

QE Index ETF

Financial statements and independent auditors' report
for the year ended 31 December 2024

QE Index ETF

Financial statements for the year ended 31 December 2024

CONTENTS

PAGE(S)

*Independent auditor's report*_____1 - 4

*Statement of financial position*_____5

*Statement of comprehensive income*_____6

*Statement of changes in net assets attributable to the unit holders*_____7

*Statement of cash flows*_____8

*Notes to the financial statements*_____9 - 19

Independent auditor's report to the unit holders of QE Index ETF

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements presents fairly, in all material respects, the financial position of QE Index ETF ("the Fund") as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards.

What we have audited

The Fund's financial statements comprise:

- The statement of financial position as at 31 December 2024;
- The statement of comprehensive income for the year then ended;
- The statement of changes in net assets attributable to the unit holders for the year then ended;
- The statement of cash flows for the year then ended; and
- The notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with IESBA Code and the ethical requirements in the state of Qatar.

Our audit approach

Overview

Key audit matter | Valuation of investment securities

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where Fund Manager made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment securities</p> <p>The fair value of investment securities as 31 December 2024, comprises listed equity securities, amounted to QAR 413,010,715 representing 98.36% of the total asset value of the Fund as at 31 December 2024, hence are significant within the overall context of the financial statements.</p> <p>Net loss from investment securities amounted to QAR 9,950,429 for the year ended 31 December 2024.</p> <p>The fair valuation of investment securities represents the Fund Manager's best estimate of the fair value. As described in the material accounting policies to the financial statements, the fair value has been determined in accordance with IFRS 9.</p> <p>Refer to note 4 for investment securities disclosure and note 6 for the net loss from investment securities disclosure.</p>	<p>Our audit procedures in relation to this key audit matter included the following:</p> <ul style="list-style-type: none"> •Obtained an understanding of the business process related to investment management activities followed by the Fund Manager. •Tested the valuation of listed investments portfolio as at 31 December 2024, by agreeing the prices used by the Fund Manager in the valuation to independent third party sources as at 31 December 2024. •Tested the existence of listed investment portfolio by agreeing the holdings of investments to the custodian confirmation as at 31 December 2024. •Re-computed on a sample basis, the net loss from investment securities, comprising of net realized loss on sale of investment securities and net unrealized loss on revaluation of investment securities. •Evaluated the reasonableness of the financial statements disclosures in accordance with the IFRS Accounting Standards.

Responsibilities of Fund Manager and those charged with governance for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

QE Index ETF

Financial statements for the year ended 31 December 2024
(All amounts are expressed in Qatari Riyals unless otherwise stated)

STATEMENT OF FINANCIAL POSITION As at 31 December 2024

	Notes	2024 QAR	2023 QAR
Assets			
Cash and cash equivalents	3	6,900,409	1,011,306
Investment securities	4	413,010,715	426,012,263
Total assets		419,911,124	427,023,569
Liabilities			
Payables and accrued expenses	5	1,119,016	987,195
Total liabilities		1,119,016	987,195
Net assets attributable to the unit holders		418,792,108	426,036,374
Number of units in issue (Units)		40,562,310	40,637,310
Net asset value per unit (QAR)		10.325	10.484

These financial statements were approved by the QETF committee as authorized by the Founder Board of Directors on the 23rd of February 2025 and were signed on its behalf by:

Fawad Ishaq
Chief Treasury & Investor Officer
Doha Bank Q.P.S.C.
On behalf of the QE Index ETF ("QETF")



QE Index ETF

Financial statements for the year ended 31 December 2024

(All amounts are expressed in Qatari Riyals unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 QAR	2023 QAR
Income			
Net (loss) / gain from investment securities	6	(9,950,429)	6,129,151
Dividend income		24,247,614	18,872,915
Total income		14,297,185	25,002,066
Operating expenses			
Management fees	7	(653,883)	(709,689)
Administration fees		(386,900)	(388,618)
Custodian fees		(180,086)	(176,948)
Brokerage fees		(108,127)	(108,314)
Other operating expenses	10	(685,643)	(678,739)
Total operating expenses		(2,014,639)	(2,062,308)
Operating profit		12,282,546	22,939,758
Change in net assets attributable to the unit holders		12,282,546	22,939,758



The accompanying notes 1 to 10 form an integral part of these financial statements.
Independent auditors' report is set out on pages 1 to 4.

