

**AL HAYER FUND – CLASS “A”**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 June 2019**

**AL HAYER FUND – CLASS “A”**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
As at and for the six month period ended 30 June 2019

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**Independent auditor's report on review of interim condensed financial statements to the unit holders of the Al Hayer Fund – Class "A"**

**Introduction**

We have reviewed the accompanying 30 June 2019 interim condensed financial statements of Al Hayer Fund Class – "A" ("the Fund"), which comprise:

- the interim statement of financial position as at 30 June 2019;
- the interim statement of comprehensive income for the three and six month periods ended 30 June 2019;
- the interim statement of changes in net assets attributable to the unit holders for the six month period ended 30 June 2019;
- the interim statement of cash flows for the six month period ended 30 June 2019; and
- notes to the interim condensed financial statements.

The Fund Manager of the Fund is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, '*Interim Financial Reporting*' ("IAS 34") and applicable provisions of the Qatar Central Bank regulations. 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 the International Standard on Review Engagements 2410, "*Review of Interim Financial statements 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 30 June 2019 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 and the applicable provisions of the Qatar Central Bank regulations.

31 July 2019  
Doha  
State of Qatar.

Gopal Balasubramaniam  
KPMG Qatar  
Auditor's Registry Number 251  
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Auditor's License No. 120153

AL HAYER FUND – CLASS “A”  
 INTERIM STATEMENT OF FINANCIAL POSITION  
 As at 30 June 2019

	Note	30 June 2019 USD (Reviewed)	31 December 2018 USD (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	3	1,655,444	1,641,459
Investment securities	4	6,104,102	7,934,088
Other receivables		20,802	10,900
<b>TOTAL ASSETS</b>		<u>7,780,348</u>	<u>9,586,447</u>
<b>LIABILITIES</b>			
Payables and accrued expenses	5	42,330	50,189
<b>TOTAL LIABILITIES</b>		<u>42,330</u>	<u>50,189</u>
<b>NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS</b>		<u>7,738,018</u>	<u>9,536,258</u>
<b>NUMBER OF UNITS IN ISSUE (UNITS)</b>		<u>72,748</u>	<u>95,481</u>
<b>NET ASSET VALUE PER UNIT (USD)</b>		<u>106.37</u>	<u>99.88</u>

These interim condensed financial statements were approved by the Founder's Board of Directors and were signed on its behalf by:



Dr. Raghavan Sesharaman  
 Group Chief Executive Officer  
 Doha Bank Q.P.S.C.

31 July 2019



The accompanying notes 1 to 8 form an integral part of these interim condensed financial statements.

**AL HAYER FUND – CLASS “A”**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
For the three and six month periods ended 30 June 2019

	Note	For the three month period ended		For the six month period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		USD	USD	USD	USD
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
<b>OPERATING INCOME</b>					
Net gain / (loss) from investment securities	6	32,538	(8,923)	446,599	236,386
Dividend income		94,297	82,606	180,763	176,188
Interest income		12,482	20,377	28,208	35,129
<b>Total income</b>		<b>139,317</b>	<b>94,060</b>	<b>655,570</b>	<b>447,703</b>
<b>EXPENSES</b>					
Management fees		(30,160)	(36,766)	(62,372)	(72,726)
Administration fees		(17,060)	(17,000)	(34,090)	(34,015)
Custodian fees		(8,147)	(7,616)	(20,312)	(12,801)
Brokerage fee and commission		(4,767)	(5,285)	(9,357)	(22,147)
Other operating expenses		(7,191)	(11,066)	(9,477)	(13,616)
<b>Total expenses</b>		<b>(67,325)</b>	<b>(77,733)</b>	<b>(135,608)</b>	<b>(155,305)</b>
<b>CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS</b>					
		<b>71,992</b>	<b>16,327</b>	<b>519,962</b>	<b>292,398</b>

The accompanying notes 1 to 8 form an integral part of these interim condensed financial statements.

**AL HAYER FUND – CLASS “A”**

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

For the six month period ended 30 June 2019

	30 June 2019		30 June 2018	
	Number of units <i>(Reviewed)</i>	USD <i>(Reviewed)</i>	Number of units <i>(Reviewed)</i>	USD <i>(Reviewed)</i>
Balance at 1 January (Audited)	<u>95,481</u>	<u>9,536,258</u>	<u>95,571</u>	<u>9,505,100</u>
Change in net assets attributable to the unit holders	-	519,962	-	292,398
<u>Contributions and redemptions by unit holders:</u>				
Issue of redeemable units during the period	-	-	-	-
Redemption of redeemable units during the period	<u>(22,733)</u>	<u>(2,318,202)</u>	<u>(90)</u>	<u>(9,015)</u>
Transactions with the unit holders	<u>(22,733)</u>	<u>(2,318,202)</u>	<u>(90)</u>	<u>(9,015)</u>
<b>Balance at 30 June</b>	<b><u>72,748</u></b>	<b><u>7,738,018</u></b>	<b><u>95,481</u></b>	<b><u>9,788,483</u></b>

The accompanying notes 1 to 8 form an integral part of these interim condensed financial statements.

