



Saudi Fransi GCC IPO Fund Terms and Conditions

An open-ended Shariah compliant equity fund

FUND MANAGER - SAUDI FRANSI CAPITAL

- The Fund's Terms and Conditions has been reviewed and approved by the Fund's Board of Directors. The Fund Manager and the members of the Fund's Board of Directors collectively and individually bear full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the fund board directors and the fund manager confirm the validity and completeness of the information in the Terms and Conditions, and further confirm that the information and data maintained in the Terms and Conditions are not misleading.
- The Capital Market Authority has approved the establishment of and the offering of units in the Investment Fund. The Capital Market Authority does not, however, take any responsibility for the contents of this Terms and Conditions, nor does it make any representation as to its accuracy or completeness. The Capital Market Authority does not make any recommendation as to the soundness or otherwise of investing in the Investment Fund, and the approval of establishing the Fund does not mean that the Authority recommends to invest in the Fund nor confirm the authenticity of the information contained in the terms and conditions, and the Authority emphasizes that the decision to invest in the Fund is up to the investor or his representative.
- Saudi Fransi GCC IPO Fund has been certified as being Shariah-compliant by the Shariah Committee appointed for the Investment Fund.
- The content of this Terms and Conditions for Saudi Fransi GCC IPO Fund are governed by the provisions of the Investment Funds Regulations and encompass complete, clear, correct, non-misleading, updated and amended information.
- Investors are advised to read and understand the contents of the Terms and Conditions. if in doubt, please consult a professional adviser.
- Upon subscribing to units of the Saudi Fransi GCC IPO Fund, the unitholder deems to have accepted and signed the Terms and Conditions.
- The performance of the Fund can be viewed within the fund's reports that are available on Saudi Fransi Capital website.

This is the amended version of the Terms and Conditions Saudi Fransi GCC IPO Fund that reflects the following changes.

- Amendments related to the Zakat Collection Rules for Investing in Investment Funds .
- Update the financial disclosure summary based on the audited statements for the year 2022

According to our letter sent to the Capital Market Authority on 30/10/2023G, corresponding to 15/04/1445H.

Internal Use
Public



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Fund Facts

Name	Saudi Fransi GCC IPO Fund
Class/Type	Open-ended Sharia-compliant Equity Fund
Fund Manager	Saudi Fransi Capital
Purpose	The Fund aims to achieve long term capital growth by investing in Sharia compliant GCC IPOs and newly listed GCC stock market companies that have been listed for no more than five years. It also has the right to invest in Sharia-compliant tradable rights issue of companies listed on the Saudi stock market, as well as, invest in shares that has been registered and accepted for listing in the parallel market and the tradable rights issue of these companies. The Fund also aims to outperform its benchmark.
Risk Level	High
Minimum Initial Investment	SAR 2,000.00 (Two Thousand Saudi Riyals)
Minimum Additional Investment	SAR 1,000.00 (One Thousand Saudi Riyals)
Minimum Redemption	SAR 1,000.00 (One Thousand Saudi Riyals)
Dealing/Valuation Days	Monday and Thursday (provided they are business days)
Unit Price Announcement Days	Business day following dealing day
Redemption Settlement Cycle	Four business days following dealing day
Initial Offering Price	SAR 10.00
Currency	SAR
Structure (period of the investment fund and its maturity date)	Open-ended
Date of the Authority's Approval for the Establishment and Offering of Units	24 Shaaban 1436H corresponding to 11 June 2015G.
Issue Date of Terms and Conditions	14 Sha'ban 1436H corresponding to 1 June 2015G
Latest Update of Terms and Conditions	30/10/2023G, corresponding to 15/04/1445H
Early Redemption Fees	None
Benchmark	Ideal Rating IPO Index Which is calculated and prepared by Ideal Ratings company.
Fund Administrator	Saudi Fransi Capital
Custodian	HSBC Saudi Arabia Limited
Auditor	PWC
Management Fees	1.75% per annum of the Fund net asset value
Subscription Fees	Up to 3% of investment amount
Redemption Fees	None
Custodian Fees	0.13% annually, calculated daily and deducted monthly based on the Fund net asset value on the last business day of each month, in addition to SAR 225 (two hundred twenty-five) as transaction fees.
Dealing Expenses	The Fund is responsible for meeting any regulatory fees or expenses related to investment operations, and this will be disclosed if it occurs.
Fees and other Expenses	The following fees and expenses are shown in 9-b: custody fees, management fees, auditing fees, registration fees (Saudi Stock Exchange), funding fees, trading fees, transaction fees, Shariah Committee fees, distribution expenses, purging fees, service fees (related to unitholder register), holding fund expenses, benchmark fees, regulatory fees, Fund's Board of Directors fees
Performance Fee	None
Deadline for submitting Subscription and Redemption instructions for each dealing day	Before 12:00 noon KSA time

Definitions

The Fund	Saudi Fransi GCC IPO Fund
Fund Manager	A person that is responsible for the management of the assets of an investment fund and the business of the investment fund, and offering of units of the investment fund.
Fund Currency	The currency in which the fund unit price is evaluated.
The Kingdom	Saudi Arabia
GCC Countries	Member States of the Gulf Cooperation Council (Kingdom of Bahrain, Kuwait, Oman, Qatar, Kingdom of Saudi Arabia, and United Arab Emirates).
The Authority	The Capital Market Authority, inclusive of - wherever the text allows - any committee, sub-committee, employee or deputy delegated to perform any task required by the authority.
Investment Funds Regulations	The regulations issued by the Board of the Capital Market Authority.
Investment Fund	A joint investment portfolio that aims to provide an opportunity for its investors to participate collectively in the profits of the portfolio. It is managed by the Fund Manager for a fee.
Subscriber or Unitholder	The person who owns units in the investment fund.
Unit	Units owned by the subscriber in the fund.
Benchmark	The indicator against which the fund's performance is compared.
Fund Board	The Board of Directors of the Fund.
The Shariah Committee	A group of Shariah scholars appointed by the Fund Manager to provide advice on investment products compatible with the provisions of Islamic Shariah.
Business day	The official business day, when the financial markets are open for business in the Kingdom.
Dealing day	A day when the subscription and redemption requests for investment fund units are executed.
Announcement Day	The days when unit prices are announced.
Valuation Point	The point in time on which the net asset value is calculated per unit and it is usually at the close of trading for the day prior to it, if this day is a business day in the respective market.
Last registration period	The last date to submit subscription and redemption instructions.
Unit Price	The fund unit value, which is calculated by dividing the net assets of the fund by the total number of existing units.
Subscription Fee	Fees that are paid in advance when buying fund units.
Management Fees	Compensation, expenses and fees related to consulting services to be paid to the Fund Manager.
Minimum investment	The minimum financial amount required to subscribe in the fund.
Initial Offerings	Initial public offerings of shares of companies that are offered for public subscription for the first time.
Rights Issue	Offering additional shares to the issuer's shareholders in the offerings in proportion to their ownership percentages.
Money Markets Instruments	Deposits, short-term securities and trade finance contracts (including Murabaha contracts), which are characterized by high liquidity and low risk.
Money Market Fund	An investment fund whose sole objective is to invest in deposits, short-term securities and trade finance contracts in accordance with the Investment Funds Regulations.
Correlation Coefficient	The extent to which the stock is related to another stock or the stock is related to an index.

Shariah standards	Shariah standards approved by the Fund's Shariah Committee which determine the companies eligible to invest in.
Zakat Collection Rules for Investing in Investment Funds	The Zakat Collection Rules for Investing in Investment Funds issued pursuant to the Ministerial Resolution No. (29791) dated 09/05/1444H.

1 Investment Fund

a. Name, Class and Type

Saudi Fransi GCC IPO Fund is an open-ended Shariah compliant equity fund.

b. Issue Date of Terms and Conditions

The Terms and Conditions were issued on 14 Sha'ban 1436H corresponding to 1 June 2015G, and the last update was made 11/05/2023G, corresponding to 21/10/1444H.

c. Date of the Authority's Approval for the Establishment and Offering of Units in the Fund

The Authority's approval to establish the Fund and offer its units to the public was obtained on 24 Shaaban 1436H corresponding to 11 June 2015G.

d. Duration and Maturity Date of the Fund

Saudi Fransi GCC IPO Fund is an open-ended investment fund.

