



Qatar Exchange Traded Fund  
Vision. Value. Growth.

# QE Index ETF (QETF)

Private Placement and  
Listing Prospectus  
Dated 26/11/2017



\* Terms & Conditions Apply

[www.qetf.com.qa](http://www.qetf.com.qa)

***Investors are advised to seek professional advice in relation to the contents of this Prospectus.***

Commercial Registration number of the Fund from the Ministry of Economy and Commerce	<b>96762</b>
License number of the Fund from the Qatar Central Bank	<b>IF/26/2016</b>
Founder	<b>Doha Bank, Q.P.S.C.</b>
Fund Manager	<b>Amwal LLC</b>
Investment Custodian	<b>Standard Chartered Bank</b>
Liquidity Provider	<b>The Group Securities, Q.S.C.</b>
Auditor	<b>Ernst &amp; Young, Qatar</b>
Legal Advisor	<b>K&amp;L Gates</b>
Base Currency	<b>Qatari Riyal</b>
Initial Capital of the Fund after Private Placement	<b>QAR 141,446,942</b>
NAV after Private Placement	<b>QAR 89.88</b>
Private Placement Opening Date:	<b>26/11/2017</b>
Private Placement Closing Date:	<b>07/12/2017</b>
Expected Date of Operation	<b>February 2018</b>
This prospectus and the Articles of association of the Fund will be available at	<b><a href="http://www.qetf.com.qa">www.qetf.com.qa</a></b>

Neither the Qatar Central Bank ("QCB"), nor the Qatar Financial Markets Authority ("QFMA") is responsible for reviewing, approving or verifying the statements, information or provisions contained in this Prospectus or any related documents. In addition, no procedures were taken to confirm the validity of any data or information or conditions mentioned in this Prospectus or any other related documents. Furthermore, neither the QCB nor QFMA shall bear any responsibility with regard to the accuracy of statements, data, information and conditions mentioned in this Prospectus nor to any related documents. The English version Prospectus is an unofficial English language translation of the Arabic language Prospectus. The QFMA has reviewed the Arabic Prospectus and approved its publication, but has not reviewed the English Prospectus nor approved its publication.

## Founder Disclaimer

This document is issued by Doha Bank Q.P.S.C. in its capacity as founder (the "Founder") of the QE Index ETF (the "Fund" or "QETF"). The Founder has taken necessary care to ensure that the facts stated herein are true and accurate in all material respects and that there have been no omissions of material facts that would make any statement herein misleading, whether of fact or opinion, as of the date of this prospectus ("Prospectus"). Updates to this Prospectus may be made upon the occurrence of material changes, and such updates will be made available to investors in the Fund ("Investors") and prospective Investors at the offices of the Founder and shall be published at the websites of the Founder ([www.dohabank.com.qa](http://www.dohabank.com.qa)) and the Fund Manager ([www.amwalqa.com](http://www.amwalqa.com)).

The Founder is acting on behalf of the Fund in connection with the offering of units in the Fund (the "Units") pursuant to this Prospectus and will not be responsible to any person for advising on the suitability of, or for providing best execution in respect of, a subscription to the Units.



## Important Statement about this Prospectus

The Fund is an open-ended investment fund established in the State of Qatar in accordance with the Investment Funds Law (law number 25 of 2002), and the Ministry of Economy and Commerce ("Ministry") decision number 69 of 2004 promulgating the implementing regulations of law number 25 of 2002. The Fund is registered in the Investment Funds Register at the Ministry under registration certificate no. 96762 and is licensed by the Qatar Central Bank ("QCB") under license number IF/26/2016.

This Prospectus relates to a collective investment fund established in the State of Qatar, licensed by QCB and authorized for listing on the Qatar (Stock) Exchange as an exchange traded fund by the Qatar Financial Markets Authority ("QFMA").

Returns from Units go down as well as up and an Investor may also lose all or a part of its investment. Past performance of Units is not a reliable indicator of future performance.

Prospective purchasers of the Units offered should conduct their own due diligence and consider seeking independent legal and financial advice before deciding to invest in the Fund.

Unit holders are not liable for the debts or other liabilities of the Fund.

Unit holders are not liable for any acts or omissions of the Fund Manager, the Investment Custodian and/or the Founder.

Any material amendments to this Prospectus as agreed by the Founder and the Fund Manager will need to be approved by QCB and the QFMA.

Investors and prospective Investors will be informed of such changes which shall be published on the website of the Fund [www.qetf.com.qa](http://www.qetf.com.qa).

## ***Important Notices***

This Prospectus contains the definitive terms and conditions of the Fund. Prospective Investors should read this Prospectus carefully before deciding whether to purchase Units and should pay particular attention to the information under the heading "Risk Factors." Investors should be aware that they are required to bear the financial risks of an investment in the Fund.

This Prospectus does not constitute an offer or a solicitation of an offer to or from any person in any jurisdiction in which such an offer or solicitation, by or to the persons concerned, is not authorized by law.

The delivery of this Prospectus or any sale made hereunder shall not under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof.

In making an investment decision, prospective Investors must rely on their own examination of the Fund and the terms of the offering and their own evaluation of the merits and risks involved. Prospective Investors should also inform themselves as to (a) the possible tax consequences, (b) the legal requirements, and (c) any foreign exchange restrictions or foreign exchange control requirements, which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Units. Therefore, prospective Investors are encouraged to consult their bank managers, legal counsel, accountants and/or other advisors in connection with any investment in the Fund.

The interests of the Investors will be represented by Units, all of which have the same NAV and none of which has priority over another. Like other securities, the Units may decrease in value as well as increase. Thus, it is possible that Investors may not receive back the full amount invested by them in the Fund. The Fund Manager cannot guarantee the performance of the Fund (beyond reasonably necessary care given for the management of the Fund) and the past performance of the Fund Manager is not a guarantee of its future performance. Prospective Investors should also note that, since the Units are denominated in Qatari Riyals (QAR), changes in rates of exchange between currencies could cause the value of their investment to diminish or to increase.

The Units have not been approved or disapproved by the U.S. Securities and Exchange Commission or any state securities commission in the United States or any other regulatory authority in any other jurisdiction, nor have the Fund or the Units been registered with any such authority in the United States or in any other jurisdiction. Such authorities have not passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

In particular, the Units have not been and are not expected to become registered under the U.S. Securities Act of 1933, as amended (the «Securities Act»), or the laws of any state of the United States, and therefore they may not be offered or sold within the United States, or for the account or benefit of any U.S. Person (as defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

The Fund is also not registered and is not expected to become registered under the U.S. Investment Company Act of 1940, as amended (the «1940 Act»). Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to non-U.S. investment entities, if the Fund, as a result of its selling efforts with respect to U.S. Persons, has more than 100 beneficial owners of its Units who are U.S. Persons (as defined in the Regulation S under the Securities Act), it may become subject to registration under the 1940 Act unless all subscribers who are U.S. Persons are also «Qualified Purchasers» under the 1940 Act at the time of subscriptions.

The Fund is not a recognized collective investment scheme for the purposes of the Financial Services and Markets Act 2000 (the «Act») of the United Kingdom and this Prospectus has not been issued by, or approved for the purposes of Section 31 of the Act by a person authorized under the Act (an «authorized person»). Accordingly, this Prospectus may be issued or passed on in the United Kingdom only to persons who fall within the exemptions contained in the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 made under Section 238(6) of the Act or those contained in rule 3 annex 5 of the Conduct of Business Rules made by the Financial Services Authority under Section 238(5) of the Act and distribution of this Prospectus by or to any other person in the United Kingdom is not authorized by the Fund. It should be noted that none of the protections provided by the United Kingdom regulatory system apply to the Investors and the Fund is excluded from the United Kingdom Investors' Compensation Scheme.

The Units may not be, and are not being, offered in the United Kingdom in circumstances which would require a prospectus to be registered in the United Kingdom under the Public Offers of Securities Regulations 1995.

The offer, sale or resale of the Units to certain persons or in certain jurisdictions may be restricted or prohibited by law.

The Founder reserves the right to withdraw, cancel or modify this offer and to reject any subscription or other order to purchase Units for any reason.

It is intended that this Prospectus comply with the State of Qatar's Investment Funds Law (law number 25 of 2002) and the Ministry decision number 69 of 2004 promulgating the implementing regulations of law number 25 of 2002. In the event of any non-compliance with the aforementioned law or regulation, the relevant provisions of this Prospectus shall be deemed automatically reformed as necessary to effect compliance.

