

QNB Commodity Fund

FINANCIAL STATEMENTS

31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF QNB COMMODITY FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of QNB Commodity Fund (the "Fund") which comprise the statement of financial position as at 31 December 2023, and the statement of 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 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Code 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 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 for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of 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 a 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks 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 the override of internal control.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF QNB COMMODITY 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 the 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 our auditor's report to the related disclosures in the financial statements or, if such disclosures are 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 legal and other 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 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: 11 February 2024
Doha



QNB Commodity Fund

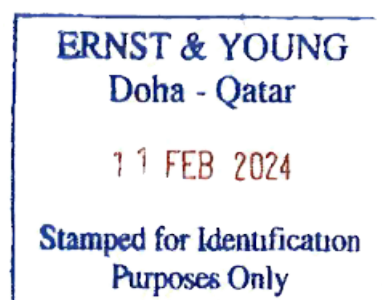
STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 QR	2022 QR
ASSETS			
Current assets			
Financial assets at fair value through profit or loss	3	2,021,470	2,570,758
Sale proceeds receivable		-	263,866
Cash and cash equivalents	4	1,669	3,767
TOTAL ASSETS		<u>2,023,139</u>	<u>2,838,391</u>
LIABILITY			
Current liability			
Due to related parties	7	2,641	25,383
TOTAL LIABILITY		<u>2,641</u>	<u>25,383</u>
NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS	5	<u>2,020,498</u>	<u>2,813,008</u>

The financial statements were authorised for issue and approved by the Fund Manager on 11 February 2024 and signed on their behalf by:

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



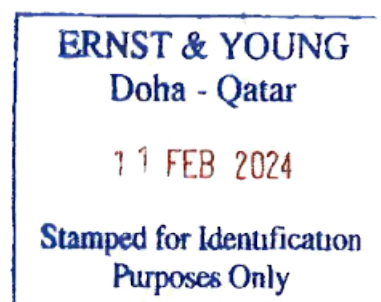
The attached notes 1 to 10 form part of these financial statements.

QNB Commodity Fund

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 QR	2022 QR
Income			
Interest income		260	242
Net (loss) gain from financial assets at fair value through profit or loss	6	<u>(155,115)</u>	<u>993,310</u>
Total (loss) income		<u>(154,855)</u>	<u>993,552</u>
Expenses			
Management fees	7	(8,999)	(13,436)
Custodian fees	7	(2,249)	(3,359)
Brokerage fees		<u>(161)</u>	<u>(424)</u>
Total operating expenses		<u>(11,409)</u>	<u>(17,219)</u>
(LOSS) PROFIT FOR THE YEAR		(166,264)	976,333
Other comprehensive income for the year		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) PROFIT FOR THE YEAR		<u>(166,264)</u>	<u>976,333</u>



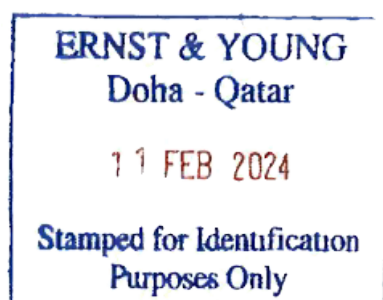
The attached notes 1 to 10 form part of these financial statements.

QNB Commodity Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS

For the year ended 31 December 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	431,408	3,501,198
Payments for units redeemed during the year	(152,544)	(1,664,523)
Total comprehensive profit for the year	-	976,333
	<hr/>	<hr/>
Net assets attributable to the unit holders at 31 December 2022	278,864	2,813,008
	<hr/>	<hr/>
Net assets attributable to the unit holders at 1 January 2023	278,864	2,813,008
Payments for units redeemed during the year	(65,617)	(626,246)
Total comprehensive loss for the year	-	(166,264)
	<hr/>	<hr/>
Net assets attributable to the unit holders at 31 December 2023	213,247	2,020,498
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The attached notes 1 to 10 form part of these financial statements.