2 Governing Laws

Saudi Fransi GCC IPO Fund and Saudi Fransi Capital (the fund manager) are subject to the Capital Market Law and its implementing regulations and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

3 Investment Policies and Practices

a. Investment Objectives

The Fund aims to achieve long term capital growth by investing in Sharia compliant GCC IPOs and newly listed GCC stock market companies that have been listed for no more than five years. It also has the right to invest in Sharia-compliant tradable rights issue of companies listed on the Saudi stock market, as well as, invest in shares that has been registered and accepted for listing in the parallel market and the tradable rights issue of these companies. The Fund also aims to outperform its benchmark.

b. Type of Securities in which the Fund will Invest in Primarily

- Initial public offerings in the GCC.
- Newly listed GCC stock market companies that have been listed for no more than five years.
- Tradable rights issue of companies listed on the Saudi stock market that are compliant with Shariah standards.
- Shares that have been registered and accepted for listing in the Parallel Market and the tradable rights of these shares.
- The fund manager has the right, at its discretion, to keep a maximum of 75% of the fund's assets in the form of cash, in some circumstances when there are not enough investment opportunities, such as a decrease in the number of investment opportunities in the initial offerings.
- The fund has the right to invest in companies listed on the main market (TASI) and the parallel market (Nomu) with a maximum of 25% of the fund's net value for the parallel market (Nomu), which are compliant with Shariah standards.
- Investing in all other financial means such as REIT, ETF and others.
- The fund manager has the right to invest in companies incorporated in the GCC countries whose main activity is concentrated in the GCC countries, and which are listed in the GCC stock markets or any other financial markets.
- The fund manager has the right to invest the surplus cash in short-term bank deposits and Shariah-compliant cash fund instruments.
- The fund also has the right to keep a maximum of 50% of the fund's assets in money market funds.

c. Investment Concentration or Specialization Policies and Practices

Investment Concentration Policy by Investment Type:

Investment Type	Minimum net asset value of the fund	Maximum net asset value of the fund
IPOs and newly listed shares (five years or less) in the GCC stock markets	25%	100%
Money Market Fund Units	0%	50%
Liquid cash or money market instruments	0%	75%
Tradable rights shares of companies listed on the Saudi stock market	0%	25%
Local investment fund units that invest in Saudi and GCC stocks	0%	25%
Shares of small and medium-sized companies listed in the GCC markets	0%	25%
Parallel Market	0%	25%

Investment Concentration Policy by Geographical Region:

Country	Minimum net asset value of the fund	Maximum net asset value of the fund
Kingdom Saudi Arabia	0%	100%
United Arab Emirates	0%	50%
Oman	0%	50%
Bahrain	0%	50%
Qatar	0%	50%
Kuwait	0%	50%

d. Investment Ratio

The following table shows the Fund's minimum and maximum investment ratios:

Investment Type	Minimum	Maximum
Shares	0%	100%
Cash or Money Market Instruments	0%	100%

e. Markets in which the Fund Intends to Invest In

- The Fund has the right to invest in companies listed on the Main Market (TASI) and Parallel Market (Nomu) that comply with the provisions of Islamic Sharia set by the Sharia Committee.
- The fund manager has the right to invest in companies incorporated in the GCC countries whose main activity is concentrated in the GCC countries, and which are listed in the GCC stock markets or any other financial markets.
- The fund manager has the right to invest the surplus cash in short-term bank deposits and Shariah-compliant cash fund instruments

f. Fund Manager's Investment in the Fund's Units

The Fund Manager and its affiliates may invest in the Fund for its own account, if neither it nor any of its affiliates exercises the voting rights related to the units they own. The Fund Manager will disclose the details of its investments in the fund units, at the end of each quarter on the Fund Manager's website and Saudi Stock Exchange website as well as in periodic reports issued by the Fund Manager and in the financial statements, and will be treated similar to units participating in the Fund.

g. Transactions, Methods and Tools Used by the Fund Manager for the Purpose of Making Investment Decisions

The Fund Manager seeks (and does not guarantee) to select companies that have the ability to outperform the benchmark over the medium to long term. When selecting stocks, the Fund Manager will use his experience and resources to assess the overall global, regional and local economy, in addition to the fundamental and technical analysis of the companies in which it aims to invest. Other factors, but not limited to, the morale of the investors, the extent of market volatility, and the degree of interdependence between the stocks or what is known as correlation.

It should be noted that investment in shares of small and medium-sized companies listed in the GCC markets is determined by the fund manager using the classifications adopted in accordance with market practices. The fund manager will also rebalance the fund's portfolio on a quarterly basis in line with the rebalancing of the benchmark, and the rebalancing includes selling shares that have exceeded the five-year offering period

h. Types of Securities that cannot be Included in the Fund's Investments

All securities that do not fall within the investment field of the fund stipulated in paragraph (b) of paragraph (3).

i. Investment Limits and Restrictions

- The Fund will not invest in any securities that do not comply with the Shariah standards approved by the Fund's Shariah Committee.
- The Fund invests in shares of listed companies except for:
 - Financial institutions (except for Islamic banks and Islamic insurance companies).
 - Companies with the following characteristics:
 - Usurious debts exceeding 33% for a 12-month average of the company's market value or the company's total assets, whichever is greater.
 - The usurious income or any income that is not compatible with the provisions of Islamic law exceeds 5% of the total income.
- The controls for investing in money market instruments are:
 - In Saudi Riyals.
 - Investing directly in bank deposits that comply with the Shariah regulations in financial institutions licensed by the Saudi Central Bank, including Banque Saudi Fransi.
 - It is not possible to allocate more than 15% of the fund's assets to one entity or one source.
 - The fund manager will depend on his rating for choosing the bank deposit, according to the attractiveness of the return.
- The controls for investing in money market funds are:
 - In Saudi Riyals.
 - It must be compatible with the Shariah regulations, offered for a public offering in the Kingdom of Saudi Arabia, and licensed by the Capital Market Authority, and it includes funds affiliated with the fund manager or other managers.
 - An investment fund may not own units of another investment fund if the total of the units owned exceeds (10%) of the net asset value of the fund that acquired, or (10%) of the net asset value of the fund whose units were owned.
 - The fund manager will depend on his classification of money market funds, according to the attractiveness of the return.
- The Fund Manager shall, during its administration of the Saudi Fransi GCC IPO Fund adhere to the restrictions and limits imposed by the Investment Funds Regulations, the Fund's Terms and Conditions.

j. Extent of Investment in Other Investment Funds

The fund has the right to keep a maximum of 25% of the fund's assets in local fund units that invest in Saudi and GCC shares. These funds may include Saudi Fransi Capital funds and/or funds affiliated with other managers that are offered publicly in the Kingdom of Saudi Arabia and that are compatible with Shariah and licensed by the Capital Market Authority.

k. Borrowing Rights and Pledging Assets Policy

The Fund is entitled to obtain financing that is compatible with Islamic Shariah, provided that the borrowing exposure does not exceed 10% of its net asset value, according to the absolute discretion of the Fund Manager except for borrowing from the Fund Manager or any of its subsidiaries to cover the redeemed amounts.

l. The Maximum Limit to Deal with any Counterparty

None.

m. Risk Management Policy

The Fund manages its investment portfolio and other assets by monitoring the return on net assets and making adjustments to them in the light of changes in market conditions in accordance with the Terms and Conditions. The capital structure depends on the issuance and redemption of units.

The Fund holds investments in various financial instruments in accordance with its investment policy. The investments are classified as "held for trading". The Fund is exposed to credit risk, stock price risk and liquidity risk, and its management policy is as follows:

- **Credit risk** - The Fund is exposed to credit risk with respect to bank balances and investment accounts maintained with the Fund Manager. Bank balances are kept with a bank with a good credit rating. The carrying amount is the maximum credit risk associated with the financial assets.
- **Equity price risk** - the fund's investments are affected by market prices resulting from the uncertainty of future prices. The fund manager manages this risk by diversifying the investment portfolio based on industry/sector focus.
- **Liquidity Risk** - The Fund's terms and conditions stipulate that units can be redeemed on each transaction day, and accordingly the Fund is exposed to liquidity risks related to meeting requests to redeem units. The fund's investments are easily verifiable as the investments are made in traded shares that can be easily liquidated within a short period of time. The fund manager has established some liquidity guidelines to ensure that sufficient funds are available to meet any commitments as they become due. Liquidity risk is managed through the fund manager's regular monitoring of the sufficiency of liquidity available to meet financial commitments as they fall due.
- **Special commission rate risk** - The Fund is exposed to special commission risk on commission bearing assets which include Shariah-compliant deposits and money market funds (ie the underlying assets of invested funds). To manage this risk, the fund manager monitors changes in commission rates on a regular basis. The Fund is not exposed to significant commission rate risk on its bank balances as the balances are in the current account.
- **Managing the risks of net assets attributable to unit holders** - the fund manager aims when managing the net assets attributable to unit holders to ensure the fund's ability to continue to provide the highest returns to unit holders and to ensure reasonable protection of the net assets of unit holders. The fund manager manages its investment portfolio and other assets by monitoring the income generated from net assets and making the required adjustments according to market changes.

n. Information about the Benchmark, its Provider, and Calculation Methodology

The benchmark is (Ideal Ratings IPO Index). Which is calculated by the Ideal Ratings Company. The benchmark is denominated in US dollars, calculated on a daily basis, and is re-evaluated on a quarterly basis by the index provider.

o. Purpose of Using Derivative

The Fund will not invest in financial derivative contracts.

p. Waivers Approved by the CMA for any Investment Limit and Restriction

None.

