

**QNB GLOBAL FUNDS ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
For the period from 11 December 2015 to 31 December 2016

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<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
General Information	3
Director's Report	4-6
Depositary's Report	7
Statement of the Depositary's Responsibilities	7
Independent Auditors' Report	8-9
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	12
Statement of Cash Flows	13
Notes to the Financial Statements	14-17
UCITS V Remuneration Disclosure (unaudited)	19

# QNB GLOBAL FUNDS ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial period from 11 December 2015 to 31 December 2016

### General Information

**Directors:**

Adel Abdulaziz Khashabi  
Ajay Kumar  
David O'Sullivan  
Brendan Johnson  
Bryan Tiernan  
Dualta Counihan\*  
Philip Lovegrove\*  
Shay Lydon\*

**Manager:**

KBA Consulting Management Limited  
5 George's Dock  
IFSC  
Dublin 1  
Ireland

**Administrator & Registrar:**

Société Générale Securities Services  
SSGS (Ireland) Limited  
3rd Floor, IFSC House  
Dublin 1  
Ireland

**Investment Manager:**

QNB Suisse S.A.  
3, Rue des Alpes  
1201 Geneva 106  
Switzerland

**Auditors:**

Ernst & Young  
EY Building  
Harcourt Centre  
Harcourt Street  
Dublin 2

**Depository:**

Société Générale S.A., Dublin Branch  
3rd Floor, IFSC House  
Dublin 1  
Ireland

**Distributor:**

Qatar National Bank S.A.Q.  
Al Corniche Street  
Abdullah Bin Jassim Street  
Doha  
Qatar

**Secretary of the ICAV:**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Legal Advisors:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

*\*resigned on 25 July 2016*

# QNB GLOBAL FUNDS ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial period from 11 December 2015 to 31 December 2016

### Director's Report

The Directors submit their annual report together with the audited financial statements for the financial period from 11 December 2015 to 31 December 2016.

#### Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and financial statements, in accordance with applicable law and regulations.

The Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act 2015) and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), the ("UCITS Regulations"), requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

The ICAV Act requires the directors to prepare financial statements for each financial period which give a true and fair view of the assets and liabilities and financial position of the ICAV at the end of the financial year and of the profit or loss of the ICAV for the financial year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the ICAV and enable them to ensure that the financial statements comply with the Irish Collective Asset-management Vehicles Act 2015 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard they have entrusted the assets of the ICAV to a trustee for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Irish Collective Asset-management Vehicles Act 2015.

#### Directors' statement on proper books of account

The Directors have appointed an experienced administrator to ensure that the requirements of the ICAV are compiled with. The directors believe that they have complied with the requirement with regard to adequate accounting records by employing an experienced administrator with appropriate experience and adequate resources to prepare the financial statements. The books of account are retained at the Société Générale offices, 3<sup>rd</sup> Floor, IFSC House, IFSC, Dublin 1.

#### Results, Activities and Future Developments

As at 31 December 2016, the ICAV had not commenced operations.

## QNB GLOBAL FUNDS ICAV

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial period from 11 December 2015 to 31 December 2016

#### Director's Report (continued)

##### Directors

The names of persons who served as Directors at any time during the year ended 31 December 2016 are set out below:

Adel Abdulaziz Khashabi (appointed 25/07/2016)  
Ajay Kumar (appointed 25/07/2016)  
David O'Sullivan (appointed 25/07/2016)  
Brendan Johnson (appointed 25/07/2016)  
Bryan Tiernan (appointed 25/07/2016)  
Dualta Counihan (appointed 11/12/2015 and resigned 25/07/2016)  
Philip Lovegrove (appointed 11/12/2015 resigned 25/07/2016)  
Shay Lydon (appointed 25/07/2016 and resigned 25/07/2016)

##### Directors' & Secretary's interests in shares of the ICAV

None of the Directors, the Company Secretary, nor their families hold or held any beneficial interest in the ICAV at 31 December 2016.