**AL HAYER FUND – CLASS “A”**  
**INTERIM STATEMENT OF CASH FLOWS**  
For the six month period ended 30 June 2019

	Note	30 June 2019 USD <i>(Reviewed)</i>	30 June 2018 USD <i>(Reviewed)</i>
<b>OPERATING ACTIVITIES</b>			
Change in net assets attributable to the unit holders		519,962	292,398
Adjustments for:			
Net unrealized gain on revaluation of investment securities	6	<u>(394,960)</u>	<u>(39,137)</u>
Operating profit before changes in operating assets and liabilities		125,002	253,261
<i>Changes in:</i>			
Investment securities		2,224,946	108,838
Other receivables		(9,902)	(452,073)
Payables and accrued expenses		<u>(7,859)</u>	<u>720,968</u>
<b>Net cash from operating activities</b>		<b><u>2,332,187</u></b>	<b><u>630,994</u></b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of redeemable units		-	-
Payment for redemption of redeemable units		<u>(2,318,202)</u>	<u>(9,015)</u>
<b>Net cash used in financing activities</b>		<b><u>(2,318,202)</u></b>	<b><u>(9,015)</u></b>
Net increase in cash and cash equivalents		13,985	621,979
Cash and cash equivalents at 1 January		<u>1,641,459</u>	<u>3,645,710</u>
<b>Cash and cash equivalents at 30 June</b>	3	<b><u>1,655,444</u></b>	<b><u>4,267,689</u></b>

The accompanying notes 1 to 8 form an integral part of these interim condensed financial statements.



## **1. LEGAL STATUS AND MAIN ACTIVITIES**

Al Hayer Fund – Class “A”(“the Fund”) was established on 14 August 2012, as an open ended fund and is registered in the Investment Funds Register at the Ministry of Economy and Commerce under registration certificate no. 57042 and is licensed by the Qatar Central Bank under license no. IF/15/2011 in accordance with Law No. (25) of 2002 and the Ministry of Economy and Commerce Decision No. (69) of the year 2004 for issuing by-laws for investment funds of the State of Qatar.

The Fund has, at the date of establishment, an authorised capital of US\$ 1,000,000,000 divided into 10,000,000 Units at a par value of US\$ 100 each.

Doha Bank Q.P.S.C., the “Founder”, is a Qatari public shareholding company, having QCB License No. B.S.D/11/1979 and registered with the Ministry of Economy and Commerce under Commercial Registration Number 7115.

The Fund is managed by Amwal L.L.C. authorised by the Qatar Financial Centre Regulatory Authority (QFCRA) on 14 September 2011 (QFC No. 00145).

Standard Chartered Bank (Qatar branch) is the appointed Custodian of the Fund.

### **Objective of the Fund and nature of its activity**

The principal investment objective of the Fund is medium to long-term capital appreciation, primarily:

- a) To carry on the business of an investment fund in accordance with the Fund’s articles of association, the Law, the Directive and any other relevant laws and regulations and in furtherance of that purpose to invest the capital and other assets of the Fund, in the listed shares and other securities of companies established or operating in GCC and MENA countries and other countries approved by the Founder and Fund Manager. In addition the assets of the Fund may be invested in initial public offerings of shares of companies in these countries, money market and fixed income instruments, bank deposit accounts, sovereign bond issues of GCC countries, other funds and unit trusts both investing predominantly in securities of companies listed on qualifying exchanges;
- b) To deposit money in any currency with such financial institutions approved by QCB and on such terms as may seem expedient; and
- c) To accumulate any capital gains and other income, which shall be added to the value of the Fund and employed for any purpose of the Fund.

The condensed interim financial statements for the six month period ended 30 June 2019 were authorised for issue by the Founder on 31 July 2019.

## **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of preparation**

The interim condensed financial statements of the Fund for the six month period ended 30 June 2019 have been prepared in accordance with IAS 34 –“ Interim Financial Reporting” and the applicable provisions of the Qatar Central Bank regulations.

The interim condensed financial statements do not contain all statements and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2018. In addition, results for the six month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

These interim condensed financial statements is prepared on a historical cost basis, except for investment securities classified as fair value through profit or loss which are carried at fair value.



**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of preparation (continued)**

The interim condensed financial statements have been presented in USD, which is the functional currency of the Fund’s financial statements.

The preparation of the interim condensed financial statements 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.

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 2018.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2018.

**Standards, amendments and interpretations issued**

*New Standards, amendments and interpretations issued and effective on or after 1 January 2018*

- Annual Improvements to IFRSs 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)
- IFRS 16, Leases

The adoption of the new standards did not have a material impact on the financial position or performance of the Fund.

