



# QNB Asia Pacific Equities Fund

(Incorporated as an exempted company  
with limited liability in the Cayman Islands)

Offering Memorandum

8 September, 2016

This Offering Memorandum is distributed on a confidential basis in connection with a continuous private offering of Participating Shares, none of which will be issued to any person other than a person to whom a copy of this Offering Memorandum is sent. No person receiving a copy of this Offering Memorandum in any territory may treat it as constituting an offer to him, unless in the relevant territory such an offer could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Offering Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Participating Shares. Prospective investors should consult their professional advisers accordingly.

QNB Suisse SA  
(Investment Manager)

This offering memorandum (the “Memorandum”) has been prepared in connection with a preliminary offer of non-voting participating shares (“Participating Shares”) of QNB ASIA PACIFIC EQUITIES FUND (the “Fund”) in relation to which the closing date is 20 January 2012 (or such later date as the directors of the Fund (the “Directors” may agree) (the “Initial Closing Date”) with the intention that following the Initial Closing Date, Participating Shares may be issued on any Subscription Date (as defined herein) at the subscription price calculated in accordance with this Memorandum and may be redeemed on any Redemption Date (as defined herein) at the Redemption Price (as defined herein) in the manner described below under the sections headed “Subscription” and “Redemptions” at Section 4 “SUMMARY OF TERMS”.

This Memorandum is not to be reproduced or distributed to others, at any time, without the prior written consent of the Fund, and all recipients agree they will keep confidential all information contained herein and will use this Memorandum for the sole purpose of evaluating a possible investment in the Fund. Acceptance of this Memorandum by a recipient constitutes an agreement to be bound by the foregoing terms.

The Directors accept responsibility for the information contained in this Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Memorandum is in accordance with the facts and does not omit anything likely to affect the accuracy of such information.

Prospective investors are not to construe the contents of this Memorandum as legal, tax, investment or other advice. Each prospective investor should consult its own advisors as to legal, investment, tax and other related matters concerning an investment in Participating Shares. In making an investment decision, investors must rely on their own examination of the Fund and the terms of this offering, including the merits and risks involved. The Participating Shares have not been recommended by any securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Memorandum.

No action has been taken to permit the distribution of this Memorandum in any jurisdiction where action would be required for such purpose. Accordingly, no person receiving a copy of this Memorandum or a Subscription Agreement in any territory may treat it as constituting an invitation to him to purchase or subscribe for Participating Shares nor should he in any event use such a Subscription Agreement unless in the relevant territory such an invitation could lawfully be used without compliance with any registration or other legal requirement.

No person has been authorized to give any information or to make any representation concerning the Fund or the offering of the Participating Shares other than the information contained in this Memorandum, including any supplement to this Memorandum and, when published, the most recent annual report and accounts of the Fund, and, if given or made, such information or representation must not be relied upon as having been authorized by the Directors.

## General Disclaimer

This Memorandum does not constitute an offer or solicitation of Participating Shares in any jurisdiction in which such offer or solicitation is not authorized. No action has been taken to permit the distribution of this Memorandum in any such jurisdiction. Accordingly, this Memorandum may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Recipients of this Memorandum should inform themselves about and observe any applicable legal requirements.

An investment in the Participating Shares involves significant risks. Potential investors should pay particular attention to the information in Section 6 - “Risk Factors and Potential Conflicts of Interest”. Investment in the Fund requires the financial ability and willingness to accept the high risks inherent in an investment in the Fund. No assurance can be given that the Fund’s investment objectives will be achieved or that investors will receive a return of their invested capital.

NO OFFER OR INVITATION TO SUBSCRIBE FOR PARTICIPATING SHARES MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS.

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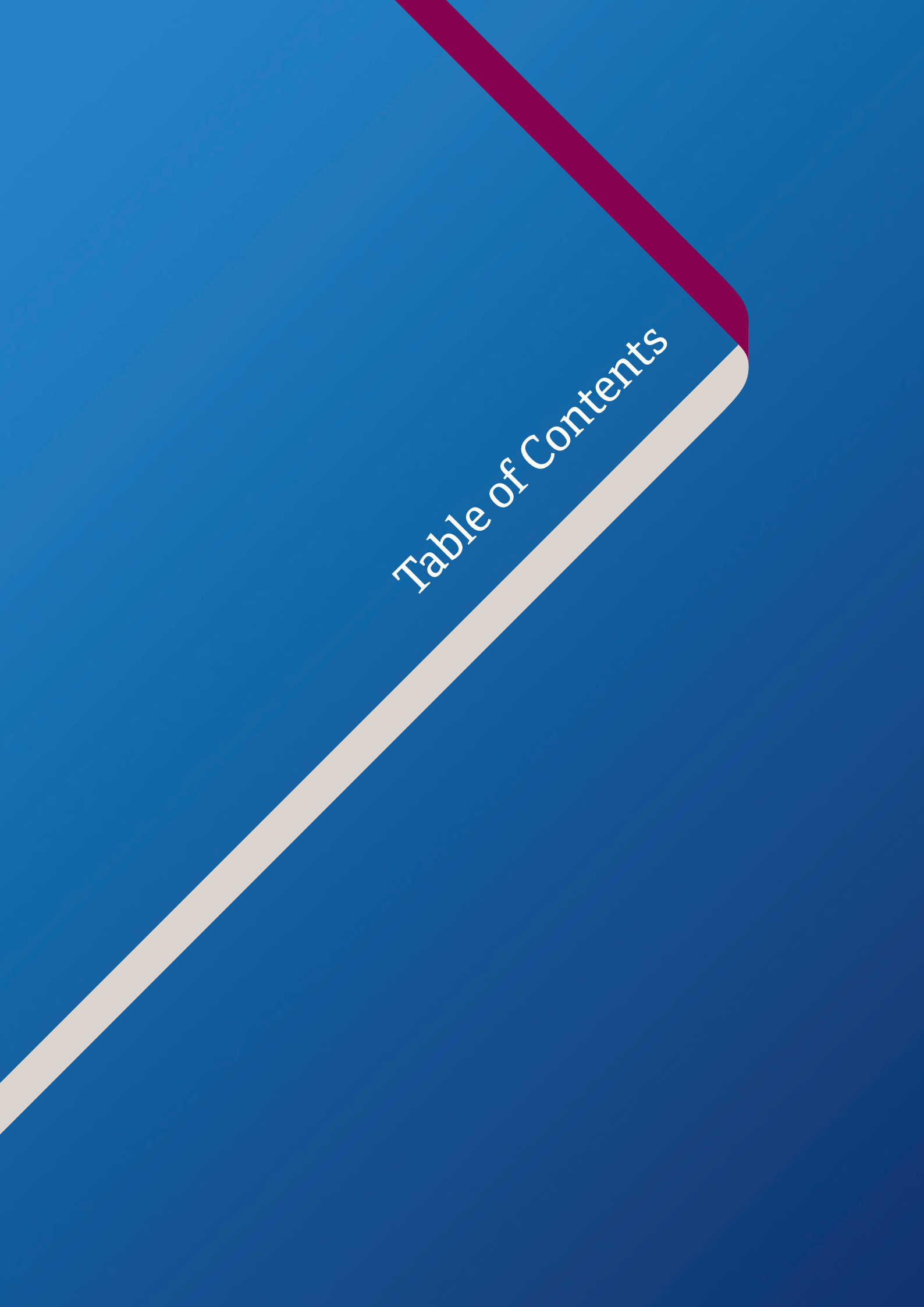
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The image features a solid blue background. A prominent white diagonal line runs from the bottom-left towards the top-right. A thinner maroon diagonal line runs parallel to the white one, positioned slightly higher and to the right. The text 'Table of Contents' is written in white, sans-serif font, positioned between the two diagonal lines and rotated to follow their angle.

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## 1. Executive Summary

QNB Asia Pacific Equities Fund (the “Fund”) is a Cayman Islands exempted company incorporated pursuant to the Companies Law (2011 Revision and as amended) on 15 November 2011. The Fund was incorporated with the name BRICQ Fund and its name was changed by a resolution of the management shareholders on 14 June 2016. Prior to (the “Effective Date”), the Fund’s investment objective and policy was to achieve income and capital appreciation through investment in securities issued by entities either listed in one of the BRIC countries (Brazil, Russia, India, China) or on the Qatar Exchange.

The Fund aims to achieve income and capital appreciation through investment in securities issued by entities either listed in “Asia-Pacific ex Japan” countries being (Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand) (“Asia-Pacific ex Japan”) or with a substantial part of their businesses located in these countries, or in national indices reflecting a basket of such securities. The Fund may also extend its list investable countries, as the Investment Manager shall determine.

The Fund’s investment program is managed by QNB Suisse SA.

QNB Suisse SA is a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). With offices in Doha, London, Paris, Geneva, Singapore, Oman, Kuwait, Lebanon and Sudan, the Qatar National Bank Group is a leading regional bank offering retail and corporate finance as well as a vast array of financial services. The Qatar National Bank funds invest in a wide range of asset classes including global and Middle Eastern equities and fixed income, and real estate. The Qatar National Bank Group’s client base includes governmental bodies, banks, insurance companies, corporations, family offices and private clients.

The Fund is open for subscriptions and redemptions on a monthly basis or at any other such time as may be determined by the Directors or the Investment Manager.

