

Al Watani Fund
Condensed Interim Financial Statements
30 September 2023

Al Watani Fund

Condensed interim financial statements As at and for the nine-month period ended 30 September 2023

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Independent auditor's report on review of condensed interim financial statements

To the Unit Holders of Al Watani Fund

Introduction

We have reviewed the accompanying condensed interim financial statements of Al Watani Fund (the "Fund") for the period ended 30 September 2023, which comprise:

- the condensed statement of financial position as at 30 September 2023;
- the condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2023;
- the condensed statement of changes in net assets attributable to the unit holders for the nine-month period ended 30 September 2023;
- the condensed statement of cash flows for the nine-month period ended 30 September 2023; and
- notes to the condensed interim financial statements.

Fund Manager is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 condensed interim financial statements for the period ended 30 September 2023 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

29 October 2023
Doha
State of Qatar



Yacoub Hobeika
KPMG
Qatar Auditor's Registry Number 289
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Al Watani Fund

Condensed statement of financial position
As at 30 September 2023

In Qatari Riyals

	Note	30 September 2023 (Reviewed)	31 December 2022 (Audited)
Assets			
Investment securities	3	13,069,730	13,107,146
Bank balances	4	1,162,621	776,774
Other receivables		178	129
Total assets		14,232,529	13,884,049
Liabilities			
Due to related parties	5	364,379	269,617
Brokerage payable		-	46,050
Other liabilities		40,216	43,876
Total liabilities		404,595	359,543
Net assets attributable to the unit holders		13,827,934	13,524,506
		Units	Units
Number of units in issue		639,803	641,287
Net asset value per unit		21.61	21.09

These condensed interim financial statements were authorized for issue and approved by the Fund Manager on 29 October 2023 and signed on their behalf by:

Adel Abdulaziz Khashabi
Senior Vice President
Group Asset & Wealth Management



The attached notes 1 to 6 form an integral part of these condensed interim financial statements.

Al Watani Fund

**Condensed statement of profit or loss and other comprehensive income
For the three month and nine-month periods ended 30 September 2023**

In Qatari Riyals

	Note	Three months to 30 September 2023 <i>(Reviewed)</i>	Three months to 30 September 2022 <i>(Reviewed)</i>	Nine months to 30 September 2023 <i>(Reviewed)</i>	Nine months to 30 September 2022 <i>(Reviewed)</i>
Income					
Income from investment securities	3	358,996	590,078	148,452	1,567,451
Dividend income		-	-	580,206	506,695
Interest income		11,383	6,099	32,409	14,095
Total income		370,379	596,177	761,067	2,088,241
Expenses					
Performance fees	5	21,710	5,357	125,940	125,594
Management fees	5	52,707	63,111	154,664	186,142
Custodian fees	5	17,569	21,036	51,555	62,047
Consultant fees		13,104	-	13,104	-
Brokerage fees		4,636	16,088	24,400	88,920
Professional fees		19,660	19,660	58,340	58,340
Total expenses		129,386	125,252	428,003	521,043
Profit for the period		240,933	470,925	333,064	1,567,198
Other comprehensive income for the period		-	-	-	-
Change in net assets attributable to unit holders		240,933	470,925	333,064	1,567,198



The attached notes 1 to 6 form an integral part of these condensed interim financial statements.

Al Watani Fund

**Condensed statement of changes in net assets attributable to the unit holders
For the nine-month period ended 30 September 2023**

In Qatari Riyals

	Number of units	Net assets attributable to the unit holders
Balance at 1 January 2022	642,890	14,763,980
Change in net assets attributable to unit holders	-	1,567,198
<i><u>Subscriptions and redemptions by unit holders:</u></i>		
Subscription of redeemable units during the period	1,969	50,000
Redemption of redeemable units during the period	(5,148)	(133,092)
Balance at 30 September 2022	<u>639,711</u>	<u>16,248,086</u>
Balance at 1 January 2023	641,287	13,524,506
Change in net assets attributable to unit holders	-	333,064
<i><u>Subscriptions and redemptions by unit holders:</u></i>		
Subscription of redeemable units during the period	3,191	69,000
Redemption of redeemable units during the period	(4,675)	(98,636)
Balance at 30 September 2023	<u>639,803</u>	<u>13,827,934</u>



The attached notes 1 to 6 form an integral part of these condensed interim financial statements.