QE Index ETF

Financial statements for the year ended 31 December 2024

(All amounts are expressed in Qatari Riyals unless otherwise stated)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS For the year ended 31 December 2024

	2024		2023	
	Number of units	QAR	Number of units	QAR
Balance at 1 January	40,637,310	426,036,374	40,687,310	422,260,229
Change in net assets attributable to the unit holders	-	12,282,546	-	22,939,758
Dividends paid (Note 9)	-	(18,739,787)	-	(18,727,663)
<u>Contributions and redemptions by unit holders:</u>				
Issue of redeemable units during the year	50,000	461,625	25,000	256,675
Redemption of redeemable units during the year	(125,000)	(1,248,650)	(75,000)	(692,625)
Transactions with the unit holders	(75,000)	(787,025)	(50,000)	(435,950)
Balance at 31 December	40,562,310	418,792,108	40,637,310	426,036,374



The accompanying notes 1 to 10 form an integral part of these financial statements.
Independent auditors' report is set out on pages 1 to 4.

QE Index ETF

Financial statements for the year ended 31 December 2024

(All amounts are expressed in Qatari Riyals unless otherwise stated)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 QAR	2023 QAR
Operating activities			
Change in net assets attributable to the unit holders		12,282,546	22,939,758
Adjustments for:			
Net unrealized loss / (gain) on revaluation of investment securities	6	8,638,729	(7,674,709)
Dividend income		(24,247,614)	(18,872,915)
Operating loss before changes in operating assets and liabilities		(3,326,339)	(3,607,866)
Changes in:			
Investment securities		4,362,819	3,740,509
Payables and accrued expenses		131,821	(400,784)
Dividend received		24,247,614	18,872,915
Net cash flows generated from operating activities		25,415,915	18,604,774
Financing activities			
Proceeds from issue of redeemable units		461,625	256,675
Payment against redemption of units		(1,248,650)	(692,625)
Dividends paid	9	(18,739,787)	(18,727,663)
Net cash flows used in financing activities		(19,526,812)	(19,163,613)
Net increase / (decrease) in cash and cash equivalents		5,889,103	(558,839)
Cash and cash equivalents at the 1 January		1,011,306	1,570,145
Cash and cash equivalents as at 31 December	3	6,900,409	1,011,306



The accompanying notes 1 to 10 form an integral part of these financial statements.
Independent auditors' report is set out on pages 1 to 4.

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

1. LEGAL STATUS AND MAIN ACTIVITIES

QE Index ETF ("QETF" or "the Fund") was established on 9 April 2017, as an open ended Fund and is registered in the Investment Funds Register at the Ministry of Commerce and Industry under registration certificate number 96762 and is licensed by the Qatar Central Bank under license number IF/26/2016 in accordance with Law number (25) of 2002 and the Ministry of Commerce and Industry Decision number (69) of the year 2004 for issuing by-laws for investment Funds of the State of Qatar. The Fund commenced its operation on 12 February 2018. The term of the Fund shall be 25 years starting from the date of the registration of the Fund in the Investment Funds Register of the Ministry, renewable by the Founder upon approval by the Qatar Central Bank ("QCB").

The Fund is authorized by Qatar Financial Markets Authority (QFMA) and was listed on Qatar Stock Exchange on 5 March 2018.

The Fund has, at the date of establishment, a minimum capital of QAR 10,000,000.

Doha Bank Q.P.S.C., the "Founder", is a Qatari closed public shareholding company, having QCB License number B.S.D/11/1979 and registered with the Ministry of Commerce and Industry under Commercial Registration Number 7115.

Effective 1 September 2019, the Fund is managed by Aventicum Capital Management (Qatar) L.L.C. authorized by the Qatar Financial Centre Regulatory Authority (QFCRA) on 2 July 2013 (QFC number 00173) and registered with QFMA on 31 March 2019.

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

Objective of the Fund and nature of its activity

The principal objective of the Fund is:

- (i) To replicate the performance results of the Qatar Exchange Price Index ("Index") (which is a capitalization weighted index of the twenty most highly capitalized and liquid issuers whose equity securities trade on the exchange) by investing in the Index Components according to weights that substantially correspond with those found in the Index;
- (ii) 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; and
- (iii) The Fund will not invest in the securities of the Founder, Fund Manager or Investment Custodian except to the extent such securities are Index Components.

The financial statements for the year ended 31 December 2024 was authorized for issuance by the QETF committee as authorized by the Founder Board of Directors on 23rd of February 2025.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Fund for the year ended 31 December 2024 have been prepared in accordance with IFRS Accounting Standards.

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

These financial statements have been presented in Qatari Riyals ("QAR"), which is the presentational currency of the Fund's financial statements. All amounts are have been rounded to the nearest Qatari Riyals.