## ***Legal Counsel's Report***

We hereby confirm that, to the best of our knowledge, this Prospectus and the establishing of the Fund complies with all applicable law and regulations of the State of Qatar in force as at the date of this Prospectus

K&L Gates LLP  
Doha, Qatar

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## ***Summary of Terms***

The following should be read as a summary of the terms of, and is qualified in its entirety by detailed information appearing elsewhere in, this Prospectus. Any investment decision should be based on a consideration of this Prospectus as a whole.

Capitalized terms not defined in this summary shall have meanings assigned to them elsewhere in this Prospectus.

### ***Fund Name***

The name of the Fund is "QE Index ETF," and it will trade on the Exchange under the ticker symbol "QETF." Accordingly, from time to time, the Fund may be referred to as QETF.

### ***Fund Website***

[www.qetf.com.qa](http://www.qetf.com.qa)

### ***Legal Type***

An open ended investment fund established as per Investment Funds Law No. 25 of 2002, its Executive Bylaw and regulations of QCB.

### ***Investment Strategy***

The Fund seeks to replicate the investment results of the QE Price Index by investing in the Index Components according to weights that substantially correspond to those found in the Index.

Under normal market conditions, at least 90% of the Capital of the Fund will be invested in Index Components, the remainder to be kept in cash or invested in the local money market instruments.

The Fund will not hold more than 10% of the total outstanding voting securities of any issuer, including any Index Component. The maximum weight that any Index Component may comprise of the Fund, as of each semi-annual rebalance of the Index, is 15% of the Total Net Assets.

The Fund is subject to individual ownership limits in the underlying securities. These limits are published on the website of the QCSD.

### ***Distribution Policy***

The QETF will distribute accumulated dividends earned from its holdings, net of expenses, annually on April 30th, or such other date or dates determined by the Fund Manager.

### ***Fund Type***

QETF is an open-ended investment fund, regulated by the QFMA and QCB and is listed on the QSE.

### ***Fund Duration***

The duration of the Fund is 25 years as of the date of its registration in the Ministry Register, and it is renewable for a similar duration with the approval of Supervisory Authorities and in accordance with Applicable Laws.

### ***Offering Size***

The Capital of the Fund will range between the Minimum Limit of QAR 10,000,000 and the Maximum Limit of QAR 10,000,000,000.

### ***Nominal Value***

One one-hundredth (1/100) of the aggregate value of the Index as of the close of trading on the Dealing Day immediately prior to the Launch Date.

**Initial Subscription Period**

The twenty (20) Dealing Days immediately preceding the Launch Date

**Fund Manager**

The Fund Manager is Amwal LLC, Level 22, Amwal Tower, P.O. Box 494, West Bay, Doha, Qatar. The firm is licensed by the Qatar Financial Market Authority to undertake the regulated activity of managing securities investment. The firm is licensed by the QFCRA to undertake the regulated activities of managing investments, arranging deals in investments and arranging the provision of custody services.

**Founder**

The Founder is Doha Bank, Q.P.S.C., P.O. Box 3818, Doha, Qatar.

**Liquidity Provider**

The Group Securities, Q.S.C. (The Group), Head Office, C Ring Road, P.O. Box 1555, Doha, Qatar.

**Auditor**

Ernst & Young, Qatar, P.O. Box 164, Al Gassar Tower, 24th Floor, Majlis Al Taawon Street, West Bay, Doha, Qatar

**Base Currency**

Qatari Riyal, which is the lawful currency of the State of Qatar

**Investment Custodian:**

Standard Chartered Bank Securities Services, Burj Doha 17/F, Al Corniche Street, P.O.Box 29, Doha, Qatar.

**Creation and Redemptions**

Authorised Participants may create and redeem Units directly with the Fund (in-kind, based on portfolio composition) in minimum aggregations of 25,000 Units (each such aggregation, a "Creation Unit").

**Secondary Market Trading**

Investors, other than Authorised Participants, can only buy or sell their Units through the QE with the assistance of an intermediary. As the Units trade at Market Price, Units may trade at a price equal to, greater than (a premium to) or less than (a discount to) the NAV

**Risk Factors**

Investments in the Fund may decrease in value and it is possible that Investors in the Fund may not receive back the full amount invested by them. Please refer to the section headed "Risk Factors".

**Total Expense Ratio (TER)**

The total cost of managing and operating the Fund. The amount shall not exceed 0.50% of the average daily net assets of the fund.

**Service of Notices**

Fund Manager: Amwal LLC, Level 22, Amwal Tower, P.O. Box 494, West Bay, Doha, Qatar.

**Liquidation or Termination**

Refer to section headed "Termination and Suspension".

**Governing Law**

State of Qatar

## Definitions

**“Account”** is the account of an Investor at a Broker, each having a National Identification Number (‘NIN’).

**“Applicable Laws”** means all law, rules, regulations, decisions and other guidelines provided by a competent authority from time to time and which are binding upon the Fund or any party involved in the Fund.

**“Articles”** means the Articles of Association of the Fund, as amended from time to time.

**“Authorised Participant”** means the Liquidity Provider and institutional investors, if any, each of whom has entered into an agreement with the Founder to, during the Secondary Trading Period, subscribe to the Fund for Creation Units at the Creation Price and redeem Creation Units to the Fund at the Redemption Price. At the time of exchange listing The Group is the only Authorized Participant.

**“QCB”** means the Qatar Central Bank.

**“Brokers”** are the persons registered in Qatar with the QFMA as broker-dealers, through whom investors may transact in Units on the Exchange.

**“Business Day”** is any day on which commercial banks are open for full banking business in the State of Qatar.

**“Calendar”** is the Gregorian calendar.

**“Capital”** is the capital of the Fund.

**“QCS”** is the Qatar Central Securities Depository, which will maintain the Fund Register.

**“Creation”** means the sale of a Creation Unit by the Fund to an Authorised Participant.

**“Creation Basket”** means the list of in-kind securities, updated each Dealing Day, to be tendered by Authorised Participants to do a Creation.

**“Creation Price”** for each Dealing Day, is the NAV times (\*) the number of Units in a Creation Unit (i.e. 25,000).

**“Creation Unit”** is the aggregation of 25,000 Units in which the Fund will transact, when selling and redeeming Units, during the Secondary Trading Period.

**“Dealing Day”** means any day on which the Exchange is open.

**“Exchange”** or **“QSE”** or **“QE”** means the Qatar Stock Exchange, a stock exchange in Qatar.

**“Executive Bylaw”** means Executive Bylaw No. 69 of 2004 and amendments thereto, to the Investment Funds Law No. 25 of 2002, passed by Resolution of the Ministry.

**“Financial Statements”** means the annual and mid-year balance sheet and statement of profit and loss of the Fund as of the end of, as applicable, the financial year and financial half-year, detailing the Fund’s financial position, operations and activities and any relevant information, comments or data. The Exchange, QCB and QFMA will receive copies of the Financial Statements.

**“Founder”** is Doha Bank, a Qatari public shareholding company, licensed and regulated by QCB, having licence number BL/11/1979 and registered with the Ministry of Economy and Commerce under commercial registration number 7115, and currently capitalised at QAR 2,583,722,520, authorized to carry on, inter alia, retail and private banking, investing funds for itself and on account of third parties.

**“Fund”** means the QE Index ETF.

**“Fund Manager”** means Amwal LLC.

**“Fund Register”** means the total of Unit holdings of Investors on the accounts held with the QCSA.

**“Fund Website”** means www.qetf.com.qa, the website where the Fund posts, among other things, this Prospectus and the Articles.

**“Holiday”** means any weekday on which the Exchange is closed. Holidays are not Dealing Days.

**“IAS”** means International Accounting Standards.

**“IFRS”** means the International Financial Reporting Standards within the meaning of IAS Regulation 1606/2002, as applicable to the Fund’s financial statements.

**“iNAV”** is an indicative measure of the NAV of the Fund, calculated by the iNAV Provider intraday on every Dealing Day.

**“iNAV Provider”** means the unaffiliated third party that, pursuant to contract with the Founder, calculates the iNAV as provided by the Articles. The Exchange is expected to be the initial iNAV Provider.

**“Index”** means the QE Price Index, which is a capitalisation weighted index of the twenty (20) most highly capitalised and liquid issuers whose equity securities trade on the Exchange. The Index was developed with a base of 1000 as of December 31, 1999.

**“Index Components”** means the equity securities in the Index.

**“Initial Offering”** means the private placement of Units with Seed Capital Providers at their Nominal Value.

**“Initial Subscription Period”** means the period during which Units may be purchased in the private placement by Seed Capital Providers directly from the Fund in any amount (including less than a Creation Unit).