4 Investment Fund Risks

- a. The Fund may be exposed to fluctuations in the value of its units due to the formation of its investments that are concentrated in the shares of listed companies that are characterized by high volatility.
- b. The past performance of the Saudi Fransi GCC IPO Fund and the past performance of the benchmark is not an indication of the Fund's future performance.
- c. There is no guarantee for unitholders that the Fund's absolute performance or its performance compared to the benchmark will repeat or match the previous performance.
- d. The Fund Manager warns investors that investing in Saudi Fransi GCC IPO Fund is not a deposit with any bank, as the Fund's assets are inherently subject to fluctuations, both high and low.
- e. The Fund Manager warns investors of the risk of losing money when investing in the Fund.
- f. The list of potential risks associated with investing in the Fund, the risk exposure to the Fund, and any conditions likely to affect the net value of the Fund's assets and returns.
 - **Stock Market Risk** – The Fund invests in IPOs as well as in shares of companies that have not been listed in the stock market for more than five years in the GCC countries and that are exposed to price and market fluctuations. Accordingly, there is a possibility of a sudden drop in stock prices and consequently a loss of part of the capital, which may negatively affect the fund's investments and performance, and the fund's unit owners.
 - **Economic Risks** – The financial markets are linked to the general economic situation, which affects the profitability of companies, the level of inflation, interest rates and unemployment. Therefore, economic fluctuations may have a positive or negative effect on the performance of the Fund.
 - **Risks of investing in shares of small companies** - Investing in shares of small companies have more risks than other investments, including the possibility that these companies may not achieve the expected profits and high volatility in their performance. Adequate financial resources available to it. In the event that the mentioned risks are realized, this will lead to fluctuation in the results of these companies and fluctuations in the prices of their shares, which may affect the investments and performance of the fund and the owners of the fund's units.
 - **Liquidity Risk** – The risk that the Fund may be exposed to in providing the necessary liquidity to fulfill financial obligations.
 - **Limited Performance History Risks** - The Fund has no prior performance history. Consequently, potential investors cannot view the fund's past performance before making their decision to invest in it.
 - **Emerging Market Risks** - The stock market in the GCC is an emerging market categorized as high risk. The main risk associated with investing in emerging markets is that the market value of the stock market is concentrated in a limited number of companies, and therefore they are more exposed than the developed stock markets to a sharp drop in stock prices and low liquidity, which may affect the fund's investments and performance, and the fund's unit holders.
 - **Risks Related to Specific Events** – The subscriber accepts that the value of the Fund's assets may be affected by various but unlimited factors, including political and economic factors and other related factors to legislation and regulations.
 - **Currency risk** - It is the risk of depreciation in the value of a financial instrument held by the Fund in a currency other than the currency of the Fund as a result of a change in exchange rates.
 - **Technical risks** - The fund manager relies on the use of technology in managing the fund, but its information systems may be exposed to hacking, viruses, or partial or complete failure, which limits the fund manager's ability to effectively manage the fund's investments, which may negatively affect the fund's performance. Thus, the owners of the units of the fund.
 - **Investments Concentration Risks** - Risks resulting from the Fund's investments being concentrated in a number of stock market sectors in the GCC countries, which may make the Fund's performance subject to fluctuations as a result of changes in the conditions specific to those sectors, which may negatively affect the Fund's investments and performance and the fund's unit owners.
 - **Delayed listing risk** - The fund invests in the IPOs of shares of GCC companies. These propositions are linked to the date of listing the shares in the GCC market. Consequently, any delay in listing the shares of the subscribed companies may limit the investment options of the fund manager, which may negatively affect the fund's investments, its performance and the fund's unit owners.
 - **Conflict of interest risks** - These risks arise in situations where the objectivity and independence of the fund manager's decision is affected by a material or moral personal interest that matters to him at the expense of the fund, or in the event that a conflict of interest arises between the fund and other investment funds or investment portfolios managed by the fund manager, which may affect The fund manager's decisions in choosing his investment, which may negatively affect the fund's investments and performance, and the fund's unit owners.
 - **Natural Disaster Risks** - Natural disasters affect the performance of all economic and investment sectors, which may have a negative impact on the fund's performance outside the control of the fund manager,

such as earthquakes, volcanoes, severe weather fluctuations, and others, which may negatively affect the fund's investments and performance and the fund's unit owners.

- **The risk of dwindling the allocation ratio** - As a number of licensed companies and investment funds are invited to the process of Book building, it is possible to decrease the allocation percentage due to the increase in the number of companies, funds and individuals participating in the offerings, which may lose the fund an opportunity to increase its returns, which could have been reflected in the price of The unit, which may negatively affect the fund's investments and performance, and the fund's unit owners.
- **Significant redemption risks** - In the event that large redemption requests are received that exceed ten percent of the fund's assets on a particular dealing day, it may be difficult for the fund to provide sufficient funds to meet redemption requests, which may result in delaying redemption requests, in addition to the fact that the fund may have to liquidate part of its assets at inappropriate times, which may negatively affect the fund's investments and performance, and the fund's unit owners.
- **Risks of Investment in IPOs** - Shares of public companies are offered publicly through initial public offerings in the primary market. Investment in IPOs may involve the risk of limited shares available for subscription during the IPO period. Also, the investor's knowledge of the company issuing the shares may be insufficient or may have a limited performance history, and the companies issuing securities may belong to new economic sectors, and some companies may be in the development stage and do not achieve operating income in the short term, which increases the risks. Subscribing to its shares, which may negatively affect the fund's investments, its performance, and the fund's unit owners.
- **Risk of Shariah-Compliant Investments** – The risk of Shariah-compliant investments is represented in the event that one of the investments deviates from the Fund's legal criteria, which leads to the disposal of these investments at prices that may be inappropriate and may adversely affect the Fund's performance and the unit price.
- **Issuer related risks** - The risks of change in the issuer's financial position as a result of changes in management, demand, or its products or services. These risks include the issuer's exposure to legal procedures due to violations that it may commit, which may lead to a decrease in the value of its shares, which may negatively affect the fund's investments and performance, and the owners of the fund's units.
- **Risks of investing in investment funds** - Other funds in which the fund aims to invest are exposed to the same risks mentioned in the "main risks of investing in the fund" paragraph of these terms and conditions, which may negatively affect the fund's investments and performance and the fund's unit owners.
- **Risks of credit rating decline** - In the event of a decrease in the credit rating of any of the money market instruments in which the fund invests, the fund manager may be forced to dispose of them, which may negatively affect the fund's investments and performance and the fund's unit owners.
- **Interest rate fluctuation risk** - Is the risk resulting from changing interest rates, which may affect the value of the securities and shares of companies in which the fund invests, which may negatively affect the fund's investments and performance and the fund's unit owners.
- **Risks of insufficient disclosure in the IPO prospectus** - Disclosure risks relate to the possibility of incorrect data in the prospectus of the initial offerings or the omission of material data in it, or the companies listed in their periodic disclosures omitting material data or providing incorrect data. In view of the fundamental reliance of the fund manager in making the investment decision on the information he discloses, the risks of making an improper investment decision remain in the event of omission of material data or the presence of incorrect data in the prospectuses of companies, which may negatively affect the fund's investments and performance and the owners of units investment fund.
- **The risks of future financial expectations** - Expectations of the future financial results of companies and the availability of the necessary factors to achieve and sustain returns in the future are among the important tools on which the fund manager builds his investment decisions. However, those expectations may be achieved as expected, which may lead to a deviation in the results of the Fund's operations from expectations. Also, after announcing the company's financial results, the market price of its stock may move in a direction contrary to those expectations. Also, in the event of a decrease in the profitability of companies whose shares are listed, which may negatively affect the fund's investments and performance and the owners of the fund's units.
- **Risks of declining investment opportunities in IPOs** - The number of investment opportunities in the initial offerings may decrease at times, which reduces the fund's chances of achieving continuous returns, which may negatively affect the fund's investments and performance and the fund's unit owners.
- **Political risks** - The stock market in the GCC may be affected by local or global political developments such as riots and wars, which will negatively affect the fund's investments and performance and the owners of the fund's units.
- **Borrowing risks** - In the event that the fund borrows for the purpose of managing the fund and is late in repaying the borrowed amounts on time for reasons beyond the control of the fund manager, this may result in late payment fees or the fund manager being forced to liquidate some of his investments to repay the loans, which may negatively affect the fund's investments and performance and Fund unit holders.

