

QE INDEX ETF

INTERIM CONDENSED FINANCIAL INFORMATION
30 September 2022

QE INDEX ETF
INTERIM CONDENSED FINANCIAL INFORMATION FOR THE PERIOD ENDED
30 SEPTEMBER 2022

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

Introduction

We have reviewed the accompanying interim condensed statement of financial position of QE Index ETF (the "fund") as at 30 September 2022 and the related interim condensed statement of comprehensive income for the three-month and nine-month period then ended, interim condensed statement of changes in net assets attributable to the unit holders and interim condensed statement of cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ('IAS 34') as issued by the International Accounting Standard Board (IASB). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

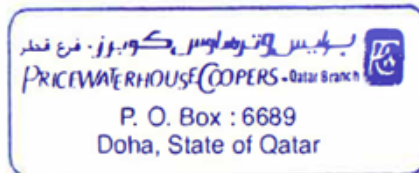
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible 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 interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Waleed Tahtamouni
Auditor's registration number 370
Doha, State of Qatar
27 October 2022



QE INDEX ETF

Interim condensed financial information

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER

	Notes	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Assets			
Current assets			
Cash and cash equivalents	3	1,126,906	1,614,740
Investment securities	4	498,413,643	460,997,950
Due from broker		25,061,539	-
Total Assets		524,602,088	462,612,690
Liabilities and net assets attributable to the unit holders			
Current liabilities			
Due to broker		21,093,130	-
Payables and accrued expenses	5	1,122,233	1,145,910
Total liabilities		22,215,363	1,145,910
Net assets attributable to the unit holders		502,386,725	461,466,780
Number of units in use (Units)		40,687,310	40,662,310
Net asset value per unit (QAR)		12.348	11.349

These interim condensed financial information were approved by the committee members as authorized by the Board of Directors on 27 October 2022 and were signed on its behalf by:

Gudni Stiholt Adalsteinsson
Acting Chief Executive Officer
Doha Bank Q.P.S.C.
On behalf of the QE Index ETF



The accompanying notes 1 to 10 form an integral part of these interim condensed financial information. Independent auditors' review report is set out on page 1.

QE INDEX ETF

Interim condensed financial information

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Notes	Three month period ended		Nine month period ended	
		30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Net gain from investment securities	6	19,572,622	30,390,225	42,495,636	41,873,125
Dividends income		-	-	17,861,349	11,851,050
Total Income		19,572,622	30,390,225	60,356,985	53,724,175
Administration fees		(100,469)	(98,696)	(300,729)	(298,223)
Custodian fees		(52,365)	(58,863)	(163,627)	(205,689)
Brokerage fees		(88,713)	(114,603)	(201,742)	(152,289)
Other operating expenses		(400,124)	(284,788)	(1,268,550)	(947,719)
Total Expenses		(641,671)	(556,950)	(1,934,648)	(1,603,920)
CHANGE IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		18,930,951	29,833,275	58,422,337	52,120,255



The accompanying notes 1 to 10 form an integral part of these interim condensed financial information.
Independent auditors' review report is set out on page 1.

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Interim condensed financial information

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

INTERIM CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

	30 September 2022		30 September 2021	
	Number of units (Unaudited)	QAR (Unaudited)	Number of units (Unaudited)	QAR (Unaudited)
Balance at 1 January (Audited)	40,662,310	461,466,780	39,987,310	409,439,814
Change in net assets attributable to the unit holders	-	58,422,337	-	52,120,255
Dividends paid (Note 10)	-	(17,810,092)	-	(11,560,070)
<u>Contributions and redemptions by unit holders:</u>	-	-	-	-
Issue of redeemable units during the period	25,000	307,700	2,525,000	26,266,275
Redemption of redeemable units during the period	-	-	(1,850,000)	(19,596,750)
Transactions with the unit holders	25,000	307,700	675,000	6,669,525
Balance at 30 September (Unaudited)	40,687,310	502,386,725	40,662,310	456,669,524



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Interim condensed financial information

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Notes	For the nine month period ended 30 September 2022 (Unaudited)	For the nine month period ended 30 September 2021 (Unaudited)
Cash flows from operating activities			
Change in net assets attributable to the unit holders		58,422,337	52,120,255
Adjustments for:			
Net unrealized (gain)/ loss on revaluation of investment securities	6	(38,956,956)	(40,001,695)
Operating profit before changes in operating assets and liabilities		19,465,381	12,118,560
Working capital changes:			
Investment securities		1,541,263	(6,526,592)
Due from a related party		-	-
Due from broker		(25,061,539)	(27,433,946)
Due to broker		21,093,130	27,135,627
Payables and accrued expenses		(23,677)	(234,952)
Net cash flows generated from operating activities		17,014,558	5,058,697
Cash flows from financing activity			
Proceeds from issue of redeemable units		307,700	26,266,275
Payment against redemption of units		-	(19,596,750)
Dividend paid	10	(17,810,092)	(11,560,070)
Net cash flows used in financing activities		(17,502,392)	(4,890,545)
Net increase in cash and cash equivalents		(487,834)	168,152
Cash and cash equivalents at 1 January		1,614,740	1,385,267
Cash and cash equivalents at 30 September	3	1,126,906	1,553,419



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Independent auditors' review report is set out on page 1.

