

# **QNB Commodity Fund**

## **INTERIM CONDENSED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2023**

## REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF QNB COMMODITY FUND

### Introduction

We have reviewed the accompanying interim condensed financial statements of QNB Commodity Fund (the “Fund”) as at 30 September 2023, comprising of the interim statement of financial position as at 30 September 2023 and the related interim statements of comprehensive income, changes in net assets attributable to the unit holders and the interim statement of cash flows for the nine-month period then ended and the related explanatory notes. The Fund Manager (the “Management”) is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 - *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements 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 condensed financial statements of the Fund are not prepared, in all material respects, in accordance with IAS 34.

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

Date: 22 October 2023  
Doha



## QNB Commodity Fund

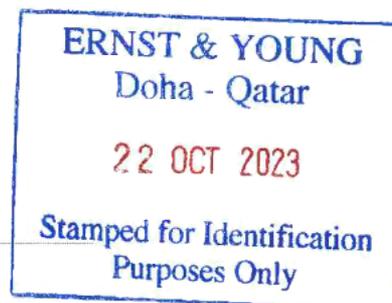
### INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2023

	<i>Notes</i>	<i>30 September 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
<b>ASSETS</b>			
Cash and cash equivalents	4	1,564	3,767
Financial assets at fair value through profit or loss	3	2,277,377	2,570,758
Sale proceeds receivable		-	263,866
<b>TOTAL ASSETS</b>		<b>2,278,941</b>	<b>2,838,391</b>
<b>LIABILITY</b>			
Due to related parties	7	8,605	25,383
<b>TOTAL LIABILITY</b>		<b>8,605</b>	<b>25,383</b>
<b>NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS</b>	5	<b>2,270,336</b>	<b>2,813,008</b>

The interim condensed financial statements were authorised for issue and approved by the Fund Manager on 22 October 2023 and signed on their behalf by:

  
 Adel Abdulaziz Khashabi  
 Senior Executive Vice President  
 Group Asset & Wealth management





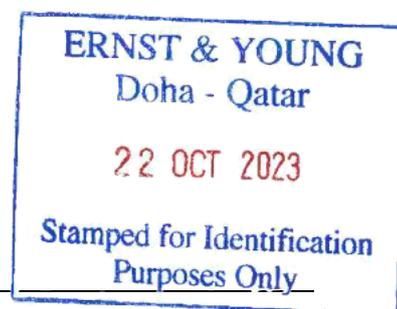
# QNB Commodity Fund

## INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three and nine-month period ended 30 September 2023

	<i>Notes</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
		<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
<b>Income</b>					
Net gain (loss) from financial assets at fair value through profit or loss	6	<b>311,898</b>	(341,271)	<b>92,362</b>	908,071
Interest income		<b>18</b>	22	<b>260</b>	229
		<b>311,916</b>	(341,249)	<b>92,622</b>	908,300
<b>Expenses</b>					
Management fees	7	<b>(2,273)</b>	(3,003)	<b>(6,884)</b>	(10,546)
Custodian fees	7	<b>(568)</b>	(750)	<b>(1,721)</b>	(2,636)
Brokerage fees		<b>(25)</b>	(23)	<b>(158)</b>	(361)
Foreign exchange loss		<b>(112)</b>	(51)	<b>(285)</b>	(2,281)
		<b>(2,978)</b>	(3,827)	<b>(9,048)</b>	(15,824)
<b>PROFIT (LOSS) FOR THE PERIOD BEFORE INCOME TAX</b>					
		<b>308,938</b>	(345,076)	<b>83,574</b>	892,476
Income tax		-	-	-	-
<b>PROFIT (LOSS) FOR THE PERIOD AFTER INCOME TAX</b>					
		<b>308,938</b>	(345,076)	<b>83,574</b>	892,476
Other comprehensive income for the period		-	-	-	-
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>					
		<b>308,938</b>	(345,076)	<b>83,574</b>	892,476

The attached notes 1 to 8 form part of these interim condensed financial statements.

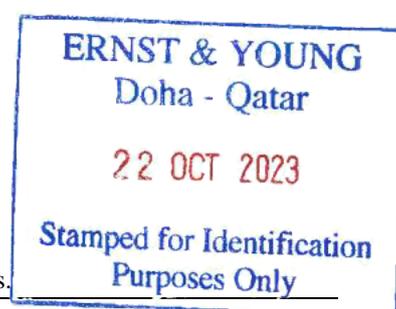


## QNB Commodity Fund

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

For the nine-month period ended 30 September 2023

	<i>Number of units</i>	<i>Net assets attributable to the unit holders QR</i>
Net assets attributable to the unit holders at 1 January 2022 (Audited)	431,408	3,501,198
Payments for units redeemed during the period	(150,544)	(1,643,733)
Increase in net assets attributable to unit holders	<u>-</u>	<u>892,476</u>
Net assets attributable to the unit holders at 30 September 2022 (Reviewed)	<u>280,864</u>	<u>2,749,941</u>
Net assets attributable to the unit holders at 1 January 2023 (Audited)	278,864	2,813,008
Payments for units redeemed during the period	(65,617)	(626,246)
Increase in net assets attributable to unit holders	<u>-</u>	<u>83,574</u>
<b>Net assets attributable to the unit holders at 30 September 2023 (Reviewed)</b>	<b><u>213,247</u></b>	<b><u>2,270,336</u></b>



The attached notes 1 to 8 form part of these interim condensed financial statements.