The minimum initial investment is USD10,000 or such lower amount as the Directors may determine, with any initial investment above USD10,000 being in multiples of USD1,000. The maximum aggregate investment is USD100,000,000. Subscriptions for additional Participating Shares may not be less than USD10,000, with any additional subscription above USD10,000 also being in multiples of USD1,000, although the Investment Manager or the Directors may accept additional subscriptions of a lesser amount at their absolute discretion.

The Investment Manager is entitled to a management fee of 1.00% on the Net Asset Value of the Fund.

For further information, please refer to Part 4 “Summary of Terms”.

## 2. Investment Program

### 2.1 Investment Objective and Policy

The Fund aims to achieve income and capital appreciation through investment primarily in securities issued by entities with a substantial part of their businesses located in one of the Asia-Pacific ex Japan countries (Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand).

Prior to the Effective Date, the Fund’s investment objective and policy has been to achieve income and capital appreciation through investment in securities issued by entities either listed in one of the BRIC countries (Brazil, Russia, India, China) or on the Qatar Exchange. The Investment Manager determined that the new investment objective and policy [would have more advantageous returns for investors].

However, the Fund may invest in securities listed in other stock exchanges if it can achieve its intended exposure more economically or when local restrictions might make it difficult for the portfolio to gain direct exposure. For example, the Fund may invest in Global Depository receipts (GDRs) and/or American Depository receipts’ (ADRs) and/or European Depository Receipt (EDR) whose underlying shares are listed in one of the above mentioned exchange if a foreign investor licence is difficult to obtain as in the case of China and India or other restricted markets.

The Fund may also invest in national indices reflecting a basket of such securities. This would be done by investing in derivative instruments (such as futures, options and swap agreements which may be listed or over-the-counter) and exchange traded funds (ETF)

Derivative instruments may be used (1) for hedging purposes or (2) for investment purposes with the following restrictions:

- a) Only derivative instruments whose underlying assets are permitted under the investment policies of the Fund may be used
- b) The resulting exposure would also not be allowed to exceed the restrictions imposed on the underlying assets.

The Fund may use derivatives (1) to hedge a currency exposure, (2) as a substitute for taking a position in the underlying asset where the Investment Manager feels that a derivative exposure to the underlying asset represents better value than a direct exposure, (or (3) to gain an exposure to the composition and performance of a particular index (provided that the Fund may never have an indirect exposure through an index to an instrument, issuer or currency to which it cannot have a direct exposure).

The use of derivative instruments (whether for hedging or for investment purposes) may expose the Fund to the risks disclosed under the headings “6. RISK FACTORS



AND POTENTIAL CONFLICTS OF INTERESTS” and “7. CHARACTERISTICS AND RISKS OF SECURITIES, DERIVATIVES AND INVESTMENT TECHNIQUES”.

The Fund may also invest in fixed income instruments that are issued by entities with a substantial part of their businesses located in one of the countries as Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand). Investing in fixed income instruments would mainly be aimed at earning a higher yield than deposit rates.

## 2.2 Leverage

The Fund may use leverage in implementing the investment. Leverage may be used to redeem units, in short selling, purchasing securities with borrowed funds, entering into swaps and repurchase agreements, and trading futures amongst other means. Leveraging will be capped at 33% of the Gross Asset Value.

## 2.3 Currency Hedging

The Fund may invest in instruments, which are denominated in a currency other than U.S. Dollars or currencies pegged to the U.S. Dollar. In order to attempt to hedge the foreign currency exchange exposure of such securities, the Fund may enter into various foreign currency exchange transactions, including without limitation spot, forward, futures or options contracts. There can be no guarantee that any attempts to hedge foreign currency exchange exposure will be successful.

# 3. Management

## 3.1 Directors

The Directors are responsible for the overall investment policies of the Fund although the day to day investment management of the Fund will be delegated to the Investment Manager and the administration of the Fund will be delegated to the Administrator.

At the date of this Memorandum, the Directors, all of whom act in a non-executive capacity, are:

### Adel Khashabi

Adel Khashabi is the General Manager of QNB Asset and Wealth Management division of QNB Group. An experienced Senior Banker, he started his career with HSBC in Doha where he quickly developed and was given the responsibility of being Head of Personal Banking, including Private Banking in Qatar. From there he became responsible for HSBC Amanah Middle East where he was charged with implementing the Amanah strategy, including product development, in the Middle East and Qatar. After a brief spell in senior positions at Commercial Bank in Qatar and as Head of Private Banking for Ansbacher in Doha, he joined QNB. Adel holds a Bachelor's degree in Business Administration.

### Ali Abdulla Darwish

Mr. Ali Abdulla Darwish is currently the Assistant General Manager of Financial Institutions & Correspondent Banking in Qatar National Bank (QNB). Mr. Darwish joined QNB in 1995 after receiving his Bachelor Degree in Business Administration from Arizona State University. Since joining QNB, Mr. Darwish has been promoted at various times, taking on a multitude of responsibilities within the Corporate Banking, to his current managerial position. As part of widening his experience and knowledge, Mr. Darwish has attended various seminars, workshops and advanced courses in International Banking, Bank Credit Risk and Financial Analysis. Mr. Darwish has previously been a member in the Board of Directors of the Housing Bank for trade & Finance of Amman-Jordan, and he is a member in the Pak-Qatar General Takaful Limited of Doha – Qatar.

### Sheikh Mohamed Bin Faisal Al Thani

Sheikh Mohamed has been the Vice Chairman of the board of directors of QNB since 2010 and is also the vice chairman of Al Faisal Holding and Al Faisal International for Investment. Sheikh Mohamed was appointed to the board of Aamal Company in 2007 and sits on the boards of all of the Aamal Group of companies. Sheikh Mohamed holds a Bachelor's degree in business administration from Carnegie Mellon University, Qatar and is a trustee of the American University of Sharjah.

## 3.2 Investment Manager

The Fund's investment program is managed by QNB Suisse SA, pursuant to an investment management agreement between the Fund and the Investment Manager (the “Investment Management Agreement”).

The appointment of the Investment Manager is for a period of one year and will continue thereafter unless and until terminated by the Fund or the Investment Manager giving to the other not less than three months' written notice. The Investment Management Agreement may also be terminated in certain other circumstances described therein. The Investment Manager will be entitled to receive the fees described below under the section headed “Fees and Expenses”.

The Investment Management Agreement provides that, in the absence of fraud, willful misconduct or gross negligence, the Investment Manager and its affiliates, and their respective partners, members, managers, delegates, shareholders, officers, directors and employees, will be indemnified, to the fullest extent permitted by law, against any loss or liability incurred by any of them in performing their duties under the Investment Management Agreement or otherwise in connection with the conduct of the business of the Fund. In general, each party will have a right to terminate the Investment Management Agreement upon a minimum of 30 days' written notice, or at any time by notice in writing if (a) either party shall be dissolved (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing

by the other party), or be unable to pay its debts or commit any act of bankruptcy or if a receiver is appointed over any of the assets of either party; or (b) either party commits any material breach of its obligations under the Investment Management Agreement and fails to remedy such breach within 30 days of receipt of notice from the non-breaching party requiring it to do so.

### 3.3 The Investment Manager's Staff

The Investment Manager's staff is described as below. Additional or replacement personnel may be appointed from time to time.

#### Ajay Kumar, CFA, FRM

Ajay Kumar is a Chartered Financial Analyst (CFA), a Financial Risk Manager (FRM) and holds an MBA in Finance. Ajay has over twelve years of experience in the areas of asset management, equity research, venture capital finance and corporate advisory services with exposure to GCC and Emerging Asia. Ajay specializes in asset allocation strategies, risk allocation and attribution. He joined QNB in September 2005 and heads the Asset Management Division with Assets under management of over QR 15.0 billion. QNB won the Best Asset Manager award in 2010 from Euromoney and Global Investor. Prior to joining QNB, he worked with National Bank of Oman (NBO) as Head of Investment Banking.

#### Lee Beswick CFA

Lee Beswick - is a Chartered Financial Analyst (CFA) and is responsible for the Funds and Portfolios for Asia-Pacific and Qatar equity mandates. Lee has over fifteen years' experience in asset management. He joined QNB in May 2013. Before joining QNB AM, he worked for BlackRock in UK and Hong Kong for 10 years.

### 3.4 Administrator

Maples Fund Services (Cayman) Limited ("MaplesFS"), a licensed mutual fund administrator headquartered in the Cayman Islands, has been appointed as the administrator of the Fund.

MaplesFS has been appointed pursuant to an Administration Agreement entered into between MaplesFS and the Fund (the "Administration Agreement").

In accordance with the Administration Agreement, MaplesFS provides the following administrative services (under the ultimate supervision of the Fund) including: (i) processing of the issue, transfer and redemption of Shares, (ii) maintenance of the Fund's Register of Participating Shareholders, (iii) determining the Net Asset Value of the Fund and Net Asset Value per Share (the "Net Asset Value"); (iv) performing Cayman Islands anti-money laundering procedures in respect of shareholders and prospective shareholders in the Fund (provided that the Fund shall ultimately be responsible for ensuring appropriate compliance with all relevant anti-money laundering obligations); and (v) performing such other services as may be agreed in connection with the administration of the Fund.

MaplesFS is not responsible in any circumstances for the appointment of the Investment Manager or Custodian.

