

QNB Commodity Fund
Condensed Interim Financial Statements
30 September 2024

QNB Commodity Fund

Condensed Interim Financial Statements As at and for the nine-month period ended 30 September 2024

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

To the Unit Holders of QNB Commodity Fund

Introduction

We have reviewed the accompanying condensed interim financial statements of QNB Commodity Fund (the "Fund") for the period ended 30 September 2024, which comprise:

- the condensed statement of financial position as at 30 September 2024;
- the condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed statement of changes in net assets attributable to the unit holders for the nine-month period ended 30 September 2024;
- the condensed statement of cash flows for the nine-month period ended 30 September 2024; 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 2024 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.



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

Unit Holders of QNB Commodity Fund

Other matter

The condensed interim financial statements as at and for the nine-month period ended 30 September 2023 were reviewed, and the financial statements as at and for the year ended 31 December 2023 were audited, by another auditor, whose review and audit reports dated 22 October 2023 and 11 February 2024 respectively, expressed an unmodified review conclusion and an unmodified audit opinion thereon.

21 October 2024
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditor's Registry Number 251
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QNB Commodity Fund

Condensed statement of financial position As at 30 September 2024

In Qatari Riyals

	Note	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Assets			
Financial assets at fair value through profit or loss	3	2,057,466	2,021,470
Bank balances	4	11,007	1,669
Total assets		2,068,473	2,023,139
Liabilities			
Due to related parties	6	10,633	2,641
Total Liabilities		10,633	2,641
Net assets attributable to the unit holders		2,057,840	2,020,498

These condensed interim financial statements were authorized for issue and approved by the Fund Manager on 15 October 2024 and signed on their behalf by:

Abdulla Hashim Al-Sada
Senior Executive Vice President
Group Asset and Wealth Management



The attached notes 1 to 7 form an integral part of these financial statements.

QNB Commodity Fund

Condensed statement of profit or loss and other comprehensive income For the three and nine-month periods ended 30 September 2024

In Qatari Riyals

	Note	Three months to 30 September 2024 (Reviewed)	Three months to 30 September 2023 (Reviewed)	Nine months to 30 September 2024 (Reviewed)	Nine months to 30 September 2023 (Reviewed)
Income					
Interest income		41	18	59	260
Net gain / (loss) from financial assets at fair value through profit or loss	5	(113,458)	311,786	95,029	92,077
		(113,417)	311,804	95,088	92,337
Expenses					
Management fees	6	(2,096)	(2,273)	(6,393)	(6,884)
Custodian fees	6	(524)	(568)	(1,598)	(1,721)
Brokerage fees		(29)	(25)	(45)	(158)
		(2,649)	(2,866)	(8,036)	(8,763)
Profit / (loss) for the period		(116,066)	308,938	87,052	83,574
Other comprehensive income for the period		-	-	-	-
Total comprehensive profit / (loss) for the period		(116,066)	308,938	87,052	83,574



The attached notes 1 to 7 form an integral part of these financial statements.

QNB Commodity Fund

Condensed statement of changes in net assets attributable to the unit holders For the nine-month period ended 30 September 2024

In Qatari Riyals

	Number of units	Net assets attributable to the units holders
Net assets attributable to unit holders at 1 January 2023	278,864	2,813,008
Payments for units redeemed during the period	(65,617)	(626,246)
Total comprehensive profit for the period	-	83,574
Net assets attributable to unit holders at 30 September 2023	<u>213,247</u>	<u>2,270,336</u>
Net assets attributable to unit holders at 1 January 2024	213,247	2,020,498
Payments for units redeemed during the period	(5,010)	(49,710)
Total comprehensive profit for the period	-	87,052
Net assets attributable to the unit holders at 30 September 2024	<u>208,237</u>	<u>2,057,840</u>



The attached notes 1 to 7 form an integral part of these financial statements.

QNB Commodity Fund

Condensed statement of cash flows For the nine-month period ended 30 September 2024

In Qatari Riyals

	Note	Nine months to 30 September 2024 (Reviewed)	Nine months to 30 September 2023 (Reviewed)
OPERATING ACTIVITIES			
Profit for the period		87,052	83,574
<i>Adjustments for:</i>			
Realised gain from sale of financial assets at fair value through profit or loss	5	(16,918)	(85,625)
Unrealised gain on revaluation of financial assets at fair value through profit or loss	5	(78,132)	(6,737)
Operating cash used before working capital changes		(7,998)	(8,788)
<i>Changes in:</i>			
Financial assets at fair value through profit or loss		59,054	385,743
Due to related parties		7,992	(16,778)
Other receivables		-	263,866
Net cash flows from operating activities		59,048	624,043
FINANCING ACTIVITY			
Payments towards units redeemed		(49,710)	(626,246)
Net cash used in financing activities		(49,710)	(626,246)
Net increase / (decrease) in cash and cash equivalents		9,338	(2,203)
Cash and cash equivalents at 1 January		1,669	3,767
CASH AND CASH EQUIVALENTS AT 30 September	4	11,007	1,564



The attached notes 1 to 7 form an integral part of these financial statements.