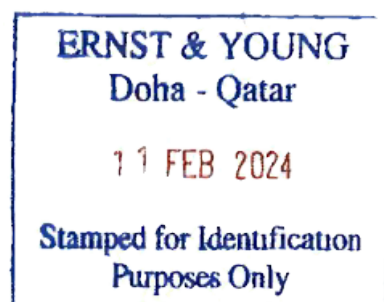
QNB Commodity Fund

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	<i>Notes</i>	2023 QR	2022 QR
OPERATING ACTIVITIES			
(Loss) Profit for the year		(166,264)	976,333
<i>Adjustment for:</i>			
Realized gain from sale of financial assets at fair value through profit or loss	6	(88,306)	(690,382)
Unrealised loss (gain) on revaluation of financial assets at fair value through profit or loss	6	243,134	(305,719)
Operating cash used before working capital changes		(11,436)	(19,768)
<i>Working capital changes:</i>			
Financial assets at fair value through profit or loss		394,460	1,914,482
Sale proceeds receivable		263,866	(263,866)
Due to related parties		(22,742)	16,794
Net cash flows from operating activities		624,148	1,647,642
FINANCING ACTIVITY			
Payments towards units redeemed		(626,246)	(1,664,523)
Net cash flows used in a financing activity		(626,246)	(1,664,523)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(2,098)	(16,881)
Cash and cash equivalents at 1 January		3,767	20,648
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	4	1,669	3,767

The attached notes 1 to 10 form part of these financial statements.



QNB Commodity Fund

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 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, State of 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 Founder is in the process of renewing the license of the Fund for another 10-year period before the expiry of the initial term.

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 ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss (‘FVTPL’) that are measured at fair value.

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

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (‘IFRS’) and the applicable provisions of Qatar Central Bank (‘QCB’) regulations.

2.2 Accounting policies and disclosures

New and amended standards and interpretations

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) effective as of 1 January 2023 as noted below:

<i>Content</i>	<i>Effective date</i>
IFRS 17 Insurance Contracts	1 January 2023
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
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023
International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12	1 January 2023

These amendments have no material impact on the financial statements of the Fund. The Fund intends to use the practical expedients in future periods if they become applicable.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.2 Accounting policies and disclosures (continued)

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>Content</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 Liabilities with Covenants - Amendments to IAS 1	1 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
Lack of exchangeability – Amendments to IAS 21	1 January 2024

The Fund did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective.

2.3 Summary of accounting policies

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Dividend income

Dividend income is recognised when the Fund's right to receive the payment is established.

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts, estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Net asset value ("NAV") per unit

The net assets value per unit of the Fund on any valuation day is determined by dividing the total assets less total liabilities of the Fund by the total number of units outstanding at that time.

Financial instruments - initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The 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.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The 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.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of accounting policies (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

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 FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice.
- How the performance of the portfolio is evaluated and reported to the Fund's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How the fund managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Subsequent measurement

The subsequent measurement of financial assets of the Fund depends on their classification as described below:

Financial assets at Fair Value through Profit or Loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of call deposits with original maturity not exceeding 90 days.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; and
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of accounting policies (continued)

Financial instruments - initial recognition and subsequent measurement (continued)

Financial assets (continued)

Derecognition (continued)

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Financial liabilities

The Fund has classified and measured its financial liabilities at amortized cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Other liabilities

Liabilities are recognised for amounts to be paid in the future for goods, assets or services received, whether billed by the supplier or not.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value measurement

The Fund measures financial instruments, such as financial assets at fair value through profit or loss, at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

2.3 Summary of accounting policies (continued)

Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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>2023</i> <i>QR</i>	<i>2022</i> <i>QR</i>
Cost of investment securities	1,518,308	1,824,462
Unrealised gain on revaluation of financial assets at fair value through profit since inception	503,162	746,296
At 31 December	<u>2,021,470</u>	<u>2,570,758</u>

The movement of the investment securities are as follows:

	<i>2023</i> <i>QR</i>	<i>2022</i> <i>QR</i>
At 1 January	2,570,758	3,489,139
Additions during the year	-	48,227
Disposals during the year	(306,154)	(1,272,327)
Fair value changes during the year (Note 6)	(243,134)	305,719
At 31 December	<u>2,021,470</u>	<u>2,570,758</u>

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

QNB Commodity Fund

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2023

4 CASH AND CASH EQUIVALENTS

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

	<i>2023</i> <i>QR</i>	<i>2022</i> <i>QR</i>
Bank balances	<u>1,669</u>	<u>3,767</u>

5 NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS

	<i>2023</i>	<i>2022</i>
Number of units at 1 January	<u>278,864</u>	431,408
Number of units redeemed during the year	<u>(65,617)</u>	<u>(152,544)</u>
Number of units at the end of the year	<u>213,247</u>	<u>278,864</u>
Net asset value ("NAV") of the Fund - (QR)	<u>2,020,498</u>	<u>2,813,008</u>
NAV price per unit - (QR)	<u>9.4749</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 31 December 2023 (31 December 2022: QR 2,788,640).