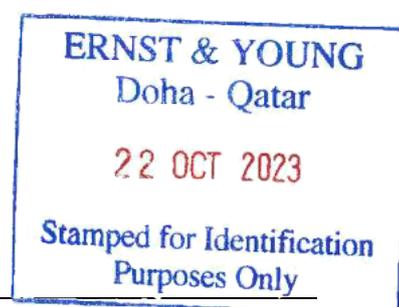
# QNB Commodity Fund

## INTERIM STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2023

	Notes	<i>Nine months ended 30 September</i>	
		2023 (Reviewed) QR	2022 (Reviewed) QR
<b>OPERATING ACTIVITIES</b>			
Profit for the period		83,574	892,476
<i>Adjustment for:</i>			
Realised gain on disposal of financial assets	6	(85,625)	(607,081)
Unrealised gain on revaluation of financial assets	6	(6,737)	(300,990)
Operating cash flows before changes in working capital		(8,788)	(15,595)
<i>Working capital changes:</i>			
Financial assets at fair value through profit or loss		385,743	1,629,000
Due to related parties		(16,778)	13,181
Other receivables		263,866	-
Cash flows from operations		624,043	1,626,586
Income tax paid		-	-
<b>Net cash flows from operating activities</b>		<b>624,043</b>	<b>1,626,586</b>
<b>FINANCING ACTIVITY</b>			
Payments towards units redeemed		(626,246)	(1,643,733)
<b>Net cash flows used in financing activity</b>		<b>(626,246)</b>	<b>(1,643,733)</b>
Net Decrease in Bank Balances		(2,203)	(17,147)
Bank balances at 1 January		3,767	20,648
<b>Bank balances at 30 September</b>	4	<b>1,564</b>	<b>3,501</b>

The attached notes 1 to 8 form part of these interim condensed financial statements.



# QNB Commodity Fund

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2023

### 1 FUND INFORMATION

QNB Commodity Fund (“the Fund”) has been established as an open-ended fund under Qatar Central Bank's (‘QCB’) license No. SA/21/2014 and registered under the Commercial registration number 65115 by Qatar National Bank S.A.Q (‘QNB’), a Qatari Joint Stock Company established under the laws of the State of Qatar and having its principal office in Doha, Qatar, P.O Box 1000. The Fund commenced its operations on 11 June 2014.

The term of the Fund shall be 10 years, starting with the date of registration of the Fund in the Investment Funds Register of the Ministry, renewable by the Founder on approval of the Qatar Central Bank.

The initial share capital of the Fund is QAR 30 million divided into 3,000,000 Units. Each Unit shall have a nominal value of QAR 10, and the Units shall be fully paid upon issuance. The Founder has the right to increase or reduce the Fund capital in accordance to limits specified in the Articles of Association.

QNB Suisse SA, a company established under the laws of Switzerland (Company registration number CH-170.3.031.263-3) and having its registered office at Quai du Mont-Blanc 1, 1201 Genève, Switzerland, is the Fund Manager (hereinafter referred to as the “Fund Manager”).

Qatar National Bank, a Qatari Joint Stock Company established under the laws of Qatar and having its principal office in Doha, Qatar, P.O. Box 1000 (hereinafter referred to as “Investment Custodian”), is appointed as Investment Custodian of the Fund.

The Fund’s investment objective is to seek total return by investing in a combination of commodity-linked derivative instruments, single stock in commodities related companies, fixed income securities, mutual funds and exchange traded funds that are exposed to commodity, energy and natural resources index, strategies, bonds and single stocks.

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The accompanying interim condensed financial statements are prepared in accordance with IAS 34 - "Interim Financial Reporting". These interim condensed financial statements should be read in conjunction with the 2022 annual financial statements of the Fund.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the nine months period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The preparation of the interim condensed financial statements requires management 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 management 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 2022.

The interim condensed financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, which have been measured at fair value.

The interim condensed financial statements have been presented in Qatari Riyals (“QR”), which is the functional and presentational currency of the Fund.

At 30 September 2023

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Accounting policies and disclosures****New standards, interpretations and amendments**

The following amendments to existing standards have been applied by the Fund in preparation of these interim condensed financial statements. The adoption of these new standards do not have significant impact on the interim condensed financial statements.

<i>Description</i>	<i>Effective from</i>
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice Statements 2)	1 January 2023
<b>Standard issued but not yet effective</b>	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely

The Fund is currently evaluating the impact of this amendment. The Fund will adopt it is implemented.

**3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Cost and fair market value of the financial assets at fair value through profit or loss as follows:

	<i>30 September 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
At 1 January	<b>2,570,758</b>	3,489,139
Additions during the period/year	-	48,227
Disposals during the period/year	<b>(300,118)</b>	(1,272,327)
Fair value changes during the period/year	<b>6,737</b>	305,719
At 30 September / 31 December	<b>2,277,377</b>	2,570,758

The investment securities have been revalued on the basis of the last trade price of the investments at the reporting date.