##### Transactions Involving Directors

The Board of Directors are not aware of any contracts, or arrangements of any significance, in relation to the business of the ICAV in which the Directors had any interest, as defined in the Irish Collective Asset-Management Vehicle Act 2015, at any time during the financial year ended 31 December 2016.

##### Risk management objectives and policies

The main risks arising from the ICAV's financial instruments as defined by IFRS 7 for financial reporting purposes are market price, foreign currency, share class currency risk, interest rate, credit risk and liquidity and settlement risks. The Directors review and agrees policies for managing each of these risks. These policies have remained unchanged since the beginning of the financial period to which these financial statements relate.

##### Significant events during the financial period

The ICAV was registered on 11 December 2015.

There were no other significant events during the financial period to report.

##### Events since the financial period

A new prospectus for the ICAV was issued on 26 January 2017, comprising the following:

- 1) QNB Mena Fund, a Sub-Fund of QNB Global Funds ICAV, launched on 31 January 2017.
- 2) QNB ZyFin India Consumption UCITS ETF, a Sub-Fund of QNB Global Funds ICAV, launched on 9 February 2017.
- 3) QNB Sub-Saharan Africa Fund, a Sub-Fund of QNB Global Funds ICAV, not launched yet.
- 4) QNB Mena Debt Fund, a Sub-Fund of QNB Global Funds ICAV, not launched yet.

As of 17 January 2017, the distributor changed from QNB S.A.Q., Al Corniche Street, Abdullah Bin Jassim Street, Doh, Qatar and became QNB (Suisse) S.A., 1 Quai de Mont Blanc. 1201 Geneva, Switzerland.

As of 17 January 2017, the distributor changed from QNB S.A.Q., Al Corniche Street, Abdullah Bin Jassim Street, Doh, Qatar and became QNB (Suisse) S.A., 1 Quai de Mont Blanc. 1201 Geneva, Switzerland.

There were no other significant events since the financial period to report.

##### Independent Auditors

The auditors, Ernst & Young, Chartered Accountants, were appointed during the period in accordance with Section 125(2) of the ICAV Act 2015 and have expressed their willingness to continue in office in accordance with Section 125(1) of the ICAV Act 2015.

**QNB GLOBAL FUNDS ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial period from 11 December 2015 to 31 December 2016**

**Director's Report (continued)**

**Connected Parties Disclosure**

Regulation 41 of the Central Bank's UCITS Regulations 'Restrictions of transactions with connected persons' states that 'A responsible person shall ensure that any transaction between a UCITS and a connected person is a) conducted at arm's length; and b) in the best interest of the shareholders of the UCITS'.

As required under Regulation 78(4) of the Central Bank's UCITS Regulations, the Directors, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

**Corporate Governance**

The ICAV has applied the voluntary Irish Funds (IF) Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies (the "Code") throughout the financial period. The Board has reviewed and assessed the measures included in the Code and considers its corporate governance practices and procedures consistent with the Code.

On behalf of the Board



20 April 2017

BRYAN TIERNAN



20 April 2017

BRENDAN JOHNSON

**QNB GLOBAL FUNDS ICAV**  
**REPORT AND FINANCIAL STATEMENTS**

**For the period ended 31 December 2016**

**Depositary's Report**

We have enquired into the conduct of the ICAV for the period ended 31 December 2016 in our capacity as Depositary of the ICAV.

In our opinion the ICAV has been managed, in all material respects, during that period in accordance with the provisions of the ICAV's documentation and the Regulations including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the ICAV.