QE INDEX ETF

For the Nine-Month period ended 30 September 2022

Notes to the interim condensed financial information

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

1. LEGAL STATUS AND 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 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 Commerce and Industry 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 public shareholding company, having QCB License No. 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 Avenicum 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 unaudited interim condensed financial information of the Fund for the nine-month period ended 30 September 2022 was authorised for issuance by the Founder on 27 October 2022.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed financial information of the Fund for the nine-month period ended 30 September 2022 have been prepared in accordance with IAS 34 - "Interim Financial Reporting".

The interim condensed financial information do not contain all information and disclosures required in the annual financial statements, and should be read in conjunction with the Fund's annual financial statements as at 31 December 2021. The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 31 December 2021 except for the adoption of new and amended standards as set out in note (2.2). In addition, results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

This interim condensed financial information 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.

QE INDEX ETF

For the Nine-Month period ended 30 September 2022

Notes to the interim condensed financial information

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

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

2.1 Basis of preparation (continued)

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

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 2021.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2021.

2.2 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim condensed financial information are the same as those followed in the preparation of the Fund's financial statements as at and for the year ended 31 December 2021, except as noted below:

a) New standards, amendments and interpretations effective from 1 January 2022

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020

The adoption of these new standards and amendments had no significant impact on the interim condensed financial information of the Fund.

b) New standards, amendments and interpretations issued but not effective from 1 January 2022

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting period and have not been early adopted by the Fund. These standards are currently in process of being assessed by the fund managers of the Fund to consider any implication in the current or future reporting periods and on foreseeable future transactions.

- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The management will adopt these new IFRS Standards on their effective dates.

3 CASH AND CASH EQUIVALENTS

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Current accounts	1,126,906	1,614,740
Total	1,126,906	1,614,740

QE INDEX ETF

For the Nine-Month period ended 30 September 2022

Notes to the interim condensed financial information

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

4 INVESTMENT SECURITIES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Listed equity securities - State of Qatar	498,413,643	460,997,950
	498,413,643	460,997,950

5 PAYABLES AND ACCRUED EXPENSES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Management Fee	-	617,636
Custodian fees	163,627	51,584
Administration fees	300,729	97,514
Other accruals	657,878	379,176
	1,122,233	1,145,910

6 NET GAIN FROM INVESTMENT SECURITIES

	For the three month period ended 30 September 2022 (Unaudited)	For the three month period ended 30 September 2021 (Unaudited)	For the nine month period ended 30 September 2022 (Unaudited)	For the nine month period ended 30 September 2021 (Unaudited)
Net gain / (loss) on sale of investment securities	2,075,864	2,114,037	3,538,680	1,871,430
Net unrealized (loss) / gain on revaluation of investment securities	17,496,758	28,276,188	38,956,956	40,001,695
	19,572,622	30,390,225	42,495,636	41,873,125

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 Stock 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.

QE INDEX ETF

For the Nine-Month period ended 30 September 2022

Notes to the interim condensed financial information

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

7 RELATED PARTIES TRANSACTIONS (CONTINUED)

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.

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Statement of financial position items		
Accrued management fees	-	617,636
Statement of comprehensive income items		
Management fees	-	617,636

8 FAIR VALUE HIERARCHY

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 and liabilities are carried at fair value through profit or loss and hence there is no difference between carrying value and fair value.

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.

The Fund measures fair value using the following fair value hierarchy that reflects the significant inputs used in making the measurement valuation technique:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices. The Fund's portfolio is wholly made up of listed equity securities in the state of Qatar. Therefore, level 1 measurement techniques are used.

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For the Nine-Month period ended 30 September 2022

Notes to the interim condensed financial information

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

9 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 management does not expect a significant future impact on the Fund.

10 DIVIDEND DISTRIBUTION

The Fund Committee approved and distributed a total dividend of QAR 0.387 and 0.051 per unit for the year ended 31 December 2021 (2020: QAR 0.29 per unit) as follows:

- On 30 March 2022, the Fund Committee approved a cash dividend of QAR 0.387 per unit, to be distributed to unitholders entitled as on record-dated 6 April 2022.
- On 11 May 2022, the Fund Committee approved a cash dividend of QAR 0.051 per unit, to be distributed to unitholders entitled as on record-dated 18 May 2022.