1. Corporate Information

QNB Commodity Fund (the "Fund") has been established as an open-ended fund under Qatar Central Bank's (QCB) license No. S.A/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, ("QNB"), 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 Geneve, Switzerland, is the Fund Manager (herein 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 (herein referred to as the "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 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 2023 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 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 2023.

The Fund has consistently applied the accounting policies as applied in the annual financial statements for the year ended 31 December 2023.

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. Basis of preparation and significant accounting policies (continued)**2.2 Accounting policies and disclosures***IFRS Standards issued and effective*

The following amendments to existing IFRS 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.

IFRS Standards / Amendment to IFRS Standards	Effective date
Classification of Liabilities as Current or Non-current Liabilities with Covenants- Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
Supplier Finance Agreements- Amendments to IAS 7 and IFRS 7	1 January 2024

IFRS Standard issued but not yet effective

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

IFRS Standards / Amendment to IFRS Standards	Effective date
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely
Lack of exchangeability- Amendments to IAS 21	1 January 2025

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

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:

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Cost of investment securities	1,476,172	1,518,308
Unrealized gain on revaluation of financial assets at fair value through profit since inception	581,294	503,162
	<u>2,057,466</u>	<u>2,021,470</u>

The movement of the investment securities are as follows:

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
At 1 January	2,021,470	2,570,758
Disposals during the period	(42,136)	(306,154)
Fair value changes during the period (Note 5)	78,132	(243,134)
	<u>2,057,466</u>	<u>2,021,470</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 Condensed Interim Financial Statements As of and for the nine-month period ended 30 September 2024

In Qatari Riyals

4. Bank balances

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
Bank balances	<u>11,007</u>	<u>1,669</u>

5. Net gain / (loss) from financial assets at fair value through profit or loss

	Three-months to 30 September 2024 (Reviewed)	Three-months to 30 September 2023 (Reviewed)	Nine-months to 30 September 2024 (Reviewed)	Nine-months to 30 September 2023 (Reviewed)
Gain from sale of financial assets at fair value through profit or loss	5,666	19,083	16,918	85,625
Foreign exchange loss	(5)	(112)	(21)	(285)
Unrealised gain / (loss) on revaluation of financial assets at fair value through profit or loss	(119,119)	292,815	78,132	6,737
	<u>(113,458)</u>	<u>311,786</u>	<u>95,029</u>	<u>92,077</u>

6. 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 2024 (Reviewed)	Three-months to 30 September 2023 (Reviewed)	Nine-months to 30 September 2024 (Reviewed)	Nine-months to 30 September 2023 (Reviewed)
<i>QNB Banque Privée (Suisse)</i>				
Management fees	2,096	2,273	6,393	6,884
	<u>2,096</u>	<u>2,273</u>	<u>6,393</u>	<u>6,884</u>
<i>Qatar National Bank, Qatar Branch</i>				
Custodian fees	524	568	1,598	1,721
	<u>524</u>	<u>568</u>	<u>1,598</u>	<u>1,721</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.

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.

6. Related party transactions (continued)**Related party balances**

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

	30 September 2024 (Reviewed)	31 December 2023 (Audited)
<i>Due to related parties:</i>		
QNB Banque Privee (Suisse)	8,506	2,113
Qatar National Bank, Qatar Branch	2,127	528
	<u>10,633</u>	<u>2,641</u>

7. 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.

	Carrying Amount (Reviewed)	Fair Value (Reviewed)
30 September 2024		
Assets		
Financial assets measured at fair value through profit or loss	2,057,466	2,057,466
Cash and cash equivalents	11,007	11,007
	<u>2,068,473</u>	<u>2,068,473</u>
Liabilities		
Due to related parties	10,633	10,633
	<u>10,633</u>	<u>10,633</u>
31 December 2023		
(Audited)		
Assets		
Financial assets measured at fair value through profit or loss	2,021,470	2,021,470
Cash and cash equivalents	1,669	1,669
	<u>2,023,139</u>	<u>2,023,139</u>
Liabilities		
Due to related parties	2,641	2,641
	<u>2,641</u>	<u>2,641</u>

7. Fair values of financial instruments (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.

	30 September 2024 (Reviewed)	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
- Commodity securities	2,057,466	2,057,466	-	-
	31 December 2023 (Audited)	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
- Commodity securities	2,021,470	2,021,470	-	-

During the nine-month period ended 30 September 2024, 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 2023: Nil).

8. Comparative information

Certain comparative figures have been reclassified where necessary, to conform with current period presentation. Such reclassifications did not affect the previously reported profit or equity.