This report including the opinion has been prepared for and solely for the shareholders in the ICAV as a body, in accordance with the Central Bank of Ireland's UCITS Regulations 2015 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

**Statement of the Depositary's Responsibilities**

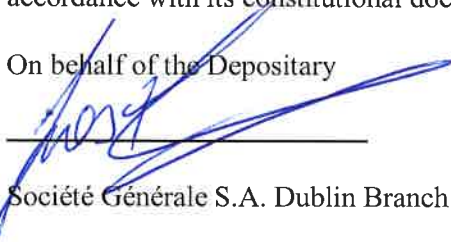
The Depositary is required to:

- Take responsibility for safe-keeping the assets of the ICAV in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 ('the Regulations')
- Ensure that the ICAV has been managed, in all material respects, in that period, in accordance with its constitutional documentation and the appropriate Regulations.
- Prepare a report for inclusion in the annual report on the conduct of the ICAV in accordance with its constitutional documentation and the appropriate Regulations.
- If the ICAV has not complied, in all material respects, with its constitutional documentation or the appropriate regulations, the Depositary must state why this is the case & outline the steps which it has taken to rectify the situation.

**Basis of Depositary Opinion**

The Depositary conducts its reviews on a test basis to ensure that it adheres to the duties outlined in UCITS Regulations 2015 and to ensure that the ICAV is managed, in all material respects, in accordance with its constitutional documentation and the appropriate regulations.

On behalf of the Depositary



\_\_\_\_\_  
Société Générale S.A. Dublin Branch

20<sup>TH</sup> April 2017

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QNB GLOBAL FUNDS ICAV

We have audited the financial statements of QNB Global Funds ICAV (the "ICAV") for the period from 11 December 2015 to 31 December 2016 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and related notes 1 to 11. The financial reporting framework that has been applied in their preparation is Irish law, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended) and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the ICAV's members, as a body, in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of directors and auditors***

As explained more fully in the Statement of Directors' Responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Irish Collective Asset-management Vehicles Act 2015. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### ***Scope of the audit of the financial statements***

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Feeder Funds' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report and Depositary's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QNB GLOBAL FUNDS ICAV  
(Continued)**

***Opinion on financial statements***

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2016 and of its results for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended).

***Matters on which we are required to report by the Irish Collective Asset-management Vehicles Act 2015***

- In our opinion the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young

Chartered Accountants and Statutory Audit Firm

Dublin  
27 April 2017


**QNB GLOBAL FUNDS ICAV**

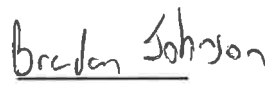
**Statement of Financial Position  
31 December 2016**

	<b>QNB Mena Fund</b>
	<b>As at</b>
	<b>31-Dec-2016*</b>
	<b>USD</b>
<b>Assets</b>	
Cash and cash equivalents	999,603
<b>Total assets</b>	<u>999,603</u>
<b>Liabilities</b>	
Subscriptions received in advance	(999,603)
<b>Total liabilities</b>	<u>(999,603)</u>
<b>Net assets attributable to holders of redeemable participating shares</b>	<u>-</u>

\*Comparative figures are not applicable as this is the first financial period of the ICAV

The financial statements were approved by the Board of Directors of the ICAV on 20 April 2017 and signed on its behalf by:

  
Bryan Tiernan

  
Brendan Johnson

The accompanying notes are an integral part of these financial statements.

**QNB GLOBAL FUNDS ICAV**

**Statement of Comprehensive Income  
For the financial period from 11 December 2015 to 31 December 2016\***

No income and expense arose for the financial year ended 31 December 2016 as the ICAV had not commenced operations.

\*Comparative figures are not applicable as this is the first financial period of the ICAV

The accompanying notes are an integral part of these financial statements.

**QNB GLOBAL FUNDS ICAV**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares  
For the financial period from 11 December 2015 to 31 December 2016\***

No transactions arose for the financial period ended 31 December 2016 as the ICAV had not commenced operations.

\*Comparative figures are not applicable as this is the first financial period of the ICAV

The accompanying notes are an integral part of these financial statements.