MaplesFS is entitled to remuneration from the Fund as a percentage of the Net Asset Value of the Fund at rates set out in the Administration Agreement payable monthly in arrears. MaplesFS is entitled to reimbursement of its out-of-pocket expenses. MaplesFS is also entitled to additional remuneration in respect of exceptional matters in such amount as may be agreed between the Fund and MaplesFS.

Under the terms of the Administration Agreement, MaplesFS shall not be liable for any damages, losses, claims, proceedings, demands, liabilities, costs or expenses whatsoever ("Losses") suffered or incurred by the Fund or Shareholders at any time from any cause whatsoever unless arising directly as a result of the actual fraud, wilful default or Gross Negligence (as defined in the Administration Agreement), of MaplesFS or that of any of its directors, officers or employees, as the case may be.

For the purpose of calculating Net Asset Value, MaplesFS may rely (without further inquiry) on information supplied to it by or on behalf of the Fund, the Investment Manager, the Custodian or another service provider, including brokers used by the Investment Manager. MaplesFS shall not be liable for any loss suffered by the Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in any such information.

MaplesFS is not responsible or liable in any circumstances for: (i) any trading decisions of the Fund (all of which will be made by the Investment Manager); (ii) monitoring the investment objectives and restrictions of the Fund; (iii) monitoring any of the functions carried out by the Directors, the Investment Manager, the Custodian or any other service provider appointed by the Fund; or (iv) the Fund's investment performance.

MaplesFS is a service provider to the Fund and is not responsible for the preparation of this Memorandum and, other than the information contained in this Memorandum with respect to MaplesFS, accepts no responsibility for any information contained in this Memorandum.

MaplesFS is entitled to appoint delegates to perform in whole or in part the services it provides to the Fund under the Administration Agreement. MaplesFS may only delegate performance of the services provided to the Fund to a non-affiliated entity with the consent of the Investment Manager. MaplesFS shall not be liable for any loss occasioned by any such delegate appointed pursuant to the Administration Agreement with the consent of the Investment Manager provided that MaplesFS has exercised reasonable skill and care in the selection of that delegate. However, where MaplesFS delegates the services provided under the terms of the Administration Agreement to an Affiliate (as defined in the Administration Agreement),

MaplesFS shall remain liable for any loss caused by such Affiliate, but only to the extent that it would have been liable for such a loss under the Administration Agreement if such loss were caused by MaplesFS itself. MaplesFS has delegated the performance of the services under the Administration Agreement to Maples Fund Services (Middle East) Limited – a Dubai International Financial Centre based Affiliate (the “Administrator’s Delegate”). However, MaplesFS will keep and maintain the original of the Fund’s Register of Participating Shareholders, not the Administrator’s Delegate.

The Fund has agreed to indemnify and hold harmless MaplesFS, for itself and as trustee for each of its directors, officers, employees and agents, against all Losses which they or any of them may incur or be subject to in consequence of the Administration Agreement or as a result of the performance of the services to be provided thereunder, except to the extent that the same arise as a result of the actual fraud, wilful default or Gross Negligence of the party seeking such indemnity.

The maximum aggregate liability of MaplesFS and the other indemnified persons under the Administration Agreement is limited to an amount not exceeding three (3) times the fees paid to MaplesFS for its services; (a) in the twelve (12) month period prior to termination of the Administration Agreement; or (b) in the twelve (12) month period prior to the finding of liability by the courts of the Cayman Islands, whichever is greater. However, no such cap on liability applies if liability is found to arise from actual fraud.

In addition, MaplesFS and the other indemnified persons under the Administration Agreement are entitled to receive regular advances from the Fund to cover the cost of defending proceedings claims and demands. However, all such advances will be repaid to the Fund if a court of the Cayman Islands determines that there is no entitlement to indemnification.

The Administration Agreement can be terminated by either party on not less than ninety days’ written notice or in the other circumstances detailed in the Administration Agreement.

### 3.5 Custodian

The Fund has appointed Qatar National Bank (Q.P.S.C.) to act as custodian for the Fund pursuant to a Brokerage and Custody Agreement, under which it provides custodian services in respect of the assets of the Fund.

The Fund pays the Custodian customary fees for its services in amounts which are agreed by the Fund and the Custodian from time to time. The Custodian is also reimbursed by the Fund for all reasonable out-of-pocket expenses.

The services of the Custodian to the Fund may inter alia be terminated by either the Fund or the Custodian at any time, subject ordinarily to 90 days prior written notice.

The Custodian has no responsibility to initiate, appear in, prosecute or defend any legal or equitable proceedings relating to the stocks, bonds, other securities or property held by the Custodian under the Custody Agreement with the Fund. The Custodian has no responsibility to initiate any proceeding or engage the services of any third party for the collection of overdue amounts owing to the Fund in connection with any stocks, bonds or other property held by the Custodian under the Custody Agreement. If, at the request of the Fund, the Custodian agrees to appear in, prosecute or defend any such legal or equitable proceedings, either in the Custodian’s name or in the name of its nominee, the Custodian shall first be indemnified to its satisfaction against damages and expenses (including attorney’s fees) which may be sustained or incurred by the Custodian in so acting.

The Investment Manager is responsible for satisfying itself in relation to the adequacy of the custody arrangement of the Investment Instruments.

## 4. Summary of Terms

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Memorandum, in the Memorandum and Articles of the Fund (the “Articles”) and other agreements referred to herein.

### 4.1 The Fund

The Fund was incorporated as an exempted company pursuant to the Companies Law (2011 Revision) of the Cayman Islands on 15 November 2011 with the name BRICQ FUND. The name of the Fund was changed by a resolution of the management shareholders on 14 June 2016.

### 4.2 Eligible Investors

No Participating Share may be beneficially held by any U.S. Person. The Fund and the Administrator reserve the right to request such information as is necessary to verify the identity of any person submitting a completed subscription agreement for the Fund (a “Subscription Agreement”). An individual may be required to produce, among other documents requested in the subscription document, a copy of a passport and proof of residence or identification card certified by a notary public, lawyer, bank manager or other professional advisor. In the case of corporate applicants, they may be required to produce, among other documents, a certified copy of the certificate of incorporation (and any change of name), and the identity of at least two directors. A trustee, agent, representative or nominee may be required to provide verification of the beneficial owners of any Participating Shares subscribed. Pending the provision of evidence satisfactory to the Directors, Qatar National Bank (Q.P.S.C.) and the Administrator as to identity, the evidence of title in respect of Participating Shares may be retained in the sole and absolute discretion of the Directors. If within a reasonable period of time following a request for verification of identity, the Fund or the Administrator has not received

evidence satisfactory to it as aforesaid, either the Fund or the Administrator may, at its sole and absolute discretion, refuse to allot the Participating Shares applied for, in which event subscription monies may be returned without interest to the account from which such monies were originally sent. The payment of redemption proceeds to a Shareholder holding an account at an institution which is not a qualified financial Institution and for which the identity has not yet been adequately established, may only be made upon receipt of all appropriate identity documents. The Directors or the Administrator may reject subscriptions if the remitting bank or financial institution is unknown to the Directors or the Administrator or for any other reason at their sole and absolute discretion.

#### 4.3 Subscriptions

Participating Shares are available for subscription generally on the first Business Day of every month (or at such other times as the Directors or the Investment Manager may direct the Administrator in writing, each a "Subscription Date"). A "Business Day" is any day on which banks in Qatar, the United Arab Emirates and the Cayman Islands are open for business.

Participating Shares will be issued at the subscription price for the Participating Shares (based on such Participating Shares' net asset value as of the immediately preceding Valuation Point (as defined herein), subject to certain adjustments). In order to apply for Participating Shares, a properly completed Subscription Agreement together with cleared funds must be received by 1:00 p.m. (Qatar time) no later than ten (10) Business Days prior to the relevant Subscription Date. Payment should be made by inter-bank transfer to the account(s) detailed in the Subscription Agreement. For investors with a bank account in Qatar, payments can be made by Check, Direct Debit of their QNB Account in Qatar or via telex transfer.

At the invitation of the Fund, each subscriber is required initially to invest a minimum of USD10,000 in the Fund or such lower amount as the Directors may determine with any initial investment above USD10,000 being in multiples of USD1,000.00. The maximum aggregate investment is USD100 million. Subscriptions for additional Participating Shares may not be less than USD10,000, with any additional subscription above USD10,000 also being in multiples of USD1,000.00 although the Investment Manager or the Directors may accept additional subscriptions of a lesser amount at their absolute discretion. There is no minimum holding.

A subscriber shall be issued with Participating Shares, which carry a management fee of 1.00% per annum.

The Directors reserve the right to reject subscriptions in whole or in part, in which event subscription payments are refunded at the applicant's risk, without interest. Subscription Agreements will (save as determined by the Directors) be irrevocable. Subscriptions may only be made at the invitation of the Fund. The Directors may at their

sole and absolute discretion accept subscriptions received after the stated time or require a completed Subscription Agreement or cleared funds at an earlier or later time or date.

#### 4.4 Redemptions

Each Shareholder is generally permitted to make complete or partial redemptions of its Participating Shares on the last Business Day of each month (or at such other times as the Directors or the Investment Manager may direct the Administrator in writing) (each a "Redemption Date") at the redemption price of such Participating Shares (based on their net asset value as of the Valuation Point, subject to certain adjustments or restrictions as described below) determined in accordance with the Articles (the "Redemption Price").