**“Investment Custodian”** is Standard Chartered Bank, acting through its Qatar branch, appointed by the Founder as Investment Custodian to provide certain custodial, administration and registrar services to the Fund pursuant to the terms of the Investment Custodian Agreement.

To the extent another entity is appointed by the Founder to act in such capacity with respect to the Fund from time to time, such entity is the Custodian.

**“Investments”** means the portfolio holdings of the Fund.

**“Investor”** means the beneficial owner of one or more Units.

**“Launch Date”** means the first Dealing Day that Units trade on the Exchange.

**“Law No. 25 of 2002”** means Investment Funds Law No. 25 of 2002.

**“Liquidity Provider”** is the Broker who is licensed by QFMA as a liquidity provider and appointed by the Founder to maintain a two-sided market in Units trading on the Exchange.

**“Management Agreement”** means the agreement between the Founder and Fund Manager, pursuant to which the Fund Manager, for a management fee, accepts its rights, duties and responsibilities, including as provided by the Articles.

**“Market Price”** means the price of Units on the Exchange, as established by the public market for Units. The Market Price may be equal to, less than or more than the iNAV and NAV.

**“Maximum Limit”** means Capital in the amount of QAR 10,000,000,000.

**“Minimum Limit”** means Capital in the amount of QAR 10,000,000.

**“Ministry”** means the Ministry of Economy and Commerce in the State of Qatar (formerly known as the Ministry of Business and Trade of the State of Qatar).

**“Ministry Register”** means the register for investment funds maintained by the Ministry.

**“Total Net Assets”** means on each Dealing Day, the value of the total assets of the Fund minus the value of the total liabilities of the Fund, including accruals and computed on an accrual basis pursuant to IFRS and paragraph 4 of the 15th Article of the Articles, as of the close of business of the Exchange on that Dealing Day, rounded to two decimal points.

**“Nominal Value”** is 1/100th of the value of the Index on the Dealing Day immediately preceding the Launch Date.

**“Periodic Reports”** means the Financial Statements and Quarterly Reports.

**“QAR”** means Qatari Riyal which is the lawful currency of the State of Qatar.

**“QFC”** refers to the Qatar Financial Centre.

**“QFCRA”** refers to the Qatar Financial Centre Regulatory Authority.

**“QFMA”** refers to the Qatar Financial Markets Authority.

**“Quarterly Report”** means the reports covering the Fund’s activity, financial position, results of its activities and a statement about the risks which may have an impact on the Fund’s activities as well as the NAV as of the end of the quarter and distributions made throughout the quarter.

**“Redemption”** means the redemption of a Creation Unit tendered by an Authorised Participant.

**“Redemption Basket”** means the list of in-kind securities, updated each Dealing Day to the extent it differs from the Creation Basket for that Dealing Day, to be received by an Authorised Participant in connection with a Redemption.

**“Redemption Price”** on each Dealing Day, is the NAV times (\*) the number of Units in a Creation Unit (i.e. 25,000).

**“Supervisory Authorities”** means, as applicable, QCB, Qatar Financial Centre Authority, QFCRA, the QFMA, the Exchange and any other new or replacement authority that has supervisory role over the Fund or any parties involved in the Fund.

**“Secondary Trading”** means the offering of Units by the Fund to the public through the Listing of Units on the Exchange.

**“Secondary Trading Period”** means the period commencing with the Launch Date and ending with the Fund’s liquidation and termination.

**“Seed Capital Provider”** is a purchaser of Units in the Initial Offering.

**“Subscription Form”** means the application that must be completed to obtain Units in the Initial Offering.

**“Tracking Error”** is the difference between the performance of the Fund and the performance of the Index, measured on an annualised basis.

**“Unit”** means one unit of the securitized Capital of the Fund.

**“Net Asset Value”** or **“NAV”** means the value of Units on a particular Dealing Day, calculated by dividing the Total Net Assets by the total number of Units outstanding as of that Dealing Day, rounded to two decimal points.



**Qatar Exchange Traded Fund**

**Vision. Value. Growth.**

## ***Risk Factors***

Investors in the Fund are warned that the nature of the proposed investment policies of the Fund involves considerable risk which may result in the Investors losing their entire investment. The Founder recommends that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and cautions that such an investment may not be appropriate for all potential Investors.

An investment in the Fund is:

- not a deposit with the Founder, and will not pay any interest during or after the Initial Subscription Period;
- not guaranteed to achieve its investment goal;
- not insured or guaranteed.

Attention of the Investors is drawn to the following risks:

### ***Investment Risk***

The price of the Units may fall as well as rise. There can be no assurance that the Fund will achieve its investment objectives or that an Investor will recover the full amount invested in the Fund. Restrictions on investments in the State of Qatar (see Individual Ownership Limits in underlying stocks) may limit the liquidity of the Fund's Investments. Investors' return on the Units is primarily dependent on the level of capital appreciation and/or income achieved by the Fund's underlying Investments, each of which is unpredictable and may be subject, individually, to all of the same risks discussed below in connection with the Fund.

### ***Market Risk***

The market value of the Fund's holdings and, therefore, its NAV, may move up and down, sometimes rapidly and unpredictably. Market risk may affect a single holding, an industry, a sector or the financial markets as a whole.

### ***Passive Investment Risk***

The Fund is managed with a passive investment strategy, attempting to track the performance of the Index. This differs from an actively managed fund. As a result, the Fund is expected to hold the constituent securities of the Index regardless of the current or projected performance of a specific security or a particular industry or market sector in the Index.

### ***Tracking Error Risk***

Tracking Error is the divergence between the performance of the Index and the performance of the Fund on an annualised basis. Tracking Error may occur because of, among other things, differences between the securities (or the weights of the securities) held in the Fund's portfolio and those included in the Index, differences in prices paid for the securities in the Fund's portfolio and the prices of the securities in the Index, the Fund's holding cash and changes in the Index. Tracking Error may also result from the Fund incurring fees while the Index does not. In the event of the temporary suspension or interruption of trading in Index Securities, or of market disruptions, trading on behalf of the Fund may not be possible and may result in Tracking Error.

### ***Premium/Discount Risk***

The Fund is an exchange-traded fund ("ETF"). As such, The Units may trade above or below their NAV. The NAV of the Fund will generally fluctuate with changes in the market value of the Fund's holdings. The Market Prices of Units, however, will generally fluctuate in accordance with changes in NAV as well as the relative supply of, and demand for, Units on the Exchange. The Market Price of Units may deviate significantly from NAV during periods of market volatility. The Fund Manager cannot predict whether Units will trade below, at or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Units will

be closely related to, but not identical to, the same forces influencing the prices of the securities held by a Fund. However, given that Units can be purchased and redeemed in large blocks of Units, called Creation Units, the Fund Manager believes that large discounts or premiums to the NAV should not be sustained, but that may not be the case.

### ***Possible Limitations on Creations and Redemptions***

In some circumstances the Founder of the Fund may find it necessary to limit the right of the Investors to have their Units redeemed (see “Possible Suspension of Calculation of the NAV”). In such cases, the Market Price of the Units may reflect at a significant discount to the NAV depending upon the supply and demand of the Units in the secondary market.

### ***Risks Related to Valuation of the Fund’s Assets***

The Fund’s assets are valued based on quotes provided by the Exchanges, and other third party sources. However, these values may not reflect the actual prices which would be realised upon a sale of a particular asset. Valuations of assets undertaken or provided by the Fund will be conclusive and binding on all Investors.

The Investment Custodian does not undertake any actual valuation of underlying assets of the Fund, and relies on prices ascribed to these assets by the Exchange or third party sources. The Investment Custodian can not perform any validation of prices provided to it by the Exchange but does use different independent financial market data providers, such as Bloomberg and Reuters to ensure that the correct Exchange prices are used.

### ***Limitations of Net Asset Value Information***

Prospective investors in the Fund should ensure that they understand the nature of Net Asset Value information. The involvement of third party service provider (such as the Investment Custodian) in the Net Asset Value calculation process should not be equated with a representation or guarantee as to realizable value. Pricing and valuation techniques are limited and may not have application to all portfolio and investment

### ***Secondary Market Trading Risk***

Investors buying or selling Units in the secondary market will pay brokerage commissions or other charges imposed by Brokers as determined by that Broker. Brokerage commissions are often a fixed amount and may be a proportional cost for investors seeking to buy or sell relatively small amounts of Units. In addition, secondary market Investors will also incur the cost of the difference between the price that an Investor is willing to pay for Units (the “bid” price) and the price at which an Investor is willing to sell Units (the “ask” price). This difference in bid and ask prices is often referred to as the “spread” or “bid/ask spread.” The bid/ask spread varies over time for Units based on trading volume and market liquidity, and is generally lower if a Fund’s Units have more trading volume and market liquidity and higher if a Fund’s Units have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads. The Liquidity Provider is expected to profit from spreads.