Al Watani Fund

Condensed statement of cash flows
For the nine-month period ended 30 September 2023

In Qatari Riyals

	Note	Nine months to 30 September 2023 (Reviewed)	Nine months to 30 September 2022 (Reviewed)
OPERATING ACTIVITIES			
Change in net assets attributable to unit holders		333,064	1,567,198
<i>Adjustments for:</i>			
Interest Income		(32,409)	(14,095)
Net loss / (gain) from changes in fair value of investment securities classified as FVTPL	3	(128,752)	506,045
Operating profit before changes in operating assets and liabilities		171,903	2,059,148
<i>Changes in:</i>			
Investment securities		166,168	(164,836)
Brokerage receivable		-	(350,527)
Due to related parties		94,762	13,053
Brokerage payable		(46,050)	-
Other liabilities		(3,660)	(5,785)
Other receivables		(49)	(112)
Net cash generated from operating activities		383,074	1,550,941
Interest received		32,409	14,095
Net cash flows from operating activities		415,483	1,565,036
FINANCING ACTIVITIES			
Proceeds from issue of redeemable units		69,000	50,000
Payment for redemption of redeemable units		(98,636)	(133,092)
Net cash used in financing activities		(29,636)	(83,092)
Net increase in cash and cash equivalents		385,847	1,481,944
Cash and cash equivalents at 1 January		776,774	572,180
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	4	1,162,621	2,054,124



The attached notes 1 to 6 form an integral part of these condensed interim financial statements.

1. Corporate information

Al Watani Fund (the "Fund") is as an open-ended fund incorporated on 8 September 2005, under Law No. 25 of the year 2002 and the Ministry of Commerce and Industry Decision No. (69) of the year 2004 for issuing by-laws for investment funds of the State of Qatar. The Fund was licensed by Qatar Central Bank ("QCB") with License No. 1.F/3/2005 and registered with the Ministry of Commerce and Industry ("Ministry") with a registration number 31352. The Fund invests for capital growth and income in companies listed on the Qatar Exchange and in local funds.

The term of the Fund shall be 10 years, starting 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. On 22 July 2015 the Fund has renewed the licence for another 10 years of operation.

The founder of the Fund is Qatar National Bank (Q.P.S.C.), ("QNB"), a Qatari Joint Stock Company established under the laws of Qatar and having its principal office in Doha, State of Qatar, P.O. Box 1000 (the "Founder"). QNB is the appointed Custodian of the Fund. The Fund is managed by QNB Banque Privee (Suisse), a Company established under the laws of Switzerland (Company Registration Number CH- I 70-3-031-263-3) and having its registered office in Geneva, Switzerland.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

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

The condensed interim 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-month 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 condensed interim 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 Fund has consistently applied the accounting policies as applied in the annual financial statements for the year ended 31 December 2022.

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

2.2 Accounting policies and disclosures

IFRS Standards issued and effective

The following amendments to existing standards have been applied by the Fund in preparation of these condensed interim financial statements. The adoption of the below did not result in changes to previously reported net profit or net assets of the Fund.

Standards / Amendment to Standards	Effective date
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 Statement 2)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)	1 January 2023

2. Basis of preparation and significant accounting policies (continued)

2.1. Accounting policies and disclosures (continued)

IFRS Standards issued but not yet effective

The following amended standards are not expected to have any significant impact on the Fund's financial statements.

Standards / Amendment to Standards	Effective date
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024

3. Investment securities

	30 September 2023 <i>(Reviewed)</i>	31 December 2022 <i>(Audited)</i>
Investment securities at FVTPL – quoted equity securities	<u>13,069,730</u>	<u>13,107,146</u>

The above equity securities are listed on Qatar Stock Exchange.