With respect to any compulsory redemption, written notice must be given to the affected Shareholder on or before the Business Day that is at least ten (10) Business Days prior to the proposed compulsory Redemption Date. Investors should note that the aforementioned paragraph is subject always to the discretion of the Directors and is monitored by the Investment Manager.

Requests for redemption must be received by Qatar National Bank (Q.P.S.C.) and the Administrator before 1:00 p.m. Qatar time on the Redemption Notice Date being at least ten (10) Business Days prior to the relevant Redemption Date. At the Investment Manager's or the Directors' absolute discretion, redemption requests received by Qatar National Bank (Q.P.S.C.) and the Administrator after the Redemption Notice Date may be accepted, rejected or held over and processed as of the close of business on the next Redemption Date.

All redemption requests must be made pursuant to a properly completed and approved redemption form and must clearly identify the number of Participating Shares to be redeemed and the redeeming Shareholder.

Redemption proceeds are paid out in the currency that the subscription was made, normally within ten (10) Business Days of the calculation of the Net Asset Value by the Administrator (subject to the discretion of the Directors).

Notwithstanding the foregoing, the Fund may delay, limit, suspend or extend any such payment or the calculation of the Redemption Price if such delay is reasonably necessary to prevent such redemption from having a material adverse impact on the Fund or any Shareholder.

All redemption proceeds are paid directly to the relevant Shareholder. Payments to third parties are not permitted. The Fund may deduct from the redemption proceeds an amount representing the actual or estimated expenses associated with processing the redemption.

In addition, the Directors may delay, limit, suspend or extend the redemption of Participating Shares if such redemptions would cause, in the aggregate, more than 10%



of the Net Asset Value of the Fund to be redeemed on any Redemption Date (the "Redemption Limitation"). If the Redemption Limitation is imposed, each Shareholder who has submitted a timely and properly completed redemption request will receive a pro rata portion of such requested redemption. Redemption of Participating Shares in excess of each affected redeeming Shareholder's pro rata portion shall be automatically carried forward to the next Redemption Date. Redemptions carried forward shall be treated equally with all other redemptions (except for compulsory redemptions which have priority) regardless of whether a redemption was tendered for the current Redemption Date or for a previous Redemption Date, subject always to the Redemption Limitation.

The Directors may delay, limit, suspend or extend the redemption of Participating Shares in whole or in part if it determines at its sole and absolute discretion that such action is warranted by certain extraordinary circumstances.

Such extraordinary circumstances may include, but are not limited to, any of the following circumstances, thereby prompting a suspension of issuance and redemption of Participating Shares, the calculation of Net Asset Value or the right of Shareholders to receive redemption payments:

- (a) if any such redemption or issuance would result in a violation by the Fund of the laws of any relevant jurisdiction or the rules of any self-regulatory organization applicable to the Fund;
- (b) when any securities exchange or organized inter-dealer market on which a significant portion of the Fund's assets are regularly traded or quoted is closed (other than for holidays) or trading thereon has been suspended or restricted;
- (c) if it is not reasonably practicable to make an accurate and timely determination of the Net Asset Value of the Fund for any reason;
- (d) if any event has occurred which calls for the termination of the Fund;
- (e) if the Shareholders or Directors have adopted a resolution for the dissolution of the Fund, pending a distribution of those assets; or
- (f) if it is determined in the sole discretion of the Directors to be in the best interests of the Fund.

Notice of any suspension of the calculation of the Net Asset Value or redemption of Participating Shares will be given to any Shareholder who has submitted an approved redemption request and to whom full payment of the redemption proceeds has not yet been remitted. If a redemption request is not rescinded by a Shareholder following notification of a suspension the redemption will be effected as of the next Redemption Date after the suspension is lifted, on the basis of the Redemption Price at such time, subject always to the Redemption Limitation. All reasonable steps will be taken to bring to an end any period of suspension as soon as possible.

The Directors reserve the right to compel the redemption of all or a portion of a Shareholder's Participating Shares

with a minimum of fourteen (14) days' prior written notice. Notwithstanding the above, the Directors reserve the right to compel the redemption of all or a portion of a Shareholder's Participating Shares with a minimum of five (5) days' prior written notice if it comes to the notice of the Directors that the Participating Shares are held by a United States Person or the Directors determine at their sole and absolute discretion that such Shareholder's continued participation in the Fund may cause any legal, regulatory, taxation, pecuniary or material administrative disadvantage to the Fund or their respective Shareholders as a whole. Settlements of compulsory redemptions are made in the same manner as voluntary redemptions.

No escrow account is used in processing redemptions and no interest is payable on the redemption proceeds.

Any Participating Shares that are redeemed will be cancelled, but will be available subsequently to be re-issued by the Fund to the same or different investors.

The Directors may, at their sole and absolute discretion, fully or partially waive, reduce or alter any of the redemption provisions set forth above in relation to any particular Shareholder.

#### 4.5 Dividends

The Directors may declare dividends or other distributions on Participating Shares in issue and authorize payment of any dividends or other distributions out of the funds of the Fund lawfully available.

All unclaimed dividends will be used for the benefit of, and be at risk in, the Fund until such time as they are claimed by the relevant Shareholder.

Dividends will be paid to each Shareholder into that Shareholder's account as notified to the Company in the shareholder's subscription documents.

#### 4.6 Procedure for Submission of Subscriptions and Redemptions

The following forms of communication are acceptable to the Fund for submitting subscription, redemption or other instructions (such as change of address) to Qatar National Bank (Q.P.S.C.) and the Administrator:

Facsimile Transmission on facsimile number +974 4440 7551; or

Email Transmission via email (provided that it contains a scanned copy of the relevant duly signed document) to the Administrator's e-mail address as detailed below.

Qatar National Bank (Q.P.S.C.) may be contacted as follows:  
QNB ASIA PACIFIC EQUITIES FUND  
Asset Management Division  
P.O. Box 1000  
Doha Qatar

The Administrator may be contacted as follows:

Name: Maples Fund Services  
Address: Office 801, Level 8, Liberty House, Dubai  
International Financial Centre  
P.O. Box 506734, Dubai,  
United Arab Emirates

Attention: Investor Services  
Tel: +971 4511 4200  
Fax: +971 4511 4100  
Email: investorservicesdubai@maplesfs.com

Notwithstanding the method of communication, the Fund or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication. In the case of mis-receipt or corruption of any message, the subscriber is required to re-send the documents. The subscriber must use the form document provided by the Fund in respect of the subscription, redemption or transfer, unless such condition is waived by the Fund or the Administrator. Please note that messages sent via email must also contain a duly signed document as an attachment.

In the event that no acknowledgement is received from Qatar National Bank (Q.P.S.C.) or the Administrator within five (5) days of submission of the Subscription Application/Redemption Request/Transfer Request, the subscriber should contact the Directors or Qatar National Bank (Q.P.S.C.) on telephone number +974 4440 7339 to confirm receipt by Qatar National Bank (Q.P.S.C.) of the Subscription Application/Redemption Request/Transfer Request. Alternatively, the subscriber may also contact the Administrator on telephone number +971 4511 4100.

The Administrator will process subscriptions, redemptions and transfer requests which are received by facsimile or email. The original document should follow by courier thereafter. Neither the Directors, Qatar National Bank (Q.P.S.C.), nor the Administrator are responsible for any failed delivery or non-receipt of any facsimile or email if they have not acknowledged receipt of the facsimile, email or original document. Facsimiles or emails sent to the Fund, Qatar National Bank (Q.P.S.C.) or the Administrator shall only be effective when actually acknowledged by the Fund, Qatar National Bank (Q.P.S.C.) or the Administrator. In the event that no acknowledgement is received from the Administrator within five (5) days of submission of the request, the subscriber should contact the Directors or Qatar National Bank (Q.P.S.C.) on the telephone number as mentioned above.

#### 4.7 Net Asset Valuations

The Net Asset Value of the Fund at any date is the total value of the net assets of the Fund calculated by deducting the value of the Fund's liabilities from its assets. The net asset valuations of the Fund are determined and calculated by the Administrator as of 2:30 p.m. in Qatar on the last Business Day of each month, or such other days as may from time to

time be determined by the Directors at their sole and absolute discretion (each, a "Valuation Point"), using international financial reporting standards as a basis. To the extent feasible, liabilities are accrued as of each Valuation Point.

The following valuation principles relate to the Fund:

- (a) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at the closing bid price if held long by the Fund and at the closing offer price if sold short by the Fund, as at the relevant Valuation Point, and as adjusted in such manner as the Directors, in their sole discretion, think fit, having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for such security or the one which the Directors in their sole discretion determine provides the fairest criteria in ascribing a value to such security;
- (b) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its probable realization value as determined by the Directors in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Directors in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation;
- (c) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Directors may determine at their discretion which market shall prevail;
- (d) investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty; and
- (e) deposits will be valued at their cost plus accrued interest.

The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice. To the extent feasible, expenses, fees and liabilities will be accrued in accordance with International Financial Reporting Standard (“IFRS”). Reserves (whether or not in accordance with IFRS) may be taken for estimated or accrued expenses, liabilities or contingencies.

The Directors have delegated to the Administrator the determination of the Net Asset Value and the Net Asset Value per Participating Share and their discretions in relation thereto.

Generally, investments are maintained in Qatari Riyals and except as otherwise determined by the Directors at their sole and absolute discretion: (a) assets and liabilities denominated in currencies other than Qatari Riyals are translated at the prevailing rates of exchange (and exchange adjustments are recorded in the results of operations); and (b) investment and trading transactions and income and expenses are translated at the rates of exchange in effect at the time of each transaction.