**QNB GLOBAL FUNDS ICAV**

**Statement of Cash Flows**  
**For the financial period from 11 December 2015 to 31 December 2016\***

	<u>QNB Mena Fund</u> <b>31-Dec-2016</b> <b>USD</b>
<b>Increase in net assets attributable to Unitholders resulting from operations</b>	-
<i>Adjustments to reconcile increase in net assets resulting from operations to cash used in operating activities</i>	
<u>Changes in operating assets and liabilities:</u>	
Net increase in subscriptions receivable in advance	999,603
<b>Net cash inflow/ (outflow) from operating activities</b>	<u>999,603</u>
<b>Cash flows from financing activities</b>	
Proceeds from Units issued	-
Payments for Units redeemed	-
<b>Net cash inflow from financing activities</b>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	999,603
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	<u>999,603</u>

\*Comparative figures are not applicable as this is the first financial period of the ICAV

The accompanying notes are an integral part of these financial statements.

# QNB GLOBAL FUNDS ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial period ended 31 December 2016

### Notes to the Financial Statements

#### 1 General information

##### (a) Background

QNB Global Funds ICAV (the "ICAV"), incorporated on 11 December 2015, is an umbrella fund with segregated liability between Sub-Funds registered as an Irish Collective Asset-management Vehicle ("ICAV") pursuant to the Irish Collective Asset-management Vehicle ("Act") with registration number C148240. The ICAV is established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), (the "UCITS Regulations") and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended), (the "Central Bank UCITS Regulations").

Each Sub-Fund may be established as open-ended, closed-ended or limited liquidity Funds. Each Fund is differentiated by its specific investment objectives, strategy, and currency as described in the relevant supplement. A separate pool of assets is maintained for each Fund and because the ICAV has segregated liability between its Funds, any liability incurred on behalf or attributable to any Fund has to be discharged solely out of the assets of that Fund. Shares are issued in relation to each Fund.

The Directors note that as at the financial period ended 31 December 2016, the ICAV had not commenced operations.

These financial statements were authorised for issue by the Directors of the ICAV on 20 April 2017.

##### (b) Investment Objective and Strategy of a Sub-Fund.

The ICAV has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The specific investment objectives, strategies and policies for each Sub-Fund will be set out in the Relevant Supplement.

#### 2 Summary of significant accounting policies

##### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standard Board (IASB), as adopted by the European Union (EU). The financial statements have been prepared on a going concern basis.

##### (b) Functional and presentation currency

These financial statements are presented in USD, which is the ICAV's presentation and functional currency.

##### (c) Basis of measurement

These financial statements have been prepared on the historical cost basis, modified, where applicable, by the measurement at fair value through profit or loss of selected financial assets and liabilities. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. As no transactions occurred for the year ending as at 31 December 2016, Board of Directors do not need to exercise its judgement and believes that the underlying assumptions are appropriate.

##### (d) Going concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

# QNB GLOBAL FUNDS ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial period ended 31 December 2016

### Notes to the Financial Statements

#### 2 Summary of significant accounting policies (continued)

##### (f) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Fund establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile. As the Fund assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

##### (g) Financial assets and financial liabilities at fair value through profit or loss

###### (i) Classification

The Fund classifies its financial assets and liabilities at fair value through profit or loss. The category of financial assets and liabilities at fair value through profit or loss is sub-divided into financial assets and liabilities held for trading and those designated by Directors at fair value through profit or loss on initial recognition.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes equity securities, investments in managed funds, debt instruments and participatory notes. These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. Derivatives of financial assets are also classified as held for trading. The Fund's policy is not to apply hedge accounting.

###### (ii) Recognition/Derecognition

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets at fair value through profit or loss are recognised on trade date – the date on which the Fund commits to purchase or sell the financial instrument.

Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from the financial assets at fair value through profit or loss have expired or the Fund has transferred substantially all risks and rewards of ownership.

Realised fair value gains and losses on disposals of financial instruments are calculated using the average cost method.

###### (iii) Measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. Transaction costs are expensed in the Statement of Comprehensive Income. Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers and brokers. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within operating income when the Fund's right to receive payments is established.

QNB GLOBAL FUNDS ICAV

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial period ended 31 December 2016

Notes to the Financial Statements

2 Summary of significant accounting policies (continued)

(g) Financial assets and financial liabilities at fair value through profit or loss (continued)

(iv) Determination of fair value

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction. The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices on the relevant dealing day. For the purpose of these financial statements, the quoted market price used is the quoted market prices on the relevant dealing day. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Sub-Funds use a variety of methods and make assumptions that are based on market conditions existing at each statement of financial position date.