*Standards, amendments and interpretations issued but not yet effective*

The new standards, amendments to standards and interpretations which have been issued but are not yet effective for the period ended 30 June 2019 and have not been applied in preparing this condensed interim financial statements were as follows:

*Effective from annual periods beginning on or after 1 January 2019*

- IFRS 17 – Insurance Contracts
- Amendments to References to Conceptual Framework in IFRS Standards.

The Fund does not plan to early adopt these standards.

**3. CASH AND CASH EQUIVALENTS**

	<b>30 June</b>	31 December
	<b>2019</b>	2018
	<b>USD</b>	USD
	<i>(Reviewed)</i>	<i>(Audited)</i>
Current accounts	831,551	543,031
Fixed deposits	823,893	1,098,428
	<u>1,655,444</u>	<u>1,641,459</u>

**AL HAYER FUND – CLASS “A”**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
As at and for the six month period ended 30 June 2019

**4. INVESTMENT SECURITIES**

Investment securities carried as fair value through profit or loss:

			<b>31 June 2019 USD</b>	31 December 2018 USD
Listed equity securities –				
State of Kuwait	State of Kuwait	KWD	2,938,491	2,958,582
Listed equity securities –				
State of Qatar	State of Qatar	QAR	1,145,396	2,569,714
Listed equity securities –				
United States of America	Kingdom of Saudi Arabia and United Arab Emirates	USD	1,542,915	1,231,675
Listed debt securities –				
Republic of Ireland	Kingdom of Saudi Arabia	USD	199,534	393,206
Listed equity securities –				
United Kingdom	United Arab Emirates	GBP	72,604	381,212
Listed equity securities –				
Sultanate of Oman	Sultanate of Oman	OMR	40,364	235,036
Unlisted debt security – State of Kuwait	State of Kuwait	KWD	164,798	164,663
			<u><b>6,104,102</b></u>	<u><b>7,934,088</b></u>

**5. PAYABLES AND ACCRUED EXPENSES**

	<b>30 June 2019 USD (Reviewed)</b>	31 December 2018 USD (Audited)
Management fees	30,161	36,699
Custodian fees	2,884	3,486
Administration fees	5,000	5,000
Other accruals	4,285	5,004
	<u><b>42,330</b></u>	<u><b>50,189</b></u>

**6. NET GAIN FROM INVESTMENT SECURITIES**

	<b>For the six month period Ended</b>	
	<b>30 June 2019 USD (Reviewed)</b>	30 June 2018 USD (Reviewed)
Net gain on sale of investment securities	51,639	197,249
Net unrealized gain on revaluation of investment securities	394,960	39,137
	<u><b>446,599</b></u>	<u><b>236,386</b></u>

**AL HAYER FUND – CLASS “A”**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
As at and for the six month period ended 30 June 2019

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**7. RELATED PARTIES TRANSACTIONS**

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 will pay to the Fund Manager a management fee accruing monthly being the greater of \$50,000 a year or 1.5% per annum of the Net Asset Value, before payment of redemptions for the Valuation Day calculated using the Net Asset Value of the Fund on the Last Business Day of each calendar month if a Valuation Day, and if not a Valuation Day, determined using the Net Asset Value of the Fund as of the immediately preceding Valuation Day and payable quarterly. This management fee, provided the Fund Manager receives not less than \$50,000 per annum, will be shared 50:50 between the Fund Manager and the Fund Founder or as otherwise agreed between them.

**Subscription fees**

A subscription fee of up to 1% of the subscription amount is payable to the Founder of the Fund. This fee may be waived or refunded at the discretion of the Founder.

**Redemption fees**

A redemption fee of up to 1% of the Net Asset Value of the units being redeemed will be payable to the Fund Manager by the relevant unitholder from the redemption proceeds of units redeemed. The redemption fee will be shared 50:50 between the Founder and the Fund manager or as otherwise agreed between them.

**Performance fees**

The Fund will pay performance fee, at a rate of 15% of amount by which the annual rate of return achieved by the Fund exceeds 10% per annum calculated on a pro rata basis. For these purposes the initial Net Asset Value per unit shall be \$100 for the first financial year. Subsequent periods should be 12 months each and the base price for subsequent performance fee years will be the Net Asset Value per unit at the commencement of such period. The performance fee will be paid within 14 days following the Valuation Day occurring at the end of each financial year.

Any performance fee payable will be shared 50:50 between the Founder and the Fund manager or as otherwise agreed between them.

	<b>30 June 2019 USD (Reviewed)</b>	<b>31 December 2018 USD (Audited)</b>
<b>Statement of financial position items</b>		
Accrued management fees	<u>30,161</u>	<u>36,699</u>
		<b>For the six month period ended</b>
	<b>30 June 2019 USD (Reviewed)</b>	<b>30 June 2018 USD (Reviewed)</b>
<b>Statement of comprehensive income items</b>		
Management fees	<u>62,372</u>	<u>72,726</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).

Financial investments at fair value through profit or loss – held for trading are valued as per the Level 1 valuation method.