### ***Custody Risk***

There are risks involved in dealing with custodians or prime brokers who hold assets of the Fund and who settle the Fund’s trades. Securities and other assets deposited with custodians or prime brokers may not be clearly identified as being assets of the Fund, and hence the Fund may be exposed to a credit risk with regard to such parties. In some jurisdictions, the Fund may only be an unsecured creditor of its prime broker or custodian in the event of bankruptcy or administration of such broker. Further, there may be practical or time problems associated with enforcing the Fund’s rights to its assets in the event of the insolvency of any such party (including sub-custodians or agents appointed by the custodian in jurisdictions where sub-custodians are not available).

The banking and other financial systems in some jurisdictions may not be well developed or well regulated. Delays in transfers by banks may result, as may liquidity crises and other problems arising as a result of the undercapitalisation of the banking sector as a whole.

### ***Illiquidity and Volatility***

Emerging markets are less liquid and more volatile than the world's leading stock markets, and this may result in substantial fluctuations in the price of the Units reflecting factors other than the fundamental attributes of the underlying Investments.

### ***Changes to Tax Regime***

The tax treatment applicable to the Fund and/or Investors in the Fund is subject to changes as may be imposed by the State of Qatar.

### ***Regulatory Risks and Accounting Standards***

The regulatory supervision, legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor protection or information to Investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards. This may affect the value of the assets in which the Fund invests.

### ***Lack of Independent Representatives***

The Founder has consulted with counsel, accountants and other experts regarding the formation of the Fund. Such personnel are accountable to the Fund only and not to the Investors. Each prospective Investor should consult its own legal, tax and financial advisers regarding the desirability an investment in the Units.

### ***Systems/IT Risk***

The Fund uses a number of specialist systems and IT resources in processing, managing and storing data. The Fund Manager has a dedicated IT team and a 'business continuity plan' in the event of disaster. However, in the event systems and IT resources are not available for an extended period, this could affect the performance of the Fund.

### ***Operational Risk***

The Fund is subject to operational processing in settling deals, collecting dividends and executing corporate actions. In the event that an operational process was to fail or not fully be carried out, the Fund may suffer a financial loss.

### ***Force Majeure***

Unforeseen event and risks which are beyond the reasonable control of the Fund Manager (force majeure or acts of God) could occur and adversely affect the Fund. Such events include without limitation: flooding, earthquakes, hurricanes or natural disasters, and also riots, strikes, political events or civil unrest.

### ***War and Terrorism***

Terrorist events or acts of war could impact the economy of the State of Qatar and/or the wider Gulf Cooperation Council region and affect Fund performance, either as a result of adverse global and/or regional geopolitical developments or otherwise.

### ***Other Risks***

The performance of the Fund may be affected by changes in economic and market conditions and/or changes in legal, regulatory or tax requirements. The Fund will be debited for fees and expenses chargeable to it, regardless of the level of its profitability.

***The foregoing list of risk factors does not purport to be a complete enumeration of the risks involved in an investment in the fund. Prospective investors should read this prospectus in its entirety and consult with their own advisers before deciding to subscribe for units.***

## ***Introduction***

The Fund is an open-ended investment fund established in the State of Qatar in accordance with Law No. 25 of 2002, and the Executive Bylaw.

The Fund was founded by Doha Bank on the 9th of April, 2017. The Fund is registered in the Investment Funds Register at the Ministry under registration certificate number 96762 and is licensed by QCB under license number IF/26/2016. The Fund is recognized as a separate legal entity upon registration.

The Fund will be in existence for 25 years as of the date of its registration in the register of investment funds at the Ministry. It is renewable for a similar period subject to the approval of the Supervisory Authorities.

The Fund is denominated in QAR. The Founder intends to list all Units on the Exchange. Each Unit will be of equal value and confer equal rights on Investors. However, holding Units does not confer upon Investors any voting, procedural or other rights as to the underlying assets of the Fund.

Arabic is the official language of this Prospectus and the Fund. In the event of any discrepancy between the Arabic and the English texts, the Arabic text shall prevail.

## ***Investment Objective***

The QETF seeks to replicate, before fees and expenses, the performance results of the Index by investing in the Index Components according to weights that substantially correspond with those found in the Index. The Fund will not hold more than 10% of the total outstanding voting securities of any issuer, including any Index Component. The maximum weight that any Index Component may comprise of the Fund, as of each semi-annual rebalance of the Index, is 15% of the Total Net Assets.

Under normal market conditions, at least 90% of the Capital of the Fund will be invested in Index Components, the remainder to be kept in cash or invested in the money markets.

The Fund is not expected to track the Index with 100% accuracy due to the imposition on the Fund of fees and expenses, which are not reflected in the Index. The annual report of the Fund will provide a detailed explanation for any Tracking Error.

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### ***Index Description***

The Index is a capitalisation weighted index of the twenty (20) most highly capitalised and liquid issuers whose equity securities trade on the Exchange. The Index was developed with a base of 1000 as of December 31, 1999. On the 1st day of April and October the Index is re-weighted, determining whether existing constituents continue to fulfil index criteria. The composition and weightings of the Index as of October 01, 2017 were as follows:

Name	% Index Weight
Qatar National Bank	15.00%
Masraf Al Rayan	13.95%
Industries of Qatar	13.63%
Qatar Islamic Bank	8.90%
Ooredoo	6.44%
Barwa Real Estate Co	6.25%
Qatar Electricity & Water Co	5.76%
Commercial Bank of Qatar	4.81%
Qatar Gas Transport Co	4.29%
Doha Bank	3.50%
Qatar International Islamic Bank	3.20%
Qatar Navigation	2.90%
United Development Co	2.63%
Qatar Investors Group	2.30%
Gulf International Services	1.67%
Vodafone Qatar	1.44%
Al Meera Consumer Goods Co	1.06%
Medicare Group	0.97%
Qatar First Bank (QFC)	0.72%
Mazaya Real Estate	0.58%

In case of any change on the index, the Fund will be re-weighted to reflect the weightings of the Index on April 1st and October 1st (or next business day if a Holiday) of each calendar year.

## Fund Manager

Amwal LLC is the Fund Manager of the Fund and has its registered office at Amwal Tower, 22nd Floor, PO Box 494, West Bay, Doha, State of Qatar. It currently offers global investors direct investment capabilities spanning Qatari, MENA and Turkish securities across equity, fixed income and absolute return strategies.

Amwal LLC is a limited liability company incorporated on 14 September 2011 in the QFC. The firm is licensed by the QFMA and the QFCRA. The firm was authorized by the QFMA effective 27 July 2017 to undertake the regulated activity of managing securities investment. The firm was authorized by the QFCRA effective from 1st November 2011 to undertake the regulated activities of managing investments, arranging deals in investments and arranging the provision of custody services (Please refer to page number 68 for more detail on QFCRA).

Amwal LLC has \$12,109,304, as of date 1st March 2016, in issued and paid up capital. Amwal LLC is wholly owned by Sheikha Hanadi Al Thani Nasser Bin Khaled. Pursuant to its internal policies, the Fund Manager will not have any beneficial interest in Units.

The Fund Manager will:

- a) Monitor the performance of the Fund vis-à-vis the Index and ensure the periodic rebalancing of the Fund portfolio in connection with the rebalancing of the Index.
- b) abide by the investment and risk management policies provided for in the Articles; protect the integrity, interests and assets of the Fund in every activity or action it takes; take precautionary measures against the risks connected with the activity of the Fund and carry out all supervisory instructions issued to it by the Founder or Supervisory Authorities in this regard.
- c) disclose to the Investors legal and regulatory, information or developments which may have a significant impact on the value of their Units or on the risks related to the activities of the Fund.

- d) will at their sole discretion be responsible for the voting rights of the assets of the fund portfolio at times the underlying investments are held; to either attend or not and whether to vote or not.
- e) if requested by the Founder, assist the Founder in maintaining the Fund Website at [www.qetf.com.qa](http://www.qetf.com.qa), including by updating daily the Creation Basket and amount of cash to be tendered in connection with Creations and, if different, the Redemption Basket and amount of cash to be received in connection with Redemptions.
- f) Assist the Investment Custodian to prepare the Periodic Reports of the Fund on the relevant dates provided for in the Articles and this Prospectus, in addition to any other reports specified by Applicable Laws, or requested by the Supervisory Authorities.
- g) maintain records and organise accounting books according to the rules and practices applicable to register and control of the operations of the Fund, keep supporting documents and formulate policies and accounting procedures consistent with applicable international accounting standards.
- h) report its gross holdings in Units to the Investment Custodian every Dealing Day as of the close of trading on the Exchange.
- i) perform its obligations owed to the Founder and the Investment Custodian in the manner prescribed in the Articles and the contracts entered into with the Founder and Investment Custodian

The Fund Manager's duties, responsibilities, fees and reimbursable expenses are documented under the Management Agreement.