- **Legal risks** - The companies and investment funds in which the Fund invests are exposed to legal risks as they are subject to regulatory procedures or sanctions by the regulatory authorities concerned with supervising their work or by other parties, as well as they may be a party to lawsuits. In addition, the financial position of the companies may be affected as a result of the issuance of new laws and regulations or changes in the current regulations, which may negatively affect the value of the fund's investments in those companies or funds, which in turn may affect the fund's performance and the fund's unit owners.
- **Risks of relying on the fund manager's employees** - The fund manager relies heavily on the human element, and therefore the fund may be affected by the loss of executive managers and employees associated with the fund's business and the difficulty of providing alternatives at the same level of expertise in the short term, which may negatively affect the management of the fund's investments, which may in turn negatively affect the fund's performance and, in turn, affects the investments of unitholders.
- **Credit risks** - The credit risks related to investing in money market instruments are those related to the possibility that any debtor will fail to fulfill its obligations, resulting in a loss of the invested amount or part of it, or the delay in its recovery, which may negatively affect the fund's investments and performance and the owners of the fund's units.
- **Trading Suspension Risks** - Sometimes, for any reason, trading may be suspended in one or all of the markets in which the fund operates, or there may be a malfunction in the computer systems and communication networks for technical reasons, which in turn may negatively affect the fund's investments and performance and the owners of the fund's units.
- **Tax and Zakat Risks** - Unit holders may bear the tax and zakat effects of subscribing, retaining or redeeming units under the laws in force in the countries in which they hold their citizenship or residence permit, or which are their normal residence or chosen domicile. Unitholders shall bear the payment of tax and zakat, if any, on their investments in the fund or on any increase in the capital arising from it, which may negatively affect the fund's investments and performance and on the fund's unit owners.
- **Risks of participating in IPOs** - The Fund may encounter difficulties related to its participation in the initial offerings of shares of companies, as there is no guarantee for the Fund to receive an invitation to participate in the initial offerings of shares of some companies, which causes the Fund to lose the opportunity to increase its returns, which could have been reflected positively on the unit price, which in turn may negatively affect the Fund's investments and performance and to the unit holders of the fund.
- **Risk of Unitholder Death** – If the subscriber is an individual, the terms and conditions of the Fund and all other documents will be binding on the heirs, executors of the will, estate managers, personal representatives, custodians and successors of the subscriber, and the approval of the unitholder on these Fund documents will not be canceled automatically upon the death or incapacity of the subscriber. If the subscriber is a legal entity, this agreement will not be automatically cancelled upon the death, bankruptcy or dissolution of any partner or shareholder therein. Regardless of these conditions, the Fund Manager is entitled, according to its absolute discretion, to suspend any transactions related to this agreement until the Fund Manager receives an order from the court, a power of attorney or any other evidence that is satisfactory of the authority vested in the heirs, executors of the will, directors of the estate, personal representatives, trustees or successors to allow the implementation of these transactions.

5 Risk Assessment Mechanism

The Fund Manager acknowledges that an internal mechanism for assessment of the risks related to the Fund is in place.

6 Targeted Class for Investing

The Fund targets all appropriate categories of individuals and companies according to the Fund's objectives and the risks associated with it.

7 Investment Restrictions and Limits

- The Fund will not invest in any securities that do not comply with the Shariah standards approved by the Fund's Shariah Committee.
- The Fund invests in shares of listed companies except for:
 - Financial institutions: except for Islamic banks and Islamic insurance companies
 - Companies with the following characteristics:

- Usurious debts exceeding 33% for a 12-month average of the company's market value or the company's total assets, whichever is greater.
- The usurious income or any income that is not compatible with the provisions of Islamic law exceeds 5% of the total income.
- The Fund is entitled to obtain financing in compliance with Shariah standards, provided that the borrowed amount does not exceed 10% of the net asset value of the fund, with the exception of borrowing from the fund manager or any of its affiliates to cover redemptions.
- According to the approval of the Board of Directors on these terms and conditions, and therefore the fund manager has the authority to borrow for the purpose of investing in the fund, provided that the borrowing percentage does not exceed 10% of its net asset value, and the period will not exceed one year.
- Investment Limits by Investment Type:

Investment Type	Minimum net asset value of the fund	Maximum net asset value of the fund
IPOs and newly listed shares (five years or less) in the GCC stock markets	25%	100%
Money Market Fund Units	0%	50%
Liquid cash or money market instruments	0%	75%
Tradable rights shares of companies listed on the Saudi stock market	0%	25%
Local investment fund units that invest in Saudi and GCC stocks	0%	25%
Shares of small and medium-sized companies listed in the GCC markets	0%	25%
Parallel Market	0%	25%

- Investment Limits by Geographical Region:

Country	Minimum net asset value of the fund	Maximum net asset value of the fund
Kingdom Saudi Arabia	0%	100%
United Arab Emirates	0%	50%
Oman	0%	50%
Bahrain	0%	50%
Qatar	0%	50%
Kuwait	0%	50%

The Fund Manager of Saudi Fransi GCC IPO Fund is bound by the restrictions and limits imposed by the Investment Fund Regulations and the Fund's Terms and Conditions.

8 Currency

The Fund's currency is the Saudi Riyal. If the subscription amount is received in a currency other than the Fund's currency, the Fund Manager will convert it to the Fund's currency according to the prevailing exchange rates available with the Fund Manager.

9 Fees, Charges and Expenses

a. Disclosure of Payments from the Fund's Assets

All types of payments are due from the fund's assets, and those fees and expenses are as follows:

Custody Fees	0.13% annually, calculated daily and deducted monthly on the basis of the net asset value of the Fund on the last business day of each month, in addition to processing a fee of SAR 225 (two hundred twenty-five).
Management Fees	The Fund Manager shall receive 1.75% annually of the net asset value of the Fund, as an accrued management fee, calculated cumulatively on a daily basis and deducted on a monthly basis.
Auditing Fees	A maximum of SAR 33,000.00 (thirty-three thousand Saudi riyals) per year. This fee is calculated on a daily basis and deducted on a biannual basis.
Registration Fees (Saudi Stock Exchange)	SAR 5,000.00 (five thousand Saudi riyals) annually. This fee is calculated on a daily basis and deducted on an annual basis.
Funding Fees	According to the prevailing financing rates. If incurred, it will be disclosed in the annual financial disclosure summary.
Shariah Committee Fees	None
Purging	The Fund shall bear the purging fees, according to which the Fund's investments in joint stock companies are purged. The Fund Manager will determine the income that does not meet the criteria of the Fund's Shariah Committee. Accordingly, the amount will be deducted from the Fund and deposited in a special account for disbursement to charity, and this will be disclosed.
Distribution Expenses	None
Service Fees (related to the unitholder register)	None
Benchmark Fees	31,875 (Thirty-one thousand eight hundred and seventy-five) Saudi riyals per year. These fees are cumulatively calculated on a daily basis and deducted on an annual basis.
Regulatory fees	SAR 7,500.00 (seven thousand and five hundred Saudi riyals) annually. This fee is calculated on a daily basis and is deducted on an annual basis.
Fund's Board of Directors Fees	<p>These fees include all the public funds of Saudi Fransi Capital. Note that these fees will change annually, as these fees will be allocated pro-rata based on the size of the assets in each fund. They are calculated cumulatively on each calendar day and deducted on an annual basis.</p> <p>The maximum annual remuneration of the Funds' board members of all Saudi Fransi Capital funds is estimated at SAR 60,000.00 (sixty thousand Saudi riyals). The Fund's annual share of these fees is estimated at SAR 12,374 (ten thousand three hundred and seventy-four). The Fund's share of these fees will change annually according to the Fund's assets under management (more or less). It is worth noting that each independent member (two members) will receive an amount of SAR 15,000.00 (fifteen thousand Saudi riyals) per meeting for a maximum of two meetings per year, which is the minimum number of meetings annually, and this is applicable for all of the public funds of Saudi Fransi Capital.</p>
Fees of the funds in which the fund invests	<p>In the event that the Fund invests in units of funds managed by Saudi Fransi Capital, the management fees will be waived or fully repaid in favor of the Fund. In the case of investing in fund units belonging to managers other than Saudi Fransi Capital, management fees will be deducted from the fund.</p> <p>The Saudi Fransi GCC IPO Fund will not bear any subscription fees when subscribing to any funds managed by Saudi Fransi Capital.</p>
Other expenses	The Fund shall be charged with transaction fees, transfer fees and taxes, a maximum of 0.15% annually of the net asset value of the Fund. In all cases, only actual fees and expenses will be deducted.