In calculating the Net Asset Value, there are deductions from the total asset value of the Fund for all accrued debts and liabilities relating to such assets, including without limitation: (a) Management Fees earned but not yet paid; (b) any allowance for estimated annual audit, legal and other fees, costs and expenses; (c) costs and expenses of the Custodian and any sub-custodians as well as brokerage and transaction fees and expenses; (d) investments contracted to be sold; (e) the gross acquisition consideration of investments contracted to be purchased by the Fund; (f) reserves authorized or approved by the Directors for duties and charges or taxes or contingencies (accrued where appropriate); (g) the aggregate amount of all borrowings and interest, commitment fees and other charges arising in connection therewith (accrued where appropriate); (h) losses from any foreign currency exchange or other transactions; and (i) other liabilities of the Fund on behalf of the Fund of whatever nature (which are, where appropriate, deemed to accrue) including without limitation outstanding payments on any Participating Shares previously redeemed and, as from the record date in respect thereof, any dividends declared and not paid (contingent liabilities (if any) being valued in such manner as the Directors may determine at their sole and absolute discretion from time to time or in any particular case).

Prospective investors should be aware that uncertainties may arise as to the valuation of the net assets of the Fund. Excluding bad faith or manifest error, the Net Asset Value determinations by the Administrator are conclusive and binding on the Shareholders.

In determining the Net Asset Value of the Fund, the Administrator will follow the valuation policies and

procedures adopted by the Fund as set out above. For the purpose of calculating the Net Asset Value of the Fund, the Administrator may rely on, and is not responsible for the accuracy of, financial data furnished to it by the Directors, the Custodian or the Investment Manager. The Administrator may also use and rely on industry standard financial models in pricing any of the Company’s securities or other assets. If and to the extent that the Investment Manager is responsible for or otherwise involved in the pricing of any of the Fund’s securities or other assets, the Administrator may accept, use and rely on such prices in determining the Net Asset Value of the Fund and are not liable to the Fund, any investor in the Fund, the Investment Manager or any other person in so doing.

#### 4.8 Reserves

Appropriate reserves may be accrued and charged against net assets and proportionately against the Fund, as applicable, for contingent liabilities, such reserves to be in amounts (subject to increase or reduction) that the Directors at their sole and absolute discretion deem necessary or appropriate. However, the accrual of reserves for contingent liabilities is not permitted under IFRS and may result in adjustment during the audit or comments in the audit report.

#### 4.9 Duty of Care; Indemnification

None of the Directors, the Custodian, the Administrator, or the Investment Manager is liable to the Fund or its Shareholders for any loss or damage occasioned by any acts or omissions in the performance of its services on behalf of the Fund, subject to certain limitations. In addition, the Directors, the Custodian, the Administrator, the Investment Manager and their related persons are indemnified by the Fund against any liabilities arising in connection with the performance of their services on behalf of the Fund, subject to certain limitations. Investors are referred to the Articles for further information.

### 5. Fees and Expenses

#### 5.1 Management Fees

The Investment Manager is entitled to receive management fees (“Management Fees”) at an annual rate equal to 1.00% of the net asset value of such Participating Shares, based on Adjusted Opening Net Assets and calculated and payable monthly in arrears. “Adjusted Opening Net Assets” means the closing Net Assets of the previous month adjusted to reflect the subscriptions and redemption requests received and accrued year to date performance fees.

Management Fees generally are payable to the Investment Manager after the end of each month and as of any Redemption Date occurring prior to the end of any month.

#### 5.2 Performance Fee

The Investment Manager is entitled to a performance fee (the “Performance Fee”) in relation to each financial year of the Fund. The Fund Manager will charge a performance fee of 10% of the simple annual rate of return achieved by

the Fund in excess of 10% per annum (the “Hurdle”). The Performance Fee shall be calculated and provided for on a monthly basis (on performance in excess of the effective Hurdle Rate calculated on a monthly basis) and will be charged at the end of the relevant financial year. The Fund will make necessary provision at the end of each month for the Performance Fee and such provision will be deducted from the assets of the Fund while calculating the net asset value of the Fund. The provision will change (increase or decrease) with the change in the performance of the Fund. The provision outstanding as at the end of each financial year will be charged as an expense against the provision.

### 5.3 Placement Fee

Participating Shares may be subject to a placement fee equal to 2% of the amount subscribed which may be charged by authorized dealers, placement agents or independent third parties and which may be waived, in whole or in part, at the discretion of the Directors.

### 5.4 Redemption Fee

Participating Shares may be subject to a redemption fee of 0.5% (or USD100, whichever is the greater) charged by the Fund and which may be waived, in whole or in part, at the discretion of the Directors.

### 5.5 Other Fees and Expenses

The Directors have determined that to comply with IFRS in this regard could impose an unfair and inequitable burden upon the initial investors into the Company, to their disadvantage and to the advantage of subsequent investors. However, this approach may result in an audit qualification.

The Fund bears the fees, costs and expenses directly related to investments or prospective investments (whether or not consummated) of the Fund, including without limitation brokerage commissions, transaction charges, any withholding or transfer taxes, interest costs and all expenses incurred in connection with locating, evaluating and implementing potential investments including without limitation travel and other research related expenses. The Fund also bears the fees, costs and expenses of the administration of the Fund, including without limitation accounting, audit, administration and legal expenses, regulatory and Participating Share listing fees and expenses, if any, fees and expenses of the Directors, the Custodian, the Administrator, officers and other insurance, costs of any litigation or investigation involving the activities of the Fund and costs and expenses associated with reporting and providing information to existing and prospective Shareholders. The Investment Manager may, at its sole and absolute discretion, choose to absorb any such fees, costs and expenses incurred on behalf of the Fund.

The Fund will reimburse the Investment Manager for all costs and expenses incurred by the Investment Manager in connection with the management of the Fund’s investment program including, without limitation: legal, compliance, audit and accounting expenses (including third party

accounting services), organizational expenses; investment and trading expenses such as commissions; Director’s, Custodian and Administrator’s fees and expenses, company secretarial expenses and any other expenses related to the purchase, sale or transmittal of the Fund’s assets.

The Fund does not have its own separate employees or office. The Investment Manager is responsible for its own general operating and overhead costs (not including Fund accounting or administrative functions).

### 5.6 The Custodian

In consideration for services rendered by the Custodian, the Custodian is entitled to receive an annual fee equal to 0.50% of the Net Asset Value of the Fund, calculated and paid monthly in arrears. This fee is based on the anticipated volume of transactions. If there is a substantial increase in the volume of transactions, the fees will be renegotiated between the parties for subsequent years. The Custodian reserves the right to charge additional fees, subject to the prior written agreement of such fees by the Founder, QNB or the Directors for additional duties not contemplated in the Custody Agreement.

The Fund will be responsible for all other expenses related to the operation of the Fund, including but not limited to the Fund’s annual commercial registration fees, regulatory fees, bank’s money transfer charges, sub-custody-related fees and costs, courier charges etc. Outlays such as the cost of stationery and other consumables, back-up diskettes, couriers, telephone and fax charges, if any, will also be paid by the Fund.

## 6. Risk Factors and Potential Conflicts of Interests

Existing and potential investors should be aware that there are risks associated with an investment in the Fund. These risks include, but are not limited to, the risks outlined below. The QNB Group cannot guarantee that Shareholders will realize a profit on their investment. Furthermore, Shareholders may experience a partial or full loss of their investment. Potential investors should review this Memorandum carefully and in its entirety and consult with their professional advisors before making an application for Participating Shares.

### 6.1 General

There are substantial risks involved in investing in the various securities and instruments the Fund intends to purchase and sell. Prices may be influenced by, among other factors: (a) changing supply and demand relationships; (b) domestic and foreign policies of governments, particularly policies to do with trade or with fiscal and monetary matters; (c) political events, particularly elections and those events that may lead to a change in government; (d) the outbreak of hostilities, even in an area in which the Fund is not invested; and (e) economic developments, particularly those related to balance of payments and trade, inflation, money supply, the



issue of government debt, changes in official interest rates, monetary revaluations or devaluations and modifications in financial market regulations.

As a result of the nature of the Fund's investment activities, the results of the Fund's operations may fluctuate substantially from period to period. Accordingly, performance results of a particular period will not be indicative of results in future periods.

### 6.2 Credit Risk

The Fund could lose money if the issuer or guarantor of a fixed-income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal or interest payments, or to otherwise honour its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Municipal bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal or interest.

### 6.3 Currency Risk

Participating Shares are issued and redeemed in the currency of subscription. Certain Fund assets may, however, be invested in securities and other investments denominated in other currencies. The value of such investments may be affected favourably or unfavourably by fluctuations in exchange currencies, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency.

### 6.4 Derivatives Risk

The Fund may be subject to risks associated with derivative instruments. Derivatives are financial contracts whose value depends on, or are derived from, the value of an underlying asset, reference rate or index. Derivatives are typically to be used as a substitute for taking a position in the underlying asset or as part of a strategy to hedge against fluctuations in the relative values of the Fund's portfolio positions as a result of changes in both interest and exchange rates. The Fund may also use derivatives for gaining exposure in which case their use would involve exposure risk. The Fund's use of derivative instruments may involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, market risk, credit risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. When investing

in a derivative instrument, the Fund could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

### 6.5 ASIA PACIFIC Markets Risk

The Fund invests in securities of issuers in the ASIA PACIFIC where the investment risk may be particularly high. These securities may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed countries.