The services of the Fund Manager to the Fund are not to be deemed exclusive and the Fund Manager shall be free to render similar services to others so long as its performance of the services hereunder are not impaired. The Fund Manager also currently manages the following: - 'Qatar Gate Fund Class Q' (QGF-Q), 'Qatar Gate Fund Class N' (QGF – N) and the 'Al Hayer Fund Class A'.

The Fund Manager may own up to 50% of the issued and outstanding Units on any Dealing Day

## ***Investment Guidelines and Restrictions***

### ***Investment Guidelines***

Consistent with the objective and policies of the Fund, the Fund Manager will apply the following guidelines in relation to investments made on behalf of the Fund:

- a) to track the price performance of the Index; and
- b) under normal market conditions, at least 90% of the Fund's net assets, as calculated at the time an investment is made (using the Fund NAV as of the relevant Dealing Day) will be invested in Index Components.

### ***Investment Restrictions***

The Fund Manager will only invest in Index Components, cash, and local money market instruments.

The Fund will not invest in other investment funds for which the Fund Manager serves as the investment manager or investment custodian. The Fund also will not invest its Capital in the securities of the Founder, Fund Manager or their respective affiliates, except to the extent such securities are Index Components. The Fund will also not invest in other funds established by the Founder.

### ***Borrowing***

The Fund Manager will have the right to borrow, on behalf of the Fund, up to 5% of Total Net Assets for short term liquidity purposes, including financing redemptions. The Fund Manager will not borrow, on behalf of the Fund, for leverage purposes.

## ***Distribution Policy***

Each year, any dividends as of a record date, earned by the Fund from its holdings, will be distributed in QAR to Investors, net of costs, as of the pay date. It is currently expected that such dividends, if any, will be paid to applicable Investors' Accounts (on April 30th). The distribution may alternatively be made on such other date or dates as the Fund Manager may determine each year.

### ***Founder***

The Founder performs fund oversight and supervisory functions in accordance with the Applicable Laws, as well as under requirements specified in the Articles. The Founder will:

- a) obtain the necessary licences from the Supervisory Authorities and register the Fund on the Ministry Register.
- b) formulate investment and risks management policies for the Fund.
- c) appoint and contract with the Fund Manager, Investment Custodian, Auditor, iNAV Provider, Authorised Participant(s), Liquidity Provider, and other parties, including an index provider, whose services are required by the Fund.
- d) supervise the works carried out by the Fund Manager, Investment Custodian, iNAV Provider, Authorised Participant(s), Liquidity Provider, and any index provider, and instruct them and ensure that they comply with the Articles, the Prospectus, their contracts and Applicable Laws.
- e) organise subscription transactions in the Initial Offering, and allocate Units in connection with it.
- f) establish and maintain the Fund Website, including publishing each Dealing Day, all required information related to the Fund.

- g) with the Fund Manager, establish and revise the size of Creation Units in the best interests of the Fund and Investors.
- h) take necessary measures against any violations committed by the Fund Manager, Investment Custodian, iNAV Provider, Authorised Participant(s), Liquidity Provider, against the Articles, this Prospectus, their contracts and Applicable Laws.
- i) report its gross holdings in Units to the Investment Custodian every Dealing Day as of the close of trading on the Exchange.
- j) review and approve this Prospectus and the Periodic Reports on behalf of the Fund.
- k) provide the Supervisory Authorities (upon request) with periodic reports about the Fund and notify the Supervisory Authorities in a timely manner about any violations of Applicable Law, including instructions regarding money laundering counter measures and whatever measures have been taken by the Founder against such violations.
- l) commence measures of liquidation of the Fund if required by Applicable Laws or the Articles.

The Founder also oversees timely preparation, audit and publication of the Fund's NAV.

The Founder will not, and will ensure that none of its managers or employees, receive any profit, gain or benefit from the transactions undertaken in connection with the management and supervision of the Fund, other than its fees and commissions provided for in the Articles. The Founder may own up to 10% of the issued and outstanding Units on any Dealing Day. The Founder is responsible to the Supervisory Authorities and the Ministry for the performance of the Fund, its financial condition and the rights of the Investors in accordance with the provisions of Applicable Laws, the Articles and this Prospectus.

## Investment Custodian

Standard Chartered Bank, acting through its Qatar branch has been appointed by the Founder as Investment Custodian to the Fund to provide custodial, administration and registrar services to the Fund. Pursuant to the terms of the Investment Custodian Agreement.

Standard Chartered Bank, Qatar Branch is a branch of Standard Chartered Bank, limited liability company incorporated in United Kingdom. Standard Chartered Bank, Qatar Branch, P O Box 29, Doha, Qatar is licensed by Qatar Central Bank to provide Commercial Banking activities. Standard Chartered is regulated by the Qatar Financial Market Authority (QFMA) in the conduct of its custody business.

Under the supervision of the Founder, the Investment Custodian will be responsible for providing certain fund administration services to the Fund. These include the calculation of the Net Asset Value of the Fund.

In calculating the Net Asset Value of the Fund, the Investment Custodian shall use prices ascribed to the Fund's underlying assets that the Investment Custodian has, in its capacity as the Fund's Investment Custodian, collected or received from (a) the Exchange or (b) an independent financial market data provider ( (a) and (b) together the "Pricing Sources"). The Investment Custodian shall not be liable to the Fund, any Investor or any other person in respect of any loss suffered from the use of, or reliance by, the Investment Custodian on information provided by Pricing Sources in its calculations. Where a price for an underlying asset is available from more than one Pricing Source, the Investment Custodian may, if so directed by the Fund, compare the various prices it has collected or received with respect to the same underlying asset (a "Price Comparison") and if directed or requested by the fund, report such Price Comparison to the Fund. With the exception of performing and reporting Price Comparisons, the Investment Custodian is not responsible or liable for: (a) verifying any price ascribed by the Exchange to any of the Fund's underlying assets; or (b) the

accuracy, correctness, completeness, reliability or current state of any price ascribed by the Exchange to any of the Fund's underlying assets.

The Investment Custodian's obligations and liabilities are only to the Fund and only as provided in the Investment Custodian Agreement. Under the Investment Custodian Agreement (i) the Investment Custodian Agreement may be terminated at any time by either party upon not less than three (3) months' prior written notice (Supervisory Authorities to be notified), (ii) the Investment Custodian shall not be liable to the Fund or any other party unless it has been negligent, has wilfully defaulted or committed a fraud and (iii) the Fund fully indemnifies the Investment Custodian, its affiliates, and their respective directors, officers, employees, agents and nominees, on demand against any losses, claims, expenses of any kind (including legal and professional expenses), actions or proceedings of any nature which may be incurred by the Investment Custodian arising out of or in connection with the services provided by the Investment Custodian, other than by reason of the Investment Custodian's own negligence, wilful default or fraud in connection with the provision of such services.

The Investment Custodian does not provide any investment management or advisory services to the Fund and, therefore, is not in any way responsible for the Fund's performance, the repayment of capital to the Fund's Investors, the monitoring of the Fund's investments or the Fund's compliance with its investment objectives or restrictions, borrowing restrictions or operating guidelines. The Investment Custodian will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions of the Office of Foreign Assets Control. The Investment Custodian was not involved in 3: preparing, and accepts no responsibility for any information contained in, this Prospectus.

The Investment Custodian will:

- a) Keep and supervise the keeping of the Fund's Investments and Capital, and maintain proper records of them.
- b) Create securities accounts for the Fund.
- c) Provide safe custody of the Fund's assets.
- d) Provide Asset Servicing - corporate actions such as dividends, bonus shares, rights issue, etc.
- e) Verifying that the components of Creation Basket deposited in connection with a Creation complies with the Creation Basket information announced by the Fund Manager (or as delegated to the relevant entity by the Fund Manager) for the relevant Business Day.
- f) Process Creations and Redemptions.
- g) When processing Creations, arrange to transfer the Creation Basket from the Authorised Participant's Account to Fund's Account, and to transfer any cash between the Authorised Participant's bank account and the Fund's bank account.
- h) Upon the issuance of a Creation Unit, ensure that the value of the Creation Basket received by the Fund equals the value of the Creation Unit issued to the relevant Authorised Participant.
- i) When processing Redemptions, ensure the availability of at least a Creation Unit in the Authorised Participant's Account.
- j) Arrange for Creations/Redemptions and seek to ensure Listing of Units is properly done by the QCS. If de-Listing is necessary, also to seek to ensure de-Listing is properly done.