**4 CASH AND CASH EQUIVALENTS**

For the purpose of interim statement of cash flows, cash and cash equivalents comprise as follows:

	<i>30 September 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>	<i>30 September 2022 (Reviewed) QR</i>
Call deposits	<b>1,564</b>	3,767	3,501

## QNB Commodity Fund

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2023

#### 5 NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS

	<i>30 September 2023 (Reviewed)</i>	<i>31 December 2022 (Audited)</i>
Number of units at 1 January	<b>278,864</b>	431,408
Number of units redeemed during the period/year	<u><b>(65,617)</b></u>	<u>(152,544)</u>
Number of units at the end of the period/year	<u><b>213,247</b></u>	<u>278,864</u>
Net asset value ("NAV") of the Fund - (QR)	<u><b>2,270,336</b></u>	<u>2,813,008</u>
Offer price per unit - (QR)	<u><b>10.647</b></u>	<u>10.087</u>

The authorised number of units of the fund is 30 million of QR 10 per value each. The Fund's net assets are represented by the redeemable units with a par value of QR 2,132,470 at 30 September 2023 (31 December 2022: QR 2,788,640).

#### 6 NET GAIN FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i><u>Nine months ended 30 September 2023 (Reviewed) QR</u></i>	<i><u>2022 (Reviewed) QR</u></i>
Realised gain on investment in securities	<b>85,625</b>	607,081
Unrealised gain on investment in securities	<u><b>6,737</b></u>	<u>300,990</u>
	<u><b>92,362</b></u>	<u>908,071</u>

#### 7 RELATED PARTY DISCLOSURES

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.

##### Related party transactions

Transactions with related parties included in the interim statement of comprehensive income are as follows:

	<i><u>Nine months ended 30 September 2023 (Reviewed) QR</u></i>	<i><u>2022 (Reviewed) QR</u></i>
<i>QNB Banque Privee (Suisse)</i> Management fees	<u><b>6,884</b></u>	<u>10,546</u>
<i>Qatar National Bank</i> Custodian fees	<u><b>1,721</b></u>	<u>2,636</u>

##### Management fees

The management fee is calculated and payable to the Fund Manager monthly at an annual rate of 0.40% of the net asset value of the Fund calculated daily.

##### Custodian fees

The custodian fee is calculated and payable to the Fund Manager monthly at an annual rate of 0.10% of the net asset value of the Fund calculated daily.

# QNB Commodity Fund

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 30 September 2023

### 7 RELATED PARTY DISCLOSURES (CONTINUED)

#### Related party balances

Due to related parties at the end of the reporting period arise in the normal course of business.

	<i>30 September 2023 (Reviewed) QR</i>	<i>31 December 2022 (Audited) QR</i>
<i>Due to related parties:</i>		
QNB Banque Privee (Suisse)	<b>6,884</b>	20,306
Qatar National Bank	<b>1,721</b>	5,077
	<b><u>8,605</u></b>	<b><u>25,383</u></b>

### 8 FAIR VALUES OF FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Fund's financial instruments, that are carried in the interim statement of financial position.

<i>30 September 2023 (Reviewed)</i>		<i>Carrying amount QR (Reviewed)</i>	<i>Fair value QR (Reviewed)</i>
<b>Assets</b>			
Financial assets at fair value through profit or loss	FVTPL	2,277,377	2,277,377
Bank balances	Amortised cost	<u>1,564</u>	<u>1,564</u>
		<b><u>2,278,941</u></b>	<b><u>2,278,941</u></b>
<b>Liabilities</b>			
Due to related parties	Amortised cost	<u>8,605</u>	<u>8,605</u>
		<b><u>8,605</u></b>	<b><u>8,605</u></b>
<i>31 December 2022 (Audited)</i>		<i>Carrying amount QR</i>	<i>Fair value QR</i>
<b>Assets</b>			
Financial assets at fair value through profit or loss	FVTPL	2,570,758	2,570,758
Cash and cash equivalents	Amortised cost	<u>3,767</u>	<u>3,767</u>
		<b><u>2,574,525</u></b>	<b><u>2,574,525</u></b>
<b>Liabilities</b>			
Due to related parties	Amortised cost	<u>25,383</u>	<u>25,383</u>
		<b><u>25,383</u></b>	<b><u>25,383</u></b>

#### Legend:

“FVTPL”- Fair Value through Profit or Loss

**8 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTUNUED)****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 (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 : Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	<i>30 September 2023 (Reviewed) QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Financial assets at fair value through profit or loss				
- Commodity securities	<u>2,277,377</u>	<u>2,277,377</u>	-	-
	<i>31 December 2022 (Audited) QR</i>	<i>Level 1 QR</i>	<i>Level 2 QR</i>	<i>Level 3 QR</i>
Financial assets at fair value through profit or loss				
- Commodity securities	<u>2,570,758</u>	<u>2,570,758</u>	-	-

During the period ended 30 September 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements (31 December 2022: Nil).