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The preparation of these financial statements in conformity with the IFRS Accounting Standards requires Fund Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

2.1.1 New, amended standards and interpretations

a) New standards, amendments and interpretations effective from 1 January 2024

During the period, the above IFRS Accounting Standards and amendments to IFRS Accounting Standards have been applied by the Fund in preparation of these financial statements. The below were effective from 1 January 2024:

- Classification of liabilities as current or non-current – Amendments to IAS 1
- Non-current liabilities with covenants – Amendments to IAS 1
- Lease liability in sale and leaseback – Amendment to IFRS 16
- Supplier finance arrangements – Amendment to IAS 7 and IFRS 7

The adoption of the above IFRS Accounting Standards and amendments to IFRS Accounting Standards did not have any material impact on the amounts recognized in prior and current periods and are not expected to significantly affect the future reporting periods.

(b) Standards, amendments and interpretations issued but not yet effective

A number of standards and amendments to standards are issued but not yet effective and the Fund has not adopted these in the preparation of these financial statements. The below standards may have an impact on the Fund's financial statements, however, the Fund is currently evaluating the impact of these new standards. The Fund will adopt these new standards on the respective effective dates.

- Lack of exchangeability – Amendment to IAS 21 (effective 1 January 2025)
- Amendment to the classification and measurement of financial instruments – Amendment to IFRS 9 and IFRS 7 (effective 1 January 2026)
- IFRS 18, presentation and disclosure in the financial statements (effective 1 January 2027)
- IFRS 19 subsidiaries without public accountability: disclosure (effective 1 January 2027)
- Sale or contribution of assets between an investor and its associate or joint venture – Amendment to IFRS 10 and IAS 28 (deferred indefinitely)

2.2 Material accounting policies

a) Revenue recognition

Net gain / (loss) from financial instruments at fair value through profit or loss includes all realised gain / (loss) and unrealised gain / (loss) on fair value changes, but excludes dividend income.

Dividend income is recognised when the Fund has the right to collect the dividends.

Income from short term investment is recognised on a time appropriate basis over the period of the contract based on the principal outstanding and the expected profits.

b) Dividend policy

The Fund will distribute dividends to the unit holders from the income it receives from Index Securities, net of expenses, at least annually.

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (continued)

c) Financial instruments

Classification

The Fund classifies its financial assets and financial liabilities into the following category:

(i) Financial assets at fair value through profit or loss

Financial assets which are equity shares listed on the Qatar Stock Exchange classified as 'Fair value through profit or loss' are acquired principally for the purpose of generating a profit from short-term sale or acquired to maintain weights as per the objective of the Fund, which is the business model.

(ii) Recognition

The Fund recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets *within the time frame generally established by regulation or convention in the marketplace* are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

(iii) De-recognition

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

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

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Fund's continuing involvement in the asset.

The Fund derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

(iv) Initial measurement

Financial assets classified as 'Fair value through profit or loss' are recorded in the statement of financial position at fair value. Net gains and losses including any dividend income is recognized in profit or loss. All transaction costs related to such financial assets and liabilities are recognized directly in profit or loss.

(v) Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as 'Fair value through profit or loss' at closing price. Subsequent changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets and liabilities at fair value through profit or loss'.

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Material accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of the cash flows statement, cash and cash equivalents consist of bank balances in current account and are stated at amortised cost.

(e) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(f) Other payables and accruals

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

(g) Subscriptions pending allotment

The initial subscriptions made by the investors before the allotment of units will be recorded as liabilities against the cash received.

(h) Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master-netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

(i) Net assets attributable to unit holders

Net assets attributable to unit holders represent the residual interest in the assets of the Fund after deducting its liabilities and are allocated among the unit holders in proportion to their respective holdings of the Fund's units. This figure represents the total value of the Fund that is available to the unit holders.

2.3 Operating segments

Operations of the Fund are restricted to State of Qatar. The Fund only has one segment under which all its operations are covered i.e. Fund management.

3 CASH AND CASH EQUIVALENTS

	2024 QAR	2023 QAR
Current account	6,900,409	1,011,306

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

4 INVESTMENT SECURITIES

Investment securities carried as fair value through profit or loss:

	2024	2023
	QAR	QAR
Listed equity securities - State of Qatar	413,010,715	426,012,263

All investment securities are denominated in Qatari Riyals.

5 PAYABLES AND ACCRUED EXPENSES

	2024	2023
	QAR	QAR
Management fee	653,883	709,689
Custodian fees	43,612	47,825
Administration fees	96,724	96,724
Other accruals	324,797	132,957
	1,119,016	987,195

6 NET (LOSS) / GAIN FROM INVESTMENT SECURITIES

	2024	2023
	QAR	QAR
Net loss on sale of investment securities	(1,311,700)	(1,545,558)
Net unrealized (loss) / gain on revaluation of investment securities	(8,638,729)	7,674,709
	(9,950,429)	6,129,151

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. Related parties includes the Founder, the Fund Manager, parties who control or exercise significant influence over the fund and entities over which the Fund exercise significant influence.