- k) In connection with each Redemption, ensure that the value of each Creation Unit redeemed matches the value of the Redemption Basket transferred to the Authorised Participant's Account.
- l) Verify the Creation and Redemption Baskets and cash, if any, applicable each Business Day to Creations and Redemptions and provide them to the Fund Manager.
- m) Ensure accurate calculation and dissemination of the end of day NAV to the Exchange and to the Fund Manager.
- n) Submit details of the Fund (e.g. Creation Basket, NAV, Units, etc.) to Supervisory Authorities, if requested.
- o) Prepare the Financial Statements of the Fund as stipulated by the Supervisory Authorities. All reporting will be conducted in accordance with IFRS.
- p) Prepare the Financial Statements, on yearly basis, to be audited by the Auditors.
- q) Implement transactions and obligations resulting from the management of Investments and Capital by the Fund Manager.
- r) Promptly notify the Founder and Supervisory Authorities of any breaches by the Fund Manager, which it becomes aware of during the performance of its obligations.

## ***Liquidity Provider***

The Liquidity Provider will maintain a two-sided market (i.e. buy and sell orders) in Units. The Liquidity Provider will support trading of the Units on Exchange by continuously submitting bid and ask orders throughout the Dealing Day.

In connection with its maintenance of a market in Units, the Liquidity Provider will be an Authorised Participant. The Liquidity Provider may take covered short positions in Creation Basket securities and Units, provided that arrangements are in place for it to settle such positions on T+3.

## ***Auditors***

The Auditors are Ernst & Young, located at 24th Floor, Al Gassar Tower, Majlis Al Tawoon Street, PO Box 164, West Bay Doha, State of Qatar. In accordance with the corporate governance principles applicable to the Fund, the Auditors shall be changed no more than once every five (5) years, or as required by QCB.

## ***Eligibility***

Units may be purchased in the Initial Offering only by Seed Capital Providers. After the Initial Offering, Units may be purchased by any person, whether natural or corporate and whether Qatari or foreign.

During the Initial Offering, foreign ownership of the fund shall not exceed 40% and the remaining ownership will be for Qatari investors.

## ***Money Laundering Protection***

With reference to applicable anti-money laundering and counter terrorism laws and regulations, each Seed Capital Provider must provide settlement for subscription through either a bank transfer or a cheque drawn on a bank in the State of Qatar, or if in kind, from an Account.

With respect to Seed Capital Providers, appropriate “know your client” due diligence procedures will be undertaken by the Founder and the Fund Manager. With respect to Investors who acquire Units in secondary market trading, such Units will be held by them through brokerage Accounts. Accordingly, their Broker will perform any requisite reviews consistent with the applicable anti-money laundering and counter terrorism laws and regulations. Such Investors should contact their Broker for more information on the Broker’s relevant policies and procedures.

## ***Currency***

The Fund is denominated in Qatari Riyals.

## ***Taxation***

Under current legislation in the State of Qatar there is no liability imposed for capital gains tax, wealth tax, capital transfer tax or estate or inheritance tax on the direct or secondary market purchase, Redemption or secondary market sale of the Units, nor is any stamp duty or similar tax payable to the State of Qatar on the issue, transfer or Redemption of Units. The tax regime may, however, be changed by the relevant authorities at any time without notice to the Fund.

## ***Investors***

Prospective Investors who are in any doubt about their tax position should seek professional advice in order to ascertain the consequences to them of acquiring, holding, redeeming or otherwise disposing of the Units under the relevant laws of the jurisdiction(s) to which they are or may be subject.

## Offering Size

The Capital of the Fund will range between the Minimum Limit of QAR 10,000,000 and the Maximum Limit of QAR 10,000,000,000. In the Initial Offering:

- a) The Fund will issue the Minimum Limit.
- b) Subscription will be open throughout the Initial Subscription Period provided for in the Prospectus and may not be closed until such period expires. If such period expires without receipt of subscriptions equal or greater than the Minimum Limit, the Founder may, with the approval of the Supervisory Authorities, extend the Initial Subscription Period for a similar duration, unless the Founder decides to subscribe for the balance of the Units to the Minimum Limit.
- c) If the Initial Subscription Period, whether or not extended, lapses without there being subscriptions of at least the Minimum Limit, the Founder may, with the approval of the Supervisory Authorities: (i) decrease the Capital of the Fund to correspond with the amount subscribed for, provided it is not less than 50% of the Minimum Limit; or (ii) cease to establish the Fund in which case it will within fifteen (15) days of doing so refund to the Seed Capital Provider(s) the Capital they have paid.
- d) If during the Initial Subscription Period, subscriptions exceed the Maximum Limit, the Founder may, with the approval of the Supervisory Authorities, increase the Capital of the Fund, as provided by the Applicable Laws.

Subscriptions will be executed at the Nominal Value on the Dealing Day immediately preceding the Launch Date. Units will be issued to the Seed Capital Provider(s) on the Launch Date in their Accounts.

In the Secondary Trading Period:

1. The Capital of the Fund may be increased above the Maximum Limit, provided that such increase complies with the Supervisory Authorities' requirements.
2. The Capital of the Fund may be decreased below the Minimum Limit, provided that such decrease complies with the Supervisory Authorities' requirements.

As an open-ended fund, once listed, the number of outstanding Units can vary from time to time, based on Creations and Redemptions.



## ***The Initial Offering***

Units will be offered in the Initial Offering for subscription pursuant to completed Subscription Forms.

To purchase Units in the Initial Offering:

- a) Applicants will complete and deliver Subscription Forms to the Founder by the date set in the Prospectus.
- b) Each Seed Capital Provider will pay the Nominal Value per Unit in full, upfront, in QAR by a cheque or bank transfer to the account detailed in the Subscription Form, or in kind from an Account to the Fund's Account.
- c) Completed Subscription Forms should be delivered no later than 13:00 (Qatar local time) on the last day of the Initial Subscription Period, accompanied by payment in full of the Nominal Value. Any Subscription Form received without the requisite payment by the prescribed time will not be accepted by the Investment Custodian and any monies received will be returned to the applicant.

## ***The Secondary Trading Period***

### ***Purchases***

After the Initial Offering, anyone may acquire Units through their Brokers on the Exchange. Such transactions for Units may incur brokerage and exchange commissions.

The individual holdings of each unitholder will be available through account statements of the QCSD. Otherwise the register is not available for review by unitholders.

Unitholders will not have access to information in respect of holdings of other investments.

Creation Units will be offered only to Authorised Participants at the Creation Price. Creation Units will not be issued until the Creation Price (including the Creation Basket) is received by the Fund.

Creation Units will normally be issued in exchange for the Creation Basket and cash equal to the Creation Price. The Creation Basket will normally be a pro rata slice of the Investments or Index Components, but will exclude money market instruments and Investments that cannot be transacted in kind. The contents of the Creation Basket for each Dealing Day will be posted to the Fund Website prior to the opening of trading on the Exchange on the Dealing Day. On any Dealing Day, the Fund Manager, in its sole discretion, may decide to issue Creation Units solely for cash, or for a combination of cash and in-kind securities, equal to the Creation Price. To the extent that a Creation Unit is issued in exchange for a Creation Basket, the value of which is less than the Creation Price, the Creation Unit purchaser will deposit a "Cash Balancing Amount" with the Creation Basket to ensure payment of the Creation Price. In the event that the value of a Creation Basket is more than the Creation Price, the Creation Unit purchaser will receive the difference as a Cash Balancing Amount from the Fund.

The Founder has the right to suspend Creations in the event of a system failure or other interruption and/or suspension of NAV calculation. Any suspensions and subsequent lifting of such suspensions will be announced on the Fund Website and on the website of the Exchange, and will be reported to the QFMA.

### ***Meeting of Unit Holders***

The Fund will not organise recurring meetings of Investors.

### ***Sales and Redemptions***

Persons who wish to dispose of Units may sell them on the Exchange through their Accounts. Such transactions may incur brokerage and Exchange commissions.

Creation Units will be redeemed by the Fund only from Authorised Participants and will be redeemed at the Redemption Price. Creation Units will not be redeemed until received by the Fund.

