein Mofid Ali
Head of Premium Banking and EGM, Chief
Marketing Officer
The Commercial Bank (P.S.Q.C.)

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

Al Waseela Fund
(formerly known as Al Waseela Fund – Q Class)

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

	<i>Note</i>	<i>2021</i> <i>QR</i>	<i>2020</i> <i>QR</i>
Income			
Dividend income		1,844,422	1,808,843
Gain / (loss) on sale of investment securities at FVTPL		1,475,206	(716,786)
Gain from changes in fair value of investment securities at FVTPL		4,447,898	1,361,554
Other income		373	2,069
Total income		<u>7,767,899</u>	<u>2,455,680</u>
Expenses			
Performance fees		(205,546)	-
Management fees		(885,101)	(787,550)
Custodian fees		(88,510)	(78,755)
Administration fees		(87,470)	(87,132)
Brokerage commissions		(72,698)	(90,983)
Other operating expenses	6	(241,390)	(202,726)
Total expenses		<u>(1,580,715)</u>	<u>(1,247,146)</u>
Profit for the year		<u>6,187,184</u>	<u>1,208,534</u>
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>6,187,184</u>	<u>1,208,534</u>

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Al Waseela Fund
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS
For the year ended 31 December 2021

	<i>Number of units</i>	<i>Net assets attributable to the units holders</i>
Balance as at 1 January 2020	2,759,087	55,360,126
Total comprehensive income for the year		1,208,534
Contributions and redemptions by unit holders:		
Issue of redeemable units during the year	1,844	34,951
Redemption of redeemable units during the year	<u>(11,881)</u>	<u>(218,143)</u>
Balance as at 31 December 2020	<u>2,749,050</u>	<u>56,385,468</u>
Balance as at 1 January 2021	2,749,050	56,385,468
Total comprehensive income for the year		6,187,184
Contributions and redemptions by unit holders:		
Issue of redeemable units during the year	413,667	9,434,577
Redemption of redeemable units during the year	<u>(135,531)</u>	<u>(2,885,922)</u>
Balance as at 31 December 2021	<u>3,027,186</u>	<u>69,121,307</u>

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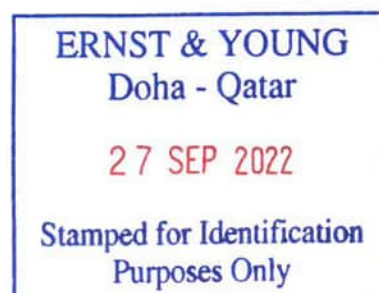
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Al Waseela Fund
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STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	<i>Note</i>	2021 QR	2020 QR
OPERATING ACTIVITIES			
Profit before tax		6,187,184	1,208,534
<i>Adjustments for:</i>			
Gain from changes in fair value of investment securities at FVTPL		(1,475,206)	(1,361,554)
Tax		435,000	-
Reimbursement of tax from the Founder		(435,000)	-
Operating profit before changes in operating assets and liabilities		4,711,978	2,454,080
<i>Changes in:</i>			
Investment securities at FVTPL		(13,820,945)	(2,156,717)
Other receivables		2	(4)
Other payables and accrued expenses		217,646	5,271
Net cash flows used in operating activities		(8,891,319)	(2,304,470)
FINANCING ACTIVITIES			
Payment for redemption of redeemable units		(2,885,922)	(218,143)
Proceeds from issuance of redeemable units		9,434,577	34,951
Net cash generated / (used in) from financing activities		6,548,655	(183,192)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,342,664)	(2,487,662)
Cash and cash equivalents as at 1 January		3,056,237	5,543,899
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	3	713,573	3,056,237



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

Al Waseela Fund (formerly known as Al Waseela Fund – Q Class)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2021

1 LEGAL STATUS AND MAIN ACTIVITIES

Al Waseela Fund (formerly known as Al Waseela Fund – Q Class) (“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, 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 2021 were authorised for issue on 27 September 2022.

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 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Fund for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the applicable provisions of Qatar Central Bank (“QCB”) regulations. 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 which are carried at fair value.

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 significant judgments made by Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020.

Standards, amendments and interpretations issued

New IFRS Standards, amendments and interpretations issued and effective on or after 1 January 2021

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) effective as of 1 January 2021 as noted below:

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2021

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Fund.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Fund has not received Covid-19-related rent concession, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

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 dates</i>
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
IAS 41 Agriculture – Taxation in fair value measurements	1 January 2022
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023

Al Waseela Fund
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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2021

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies

(a) Revenue recognition

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) Fees and commissions

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*

Financial assets at amortised cost: *cash and cash equivalents, other receivables*

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

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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

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.

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) Other payables and accruals

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) Other receivables

Other receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful receivables is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

(g) 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.

Al Waseela Fund
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NOTES TO THE FINANCIAL STATEMENTS

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3 CASH AND CASH EQUIVALENTS

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	<i>2021</i> <i>QR</i>	<i>2020</i> <i>QR</i>
Current account*	<u>713,573</u>	<u>3,056,237</u>

*The cash and cash equivalents are held with a bank, which is rated as AA-, based on Fitch ratings.