Units or shares in collective investment schemes are valued at the bid quotation or if unavailable the latest available net asset value or, if listed or traded on a regulated market, at the latest quoted trade price or the mid quotation or, if unavailable or unrepresentative, the latest available net asset value as deemed relevant to the collective investment scheme.

(h) Cash & Cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, demand deposits and short-term deposits in banks and are valued at nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs. Short term deposits are subject to an insignificant risk of changes in value and have original maturities of three months or less. Short term investments that are not held for the purpose of meeting short-term cash commitments are not considered as cash and cash equivalents.

Bank overdrafts are due to timing differences on the settlement of transactions. These balances are held with the Depositary at standard interest rates. Overdrafts are not guaranteed, and the Trust does not classify them as cash equivalents for the purpose of the Cash Flow Statement.

(i) Due from and due to brokers

Amounts due from and to brokers represents receivables for securities sold and payables for securities purchased respectively, that have been contracted for but not yet settled or delivered on the statement of financial position date.

These amounts are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment for amounts due from brokers, if any. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker.

(j) Interest income

Interest income and expense are recognised in the Statement of Comprehensive Income on an accrual basis.

(k) New accounting standards issued but not yet effective

IFRS 9: Financial instruments: Classification and Measurement

IFRS 9, 'Financial instruments', effective for annual periods beginning on or after 1 January 2018, specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. IFRS 9 is not expected to have a significant impact on the ICAV's measurement basis, financial position or performance, as it is expected that the ICAV will continue to classify its financial assets and financial liabilities (both long and short) as being at fair value through profit or loss.



# QNB GLOBAL FUNDS ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial period ended 31 December 2016

### Notes to the Financial Statements

#### **3 Number of Shares in Issue and Net Assets Attributable to Redeemable Participating and Non-Participating Shareholders**

The ICAV has an authorised capital of 500,000,000,002 Participating Shares of no par value and 2 Subscriber Shares of no par value.

As only Participating Shares can represent an interest in a sub-fund, the Subscriber Shares have no entitlement or interest in such a sub-fund. As at financial period end 31 December 2016 the issued share capital of the ICAV is 2 Subscriber Shares issued for the purpose of the incorporation and authorisation of the ICAV. 1 Share has been issued to the Investment Manager for the purposes of complying with the Regulations.

The Directors have the power to allot shares in the capital of the ICAV on such terms and in such manner as they may think fit.

Each participating share entitles the holder to attend and vote at meetings of the ICAV.

The ICAV did not issue or redeem any participating shares during the financial period.

As at 31 December 2016 the subscriber share capital of the ICAV is beneficially owned by Matsack Trust Limited.

#### **4 Fund expenses**

The fees and expenses incurred in connection with the creation of the ICAV, the preparation and publication of the Prospectus, Supplements, all legal costs and out of pocket expenses will be borne by QNB in support of the Investment Manager on a non recourse basis.

#### **5 Auditors Remuneration**

The statutory auditor's remuneration for the financial period amounted to EUR 9,000. There were no fees charged in respect of other assurance, tax advisory or non-audit services provided by the statutory auditor during the reporting period 31 December 2016. The audit fees for the period ended 31 December 2016 will be borne by the Investment Manager.

#### **6 Directors' Remuneration and Transactions with related parties**

The Directors shall be entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, but so that the amount of Directors' remuneration shall not exceed €20,000 per director per annum. The Directors may also be paid all travelling, hotel and other expenses, properly incurred by them, in attending and returning from meetings of the Directors or general meetings of the ICAV or in connection with the business of the ICAV. The Directors may in addition to such remuneration as aforesaid grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the ICAV and such remuneration will be at normal commercial rates.

The ICAV did not have any related party transactions with its shareholders or Directors during the year.