Creation Units will normally be redeemed in exchange for a Redemption Basket and cash equal to the Redemption Price. The Redemption Basket will normally be the same as the Creation Basket and be a pro rata slice of the Investments or Index Components, but will exclude money market instruments and Investments that cannot be transacted in kind. The contents of the Redemption Basket for each Dealing Day will be posted to the Fund Website prior to the opening of trading on the Exchange on the Dealing Day, unless the Redemption Basket is the same as the Creation Basket, in which case the Fund may post only the Creation Basket. On any Dealing Day, the Fund Manager, in its sole discretion, may determine to redeem Creation Units solely for cash, or for a combination of cash and in-kind securities, equal to the Redemption Price. To the extent that a Creation Unit is redeemed in exchange for a Redemption Basket,

the value of which is less than the Redemption Price, the Creation Unit redeemer will receive from the Fund a Cash Balancing Amount with the Redemption Basket to ensure payment of the Redemption Price. In the event that the value of a Redemption Basket is more than the Redemption Price, the Creation Unit redeemer will pay the difference as a Cash Balancing Amount to the Fund.

The Founder has the right to suspend Redemptions in the event of a system failure or Redemptions equal or exceed 10% of Total Net Assets and other interruptions such as suspension of NAV calculation. Any suspension and subsequent lifting of such suspension will be announced on the Fund Website and on the website of the Exchange, and will be reported to the QFMA. In the case of any suspension based on Redemption requests for 10% or more of Total Net Assets, Redemptions will recommence on the Dealing Day immediately following the Dealing Day on which the suspension commenced.

### ***Exchange Trading***

Units will trade at all times during the Secondary Trading Period on the Exchange, and the Founder will have appointed at least one Liquidity Provider to facilitate trading in Units on the Exchange. The initial Liquidity Provider for the Fund is The Group.

Except for Authorized Participants, who can redeem directly with the Fund, Investors can only buy and sell the Units on the Exchange through a Broker who will receive commission for carrying out the required transaction. On the Exchange, Units will be bought and sold at Market Prices. Although it is expected that the Market Price of a Unit typically will approximate its NAV, there may be times when the Market Price and the NAV differ significantly. Thus, an Investor may pay more than the NAV when buying Units on the Exchange, and it may receive less than the NAV when selling Units on the Exchange.

Although the Units are listed for trading on the Exchange, it is possible that an active trading market may not be maintained. In addition, trading of the Units may be halted if (1) the Units are delisted from the Exchange without first being listed on another exchange or (2) the QFMA or the Exchange determines that such action is appropriate in the interest of a fair and orderly market or to protect Investors. Trading of the Units on the Exchange is subject to the regulations and rules of the QFMA and the Exchange.

#### Possible suspension of calculation of NAV

The Founder may declare a suspension of the calculation of NAV for the whole or any part of any period during which, in the opinion of the Founder, it is not reasonably practicable for the Fund Manager to manage Investments and for the Investment Custodian to calculate NAV because:

- a) Trading on the Exchange is closed or suspended, other than as the result of a weekend or Holiday;
- b) There is a force majeure event or an emergency state of affairs in Qatar; or
- c) The communications systems normally used by the Fund, Fund Manager or Investment Custodian are unavailable.

Any suspension and lifting of such suspension will be announced on the Fund Website and the website of the Exchange, and will be reported to the QFMA.

## NAV Calculation

The Investment Custodian will calculate the NAV in the manner required by the Articles for every Dealing Day as of the close of the Exchange.

For each Dealing Day, the Founder will publish the NAV on the Fund Website before the opening of trading on the Exchange on the immediately following Dealing Day.

The Investment Custodian shall be entitled, to rely on pricing information in relation to specified investments held by the Fund which is provided by price sources stipulated in the services set out in the agreement between the Founder and the Investment Custodian and/or this Prospectus or, in the absence of any such stipulated price sources, any price sources on which the Investment Custodian may choose to rely (provided that, in such a case, the Investment Custodian exercises due diligence in its choice of sources upon which to rely). Without prejudice to the generality of the foregoing, the Investment Custodian shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Fund (save as provided in the services set out in the agreement between the Founder and the Investment Custodian) or for any inaccuracy, error or delay in pricing information supplied to the Investment Custodian. The Investment Custodian shall exercise due care to verify the integrity of the information provided by the Pricing Sources.

Securities listed on the Exchange, will be valued according to the last price announced by the Exchange as of the close of trading. If the Exchange does not report a price for a listed security, the security will be valued by a pricing service, such as Reuters or Bloomberg. In the absence of readily available independent pricing sources, the Investment Custodian may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Fund which has been approved by the Fund's Founder and is provided to the Investment Custodian by: (i) the Fund, the Fund's Founder

(or other governing body) or the Fund Manager; and/or (ii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorised by the Fund, the Fund's Founder (or other governing body) or the Fund Manager to provide valuations or pricing information of the Fund's assets or liabilities to the Investment Custodian.

If no Net Asset Value, bid or ask prices or price quotation are available for an asset held by the Fund, the value of the relevant asset shall be determined from time to time in such manner as the Fund or the Investment Manager shall determine provided that any asset of the Fund which is not listed, quoted or dealt in on any securities exchange or over the counter market shall be valued at the lower of cost and the Fund's or the Investment Manager's estimation of the realizable value of such asset.

For the purposes of ascertaining quoted, listed, traded or market dealing prices, the Fund, the Investment Manager, the Investment Custodian or their agents are entitled to use and rely upon mechanized or electronic systems of pricing dissemination with regard to the pricing of assets held by the Fund and the prices provided by any such system will be deemed to be an accurate price for that asset.

The Founder will have ultimate authority and responsibility to value investments/ assets of the Fund and to calculate Net Asset Value in accordance with the constitutive document of the Fund.

The Fund's iNAV is available on the Exchange's website at [www.qe.com.qa](http://www.qe.com.qa).

## Fees and Expenses

Fees and expenses incurred by the Fund will not exceed 0.50% of the average daily net assets Value.

One-off Charges – Authorized Participants	
At entry	NO FEE
At exit	NO FEE

On-going Charges	
Total Expense Ratio (TER)	0.50% per annum
Performance Fee	NO FEE

## Financial Reporting

The Fund's fiscal year starts on 1st January of each year and ends twelve (12) Calendar months later on 31st of December of the same year. The Annual Financial Statements shall be submitted to the Supervisory Authorities and published on the Fund Website and in two (2) newspapers, including at least one (1) English and one (1) Arabic newspaper at least within a period not exceeding 60 days from the end of the financial year of the Fund. Half yearly Financial Statements shall be submitted to the Supervisory Authorities within a period not exceeding 45 days. All Financial Statements, including Quarterly Reports, shall be published on the Fund Website.

All reporting will be conducted in accordance with IFRS.

## ***Indemnity***

An Investor is not obliged to pay any amount in addition to the Purchase Price of the Unit. The Fund Manager will only be responsible for any damage, which the Investors may suffer as a result of its negligence, wilful misconduct, fraud or as a result of any material violation of Applicable Laws or the Articles.

The Fund provides indemnity cover for the Founder, the Fund Manager and the Investment Custodian and their respective agents save as regards liability caused by the misuse of their power, fraud or gross negligence.

## ***Succession***

This Prospectus shall be binding upon the heirs, executors, administrators, personal representatives, trustees and successors of an Investor. Investors who hold Units through an Account agree that, upon their death or disability, any investment in the Fund shall be terminated in accordance with their Account's documentation.

## ***Governing Law***

The laws of the State of Qatar govern the Fund, Articles and Prospectus. Any dispute arising hereunder shall be subject to the exclusive jurisdiction of the courts of the State of Qatar.

## ***Liquidation***

The Fund will be liquidated in the event of, and the Founder will notify the Supervisory Authorities of the occurrence of, any of the following events:

- upon an order from the Supervisory Authorities or a court order to dissolve or liquidate the Fund.
- upon the termination of the purpose for which the Fund was established; provided that this is not interpreted to require the Fund's liquidation in the event that the Index is no longer calculated or licensed to the Founder for use by the Fund, if the Founder contracts with the provider of a substantially similar index that is substituted as the Fund's benchmark.
- upon the termination of its fixed-term duration (in the absence of any renewal).
- upon the termination or insolvency of the Founder, unless replaced by another entity approved by the Supervisory Authorities.

### Method of the Fund's Liquidation

The Founder will implement a liquidation of the Fund or appoint an unaffiliated third party to do so in the normal circumstances. If liquidation is required by a court order, the court will appoint a liquidator, fix its remuneration and specify the process of liquidation. Any liquidation of the Fund will be in accordance with the Articles and all Applicable Laws.