The breakdown of the income from investment securities during the period is presented below.

	Three months to 30 September 2023 <i>(Reviewed)</i>	Three months to 30 September 2022 <i>(Reviewed)</i>	Nine months to 30 September 2023 <i>(Reviewed)</i>	Nine months to 30 September 2022 <i>(Reviewed)</i>
Gain/ (loss) on sale of listed equity securities	(111,271)	243,674	19,700	2,073,496
Gain / (loss) from changes in fair value of investment securities classified as FVTPL	<u>470,267</u>	<u>346,404</u>	<u>128,752</u>	<u>(506,045)</u>
Balance as at 30 September	<u>358,996</u>	<u>590,078</u>	<u>148,452</u>	<u>1,567,451</u>

4. Bank balances

	30 September 2023 <i>(Reviewed)</i>	31 December 2022 <i>(Audited)</i>
Bank balances	<u>1,162,621</u>	<u>776,774</u>

The bank balances are held in a savings account carrying an average interest rate of 0.5% (2022: 0.5%). The bank balances are held with a bank which is rated as A (2022: A), based on Fitch ratings.

5. Related party transactions

Related parties represent the Founder, the Fund Manager, directors and key management personnel of the Fund, and entities controlled, jointly controlled or significantly influenced by such parties. Transaction policies and terms are approved by the management.

Related party transactions

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

	Three months to 30 September 2023 <i>(Reviewed)</i>	Three months to 30 September 2022 <i>(Reviewed)</i>	Nine months to 30 September 2023 <i>(Reviewed)</i>	Nine months to 30 September 2022 <i>(Reviewed)</i>
<i>QNB Banque Privee (Suisse)</i>				
Management fees	52,707	63,111	154,664	186,142
Performance fees / (reversal)	21,710	5,357	125,940	125,594
	74,417	68,468	280,604	311,736
<i>Qatar National Bank (Q.P.S.C.)</i>				
Custodian fees	17,569	21,036	51,555	62,047

Management fees

The management fee is calculated and payable to the Fund Manager on a monthly basis at an annual rate of 1.5% of the net asset value of the fund.

Custodian fees

The custodian fee is calculated and payable to the custodian on a monthly basis at an annual rate of 0.5% of the net asset value of the fund.

Performance fees

The Fund Managers are entitled to performance fees calculated at 15% on excess returns over the Index.

Related party balances

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

	30 September 2023 <i>(Reviewed)</i>	31 December 2022 <i>(Audited)</i>
<i>Due to related parties:</i>		
QNB Banque Privee (Suisse)	346,810	250,374
Qatar National Bank (Q.P.S.C.)	17,569	19,243
	364,379	269,617

6. 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.

	30 September 2023 <i>(Reviewed)</i>	31 December 2022 <i>(Audited)</i>
<i>Financial assets measured at fair value through profit or loss</i>		
Investment securities at fair value through profit or loss	13,069,730	13,107,146
<i>Financial assets measured at amortised cost</i>		
Bank balances	1,162,621	776,774
Other receivables	178	129
	<u>14,232,529</u>	<u>13,884,049</u>
<i>Financial liabilities measured at amortised cost</i>		
Due to related parties	364,379	269,617
Brokerage payable	-	46,050
Other liabilities	40,216	43,876
	<u>404,595</u>	<u>359,543</u>

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.

	30 September 2023 <i>(Reviewed)</i>	31 December 2022 <i>(Audited)</i>
Investment securities at fair value through profit or loss		
- Level 1	13,069,730	13,107,146
- Level 2	-	-
- Level 3	-	-
	<u>13,069,730</u>	<u>13,107,146</u>

During the period ended 30 September 2023 and year ended 31 December 2022, there were no transfers between Level 1 and Level 2 and transfers into and out of Level 3.