- All of the aforementioned fees, charges, and expenses borne by the Fund do not include the value-added tax that the Fund pays to the Fund Manager separately according to the rates stipulated by the value-added tax system, nor does it include any of the taxes imposed or to be imposed in the future in the Kingdom of Saudi Arabia, and will be paid any taxes due, in addition to the fees, expenses, and fees due and deducted from the fund's assets. In all cases, only actual fees and expenses will be deducted.

b. Fees, Charges and Expenses Calculations and Payment Schedule

Fees/Expense	Percentage/Assigned Amount	Calculation Method	Schedule
Subscription Fees	3% annually	Calculated from the subscription amount.	Pay in advance for each subscription.
Custody Fees	0.13% annually	Calculated daily.	Payable monthly on the basis of the Fund's net asset value on the last business day of each month.
Transaction Fees	SAR 225	A lump sum paid to the custodian for each transaction.	Paid - if any - at the end of each month.
Management Fees	1.75% annually	Calculated cumulatively on a daily basis.	Paid monthly.
Auditing Fees	Maximum SAR 33,000 per year.	Calculated cumulatively on a daily basis.	Paid on a biannual basis.
Registration Fees (Saudi Stock Exchange)	SAR 5,000	Calculated cumulatively on a daily basis.	Paid on annual basis.
Funding Fees	According to the prevailing financing rates, and it will be disclosed if it occurs in the annual financial disclosure summary.		
Dealing Fees	The Fund is responsible for meeting any regulatory fees or expenses related to investment operations, and this will be disclosed if it occurs in the annual financial disclosure summary.		
Shariah Committee Fees	None		
Purging	As shown in 9-a	Calculated by Quarterly.	Paid - if any - on a quarterly basis.
Distribution Expenses	None		
Services Fees (related to the Unitholder Register)	None		
Benchmark Fees	Maximum SAR 31,875 per year.	Calculated cumulatively on a daily basis.	Paid on an annual basis.
Regulatory Fees	SAR 7,500 annually.	Calculated cumulatively on a daily basis.	Paid on an annual basis.
Fund's Board of Directors Fees	The Fund's share is estimated at SAR 12,374 annually, which is an estimated share that may change annually according to the Fund's assets.	Calculated cumulatively every calendar day.	Paid on annual basis.

	In addition to SAR 15,000.00 for each independent member (two members) for each meeting (with a maximum of two meetings per year, which is the minimum number of meetings of the Fund's Board of Directors).		
Fees of the funds in which the fund invests	The fund bears investment fees in the funds in which it invests, unless they are funds under the management of Saudi Fransi Capital, and this will be disclosed if it occurs.		
Other expenses	0.15% annually as a maximum.		Paid annually.

c. Percentage of the Fund Expenses Against the Total Fund Asset Value

Fees	Category	Amount in SAR	%
Trading registration fees	Recurring	5,250	0.0024%
Regulatory Fees	Recurring	7,500	0.0035%
Auditor Fees	Recurring	33,000	0.0113%
Remuneration of the Board of Directors	Recurring	5,202	0.0024%
Benchmarking Fees	Recurring	21,492	0.0099%
Transaction Fees	Recurring	109,349	0.0503%
Funding Fee	Recurring	-	-
Other	Non - recurring	43,984	0.0202%
Custody Fees	Recurring	296,301	0.1363%
Management Fees	Recurring	4,002,939	1.8415%
Shariah Audit Fees	Recurring	-	-
Total Fees	Recurring Cost Ratio:	4.481.033	2.0632%
	Non-recurring Costs Ratio:	43,984	0.0202%

d. Subscription or Redemption Charges and Calculation Method

Transactions imposed on subscription, redemption and transfer of ownership shall be owed to the unitholders, and those fees and expenses are as follows:

- The subscription fee is calculated as a percentage not exceeding 3% to be paid in advance of the total subscription amount when purchasing units in the fund, excluding value-added tax or any of the imposed taxes, and the customer agrees to pay the imposed taxes in addition to the subscription fees to the fund manager.
- There is no Redemption fee or early Redemption fees.
- Transfers between Saudi Fransi Capital funds are treated as if they were a redemption request from one fund and a subscription request in another fund, while complying with these terms and conditions and the terms and conditions of the funds to which the subscriber intends to invest. Any expenses related to participation in the fund transferred to it, if any, shall be deducted in addition to the taxes imposed. If there

is a currency difference between the funds between which the transfer occurred, the manager shall transfer the proceeds according to the exchange rate prevailing at that time.

e. Special Discounts and Commission Policy

Not applicable.

f. Tax and Zakat Information

The Fund is subject to the provisions and regulations of the Zakat, Tax and Customs Authority, where applicable. The Fund Manager undertakes to register the Fund with the Zakat, Tax and Customs Authority within the statutory period.

Responsibility for paying Zakat on the investment units owned by investors rests on the owners of those units, and the tax expenses applicable to the fund will be disclosed in the fund's financial statements.

The Fund Manager shall not be responsible for paying the Zakat of the Units for the investors. Unitholders shall be responsible for paying the Zakat of their own Units in the Fund.

The Fund Manager will provide the Zakat, Tax and Customs Authority with all reports and requirements regarding zakat declarations in accordance with the Zakat Collection Rules for Investing in Investment Funds. The Fund Manager will also provide Unitholders with Zakat declarations upon request in accordance with the Zakat Collection Rules for Investing in Investment Funds. Unitholders who are subject to the provisions of the Zakat Collection Rules for Investing in Investment Funds shall calculate and pay Zakat on their investments. The Zakat Collection Rules for Investing in Investment Funds can be found on the website of the Zakat, Tax and Customs Authority.

g. Any Special Commission Entered into by the Fund Manager

None.

h. Example that Illustrates all Fees, Charges and Expenses Paid from the Fund's Assets or Unitholders

Fees (assumed fund size 100 million)	SAR	%
Subscription Amount	2,000.00	
Registration Fee (Saudi Stock Exchange)	0.0416	0.0021%
Regulatory Fees	0.0594	0.0030%
Auditing fees	0.6600	0.033%
Remuneration of the Board of Directors	0.0000	0.0000%
Benchmarking Fee	0.2526	0.0126%
Transaction Fees	0.2472	0.0124%
Funding Fee	0	0.0000%
Other	0.5823	0.0291%
Custody Fee	2.7288	0.1364%
Management Fee	36.6732	1.8337%
Total Fees	40.8516	

10 Valuation and Pricing

a. Details on how each Asset Held by the Fund is Valued

Each of the securities in which the fund invests is evaluated as follows:

Paper type	Calendar path
Initial Offerings	It is to determine the value of the assets of the fund invested in the proposals of primary shares before listing building on the price of IPO after the process of customization .



	If the stock is listed then it is based on values The financial markets of the Gulf Cooperation Council countries at every calendar point Every day deal. Unless not a market that invests the fund, a large proportion closed on that day .
Tradable rights	The value of the fund's assets invested in rights shares is determined at the price of the priority rights shares before offering in the Saudi financial market. If the rights issue is listed then it is based on values Financial market at every calendar point namely Every day deal. Unless not a market that invests the fund by a large closed on that day .
Money market tools	The value of assets invested in money market instruments is determined on the basis of the contract cost plus accrued profits up to the valuation point Every day deal. .
Murabaha operations	The value of the assets invested in murabaha operations is determined on the basis of the contract cost plus the accrued profits up to the valuation point Every day deal. .
Money market funds	T select the value of the assets invested in the funds market cash by using the last price of the unit declared.
Mutual funds	T select the value of the assets invested in investment funds by using the last price of the unit declared.

b. Frequency and Time of Valuation

The Fund assets are valued every Monday and Thursday, twice a week.

c. Actions to be Taken in Case of Mis-Valuation or Mis-Pricing

If the Fund assets are valued incorrectly or the unit price is calculated incorrectly, the Fund Manager will do the following:

- Document the error in the valuation or pricing status.
- Compensate all affected unitholders (including former unitholders) for all valuation or pricing errors without delay.
- Inform the Authority immediately of any error in the valuation or pricing that constitutes 0.5% or more of the unit price.
- Immediately disclose the status of the error in valuation or pricing on its website, the market website and in the general fund reports.

d. Method of Calculating the Unit Price for Dealing Purposes

The unit price at subscription or unit price on redemption is the net asset value per unit, where the unit value is calculated for subscription or redemption purposes by deducting all the amounts required on Saudi Fransi Saudi Equity Fund (the Fund's obligations) including but not limited to, specific fees In paragraph (9) of this terms and conditions, the total value of the assets and the unit price is determined by dividing the resulting number from this process by the total number of existing fund units on the date of the relevant transaction day, and it should be noted that no circumstances may change from the mentioned pricing method.

e. Details on Publications of Unit Prices

The Fund Manager will publish the unit price every day of the announcement (twice a week) on the Saudi Stock Exchange Company website (Saudi Stock Exchange) and the official Fund Manager's website.