(a) Total Expense ratio

The Fund shall pay to the parties from the Total Expense Ratio ("TER") of 0.5% of average daily net asset value are payable annually in arrears at the close of the last valuation period of each calendar year.

The Fund shall pay all costs and fees associated with the Fund from the TER including:

- The Investment Custodian's Fees, inclusive of and fees charged by the Investment Custodian for administrative, transfer agency and/or registrar fees;
- The administrator's fees;
- Listing fees charged by the Qatar Exchange;
- Licensing fees charged by the Index provider;
- Fees of Qatar Central Securities Depository;
- All reasonable fees incurred in connection with producing, printing, posting and otherwise distributing the prospectus and other required periodic reports;
- Reasonable audit fees;
- Reasonable legal fees;
- Reasonable marketing fees;
- Brokerage fees
- Any other fixed costs.

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

7 RELATED PARTIES TRANSACTIONS (CONTINUED)

Any remaining fee from the TER after payment of the above expenses shall be paid in the ratio of 50% to Fund Manager and 50% to Founder of the Fund.

(b) Management fees

The management fee is calculated and payable to the Founder and the Fund Manager on an annual basis in the ratio of 50% to Fund Manager and 50% to Founder of the Fund from the TER after payment of the above expenses.

	2024	2023
	QAR	QAR
Statement of financial position items		
Accrued management fees	653,883	709,689
Statement of comprehensive income items		
Management fees	653,883	709,689

8 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Introduction

The Fund's investment strategy is to replicate the investment results of the Qatar Exchange Price Index by investing in the Index Components according to weights that substantially correspond to those found in the index. In order to manage risks at least 90% of the Fund's capital will be invested in Index Components, the remainder will be kept in cash or local money market instruments. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds.

Risk management structure

The Fund Manager is responsible for identifying and controlling risks. The Founder will formulate investment and risks management policies for the Fund and the Fund Manager will abide by the investment and risk management policies as per the Articles of Association.

Risk measurement and reporting system

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.

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. The Fund Manager monitors and measures the overall risk in relation to the aggregate risk exposure across all risks type and activities.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as profit rates, foreign exchange rates and equity prices. The maximum risk resulting from approved financial instrument equals to their fair value.

(a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Fund is not exposed to any interest rate risk as all the securities are equity investments.

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

8 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(b) Currency risk

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is not exposed to any currency risk as all the transactions are carried out in Qatari Riyals and US Dollars. Since QAR is pegged to the USD, so there is no significant foreign exchange risk.

(c) Equity price risk

Equity price risk is the risk of unfavorable changes in the fair values of equities as a result of changes in the levels of equity indices and the value of individual shares. The unit holders' net assets price risk exposure arises from the Fund's investments in unit holders' equity securities. As of 31 December 2024, the Fund has equity securities amounting to QAR 413,010,715 (2023: QAR 426,012,263). A 1% variation in the equity indices would result in increase/ (decrease) in the fair values of equity securities and the income statement by QAR 4,130,107 (2023: QAR 4,260,122).

(d) Concentration of equity price risk

The Fund seeks to replicate Index, therefore all securities are placed in the state of Qatar.

The following table analyses the Fund's concentration of equity price risk in the Fund's equity portfolio by geographical distribution (based on counterparties' place of primary listing):

	2024 % of equity securities	2023 % of equity securities
State of Qatar	100%	100%
	100%	100%

The following table analyses the Fund's concentration of equity price risk in the Fund's equity portfolio by industrial distribution:

	2024 % of equity securities	2023 % of equity securities
Financials	52%	54%
Industrials	24%	24%
Telecommunications	5%	5%
Real estate	4%	3%
Insurance	0%	0%
Transportation	10%	8%
Consumer goods and services	5%	6%
	100%	100%

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

8 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from bank balances and other assets.

The Fund's policy over credit risk is to minimize the exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Fund's prospectus and by taking collateral.

Exposure to credit risk

The Fund's maximum exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

Gross maximum exposures are as follows:

	2024	2023
	QAR	QAR
Cash and cash equivalents		
Current account	6,900,409	1,011,306
Total credit risk exposure	6,900,409	1,011,306

No financial assets carried at amortized cost were past due or impaired at 31 December 2024.

The Fund has a current account with a bank, having acceptable credit rating. The expected credit losses on cash and cash equivalents is insignificant.

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its shares earlier than expected.