6 NET GAIN/ (LOSS) FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>2023</i> <i>QR</i>	<i>2022</i> <i>QR</i>
Gain from sale of financial assets at fair value through profit or loss	<u>88,306</u>	690,382
Foreign exchange (loss)	<u>(287)</u>	<u>(2,791)</u>
Unrealised (loss) gain on revaluation of financial assets at fair value through profit or loss (Note 3)	<u>(243,134)</u>	<u>305,719</u>
	<u>(155,115)</u>	<u>993,310</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 statement of comprehensive income are as follows:

	<i>2023</i> <i>QR</i>	<i>2022</i> <i>QR</i>
<i>QNB Banque Privee (Suisse)</i> Management fees	<u>8,999</u>	<u>13,436</u>
<i>Qatar National Bank, Qatar Branch</i> Custodian fees	<u>2,249</u>	<u>3,359</u>

Management fees

The management fee is calculated and payable to the Fund Manager on a monthly basis at an annual rate of 0.4% of the net asset value of the Fund calculated on a daily basis.

QNB Commodity Fund

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2023

7 RELATED PARTY DISCLOSURES (CONTINUED)

Related party transactions (continued)

Custodian fees

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

Related party balances

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

	2023 <i>QR</i>	2022 <i>QR</i>
<i>Due to related parties:</i>		
QNB Banque Privee (Suisse)	2,113	20,306
Qatar National Bank, Qatar Branch	<u>528</u>	<u>5,077</u>
	<u><u>2,641</u></u>	<u><u>25,383</u></u>

8 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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 statement of financial position.

<i>31 December 2023</i>	<i>Carried at</i>	<i>Carrying amount QR</i>	<i>Fair value QR</i>
Assets			
Financial assets at fair value through profit or loss	FVTPL	2,021,470	2,021,470
Cash and cash equivalents	Amortised cost	<u>1,669</u>	<u>1,669</u>
		<u><u>2,023,139</u></u>	<u><u>2,023,139</u></u>
Liabilities			
Due to related parties	Amortised cost	<u>2,641</u>	<u>2,641</u>
		<u><u>2,641</u></u>	<u><u>2,641</u></u>
<i>31 December 2022</i>	<i>Carried at</i>	<i>Carrying amount QR</i>	<i>Fair value QR</i>
Assets			
Financial assets at fair value through profit or loss	FVTPL	2,570,758	2,570,758
Sales proceeds receivable	Amortised cost	263,866	263,866
Cash and cash equivalents	Amortised cost	<u>3,767</u>	<u>3,767</u>
		<u><u>2,838,391</u></u>	<u><u>2,838,391</u></u>
Liabilities			
Due to related parties	Amortised cost	<u>25,383</u>	<u>25,383</u>
		<u><u>25,383</u></u>	<u><u>25,383</u></u>

Legend:

“FVTPL”- Fair Value through Profit or Loss

8 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**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>2023</i> <i>QR</i>	<i>Level 1</i> <i>QR</i>	<i>Level 2</i> <i>QR</i>	<i>Level 3</i> <i>QR</i>
Financial assets at fair value through profit or loss				
- Exchange Traded Fund	<u>2,021,470</u>	<u>2,021,470</u>	<u>-</u>	<u>-</u>
	<i>2022</i> <i>QR</i>	<i>Level 1</i> <i>QR</i>	<i>Level 2</i> <i>QR</i>	<i>Level 3</i> <i>QR</i>
Financial assets at fair value through profit or loss				
- Exchange Traded Fund	<u>2,570,758</u>	<u>2,570,758</u>	<u>-</u>	<u>-</u>

During the year ended 31 December 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).

9 FINANCIAL RISK MANAGEMENT**Objectives and policies**

The Fund's financial liabilities consist of due to related parties and other liabilities. The Fund has financial assets such as cash and cash equivalents and financial assets at fair value through profit or loss 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 below.

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.

9 FINANCIAL RISK MANAGEMENT (CONTINUED)**Market risk (continued)***Equity price risk (continued)*

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 equity price index 2023 %</i>	<i>Effect on comprehensive income 2023 QR</i>	<i>Change in equity price index 2022 %</i>	<i>Effect on comprehensive income 2022 QR</i>
5	101,074	5	128,538

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 balance at the reporting date is QR 1,669 (2022: QR 267,633).

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. 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 Founder is in the process of renewing the license of the Fund for another 10-year period before the expiry of the initial term. 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.