

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

A list of recent changes made to this Guideline is undertaken below:

Ref.	Change Date	Description of Changes
4.4 Minimum Accepted Order	11/2016	Amended the minimum accepted order from BD500 or its equivalent in other currencies to one (1) board lot (One Unit).
4.5 Regular Trade Value	11/2016	Added "The trade value should not be less than BD 500 or its equivalent in other currencies to be considered as a regular trade value for affecting the closing price and indices statistics."

Approved by:



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Chief Executive Officer

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Investment Trusts (REITs) and Funds Instruments
Listed on BHB**

Updated - November 2016

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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 and Mutual Funds listed or quoted on BHB shall be traded on the REITs or Funds market where applicable.

2. Trading Hours

Trading 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.

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 0.005 & above	

4.3 Tick Size

The price of orders entered into the Trading System shall be based on the Tick Sizes or multiples of the Tick Sizes as indicated in the following schedule:

Category	Price Category (BD)		Tick Size (BD)
	From	To	
1	0.001	0.200	0.001
2	0.202	0.500	0.002
3	0.505	1.000	0.005
4	1.010 and above		0.01

Category	Price Category US(\$)		Tick Size US (\$)
	From	To	
1	0.005	1.00	0.005
2	1.01	2.50	0.01
3	2.52	4.50	0.02
4	4.55	10.00	0.05
5	10.10 and above		0.1



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 must not be less than BD 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

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

- Regular Orders (REG),
- All or None (AON)

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 REITs and Funds markets will be as follows:

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



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 (All or None Order).
- c. 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 or Fund shall be limited to a maximum of 10% of the previous closing price for the REIT or Fund. Other limits or variations to existing limits for each REIT or Fund may be specified from time to time by BHB.

7. Pricing Mechanism

7.1 The price of the Instruments covered under these Guidelines is expressed in (Units Price). The Units Price is referenced and indicated 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 which are priced at their NAV, represent the price per Unit for both buyers and sellers. The buyer will buy the units at market 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 = BD 73

NAV at the end of the trading session = BD 75

Number of REITS or Funds purchased or sold = 100 Units



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

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 the Central Securities Depository (CSD) in the same manner as other securities listed on BHB which is currently set as T+2 basis.