### 6.6 Issuer Risk

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

### 6.7 Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. A Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Funds with principal investment strategies that involve foreign securities, derivatives or securities with substantial market or credit risk tend to have the greatest exposure to liquidity risk.

### 6.8 Market Risk

The Fund's investments are subject to normal market fluctuations and the risks inherent in the purchasing, holding or selling of securities and related instruments, and there can be no assurance that appreciation will occur. The value of Participating Shares can go down as well as up, and investors may not realize the value of their initial investment due to real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of Participating Shares may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry.

### 6.9 Risk of Government Intervention

The prices of securities in which the Fund may trade or invest are subject to certain risks arising from unpredictable intervention by government regulation in the relevant capital markets, through regulation of their local markets, restrictions on investments by foreigners, limits on flows of investment funds, currency controls or political developments. Such regulation or intervention could adversely affect the Fund's performance.

### 6.10 Regulatory Change

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade,

applicable to the Fund's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Fund. The Fund and the enterprises in which it invests may be or may become subject to unduly burdensome and restrictive regulation.

#### 6.11 Custodial Risk

There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in ASIA PACIFIC countries nor can there be any guarantee of the solvency of any securities system or that such securities system will properly maintain the registration of the Custodian or the Fund as the holder of securities. Where organized securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many emerging market countries, no guarantee can be given that all entitlements attaching to quoted and over-the-counter traded securities acquired by the Fund, including those related to dividends, can be realized. Some emerging markets dictate that settlement money be received by a local broker a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement. This exposes the assets in question to risks arising from acts, omissions and solvency of the broker and counterparty risk for that period of time.

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances the Fund may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title. The costs borne by the Fund in investing and holding investments in such markets will generally be higher than in organized securities markets.

#### 6.12 Exposure Risk

Derivative transactions may subject the Fund to additional risk exposures. Any transaction which gives rise or may give rise to a future commitment on behalf of the Fund will be covered either by the applicable underlying asset or by liquid assets.

#### 6.13 Management Risk

The Fund is subject to management risk because it is an actively managed investment portfolio. The Investment Manager applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

#### 6.14 Valuation Risk

The Net Asset Value of the Fund may be based, in part, on quotes provided by brokers and other competent third party pricing sources. Furthermore, investors should note that there is a risk that an investor which redeems its Participating Shares while the Fund holds particular investments may be paid an amount less or more than it would otherwise be paid if the actual value of such investments is higher or lower than the value provided to, or otherwise determined by, the Fund, as the case may be. In either case, the redemption proceeds received by a redeeming Shareholder may not reflect a post-redemption adjustment to the Net Asset Value of the Fund, and therefore there is a risk that any such adjustment could reduce the Net Asset Value for the other Shareholders. Neither the Investment Manager nor the Administrator is under any liability if a price reasonably believed by any of them to be an accurate valuation of a particular direct or indirect investment of the Fund may be found not to be such.

#### 6.15 Other Clients of Underlying Managers

In instances where the Fund invests in Investment Vehicles, Shareholders will note that managers of Investment Vehicles will have exclusive responsibility for making trading decisions on behalf of their respective investment portfolios. The managers of Investment Vehicles will have various levels of experience. Additionally, such managers may also manage other Investment Vehicles (including without limitation other investment funds and accounts in which the manager may have an interest) which could increase the level of competition for the same trades the Vehicles might otherwise make, including without limitation the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security at a price indicated by an Investment Vehicle's strategy.

#### 6.16 Applications for Participating Shares

Applications for Participating Shares are irrevocable. The Fund may utilize subscription amounts received from investors for investment purposes following the Subscription Date but prior to physical allocation of Participating Shares to Shareholders. In such event, the investor in question will become an unsecured creditor of the Fund until the respective Participating Shares are allocated.

#### 6.17 Conflicts of Interest

The Directors, the Investment Manager, the Custodian, Officers, Employees, Agents and Affiliates and the Directors and any person or company with whom affiliated or by whom employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Fund. In particular, Interested Parties may provide services similar to those provided to the Fund to other entities and will not be liable to account for any profit earned from any such services. The Interested Parties will at all times have due regard to their duties owed to the Fund and where a conflict arises they will endeavour to ensure that

it is resolved fairly. For example, an Interested Party may acquire investments in which the Fund may invest on behalf of clients. However, where the Investment Manager could (a) allocate an investment between two or more funds or accounts which it manages (including the Fund's), or (b) make a disposal of investments held by two or more such funds or accounts, it will act fairly as between the relevant funds or accounts in making such allocation or disposal, having regard to, inter alia, factors such as cash availability and portfolio balance.

The Fund may acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to the Fund or hold Participating Shares and buy, hold and deal in any investments for their own accounts notwithstanding that similar investment may be held by the Fund. An Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investments of the Fund effected by it for the account of the Fund, provided that in each case the terms are no less beneficial to the Fund than a transaction involving a disinterested party and any commission is in line with market practice.

The above summary of risks does not purport to be an exhaustive list of all the risk factors relating to investments in the Fund. Various other risks may apply.

#### 6.18 Handling of Mail

Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Manager to be dealt with. None of the Fund, its directors, officers, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund).

## 7. Characteristics and Risks of Securities, Derivatives and Investment Techniques

This section outlines the different Characteristics and Risks of Securities, Derivatives and Investment Techniques used by the Fund and discusses certain concepts relevant to the investment policies of the Fund. The Fund's use of each of the securities, derivatives and investment techniques below must comply with the investment objectives and policies of the Fund, and in particular with the rating, maturity and other instrument-specific criteria specified in the investment policy of the Fund.

### 7.1 Convertible and Equity Securities

While the Fund intends to invest equity securities, a maximum of 10% of the Fund's assets may be invested in securities that are convertible into equity securities.

The convertible securities in which the Fund may invest consists of bonds, notes, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares of common stock. Convertible securities may offer higher income than the common stocks into which they are convertible. The Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying common stock, or sell it to a third party.

The Fund with convertible securities may not be able to control whether the issuer of a convertible security chooses to convert that security. If the issuer chooses to do so, this action could have an adverse effect on the Fund's ability to achieve its investment objective because the issuer may force conversion before the Fund would otherwise choose.

Equity securities generally have greater price volatility than Fixed Income Securities. The market price of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting equity securities markets generally, or particular industries represented in those markets. The value of an equity security may also decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

### 7.2 ASIA PACIFIC Market Securities

The Fund will primarily invest in securities of issuers based in ASIA PACIFIC countries. The Fund considers an issuer to be economically tied to a ASIA PACIFIC country if (1) the issuer maintains its registered office in the country and (2) the issuer has predominant operations in the country.

Investing in ASIA PACIFIC market securities may impose risks different from, or greater than, risks from investing in developed countries. These risks may include: smaller market capitalization of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on investment; possible repatriation of investment income and capital. In addition, investors may be required to register the proceeds of sales; future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization, or creation of government monopolies. The currencies of ASIA PACIFIC countries may experience declines against the Fund's base currency and devaluation may occur subsequent to investments in these currencies by the Fund. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

Additional risks of ASIA PACIFIC market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organized and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition, ASIA PACIFIC securities markets may have different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions. Settlement problems may cause the Fund to miss attractive investment opportunities, hold a portion of its assets in cash pending investment, or be delayed in disposing of a portfolio security. Such a delay could result in possible liability to a purchaser of the security.

### 7.3 Currency Transactions

For efficient portfolio management and investment purposes, the Fund may buy and sell foreign currency options or foreign currency futures and may engage in foreign currency transactions either on a spot or forward basis, subject to the limits and restrictions set down by the appropriate financial regulator from time to time, to reduce the risks of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. For the purposes of efficient portfolio management, the Fund may buy and sell currencies on a spot and forward basis in addition to the techniques and instruments set down by the appropriate financial regulator from time to time, to reduce the risks of adverse changes in exchange rates subject to the limits and conditions set down by the appropriate financial regulator from time to time.

A forward currency exchange contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain which might be realized if the value of the hedged currency increases. The Fund may enter into these contracts to hedge against exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of

another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

### 7.4 Derivatives

The Fund may, but is not required to, use derivative instruments for risk management purposes or as part of its investment strategies in accordance with the limits and guidelines issued by the appropriate financial regulator from time to time. Generally, derivatives are financial contracts whose value depend upon, or are derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates and related indices. Examples of derivative instruments which the Fund may use include options contracts, futures contracts, options on futures contracts, swap agreements, provided that in each case the use of such instruments (1) will not result in an exposure to instruments other than transferable securities, financial indices, interest rates, foreign exchange rates or currencies, (2) will not result in an exposure to underlying assets other than to assets in which the Fund may invest directly and (3) the use of such instruments will not cause the Fund to diverge from its investment objective. The Investment Manager may decide not to employ any of these strategies and there is no assurance that any derivatives strategy used by the Fund will succeed.

The Fund may purchase and sell structured notes and hybrid securities, purchase and write call and put options on securities (including straddles), securities indices and currencies, and enter into futures contracts and use options on futures contracts (including straddles). The Fund may enter into swap agreements including, but not limited to, swap agreements on interest rates, security indices, specific securities, and credit swaps. To the extent the Fund may invest in foreign currency-denominated securities, it may also invest in currency exchange rate swap agreements. The Fund may also enter into swap agreements including, but not limited to, options on swap agreements with respect to interest rates, and securities indices and may also enter into currency forward contracts and credit default swaps. The Fund may use these techniques as part of their overall investment strategies.

