

Guidelines on the Trading of Real Estate Investment Trusts (REITs) and Funds Instruments Listed on BHB

The following is a list of recent changes made to the Guidelines:

Ref.	Change Date	Description of Changes
1.3 General	7/2021	Amended to include "REITs listed or quoted on BHB shall be traded on the Regular Market where applicable".
2. Trading Hours	7/2021	Amended the trading hours for REITs. Added clauses 2.2 and 2.3.
4.2 Board Lot Size	7/2021	Amended USD category board lot size.
4.3 Tick Size	7/2021	Amended all tick sizes.
4.5 Regular Trade Value	7/2021	Amended the regular trade value for REITs.
4.6 Types of Orders	7/2021	Removed "AON" type of order allowed for Funds. Amended the types of orders for REITs. Added Clause 4.6.2
4.8 Order Duration	7/2021	Amended the order duration allowed for REITs.
5. Matching Priority	7/2021	Amended clause 5. (b) Added clause 5. (c)
6. Price Fluctuation	7/2021	Amended for REITs.
7. Pricing Mechanism	7/2021	Amended clause 7.3 Added clause 7.4
10. Clearing and Settlement	7/2021	Amended clause 10.2

Approved by:

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BAHRAIN BOURSE B.S.C (C)

**Guidelines on the Trading of Real Estate
Investment Trusts (REITs) and Funds Instruments
Listed on BHB**

Updated - July 2021

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Guidelines on the trading of REITs and Funds Instruments **Listed on BHB**

1. General

1.1 Application of these Guidelines

These Guidelines are issued in accordance with the related provisions under the BHB Market Rules and Real Estate Investment Trusts (REITs) Listing Rules and shall apply to all types of Funds traded on BHB including:

- a) Mutual Fund
- b) Real Estate Investment Trusts (REITs)

1.2 These Guidelines set procedures and guide members for trading in REITs and Funds Instruments listed or quoted on BHB respective markets.

1.3 REITs listed or quoted on BHB shall be traded on the Regular Market where applicable. Mutual Funds listed or quoted on BHB shall be traded on the Funds Market where applicable.

2. Trading Hours

2.1 Trading on Funds is conducted on weekdays (from Sunday to Thursday) between 9:30 a.m. to 1:00 p.m. or at such other times as determined by BHB.

2.2 Trading hours for REITs is subject to the Trading hours for the Regular Market as prescribed by BHB Market Rules or at such other times as determined by BHB.

2.3 REITs are further subject to Sections 6.3, 6.4 and 6.6.5 of BHB Market Rules.

3. Continuous Trading Period

3.1 During the trading period, Members may enter, modify, or cancel orders.

3.2 'Continuous Basis' in relation to orders, means orders that shall immediately be considered for matching upon entry into the Trading System, in accordance with the "Matching Priority" Rule, set out in Section 6.8 of the BHB Market Rules, where applicable.

3.3 Orders that are not matched immediately upon entry into the Trading System shall be maintained in the Trading System for possible matching in accordance with the "Matching Priority" Rule under Section 6.8 of the BHB Market Rules.

4. Orders

4.1 Order Particulars

Any order entered into the Trading System shall contain such particulars or information as may be prescribed by BHB from time to time.

4.2 Board Lot Size

In accordance with the current established practice applicable to listed instruments, Board Lots in the case of REITs and Funds are counted in units which represent the step size for an order quantity; therefore, the quantity should be one (1) lot or its multiples as indicated in the following schedule:

Category	Price Category	Board Lot Size
1	BHD 0.001 & above	1 Unit
2	USD 0.001 & above	

4.3 Tick Size

Tick Sizes to all price categories for trading is set to (BHD 0.001) for securities traded in Bahraini Dinars and (USD 0.001) for securities traded in US Dollars.

4.4 Minimum Accepted Order

The minimum accepted order shall be equal to one (1) Board Lot (1 Unit).

4.5 Regular Trade Value

The trade value for REITs must not be less than BHD 1,500 or its equivalent in other currencies to be considered as a regular trade value for affecting the closing price and indices statistics.

4.6 Types of Orders

4.6.1 The following types of orders may be entered by Members into the Trading System for Funds:

- Regular Orders (REG),

4.6.2 All types of orders as stipulated by BHB Market Rules for the Regular Market may be entered by members into the trading system for REITs.

4.7 Modification and Cancellation of Orders

- a) Any order entered into the Trading System may be modified or cancelled by the Member prior to the matching of the order.
- b) If the security (symbol), account number or the order type (buy or sell) need to be changed, the order must be cancelled and then re-entered.

4.8 Order Duration

The order duration allowed for the Funds market will be as follows:

- Day
- Session
- Good till cancelled
- Good till date
- Good till time

The order duration allowed for REITs will be as stipulated for the regular market in BHB market rules.

5. Matching Priority

Orders shall be matched in order of priority subject to the following:

- a) All orders shall be matched in priority of price and then time.
- b) Regular Orders shall have priority over Non-Regular Orders.
- c) Market orders shall have priority over limit orders only during the pre-open session where applicable (for REITs).
- d) Price/Time priority shall be applied subject to Section 6.8 of BHB Market Rules.

6. Price Fluctuation

Daily price variations (up or down) for each REIT shall be limited to a maximum of 10% of the previous closing price for the REIT. Other limits or variations to existing limits for each REIT and FUND may be specified from time to time by BHB. REITs are further subject to Section 6.9 of BHB Market Rules.

7. Pricing Mechanism

7.1 The price of the Instruments covered under these Guidelines is expressed in (Units Price). The Units Price is referenced by the Net Asset Value (NAV) of the traded REITs and Funds.

7.2 In accordance with the general practice, a NAV equals the current market value of a Fund's holdings minus the Fund's liabilities. It is expressed as a per-unit amount and computed by dividing net assets by the number of Fund's unit outstanding. REITs and Funds compute their net asset value according to the rules set forth in their respective prospectuses:

$$\text{NAV} = \frac{\text{Assets} - \text{Liabilities}}{\text{Outstanding Shares (issued Units)}}$$

7.3 REITs and Funds Units are bought and sold at a price, where the bid-and-ask have already been matched. This shall be regardless of any recalculation of the NAV at the end of the trading session whether at the same or different price, as demonstrated below:

Example:

Price matched = BHD 73

NAV at the end of the trading session = BHD 75

Number of REITS or Funds purchased or sold = 100 Units

Therefore, the settlement value of the trade will be: BHD 7,300

7.4 The closing price for REITs and Funds shall be determined by the last executed regular trade price.

8. Suspension of REITs and Funds Instruments from Trading

BHB may suspend or restrict trading in any or all listed REITs and Funds Instruments during any part of the trading session in accordance with Section 6.6 of the BHB Market Rules.

9. REITs and Funds Maturity

Where applicable, REITs and Funds have maturity dates, which determine when an instrument matures (Redemption Date) and holders of such instruments receive their final cash settlements.

10. Clearing and Settlement

10.1 The settlement value is the actual amount of money an investor will receive or pay after the execution of a trade.

10.2 Transactions in REITs and Funds are cleared and settled by Bahrain Clear B.S.C. (C) in the same manner as other securities listed on BHB which is currently set as T+2 basis.