4 INVESTMENT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>2021</i> <i>QR</i>	<i>2020</i> <i>QR</i>
Listed equity securities State of Qatar (i)	<u>62,983,547</u>	46,987,680
Listed equity securities Other GCC Countries	<u>5,735,969</u>	<u>6,435,685</u>
Investments at FVTPL	<u>68,719,516</u>	<u>53,423,365</u>
Net gain in fair value during the year	<u>15,296,151</u>	<u>1,361,554</u>

Note i:

During the year ended 31 December 2019, the Fund invested QR 1,143,061 in the shares of NMC Health PLC (the "Company"). Pursuant to the identification of financial irregularities in the Company's financial statements and suspension of trading of the Company's shares from 27 February 2020, followed by the delisting of the Company on 27 April 2020 from London Stock Exchange, the Fund has assessed the fair value of its investment in the shares of the Company as zero and the related loss was recognised in the statement of comprehensive income.

Cost and fair market value of the investment assets are as follows:

	<i>2021</i> <i>QR</i>	<i>2020</i> <i>QR</i>
Cost of investments held at year end	<u>54,126,188</u>	43,266,980
Unrealised gain on revaluation of investments	<u>14,593,328</u>	<u>10,156,385</u>
Fair market value of investments at year end	<u>68,719,516</u>	<u>53,423,365</u>

5 OTHER PAYABLES AND ACCRUED EXPENSES

	<i>2021</i> <i>QR</i>	<i>2020</i> <i>QR</i>
Performance fees	212,430	6,639
Management fees	45,620	37,003
Custodian fees	4,562	3,700
Administration fees	3,640	3,530
Other accruals	<u>45,534</u>	<u>43,268</u>
	<u>311,786</u>	<u>94,140</u>

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6 OTHER OPERATING EXPENSES

	<i>2021</i> <i>QR</i>	<i>2020</i> <i>QR</i>
Custody transaction fees	43,735	43,566
Investor transaction fees	6,789	6,351
Investment plan service fees	8,747	8,713
Taxation (Note (i))	435,000	-
Reimbursement of tax from the Founder (Note (i))	(435,000)	-
Miscellaneous expenses	182,119	144,096
	<u>241,390</u>	<u>202,726</u>

Note (i) Taxation

The Founder have agreed to bear the tax in relation to the Fund's filing of income tax returns for the years ended 31 December 2019, 31 December 2020 and 31 December 2021.

7 RELATED PARTIES TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Management fees

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

Custodian fees

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 fees, 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 fees

The Fund has engaged the services of the Fund Custodian to provide administrative services for a fee. The fees are 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.

Performance fees

The Fund Managers are entitled to a performance fees 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.

Investment plan service fees

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

Subscription fee

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

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2021

7 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Redemption fees

Redemption fees 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.

	2021 <i>QR</i>	2020 <i>QR</i>
Statement of financial position items		
Accrued performance fees	212,430	6,639
Accrued management fees	45,620	37,003
Accrued custodian fees	4,562	3,700
Accrued administration fees	3,640	3,530
Accrued investment plan service fees	364	353
	<u>266,616</u>	<u>51,225</u>
Statement of comprehensive income items		
<i>Income:</i>		
Reimbursement of tax from the Founder (Note 5)	<u>435,000</u>	<u>-</u>
<i>Expenses:</i>		
Performance fees	205,546	-
Management fees	885,101	787,550
Custodian fees	88,510	78,755
Administration fees	87,470	87,132
Investment plan service fees	8,747	8,713
	<u>1,275,374</u>	<u>962,150</u>

8 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. During the period from 1 January 2020 to 15 April 2020, the Fund have transferred the investment amounting to QR 1,143,061 on the shares of NMC Health PLC from Level 1 to Level 3.

Al Waseela Fund
(formerly known as Al Waseela Fund – Q Class)

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2021

9 FINANCIAL RISK MANAGEMENT

Objectives and policies

The Fund's financial liabilities includes other payables and accrued expenses. The Fund's financial asset comprises of investment securities at fair value through profit or loss (FVTPL), other receivables 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.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Fund does not hedge its currency exposure. The Fund is not exposed to significant currency risks as all its investments and bank balances are denominated in Qatar Riyals.

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>2021</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
<i>%</i>	<i>QR</i>	<i>%</i>	<i>QR</i>
5	3,435,976	5	2,671,168

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 with regard to bank balances, receivable from the Founder towards reimbursement of tax and other receivables at the reporting date was QR 1,148,577 (2020: QR 3,056,243).

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.

10 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.

11 IMPACT OF COVID-19 AND REVISION TO FORWARD LOOKING INFORMATION WITH RESPECT TO EXPECTED CREDIT LOSSES

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The Central Banks and Sovereign Governments have announced monetary and fiscal measures to mitigate the possible adverse implications.

The Fund has considered potential impacts of COVID-19 which is mainly represented in the in volatility of the stock market. Any changes in the market prices are reflected in the interim statement of comprehensive income through the recorded fair value of the financial investments.

In addition, the Funds operations are concentrated in economies that are relatively dependent on the price of crude oil. As at the end of the financial reporting period, oil prices have witnessed unprecedented volatility. The Fund is closely monitoring the situation and has activated its risk management practices for managing the potential business disruption COVID-19 outbreak may have on its operations and financial performance.