

**QE INDEX ETF**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**30 JUNE 2021**

**QE INDEX ETF**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the six month period ended 30 June 2021

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**Independent auditor's report on review of condensed interim financial statements to the unit holders of QE Index ETF**

**Introduction**

We have reviewed the accompanying 30 June 2021 condensed interim financial statements of QE Index ETF ("the Fund"), which comprise:

- The condensed statement of financial position as at 30 June 2021;
- The condensed statement of comprehensive income for the three and six month periods ended 30 June 2021;
- The condensed statement of changes in net assets attributable to the unit holders for the six month period ended 30 June 2021;
- The condensed statement of cash flows for the six month period ended 30 June 2021; and
- notes to the condensed interim financial statements.

The manager of the Fund is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial statements Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2021 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

28 July 2021  
Doha  
State of Qatar

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

**QE INDEX ETF**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2021

	Note	30 June 2021 QAR (Reviewed)	31 December 2020 QAR (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	3	1,374,712	1,385,267
Investment securities	4	433,685,072	409,220,205
Other receivable		58,673	-
<b>TOTAL ASSETS</b>		<b>435,118,457</b>	<b>410,605,472</b>
<b>LIABILITIES</b>			
Payables and accrued expenses	5	629,083	1,165,658
<b>TOTAL LIABILITIES</b>		<b>629,083</b>	<b>1,165,658</b>
<b>NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS</b>			
		<b>434,489,374</b>	<b>409,439,814</b>
<b>NUMBER OF UNITS IN ISSUE (UNITS)</b>			
		<b>41,362,310</b>	<b>39,987,310</b>
<b>NET ASSET VALUE PER UNIT (QAR)</b>			
		<b>10.504</b>	<b>10,239</b>

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

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

28 July 2021

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.



**QE INDEX ETF**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
For the three and six month periods ended 30 June 2021

	Note	Three month period ended		Six month period ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		QAR	QAR	QAR	QAR
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
<b>OPERATING INCOME / (LOSS)</b>					
Net gain / (loss) from investment securities	6	12,729,346	31,447,507	11,482,900	(48,046,716)
Dividend income		167,373	1,808,012	11,851,050	13,988,520
<b>Total income / (loss)</b>		<b>12,896,719</b>	<b>33,255,519</b>	<b>23,333,950</b>	<b>(34,058,196)</b>
<b>EXPENSES</b>					
Administration fees		(100,776)	(96,889)	(199,527)	(193,944)
Custodian fees		(65,713)	(41,630)	(146,826)	(81,129)
Brokerage fees		-	-	(37,686)	(29,720)
Other operating expenses		(369,217)	(306,567)	(662,931)	(570,014)
<b>Total expenses</b>		<b>(535,706)</b>	<b>(445,086)</b>	<b>(1,046,970)</b>	<b>(874,807)</b>
<b>CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS</b>					
		<b>12,361,013</b>	<b>32,810,433</b>	<b>22,286,980</b>	<b>(34,933,003)</b>



The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

**QE INDEX ETF**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS**  
For the six month period ended 30 June 2021

	30 June 2021		30 June 2020	
	Number of units	QAR	Number of units	QAR
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Balance at 1 January (Audited)	39,987,310	409,439,814	35,737,310	366,895,206
Change in net assets attributable to the unit holders	-	22,286,980	-	(34,933,003)
Dividend paid (Note 10)	-	(11,560,070)	-	(15,263,716)
<u>Contributions and redemptions by unit holders:</u>				
Issue of redeemable units during the period	2,425,000	25,206,600	5,575,000	48,731,450
Redemption of redeemable units during the period	(1,050,000)	(10,883,950)	(750,000)	(6,519,000)
Transactions with the unit holders	1,375,000	14,322,650	4,825,000	42,212,450
<b>Balance at 30 June</b>	<b>41,362,310</b>	<b>434,489,374</b>	<b>40,562,310</b>	<b>358,910,937</b>



The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

**QE INDEX ETF**  
**CONDENSED STATEMENT OF CASH FLOWS**  
For the six month period ended 30 June 2021

	Note	For the six month period ended 30 June 2021 QAR (Reviewed)	For the six month period ended 30 June 2020 QAR (Reviewed)
<b>OPERATING ACTIVITIES</b>			
Change in net assets attributable to the unit holders		22,286,980	(34,933,003)
Adjustments for:			
Net unrealized (gain) / loss on revaluation of investment securities	6	(11,725,507)	43,794,995
Operating profit before changes in operating assets and liabilities		10,561,473	8,861,992
<i>Changes in:</i>			
Investment securities		(12,739,360)	(35,568,648)
Other receivables		(58,673)	-
Payables and accrued expenses		(536,575)	(346,976)
<b>Net cash used in operating activities</b>		<b>(2,773,135)</b>	<b>(27,053,632)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of redeemable units		25,206,600	48,731,450
Payment against redemption of units		(10,883,950)	(6,519,000)
Dividend paid	10	(11,560,070)	(15,263,716)
<b>Net cash from financing activities</b>		<b>2,762,580</b>	<b>26,948,734</b>
Net decrease in cash and cash equivalents		(10,555)	(104,898)
Cash and cash equivalents at the beginning of the period		1,385,267	1,240,173
<b>Cash and cash equivalents at 30 June</b>	3	<b>1,374,712</b>	<b>1,135,275</b>



**QE INDEX ETF**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the six month period ended 30 June 2021

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**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 Economy and Commerce under registration certificate no. 96762 and is licensed by the Qatar Central Bank under license no. IF/26/2016 in accordance with Law No. (25) of 2002 and the Ministry of Economy and Commerce Decision No. (69) of the year 2004 for issuing by-laws for investment funds of the State of Qatar. The Fund commenced its operation on 12 February 2018.