If the Investment Manager incorrectly forecasts interest rates, market values or other economic factors in using a derivatives strategy for the Fund, the Fund might have been in a better position if it had not entered into the transaction at all. The use of these strategies involves certain special risks, including a possible imperfect correlation, or even no correlation, between price movements of derivative instruments and price movements of related investments. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in related investments, or due to the possible inability of the Fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for the Fund to sell



a portfolio security at a disadvantageous time, and the possible inability of the Fund to close out or to liquidate its derivatives positions.

Whether the Fund's use of swap agreements and options on swap agreements will be successful will depend on the Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Because they are two-party contracts and because they may have terms of greater than seven days, swap agreements may be considered to be illiquid investments. Moreover, the Fund bears the risk of loss for the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The swaps market is a relatively new market and is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

Swap agreements are two-party contracts for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular pre-determined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount", i.e., the return on or increase in value of a particular currency amount invested at a particular interest rate, in particular, foreign currency, or in a "basket" of securities representing a particular index.

The Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. The following provides a general discussion of important risk factors relating to all derivative instruments that may be used by the Fund.

**Management Risk:** Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

**Credit Risk:** The use of a derivative instrument involves the risk that a loss may be sustained as a result of the failure of another party to the contract (usually referred to as a "counterparty") to make required payments or otherwise comply with the contract's terms.

**Liquidity Risk:** Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately

negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

**Exposure Risk:** Certain transactions may give rise to a form of exposure. Such transactions may include, among others, reverse repurchase agreements, and the use of when-issued, delayed delivery or forward commitment transactions.

**Lack of Availability:** Because the markets for certain derivative instruments are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the Investment Manager may wish to retain the Fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Fund will engage in derivatives transactions at any time or from time to time. The Fund's ability to use derivatives may also be limited by certain regulatory and tax considerations.

**Market and Other Risks:** Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to the Fund's interest. If the Investment Manager incorrectly forecasts the values of securities, currencies, interest rates or other economic factors in using derivatives for the Fund, the Fund might have been in a better position if it had not entered into the transaction at all. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Fund investments. The Fund may also have to buy or sell a security at a disadvantageous time or price because the Fund is legally required to maintain offsetting positions or asset coverage in connection with certain derivatives transactions.

Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives, in particular privately negotiated derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund. Also, the value of derivatives may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track.

#### 7.5 When-Issued, Delayed Delivery and Forward Commitment Transactions

The Fund may purchase securities which it is eligible to purchase on a when-issued basis, may purchase and sell such securities for delayed delivery and may make contracts to purchase such securities for a fixed price at a future date beyond normal settlement time (forward commitments)

all for investment or efficient portfolio management purposes. When such purchases are outstanding, the Fund will set aside and maintain until the settlement date assets determined to be liquid by the Investment Manager in an amount sufficient to meet the purchase price. When-issued transactions, delayed delivery purchases and forward commitments involve a risk of loss if the value of the securities decline prior to the settlement date. This risk is in addition to the risk that the Fund's other assets will decline in value. Typically, no income accrues on securities the Fund has committed to purchase prior to the time delivery of the securities is made; although the Fund may earn income on securities it has segregated to cover these positions.

#### 7.6 Other Collective Investment Schemes

Subject to the regulations, the Fund may invest up to 80% of its net assets in units or shares of other collective investment schemes. These schemes may not involve active management but may be purchases of ETFs.

#### 7.7 Depository Receipts

ADRs, GDRs and EDRs are transferable securities in registered form certifying that a certain number of shares have been deposited with a custodian bank by whom the ADR, GDR or EDR has been issued. ADRs are traded on U.S. exchanges and markets, GDRs on UK exchanges and markets and U.S. exchanges and markets and EDRs on European exchanges and markets.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS SHOULD READ THIS MEMORANDUM IN ITS ENTIRETY AND CONSULT WITH THEIR OWN ADVISORS BEFORE DECIDING TO SUBSCRIBE FOR UNITS IN THE FUND.

## 8. Tax Considerations

### 8.1 General

The statements on taxation below are intended to be a general summary of certain tax consequences that may result to the Fund and its Shareholders. The statements relate to Shareholders holding Participating Shares as an investment (as opposed to an acquisition by a dealer) and are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realization of, Participating Shares in the places of their citizenship, residence and domicile. The tax consequences for each Shareholder of acquiring, holding, redeeming or

disposing of Participating Shares will depend upon the relevant laws of any jurisdiction to which the Shareholder is subject. Investors and prospective investors in the Fund should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations.

The Fund may be subject to local withholding taxes in respect of income or gains derived from its investments in underlying investee countries. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Fund and to its Shareholders may change from time to time.

### 8.2 Cayman Islands

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the Shareholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund.

The Fund has applied for and can expect to receive an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

## 9. General Information

### 9.1 Share Capital

The authorized share capital of the Company is QR50 million being made up of 100 voting, non-participating shares (the "Management Shares") of QR1.00 par value each and 49,999,900 Participating Shares of QR1.00 par value each.

The Management Shares may only be issued to KRM Limited and Al Faisal International for Investment Limited, and are issued for the purpose of enabling all the Participating Shares to be redeemed without liquidating the Fund. KRM Limited is a Cayman Islands exempted company, the shares of which are held by the Investment Manager as nominee and trustee for Qatar National Bank (Q.P.S.C.). Al Faisal International for Investment Limited is a special purpose vehicle which has been established by Jersey Trust Company for the Al Faisal family.

A Management Share was allotted and issued to the subscriber to the Memorandum of Association and has been transferred to KRM Limited of the remaining 99 Management Shares, 69 have been allotted and issued to KRM Limited at par and are fully paid and the remaining 30 have been allotted and issued to Al Faisal International for Investment Limited at par and are fully paid.

Save for the Management Shares, no share or loan capital of the Company has been issued or agreed conditionally or unconditionally to be issued or put under option.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on Shareholders. The Articles provide that the unissued Participating Shares are at the disposal of the Directors who may offer, allot, issue, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as the Directors think fit.

The Company may by Ordinary Resolution increase its share capital, consolidate its shares or subdivide any of them into shares of a smaller amount or cancel authorized but unissued shares.

Subject to the provisions of Cayman Islands law and the rights of any holders of any class of shares, the Company may by Special Resolution reduce its share capital or any capital redemption reserve or share premium account.

## 9.2 Participating Shares

Participating Shares, when issued, will be fully paid. The Participating Shares do not confer on their holders the right to receive notice of, or to attend and vote at, a general meeting of the Fund, except on a variation of class rights as described below. The holders of Participating Shares are entitled to participate in the profits and losses of the Fund and to receive any dividends which may be declared by the Fund and, upon the winding up of the Fund, the full amount of the assets of the Fund available for distribution.

Participating Shares may be issued in separate classes. As of the date of this Memorandum, there is one class of Participating Shares available for issue which bear a Management Fee of 1.00% per annum and a minimum investment of USD10,000 or such lower amount as the Directors may determine.

## 9.3 Rights

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles.

The Articles have been drafted in broad and flexible terms to allow the Directors, in their discretion, to determine a number of issues including whether or not to charge certain fees or to set or waive certain time or notice periods, generally or in any particular case.

All or any of the special rights for the time being attached to any class of share for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the shares of that class) from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than two-thirds of the issued shares of that class or with the sanction of a resolution passed with a two-thirds majority at a separate class meeting of the holders of such shares on the register of shareholders of the Company at the date on which notice of such separate class meeting is given. To any such separate class meeting all the provisions of the Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that any holder of shares of the class present in person or by proxy may demand a poll, and voting rights on a poll are not on the basis of one share, one vote but rather votes will be related to the Net Asset Value Per Share. For such purposes the Directors may treat all the classes of shares as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration but, in any other case, shall treat them as separate classes.

The rights attached to each class of share shall be deemed to be varied by the creation or issue of any shares ranking in priority to them as respects participation in the profits or assets of the Fund.

Subject to the paragraph above, the special rights attached to any class of share having preferential or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied by:

- (a) the creation, allotment or issue of further shares ranking *pari passu* therewith; or
- (b) the creation, allotment, issue, repurchase or redemption of Management Shares or Participating Shares.

## 9.4 Registration of Participating Shares

Participating Shares are issued only in registered form; the Fund does not issue bearer shares. A current register of the names and addresses of the Shareholders and their Shareholdings in the Fund is maintained by Qatar National Bank (Q.P.S.C.) and the Administrator. Shareholder registers of the Fund are not required by any current law to be furnished to any governmental authority in any jurisdiction. Participating Shares are registered only in book entry form. No Participating Share certificates are issued. The Register of Management Shares is held at the Registered Office of the Fund.

## 9.5 Termination

The Fund may be terminated by the passing of a resolution of the Company. The Company may also redeem compulsorily all the Participating Shares effectively terminating the Fund.

The Company may be wound up by a Special Resolution. On a winding up, the Participating Shares carry a right to a return of the Net Asset Value after the return of the par amount paid up on the Management Shares.

#### 9.6 Quorum and Voting Rights

Participating Shares carry only limited voting rights at class meetings as described above.