#### **7 Segregated Liability**

Each Sub-Fund is responsible for paying its fees and expenses regardless of the level of its profitability. The ICAV is an umbrella fund with segregated liability between Funds.

# QNB GLOBAL FUNDS ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial period ended 31 December 2016

### Notes to the Financial Statements

#### 8 Fees

##### Investment Management Fee

The Investment Manager shall be entitled to receive out of the net assets of the Sub-Fund an annual fee not exceeding 0.75% of the Net Asset Value of the Sub-Fund (the "Investment Management Fee") in respect of its investment management services. The Investment Management Fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears.

##### Administration fees

The table below sets out the annual fees payable for fund administration, accounting and valuation, which are charged as a percentage of the Net Asset Value of each sub fund, and recovered on a monthly basis.

##### Daily NAVs

Tiered portfolio value	Fee per annum (in bps)
The first €50 million	4.8
The next €50 million	3.2
The balance above €100 million	2.4
The above fees are subject to a monthly minimum fee of €1,680 per sub-fund.	

##### Depository fees

Société Générale S.A. (Dublin Branch) is the Depository for the Sub-Funds of the ICAV. The Depository is entitled to receive a fee of up to 0.008% of the Net Asset Value of each Sub-Fund, subject to a minimum annual fee of €9,600 per annum. The Depository fee is paid monthly in arrears and accrued on each Dealing Day.

#### 9 Significant Events after the financial year end

A new prospectus for the ICAV was issued on 26 January 2017, comprising the following:

- 5) QNB Mena Fund, a Sub-Fund of QNB Global Funds ICAV, launched on 31 January 2017.
- 6) QNB ZyFin India Consumption UCITS ETF, a Sub-Fund of QNB Global Funds ICAV, launched on 9 February 2017.
- 7) QNB Sub-Saharan Africa Fund, a Sub-Fund of QNB Global Funds ICAV, not launched yet.
- 8) QNB Mena Debt Fund, a Sub-Fund of QNB Global Funds ICAV, not launched yet.

As of 17 January 2017, the distributor changed from QNB S.A.Q., Al Corniche Street, Abdullah Bin Jassim Street, Doh, Qatar and became QNB (Suisse) S.A., 1 Quai de Mont Blanc, 1201 Geneva, Switzerland.

There were no other significant events after the financial year end which would require disclosure in the audited financial statements.

#### 10 Soft commissions

The ICAV relies upon the policies of the Investment Manager (which comply with the Central Bank's UCITS Notice 16.2 in relation to Inducements) in relation to fees, commissions and non-monetary benefits. The Investment Manager may make use of arrangements to enable it to obtain execution and research services which are beneficial to the sub-funds, both from counterparties and third parties.

As the financial period end there were no soft commission arrangements in place.

#### 11 Approval of financial statements

The Board of Directors approved and authorised for issue the financial statements on 20 April 2017.

**QNB GLOBAL FUNDS ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial period ended 31 December 2016**

**UCITS V Remuneration Disclosure (unaudited)**

The European Union Directive 2014/91/EU (known as “UCITS V Directive”) which became effective on 18 March 2016, requires Management Companies to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

The Manager has established, implemented and maintains a remuneration policy which meets the requirements of, and complies with the principles set out in UCITS V and the ESMA Remuneration Guidelines relating to same (the “Remuneration Guidelines”) and ensures that the Investment Manager has an appropriate remuneration policy in place which is in compliance with the Remuneration Guidelines.

The Manager’s and Investment Manager’s remuneration policy applies to staff whose professional activities might have a material impact on the ICAV’s risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV. The Manager’s and Investment Manager’s remuneration policy is accordingly consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the ICAV.

Consistent with the principal of proportionality referred to in the Remuneration Guidelines the payout process requirements in the Remuneration Guidelines have been disapplied in the Manager’s and Investment Manager’s remuneration policies. This disapplication has been made following assessment by the Manager of each of the payout process requirements and takes account of specific facts applicable to the Manager and is appropriate to the Manager’s size, internal organisation and the nature, scope and complexity of its activities.