The Fund is authorised 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 No. B.S.D/11/1979 and registered with the Ministry of Economy and Commerce under Commercial Registration Number 7115.

Effective 1 September 2019, the Fund is managed by Aventure Capital Management (Qatar) L.L.C. authorised by the Qatar Financial Centre Regulatory Authority (QFCRA) on 2 July 2013 (QFC No. 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:

- a) To replicate the performance results of the Qatar Exchange Price Index (“Index”) (which is a capitalisation weighted index of the twenty most highly capitalised 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;
- b) 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
- c) 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 interim condensed financial statements for the six month period ended 30 June 2021 was authorised for issue by the Founder on 28 July 2021.

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

**Basis of preparation**

The condensed interim financial statements of the Fund for the six month period ended 30 June 2021 have been prepared in accordance with IAS 34 – “Interim Financial Reporting”.

The condensed interim financial statements do not contain all statements and disclosures required in the annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2020. In addition, results for the six month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

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



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

**Basis of preparation (continued)**

The condensed interim financial statements have been presented in QAR, which is the presentational currency of the Fund's financial statements.

The preparation of these condensed interim financial statements in conformity with International Financial Reporting Standards ("IFRSs") requires Fund Manager to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2020.

**IFRS Standards, amendments and interpretations issued**

***New IFRS Standards, amendments and interpretations issued and effective on or after 1 January 2021***

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) (Effective 1 January 2021)

The adoption of these new IFRS Standards and amendments had no significant impact on the financial statements of the Fund.

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

The new IFRS Standards, amendments to IFRS Standards and interpretations which have been issued but are not yet effective for the period ended 30 June 2021 and have not been applied in preparing this interim condensed financial statements were as follows:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) (Effective on 1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (Effective on 1 January 2022)
- Classification of liabilities as current or non-current (Amendments to IAS 1) (Effective on 1 January 2023)
- Amendments to IFRS 17 (Effective on 1 January 2023)

The Fund does not plan to early adopt these IFRS Standards.

**QE INDEX ETF**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the six month period ended 30 June 2021

**3. CASH AND CASH EQUIVALENTS**

	<b>30 June 2021</b>	31 December 2020
	<b>QAR</b>	QAR
	<i>(Reviewed)</i>	<i>(Audited)</i>
Current accounts	<u>1,374,712</u>	<u>1,385,267</u>

**4. INVESTMENT SECURITIES**

Investment securities carried as fair value through profit or loss:

	<b>30 June 2021</b>	31 December 2020
Currency	<b>QAR</b>	QAR
	<i>(Reviewed)</i>	<i>(Audited)</i>
Listed equity securities – State of Qatar	<u>QAR 433,685,072</u>	<u>409,220,205</u>

**5. PAYABLES AND ACCRUED EXPENSES**

	<b>30 June 2021</b>	31 December 2020
	<b>QAR</b>	QAR
	<i>(Reviewed)</i>	<i>(Audited)</i>
Management fee	-	739,848
Custodian fees	65,713	46,304
Administration fees	100,777	98,576
Other accruals	<u>462,593</u>	<u>280,930</u>
	<u><b>629,083</b></u>	<u>1,165,658</u>

**6. NET GAIN / (LOSS) FROM INVESTMENT SECURITIES**

	<b>Three month period ended 30 June 2021</b>	Three month period ended 30 June 2020	<b>Six month period ended 30 June 2021</b>	Six month period ended 30 June 2020
	<b>QAR</b>	QAR	<b>QAR</b>	QAR
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Net gain / (loss) on sale of investment securities	9,805	-	(242,607)	(4,251,721)
Net unrealized gain / (loss) on revaluation of investment securities	<u>12,719,541</u>	<u>31,447,507</u>	<u>11,725,507</u>	<u>(43,794,995)</u>
	<u><b>12,729,346</b></u>	<u>31,447,507</u>	<u><b>11,482,900</b></u>	<u>(48,046,716)</u>

## **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.

### **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 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.

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.

## **8. FAIR VALUE HIERARCHY**

The Fund uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

## **9. DIVIDEND DISTRIBUTION**

The Fund Committee approved and distributed a total dividend of QAR 0.29 per unit for the year ended 31 December 2020 (2019: QAR 0.377 per unit) as follows:

- On 11 April 2021, the Fund Committee approved a cash dividend of QAR 0.29 per unit, to be distributed to unitholders entitled as on record-date 20 April 2021.

## **10. COMPARATIVE INFORMATION**

The comparative figures have been reclassified where necessary to preserve consistency with the current period. However, such reclassifications did not have any effect on the net profit or equity for the comparative period.

**QE INDEX ETF**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the six month period ended 30 June 2021

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**11. IMPACT OF COVID-19**

The coronavirus (“COVID-19”) pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

The Fund has also considered potential impacts of the current economic volatility in determination of the reported amounts of the Fund’s financial assets, of which a significant portion comprises of listed equity investment securities carried at fair value through profit or loss, and these represent their fair values as at the reporting date. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.