Subject to the Applicable Laws, the Investors shall be entitled to residual value of the Fund after all liabilities and obligations of the Fund, and costs and expenses of the liquidation have been settled in full. Under normal circumstances, all Investors accordingly will receive the NAV in any liquidation of the Fund, regardless of whether they acquired Units directly from the Fund or in the secondary market.

## Changes to this Prospectus

The investment objectives, guidelines and restrictions of the Fund may be amended and/ or waived on a recommendation of the Fund Manager, with the written consent of the Founder and that of the Investors holding 50% of the then outstanding Units of the Fund. If amendments are proposed notices will be sent to Investors at the registered addresses as recorded in the Fund Register. Failure of an Investor to express agreement or disagreement within 30 calendar days of having received the notice will be deemed to constitute an agreement to the proposed amendment(s).

Subject to the above, and with the prior written approval of QCB and QFMA, the Fund Manager may, in its sole discretion, make changes and amendments to this Prospectus.



## Conflicts of Interest

The Founder, the Fund Manager, and their respective affiliates engage in a broad spectrum of activities involving financial investments and advisory services. Thus, in the future there may appear instances in which the interests of the Founder and/or the Fund Manager and/or their respective affiliates conflict with the interests of the Fund.

In the event of a conflict of interest, the Fund Manager shall comply to disclose in advance and immediately to the Founder and relevant parties regarding the conflict of interest and obtain their prior consent for any such action related to it.

The following sets out areas of potential conflicts of interest:

### ***Direct Investment Transactions***

The Founder and the Fund Manager and their respective affiliates sometimes invest for their own account on a «direct investment» basis, acquiring substantial stakes in companies whose securities might be eligible for investment by the Fund, participating in the management of such companies, and later disposing of such investments. The objectives and policies of the Founder and/or the Fund Manager in making and/ or disposing of investments for their own account may be different from the objectives and policies of the Fund and the Founder and the Fund Manager may therefore, in the exercise of its professional discretion, make investment decisions for their own account that are different from the decisions that they make on behalf of the Fund.

### ***Investment Banking Transactions and Corporate Advisory***

The Founder and the Fund Manager and their respective affiliates sometimes represent “potential purchasers and sellers” in financing, acquisition or other similar transactions, including management, shareholders, institutions and professional leveraged buyout investors,

and will continue to accept such assignments after the establishment of the Fund. In some such cases, the clients of the Founder and/or the Fund Manager and/or their respective affiliates may prohibit the Founder and/or the Fund Manager and/or their respective affiliates from investing (for their own account or that of the Fund) in the target company. In other cases, the Fund may be permitted to act as an investor but the proposed transactions may nevertheless present the potential for conflicts of interest on the part of the Founder and/or the Fund Manager and/or their respective affiliates and the Founder and Fund Manager may for this reason elect to decline the opportunity to invest in such companies on behalf of the Fund.

The potential conflicts arising with respect to the Fund Manager's management of the Fund is more limited because the Fund seeks to track, before fees and expenses, the investment performance of the Index. As such, the Fund is not actively managed and the potential for the Fund Manager to favour another or its own account over the Fund in instances of limited investment opportunities is minimized. The Fund Manager and the Founder will exert their utmost efforts to avoid and manage conflicts of their interests with those of the Fund. Any conflicts of interest will be reported to the Founder.

## ***Notices and General Enquiries***

Official notices to the Seed Capital Providers will be served at their currently registered address using ordinary postal delivery. Official notices to all other Investors, to the extent required to be delivered to such Investors, will be provided through the Investor's Broker, as the Units will be held by the Investor in an Account at such Broker. All other communications may be served via email. It is the responsibility of each Investor to promptly notify the Fund Manager of any change in its registered address.

All notices from the Investors to the concerned parties are to be served by registered mail at the postal addresses set out below.

All material notices will also be published on the Founder's website [www.dohabank.com.qa](http://www.dohabank.com.qa) and the Fund Manager's website [www.amwalqa.com](http://www.amwalqa.com), in addition to the Fund Website [www.qetf.com.qa](http://www.qetf.com.qa)

General enquiries may be made in person, or by phone or email. Copies of this Prospectus and any amendments or supplements hereto, as well as other relevant documents, may be obtained from the Fund Manager.

Investors may obtain on reasonable request from the Fund Manager information relating to the Fund (including performance, market outlook, agreements, etc.), pursuant to this Prospectus and the Applicable Laws.

Any notice or other document may be served on the Fund Manager or Investment Custodian at the addresses of service below.

### ***Fund Manager***

Amwal LLC, Amwal Tower, 22nd Floor  
PO Box 494, West Bay, Doha, Qatar, +974 4452 7777  
[qetfclientservices@amwalqa.com](mailto:qetfclientservices@amwalqa.com) , [www.amwalqa.com](http://www.amwalqa.com)

### **Founder**

Doha Bank, Q.P.S.C.  
P.O. Box 3818, Doha, Qatar

### **Investment Custodian**

Standard Chartered Bank, Securities Services, Burj Doha 17/F,  
Al Corniche Street, P.O. Box 29 Doha, Qatar

### **Liquidity Provider**

The Group Securities, Q.S.C.  
Head Office, C Ring Road, P.O. Box 1555, Doha, Qatar

### **Auditors**

Ernst & Young,  
24th Floor, Al Gassar Tower, Majlis Al Tawoon Street,  
PO Box 164, West Bay Doha, Qatar

## **Disclaimer related to Fund Manager**

Amwal LLC, the Fund Manager for the Fund, is regulated by the QFCRA and the QFMA. The Fund is not registered with the Qatar Financial Centre ("QFC") or regulated by the QFCRA. This Prospectus, and any related documents, have not been reviewed or approved by the QFCRA



## APPENDIX 1 – Operational Process

### T-1

- o On the evening of T-1 the fund manager (FM) distributes the portfolio composition file (PCF) for the ETF.
- o The PCF displays the individual securities and the weightings that make up one Creation Unit for the following trade day. For QETF one Creation Unit equals 25,000 ETF Units.
- o The PCF also includes an estimated cash component (balancing and any accruals) in the fund for each Creation unit

#### **Example:**

25,000 ETF shares = 10 MARK shares  
40 WDAM shares  
30 VFQS shares...etc.  
And cash amount

### T

- o On Trade Date the authorized participant (AP) instructs the FM (with copy to investment custodian (IC)) they want to create (or redeem) a Creation Unit
- o On the night of T, FM accepts the request (with copy to IC) and a contract is entered into (for a redemption it is reversed) between the ETF and its AP for settlement on T+3
  - ETF: - 25,000 ETF units (deliver - short) + Components (receive - long)
  - Authorized Participant: + 25,000 ETF units (receive - long) - Components (deliver - short)

- o IC assigns the closing price on T to each of the components to determine contract value of the Creation Basket

IC then reconciles the value of the Creation Basket against the Creation Unit price and provides the final cash balancing amount. If all securities settle on settlement date the only money that settles on T+3 is the cash component

### T+1

- o On T+1 IC will report details of creates/redeems that were received
- o By mid-day QCSD should receive a copy of the report or similar instruction providing details of the actions required T+3
- o In the case of redemption, QCSD may immediately block the Creation Basket within ETF NIN from trading.

### T+2

- o By end of day T+2 QCSD will generate a statement of account for the LP showing positions pending settlement T+3. IC should receive copy.

### T+3

- o By 10.30 AM, IC provides QCSD with an executable creation or redemption instruction using approved forms. The instruction would reflect information received T+2 on the availability of stock.

- o After market close QCSD will allot units to the LP account and then once normal settlement has run, execute an exempt transfer of the Creation Basket from LP to the Fund's NIN (reversal in the case of redemption – exempt transfer of basket takes place then units deleted once settlement is run)
- o The only money changing hands is the payment for the PCF's cash component which is sent directly to money settlement (QCB deadline 11.30AM).
- o FM may permit, in lieu thereof, the cash equivalent value of one or more of these Index Securities to be included in the Creation Unit as a part of the Cash Component.
- o If not all securities settle, IC will mark to the market the securities that are failing based upon the closing price for the components and the ETF
- o Cash must be deposited with the IC, pending delivery of the missing Index Components, to the extent necessary to maintain a cash deposit with the IC in amount at least equal to 115% of the daily mark-to-market value of the missing Index components. The cash deposit is held as collateral in a separate account. If the missing Index components are not received by on the 3 day following non delivery and if a mark-to-market payment is not made within one (1) Business Day following notification by the FM that such payment is required, the FM may use the cash deposit to purchase the missing Index components. The FM will return any unused portion of the Cash Deposit only once all of the missing Index Securities of the Creation Unit have been properly received or purchased by the FM and deposited into the ETF.