11 Dealing

a. Details of the Initial Offering

Start Date	27 Shaaban 1436H corresponding to 14 June 2015G.
Offering Period	6 working days.
Initial Offering Price	SAR 10.00

b. Date and Deadlines for Submitting Subscription and Redemption Requests

The deadline for receiving subscription and redemption requests is before 12:00 p.m. KSA time on each dealing day. The fund manager is responsible for the following:

- Execution of subscription and redemption requests that meet the requirements and received before the last registration period - at 12:00 noon, Saudi Arabia time on each dealing day - based on the fund's unit price calculated on the relevant dealing day.
- Subscription and redemption requests shall be implemented so that they do not conflict with any provisions contained in the Investment Funds Regulations or the Fund's Terms and Conditions.
- Redemption returns shall be paid to unit holders prior to the closing date of the business on the fourth day following the dealing day in which the redemption price was set, as a maximum.

c. Subscription and Redemption Procedures

- **Subscription Procedures** – Investors can subscribe to the Fund by submitting a completed and signed application form to the Fund Manager in addition to any other documents that the Fund Manager may request, or through the electronic channels of the Fund Manager, and the subscription request will be accepted upon receipt of the investment amount. All the completed subscription requests will be executed adequately if received before the last registration period at 12:00 p.m. KSA time of each dealing day - based on the unit price of the fund calculated on the relevant trading day.
- **Redemption Procedures** – The subscriber may request a complete or partial refund (while maintaining the minimum investment balance) of its units by completing and signing the redemption form and submitting it to the Fund Manager, or through the electronic channels of the Fund Manager. The specified registration period is the deadline for receiving redemption requests which are every trading day before 12:00 noon In KSA time, all adequate redemption requests received before the registration period deadline are executed based on the fund unit price on the relevant trading day. The unit price is announced on the business day following the day of the concerned transaction, and the subscriber may request the transfer of its investment or part of it from one fund to another and the transfer request is processed in such case as a separate request for redemption from the first fund and a subscription to the second fund.

d. Restrictions on Dealing in the Fund Units

The Fund Manager, during its management of Saudi Fransi GCC IPO Fund, is bound by the restrictions and limits imposed by the investment funds regulations and the terms and conditions of the fund and the fund manager has the right to refuse any participation if he believes that this subscription may lead to a violation of the Capital Market Authority's regulations or a violation of the fund's terms and conditions or Information note. The table below shows the minimum value of units that the unitholder must own, subscribe or redeem:

Minimum Initial Investment	SAR 2,000.00 (two thousand Saudi Riyals)
Minimum Additional Investment	SAR 1,000.00 (one thousand Saudi Riyals)
Minimum Redemption	SAR 1,000.00 (one thousand Saudi Riyals)

e. Cases with which dealings in units are postponed or suspended, and the procedures followed in those cases

- The Fund Manager has the right to refuse any subscription if it deems that this subscription may lead to a violation of the regulations of the Capital Market Authority or a violation of the terms and conditions of the fund.
- The Fund Manager may postpone responding to any redemption request from an open investment fund until the next dealing day, in any of the following cases:
 - On any dealing day, if the value of redemption requests, including the transfer of units to another fund with the fund manager, exceeds 10% of the net asset value of the fund, the fund manager may, at its absolute discretion, postpone any requests for redemption and/or transfer of units to another fund with the fund manager On a pro-rata basis so that the total value of the requests does not exceed 10% of the fund's net asset value, and the delayed redemption and transfer requests will be executed on the immediately following dealing day, while they are always subject to 10% of the net asset value.
 - If dealings are suspended in the main market in which the securities or other assets owned by the investment fund are dealt, either in general or in relation to the assets of the fund that the fund manager reasonably deems important in relation to the net asset value of the fund.
 - If the subscriber's investment in the fund falls below the minimum investment limit mentioned in the terms and conditions due to its redemption, then the fund manager has the right to return the remainder of the investment value to the subscriber..

- The Fund Manager has the right to postpone the implementation of redemption requests in the event that the fund is unable to sell / liquidate the assets it owns for any reason.
- The Fund Manager has the right to suspend subscription and redemption in the event of force majeure circumstances beyond his control that prevent him from implementing these requests such as power outages, malfunctions in technical systems, wars, political problems or natural disasters, provided that this suspension is lifted as soon as the event that led to the suspension of subscription has passed or refunded.

f. Deferred Refund Requests Selection Procedures

Where applicable, the fund manager will postpone any requests for redemption and/or transfer of units to another fund with the fund manager on a pro-rata basis so that the total value of the requests does not exceed 10% of the fund's net asset value, and the postponed redemption and transfer requests will be executed on the next dealing day Direct, always subject to 10% of the net asset value.

g. Provisions Governing the Transfer of Unit Ownership to Other Investors

Regulatory provisions are the provisions of the Saudi Capital Market Authority laws and its implementing regulations and other related regulations and bylaws applied in the Kingdom of Saudi Arabia, according to the unit price on that day.

h. Minimum Units for Subscription or Redemption

Minimum Initial Investment	SAR 2,000.00 (two thousand Saudi Riyals)
Minimum Additional Investment	SAR 1,000.00 (one thousand Saudi Riyals)
Minimum Redemption	SAR 1,000.00 (one thousand Saudi Riyals)

i. Minimum Amount Fund Manager Intends to Collect and Action Taken in the Event the Minimum Amount is Not Reached

Not applicable because Saudi Fransi GCC IPO Fund is an existing fund.

12 Distribution Policy

a. Income and Dividend Distribution Policy

The profits of the fund's units will not be distributed to the investors, as the realized profits are reinvested in the fund, and thus the reinvestment will reflect positively on the value and price of the units.

b. Approximate Date of Maturity and Distribution

Not applicable.

c. How to pay distributions

Not applicable.

13 Reporting to Unit Owners

a. Financial reports submitted to unit holders

- The Fund Manager will prepare annual reports and submit them to unit holders within a period not exceeding (3) months from the end of the reporting period.
- The Fund Manager will prepare the preliminary financial statements and submit them to the unit holders within a period not exceeding (30) days from the end of the reporting period.
- The Fund Manager will prepare the quarterly statements and submit them to the unit holders within a period not exceeding (10) days from the end of the relevant quarter.
- In the event of termination of the fund, the fund manager will prepare the fund termination report and submit it to the unit holders within a period not exceeding (70) days from the date of completion of the termination

and liquidation of the fund, including the final audited financial statements for the period following the last audited annual financial statements.

b. Information on the Locations and Means of Making Available Fund Reports

- The Fund's unit holders and potential unit holders will be informed of the annual reports and the preliminary and annual financial statements free of charge by publishing them on the fund manager's website and Saudi Stock Exchange website.
- The quarterly statement will be submitted free of charge by publishing it on the fund manager's website and Saudi Stock Exchange website.

c. Annual Financial Statements

The Fund Manager will make the annual financial statements available on the Fund Manager's and Saudi Stock Exchange website.

d. Declaration Stating the Availability of the First Audited Financial Statement

Not applicable, as Saudi Fransi GCC IPO Fund is an existing fund.

14 Information on Unitholders' Register

- The Fund Manager prepares and maintains a record of unitholders in the Kingdom.
- The unitholder record is conclusive evidence of ownership of the units thereof.
- The Fund Manager registers the information of the unitholders in the record and is obligated to update it immediately when any change occurs to the data registered in it.
- The unitholders record is available for inspection by the Authority upon request, and the Fund Manager shall provide a summary of the unitholder record to any unitholder for free upon request (provided that this summary shows all information related to the concerned unitholder only).
- Without prejudice to the provisions of the relevant regulations, the record of unitholders shall contain, at least, the following data:
 - Name of the unitholder, its nationality and address.
 - National ID number or equivalent identification, such as residency number, passport number, commercial registration number, or any other identification method determined by the Authority according to the category of the unitholder.
 - The registration date of each unitholder in the record.
 - Details of all transactions related to the fund units made by each unitholder.
 - The current balance of the number of units owned by each unitholder.
 - Any restriction or dues on the units owned by each unitholder.