If the Company has only one Shareholder entitled to vote at a general meeting the quorum shall be that one Shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorized representative. In all other cases at least two Shareholders present in person or by proxy who are entitled to vote shall be a quorum for all purposes at any general meeting of the Company.

Subject to any special terms as to voting for the time being attached to any shares, at any general meeting on a show of hands every holder of a share who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share held by him.

#### 9.7 Directors

The Directors shall be entitled to such sums (if any) by way of fees as shall from time to time be determined by Ordinary Resolution of the Company. Such sums shall be divided among the Directors as the Directors may determine.

Each Director may be paid his reasonable traveling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Directors or general and class meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine.

A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

No Director or intending Director shall be disqualified from his office by contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company

for any profit realized by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, provided that the nature of his interest shall be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made then at the first meeting of the Directors held after he becomes so interested.

The quorum for meetings of Directors shall be two if there are two or more appointed Directors, and one if there is only one appointed Director. The chairman of a director's meeting shall have a casting vote at any meetings of the Directors.

The Directors may exercise the Company's powers to borrow and to charge its assets.

#### 9.8 Transfer of Participating Shares

Subject to the provisions set out below, any Shareholder may transfer all or any of his shares by an instrument of transfer in any usual or common form or in any other form which the Directors may approve.

The instrument of transfer of a share shall be signed by or on behalf of (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and (in the case of partly paid shares) the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer, when registered, may be retained by the Company.

The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share (not being a fully paid share), or any share over which the Company has a lien.

#### 9.9 Compulsory Redemption and Restrictions on Shareholders

The Directors shall have power to impose such restrictions as they think necessary for the purpose of ensuring that no Participating Shares are held by:

- (a) any person in breach of the law or requirements of any country or governmental authority; or
- (b) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered.



The Directors have the right to compulsorily redeem any holding of Participating Shares for any reason, including, without limitation, if it is in the interests of the Company to do so or if the Participating Shares are or would be held by or for the benefit of a Non-Eligible Investor, or to give effect to an exchange, conversion or roll up policy.

#### 9.10 Alteration of the Articles

The Articles may at any time be altered or added to by Special Resolution of the Management Shareholder, subject to variation of class rights

#### 9.11 Mutual Funds Law

The Fund is regulated as an administered mutual fund under Section 4(1)(b) of the Mutual Funds Law (2009 Revision) of the Cayman Islands (“Mutual Funds Law”) by virtue of the Administrator providing the Fund’s principal office in the Cayman Islands. The Cayman Islands Monetary Authority (the “Authority”) has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Fund to have its accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the Directors and may result in the Authority applying to the court to have the Fund wound up.

The Fund will not, however, be subject to supervision in respect of its investment activities or the constitution of the Fund’s portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has passed judgment upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of Directors, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

#### 9.12 Accounting Date

The accounting date of the Fund is 31 December of each year or such other date as the Directors determine from time to time having given due notice to all Shareholders. Annual reports are published and sent to Shareholders.

#### 9.13 Prevention of Money Laundering

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Fund, and the Administrator on the Fund’s behalf, reserve the right to request such information as is necessary to verify the identity of a subscriber. In some cases, the Directors, or the Administrator on the Fund’s behalf may be satisfied that no further information is required since an exemption applies under the Money Laundering Regulations (2010 Revision) of the Cayman Islands, as amended and revised from time to time (the “Regulations”). Depending on the circumstances of each application, a detailed verification of identity might not be required where:

- (a) the subscriber makes the payment for their investment from an account held in the subscriber’s name at a recognized financial institution; or
- (b) the subscriber is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or
- (c) the application is made through an intermediary which is regulated by a recognized regulatory authority and is based in or incorporated in, or formed under the law of a recognized jurisdiction and an assurance is provided in relation to the procedures undertaken on the underlying investors.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognized by the Cayman Islands Monetary Authority as having equivalent anti-money laundering regulations.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Fund, or the Administrator on the Fund’s behalf, may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Fund, and the Administrator on the Fund’s behalf, also reserve the right to refuse to make any redemption payment to a Shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption proceeds to such Shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any such laws or regulations in any applicable jurisdiction.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher pursuant to the Terrorism Law (2009 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

#### 9.14 Cayman Islands – Automatic Exchange of Financial Account Information

The Cayman Islands has signed two inter-governmental agreements to improve international tax compliance and the exchange of information - one with the United States and one with the United Kingdom (the “US IGA” and the “UK IGA”, respectively). The Cayman Islands has also signed, along with over 60 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the “CRS” and together with the US IGA and the UK IGA, “AEOI”).

Cayman Islands regulations were issued on 4 July 2014 to give effect to the US IGA and the UK IGA, and on 16 October 2015 to give effect to the CRS (collectively, the “AEOI Regulations”). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the “TIA”) has published guidance notes on the application of the US and UK IGAs and the CRS.

All Cayman Islands “Financial Institutions” will be required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, except to the extent that they can rely on an exemption that allows them to become a “Non-Reporting Financial Institution” (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes. The Fund does not propose to rely on any reporting exemption and therefore intends to comply with the requirements of the AEOI Regulations.

The AEOI Regulations require the Fund to, amongst other things (i) register with the Inland Revenue Service to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a “Reporting Financial Institution”; (iii) conduct due diligence on its accounts to identify whether any such accounts are considered “Reportable Accounts”, and (iv) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority

relevant to a reportable account (i.e. the IRS in the case of a US Reportable Account, HMRC in the case of a UK Reportable Account, etc.) annually on an automatic basis by investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that further information may need to be provided to the Fund, the Fund’s compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned.

#### 9.15 Eligible Investors

No Participating Share may be held by, unless determined otherwise by the Directors, any U.S. Person.

The Fund reserves the right to request such information as is necessary to verify the identity of any person submitting a completed Subscription Agreement. An individual may be required to produce, among other documents, a copy of a passport and proof of residence or identification card certified by a notary public, lawyer, bank manager or other professional advisor. In the case of corporate applicants, they may be required to produce, among other documents, a certified copy of the certificate of incorporation (and any change of name), and the identity of at least two directors. A trustee, agent, representative or nominee may be required to provide verification of the beneficial owners of any Participating Shares subscribed. Pending the provision of evidence satisfactory to the Fund as to identity, the evidence of title in respect of Participating Shares may be retained in the sole and absolute discretion of the Fund. If within a reasonable period of time following a request for verification of identity, the Fund has not received evidence satisfactory to it as aforesaid, either the Fund may, at its sole and absolute discretion, refuse to allot the Participating Shares applied for, in which event subscription monies may be returned without interest to the account from which such monies were originally sent. The payment of redemption proceeds to a Shareholder holding an account at an institution which is not a financial institution qualified as such under the applicable regulations and for which the identity has not yet been adequately established, may only be made upon receipt of all appropriate identity documents. The Fund may reject subscriptions if the remitting bank or financial institution is unknown to the Fund or for any other reason at their sole and absolute discretion.

#### 9.16 Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company and are, or may be, material:

- (a) the Management Agreement between the Company and the Investment Manager pursuant to which the Manager was appointed, subject to the overall supervision of the Directors, to manage the Company’s investments and affairs;

- (b) the Administration Agreement between the Company and the Administrator, pursuant to which the Administrator was appointed to provide certain administrative services to the Company; and
- (c) the Custodian Agreement between the Company and the Custodian pursuant to which the Custodian was appointed as custodian of the assets of the Company.

- (ii) where such disclosure is required by any applicable law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank, governmental or other regulatory or taxation agency authority.

#### 9.17 Maples and Calder

Maples and Calder, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the Fund. In connection with the Fund's offering of Participating Shares and subsequent advice to the Fund, Maples and Calder will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Maples and Calder's representation of the Fund is limited to specific matters as to which it has been consulted by the Fund. There may exist other matters that could have a bearing on the Fund as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the Investment Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the Fund, there are times when the interests of Shareholders may differ from those of the Fund. Maples and Calder does not represent the Shareholders' interests in resolving these issues. In reviewing this Memorandum, Maples and Calder has relied upon information furnished to it by the Fund and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund.

#### 9.18 Confidential Information

- (a) The Company shall be entitled to retain any information it receives, whether within or without the Cayman Islands, in such manner as it shall, in its absolute discretion, consider appropriate. The Company reserves the right to engage such agents, whether within or without the Islands, as, in its absolute discretion, it shall consider appropriate for the purpose of complying with its obligations pursuant to applicable laws and regulations.
- (b) The Company, the Administrator and the Investment Manager will treat information received from investors as confidential and will not disclose such information other than:
  - (i) to their professional advisers or other service providers, whether within or without the Islands, where the Company, the Administrator or the Manager (as applicable) considers such disclosure necessary or appropriate in the normal course of business or to enable them to conduct their affairs;
  - or

By subscribing for Shares, an investor is deemed to consent to any such disclosure and the Subscription Agreement contains an express authorization to this effect.

## 10. Enquiries

Enquiries concerning the Fund or the Participating Shares (including information concerning subscription or redemption procedures) should be directed to:

QNB  
 P.O. Box 1000  
 Doha Qatar  
 Phone +974 4440 7339

This Memorandum does not purport to be and should not be construed as a complete description of the constituent documents of the Fund. Any potential investor in the Fund is encouraged to review carefully such constituent documents, in addition to consulting appropriate legal, business, investment, tax and other counsellors.