If the total aggregate redemption requests on any dealing day exceed 10% (ten percent) of the total number of units outstanding on the immediately preceding valuation day, the Founder may, in its sole discretion, defer any redemption request in whole or part so that the 10% level is not exceeded. Any deferred redemption requests will have priority over any other subsequent redemption requests and will be affected on the next dealing day, subject always to the 10% limit.

The Fund 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 index and complying with its guideline which, under normal market conditions, are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements. It is the Fund Manager duty to monitor the Fund's liquidity position on a daily basis.

As at 31 December 2024, the total cash and cash equivalents represents 1.64% of its total assets (2023: 0.24%).

Maturity of financial assets and liabilities

The following table sets out the maturity profile of the Fund's assets and liabilities. Analysis of financial assets at fair value through profit or loss into maturity groupings is based on the expected date on which these assets will be realized. For other assets, the analysis into maturity groupings is based on the remaining period at the statement of financial position date to the contractual maturity date or if earlier, the expected date on which the assets will be realized.

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

8 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

2024	0-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
Assets						
Cash and cash equivalents	6,900,409	-	-	-	-	6,900,409
Investment securities	413,010,715	-	-	-	-	413,010,715
Total assets	419,911,124	-	-	-	-	419,911,124
Liabilities						
Payables and accrued expenses	1,119,016	-	-	-	-	1,119,016
Total liabilities	1,119,016	-	-	-	-	1,119,016
Maturity gap	418,792,108	-	-	-	-	418,792,108

2023	0-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
Assets						
Cash and cash equivalents	1,011,306	-	-	-	-	1,011,306
Investment securities	426,012,263	-	-	-	-	426,012,263
Total assets	427,023,569	-	-	-	-	427,023,569
Liabilities						
Payables and accrued expenses	987,195	-	-	-	-	987,195
Total liabilities	987,195	-	-	-	-	987,195
Maturity gap	426,036,374	-	-	-	-	426,036,374

Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between book value and the fair value estimates. Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Financial assets are carried at fair value through profit or loss and hence there is no difference between carrying value and fair value. Financial liability are initially recognized when the Fund becomes a party to the contractual provisions of the instrument.

The fair value of other receivables, payables for investment transactions and other payables and accrued expenses, which are predominantly re-priced, short term in tenure and issued at market rates, are considered to reasonably approximate their book value.

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

8 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 assets at fair value through profit or loss held by the Fund are valued as per the Level 1 valuation method.

The fair value of investment securities as at 31 December 2024 is QAR 413,010,715 (2023: QAR 426,012,263) under level 1 of fair value hierarchy.

There have been no transfers between level 1, level 2 and level 3 fair value measurement during the year.

The fair value of financial assets and financial liabilities carried at amortized cost approximate the carrying value.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

31 December 2024				
	Fair value through profit or loss	Other amortised cost	Total Carrying amount	Fair value
Assets				
Cash and cash equivalents	-	6,900,409	6,900,409	6,900,409
Investment securities	413,010,715	-	413,010,715	413,010,715
	413,010,715	6,900,409	419,911,124	419,911,124
Liabilities				
Payables and accrued expenses	-	1,119,016	1,119,016	1,119,016
	-	1,119,016	1,119,016	1,119,016
31 December 2023				
	Fair value through profit or loss	Other amortised cost	Total Carrying amount	Fair value
Assets				
Cash and cash equivalents	-	1,011,306	1,011,306	1,011,306
Investment securities	426,012,263	-	426,012,263	426,012,263
	426,012,263	1,011,306	427,023,569	427,023,569
Liabilities				
Payables and accrued expenses	-	987,195	987,195	987,195
	-	987,195	987,195	987,195

QE Index ETF

Financial statements for the year ended 31 December 2024

Notes to the financial statements

(All amounts are expressed in Qatari Riyals unless otherwise stated)

9 DIVIDENDS

Doha Bank Q.P.S.C., as founder, and Aventicum Capital Management (Qatar), the Fund Manager of the Fund announced a cash dividend distribution of QAR 18,739,787 - 0.462 per unit for the year ended 31 December 2024 (2023: 18,727,663 – 0.460 per unit). The QETF Committee approved and announced, on 08 April 2024, the unit holders on record as of 15 April 2024, would receive their entitlement on the payment date, i.e. on 17 April 2024.

10 OTHER OPERATING EXPENSES

	2024	2023
	QAR	QAR
Professional fees	44,000	44,000
Other operating expenses	641,643	634,739
	685,643	678,739

The professional fees includes the total statutory audit fees of the financial statement, quarterly review of the financial statement and the quarterly NAV agreed upon procedures.