15 Information and Details of Meeting of Unitholders:

a. Circumstances in which a Meeting of Unitholders is Called

- The Fund Manager may call a meeting of unitholders on its own initiative.
- The Fund Manager must call the unitholders meeting within (10) days of receiving a written request from the Custodian.
- The Fund Manager must call the unitholders meeting within (10) days of receiving a written request from one or more unitholders who own or collectively own at least 25% of the Fund's value.

b. Procedures for Calling a Meeting of Unitholders

- The invitation to the unitholders meeting will be posted on the website of the Fund Manager and the website of the market, in addition to sending a notice to the unitholders and the Custodian at least (10) days prior to the meeting with a period not exceeding (21) days before the meeting, provided that the announcement and notification shall specify the date of the meeting, its location and time and the proposed items.

- The meeting shall be valid and with a quorum in the event that a number of unit owners who collectively own at least 25% of the value of the fund's units are present. The units and the custodian shall not be less than (5) days before the date of the second meeting, and the second meeting shall be considered valid regardless of the percentage of the fund's units represented in the meeting.
- Meetings of unitholders may take place, participate in its deliberations, and vote on its decisions by means of modern technology, in accordance with the regulations set by the Authority.

c. Method of Voting for Unitholders and Voting Rights in Unitholders' Meetings

- Each unitholder has the right to appoint an agent to represent it at the unitholders meeting.
- Each unitholder has the right to cast one vote for every unit he owns in the Fund.
- In the case of holding meetings by means of modern technology, voting will be conducted accordingly and in accordance with the regulations set by the Authority.

16 Rights of Unitholder

a. List of Unitholder Rights

- Own the subscribed units in the Fund.
- Exercise the rights related to the units owned according to the Terms and Conditions, Information Memorandum, and the Investment Funds Regulations, including but not limited to voting rights in unitholders' meetings.
- Obtain the annual unit register statement for any financial investment in the Fund's units.
- Approval of the basic changes to the Fund's terms and conditions.
- Announce any change in the Fund's Terms and Conditions, Information Memorandum, and obtain a summary of such change before it takes effect in accordance with these Terms and Conditions in a manner that does not conflict with the provisions of the Investment Funds Regulations.
- Redemption of units before any change in the Terms and Conditions takes effect without imposing any redemption fees - if any.
- Obtain an updated copy of the Terms and Conditions and the Information Memorandum in Arabic at no charge.
- Obtain the audited financial statements of the Fund, free of charge, upon request.
- Notification of the Fund Manager's desire to terminate the Investment Fund in accordance with the Terms and Conditions and Information Memorandum in a manner that does not conflict with the provisions of the Investment Funds Regulations.

b. Voting Rights policy

The fund manager is not obligated to vote, but in the event of participating in the voting, in general the voting is consistent with the recommendations of the company's management, either directly or indirectly through a majority vote. In addition, the fund manager may vote against the recommendations of the company's management if he believes that this best serves the interests of the unit holders.

17 Unitholder's Liabilities

Except for the loss of the unitholder for its investment in the Fund or part of it, the unitholder is not responsible for the Fund's debts and obligations.

18 Unit Characteristics

- The Fund is divided into units of equal value and with the same privileges and rights, provided that the total value of the units issued constitutes the total value of the Fund.
- The Fund Manager will not issue ownership certificates to investors in the Fund's units, but will rather keep a record of all unitholders in the Fund.

19 Changes to the Fund's Terms and Conditions

a. Provisions Governing Changes to the Fund's Terms and Conditions

- Changing the Terms and Conditions of the Fund is subject to the provisions of the Investment Funds Regulations issued by the Capital Market Authority, whereby the Fund Manager may, at his discretion, only amend these Terms and Conditions at any time based on the condition of obtaining the approval of the unitholders and the Authority on the proposed fundamental changes, or notify the Authority and the unitholders of the important changes.
- A copy of these Terms and Conditions will be provided on the Fund Manager's website and the Saudi Stock Exchange website.

b. Procedures to be Employed on Notifying Changes to the Fund's Terms and Conditions

In a manner that does not conflict with the provisions of the Investment Funds Regulations, the Authority and the unit holders will be notified of the changes in the terms and conditions according to the following mechanism:

- The Fund Manager will obtain the approval of the Authority after obtaining the approval of the unit holders on any proposed fundamental change in the fund. After that, the fund manager will notify the unit holders of the details of these changes by announcing on the website of the fund manager and the website of the Saudi Stock Exchange before (10) days of the change taking effect.
- The Fund Manager will obtain the approval of the fund's board of directors before making any fundamental or non-fundamental changes to the fund's terms and conditions.
- The Fund Manager will notify the Authority and the unit holders in writing of any non-basic changes to the fund's terms and conditions no less than (10) days before they become effective.

20 Termination and Liquidation of the Investment Fund

a. Fund Termination Events and Procedures

- Upon the occurrence of any event that necessitates the termination of the fund, the fund manager will terminate the fund immediately and notify the Authority and the unit holders within (5) working days of the occurrence of the event that necessitated the termination of the fund.
- In the event that any of the requirements of the Investment Funds Regulations or any other requirements of the Capital Market Authority under which the fund may be terminated is not met, the fund manager will terminate the fund and notify the Authority and the unit holders of that.
- The fund manager will prepare a plan and procedures for terminating the fund in the interest of the unit holders, and obtain the approval of the fund's board of directors on this plan before taking any action in this regard.
- The fund manager will notify the Authority and the unit holders in writing of the details of the fund's termination plan and procedures, no less than (21) days prior to the date on which the fund is intended to be terminated.
- The fund manager will complete the sale of the fund's assets and distribute the dues to the unit holders before the end of the fund's term. The fund manager may extend the fund's term in order to complete the asset sale phase or for any other circumstance.
- The Authority and the unit holders will be notified in writing of the termination of the fund within (10) days from the end of the fund term.

b. Procedures for Liquidating the Fund

- In the event that the fund's term expires and the fund manager has not completed the sale of the fund's assets during its term, the fund manager will liquidate the assets and distribute the entitlements of the unit holders to them within a period not exceeding (6) months from the date of expiry of the fund's term.
- The fund manager will obtain the approval of the fund's board of directors on the plan and procedures for liquidating the fund before taking any action.
- The fund manager will notify the Authority and the unit holders in writing of the end of the liquidation of the fund within (10) days from the end of the liquidation of the fund, and distribute the entitlements of the unit holders immediately upon the end of the fund or its liquidation without delay and in a manner that does not conflict with the interest of the unit holders.
- In the event of the expiry of the fund's term, the fund manager will not charge any fees that will be deducted from the fund's assets.

21 Fund Manager

a. Name, Duties and Responsibilities of Fund Manager

- Saudi Fransi Capital, the Fund Manager, is responsible for complying with the provisions of the Investment Funds Regulations and all related regulations, whether it performs its responsibilities and duties directly or assigns them to a third party under the provisions of the Investment Funds Regulations and the Financial Market Institutions Regulations.
- The Fund Manager also works for the benefit of unitholders in accordance with the provisions of the Investment Funds Regulations, the Financial Market Institutions Regulations and the provisions of the Fund's Terms and Conditions, and abides by the duties of the trust towards unitholders, which ensures work and exercise reasonable care to achieve their interests, and is responsible for doing the following:
 - Fund management
 - Subtracting the units of the fund
 - Managing the fund's operations, including the administrative services of the fund.
 - Ensure the accuracy and completeness of the Fund's terms and conditions and that they are complete, clear, correct, not misleading and up-to-date
 - Develop policies and procedures to monitor the risks that affect the investments of the Fund, and ensure that they are dealt with quickly
 - Implementing the conformity and compliance program of the Fund, and providing the Authority with the results of the application upon request.
 - Adhering to the approval requirements and notifications submitted to the Authority in accordance with the provisions of the rules and regulations issued by the Capital Market Authority, where applicable

b. Authority Authorization Number and Date

Saudi Fransi Capital is licensed by the Capital Market Authority with license (11153-37) dated 26 Safar 1432H.

c. Registered Address

Saudi Fransi Capital
Head Office: 8092 King Fahd Road,
PO Box 23454, Riyadh 11426, Kingdom of Saudi Arabia
Phone +966 11 282 6666
Fax: +966 11 282 6725

d. Web Address

www.sfc.sa

e. Paid-Up Capital

The paid-up capital of Saudi Fransi Capital is SAR 500,000,000.00 (five hundred million Saudi riyals).

f. Summary of Financial Information

	2020
Revenue	380,073,678
Expenses	272,431,039
Net Income	124,851,350

g. Primary Roles, Responsibilities and Duties

The Fund Manager is responsible for complying with the provisions of the Investment Funds Regulations and all related regulations, whether he performs his responsibilities and duties directly or assigns them to a third party under the provisions of the Investment Funds Regulations and the Financial Market Institutions Regulations.

The Fund Manager also works for the benefit of unit holders in accordance with the provisions of the Investment Funds Regulations, the Financial Market Institutions Regulations, and the terms and conditions of the fund.

- Fund management
- Subtracting the units of the fund
- Managing the fund's operations, including the administrative services of the fund.
- Ensure the accuracy and completeness of the Fund's terms and conditions and that they are complete, clear, correct, not misleading and up-to-date
- Develop policies and procedures to monitor the risks that affect the investments of the Fund, and ensure that they are dealt with quickly
- Implementing the conformity and compliance program of the Fund, and providing the Authority with the results of the application upon request.
- Adhering to the approval requirements and notifications submitted to the Authority in accordance with the provisions of the rules and regulations issued by the Capital Market Authority, where applicable

h. Other Business Activities and Interests of Material Importance or May Conflict with the Fund's Activities

None. The fund manager acknowledges that there is no conflict of interest, and in the event that any conflict of interest arises or occurs in the future, the fund manager will take the necessary action in the interest of the unit holders and disclose that conflict in the fund's periodic reports.

i. Appointment of a Sub-Manager

The Fund Manager may assign a third party or more or any of its affiliates to work as sub-fund manager, provided that the Fund Manager incurs the fees and expenses of any sub-manager.

j. Provisions Governing the Removal/Replacement of the Fund Manager

- The Fund Manager has the right to voluntarily withdraw from managing the fund as required by the interests of the unit holders, provided that it arranges for the appointment of an alternative fund manager, subject to the provisions and regulations of the Capital Market Authority.
- The Authority has the right to dismiss the fund manager and take any action it deems appropriate to appoint a replacement fund manager for that fund or take any other measure it deems appropriate, in the event of any of the following cases:
 - The Fund Manager has ceased the activity of investment management, fund operation, or investment management activity without notifying the Authority of that in accordance with the Financial Market Institutions Regulations.
 - Cancellation of the Fund Manager's license to engage in investment management activity and fund operation or investment management activity, or its withdrawal or suspension by the Authority.
 - Submit a request to the Authority from the fund manager to cancel his license to engage in investment management activity, fund operation or investment management activity.
 - If the Authority considers that, the fund manager has breached - in a manner that the Authority deems essential - to abide by the regulations or executive regulations.
 - The death, incapacity or resignation of the investment portfolio manager who manages the fund, with no other person registered with the fund manager capable of managing the fund's assets.
 - Any other case that the Capital Market Authority considers on reasonable grounds to be of material importance.

If the Authority exercises any of their powers in accordance with the previous paragraph, the fund manager shall cooperate fully to facilitate the smooth transfer of responsibilities to the alternate fund manager. The trustee of the fund manager shall, where necessary and appropriate and at the sole discretion of the Authority, transfer to the alternate fund manager all contracts related to the fund in line with the provisions of the Investment Funds Regulations.

22 Fund Administrator

a. Name of Fund Administrator

Saudi Fransi Capital

b. Authority Authorization Number and Date

Saudi Fransi Capital is licensed by the Capital Market Authority with license (11153-37) dated 26 Safar 1432H.

c. Registered Address

Head Office: 8092 King Fahd Road,
PO Box 23454, Riyadh 11426, Kingdom of Saudi Arabia
Phone +966 11 282 6666 - Fax: +966 11 282 6725

d. Primary Roles and Functions

- Operation of the Fund
- The fund operator is responsible for evaluating the fund's assets
- The fund operator shall be responsible for the pricing of the units and responsible for the erroneous valuation or pricing
- The fund operator is responsible for the full and fair evaluation of the fund's assets
- The fund operator shall prepare, maintain and update a register of unit holders
- Maintain books and records related to the operation of the fund
- Maintain a record of all issued and canceled units, and an updated record showing the fund's existing units balance
- The fund operator is responsible for the process of distributing profits to unit holders
- The fund operator is responsible for executing and regulating all subscription and redemption requests

e. Appointment of Sub-Administrator

The Fund Administrator has the right to appoint a sub-administrator.

f. Tasks Assigned to a Third Party

None.

23 Custodian

a. Name

HSBC Saudi Arabia Limited

b. Authority Authorization Number

Capital Market Authority License (05008/37) dated on 5 Dhul-Hijjah 1426H corresponding to 5 January 2006G.

c. Registered Address

Head Office: Olaya - Al-Mrooj 7267
P.O. Box: 2255 Riyadh 12283, Kingdom of Saudi Arabia
Phone +966 92000 5920 - Fax +966 11 299 2385
website: www.HSBCSaudi.com
Email: SaudiArabia@HSBC.com

d. Primary Roles and Function

- The Custodian is responsible for its obligations in accordance with the provisions of the Investment Funds Regulations, whether it fulfils its responsibilities directly or assigns it to a third party under the provisions of the Investment Funds Regulations or the list of authorized persons.
- The Custodian is liable towards the Fund Manager and unitholders for the losses of the Fund resulting from its fraud, shortcoming, misbehavior or deliberate negligence.
- The Custodian is responsible for preserving and protecting the Fund's assets for the benefit of unitholders, and it is also responsible for taking all necessary administrative measures in relation to preserving the Fund's assets.

e. Appointment of a Sub-Custodian

The Custodian may assign a third party or more or any of its affiliates to work as sub-Custodian of the Fund, provided that the Custodian incurs the fees and expenses of any sub-Custodian.

f. Functions that have been Delegated to a Third Party by the Custodian

None.

g. Provisions Governing the Removal or Replacement of the Custodian

- The Capital Market Authority has the right to dismiss and replace the custodian and take any action it deems appropriate in the event of any of the following cases:
 - The custodian stops practicing custody activity without notifying the Authority in accordance with the Financial Market Institutions Regulations.
 - Cancellation, withdrawal or suspension of the custodian's license to practice custody activity by the Authority.
 - Submit a request to the Authority from the custodian to cancel his license to practice custodian activity.
 - If the Authority considers that the custodian has breached, in a way that it deems essential, to comply with the Law or its implementing regulations.
 - Any other case you see the body - based on reasonable grounds - it is of fundamental importance.
- The Fund Manager is entitled to isolate the custodian and replace it in the following cases:
 - The fund manager may dismiss the custodian by written notice if it reasonably considers that the removal of the custodian is in the interest of the unit holders, and the Authority and the unit holders must be immediately notified in writing, and immediately disclosed on the fund manager's website and website.
 - If the Authority or the fund manager exercises any of their powers in accordance with the previous paragraph, the fund manager must appoint a replacement custodian in accordance with the provisions of the Investment Funds Regulations issued by the Capital Market Authority, and the fund manager and the isolated custodian must cooperate fully to facilitate the smooth transfer of responsibilities to the replacement custodian. The isolated custodian must transfer - where necessary and appropriate - to the replacement custodian all contracts related to the fund

24 Board of Directors

a. Names of Fund Board Members

Member Name	Member Classification
Mr. Ehab Talib Ahmed Farhan	Chairman, Non-Independent
Mr. Abdullah Sulaiman Abdulaziz Al-Oraini	Vice-Chairman, Non-Independent
Mr. Muhammad Fathallah Abdul-Khaleq Al-Bukhari	Member, Independent
Mr. Hani Ibrahim Ahmed Obaid	Member, Independent

b. A Brief about the Fund Board Members' Qualifications

- **Mr. Ehab Talib Ahmed Farhan** – Head of the Private Banking at the Banque Saudi Fransi, Wealth Management at Saudi Fransi Capital, with 13 years of experience in consulting services with the National Bank in the field of the global stock exchange and investment products. He joined Banque Saudi Fransi in 2005 as Head of the Investment Department of the Jeddah City Department. He was appointed as the Head of Wealth Management in charge at the Saudi Fransi Capital in May 2015, then joined the Saudi Fransi Capital as Head of Wealth Management until May of 2018, holder of a Bachelor's degree in Business Administration, class 1995, and a qualified financial planner certificate from the Arab Monetary Agency - Banking Institute in the year 2004.
- **Mr. Abdullah Sulaiman Abdulaziz Al-Oraini** – The Head of Brokerage at the Saudi Fransi Capital Company, with 14 years of experience in the banking sector in the Kingdom, Mr. Abdullah became the Head of Brokerage in the Saudi Fransi Capital Company in 2011. He was appointed as the Head of Brokerage in 2014 at Saudi Fransi Capital. Holds a Bachelor's degree in International Business Administration from King Saud University, class of 1999.

- **Mr. Muhammad Fathallah Abdul-Khaleq Al-Bukhari** – With more than 25 years of experience in the banking and investment sector inside and outside the Kingdom, holding a Bachelor's degree in English Literature from King Saud University in 1972. Mr. Mohamed is currently retired, and his last position was Director of Conformity and Compliance at the Arab National Investment Company in 2011.
- **Mr. Hani Ibrahim Ahmed Obaid** – A partner in Invest Corp., with 11 years of experience in the banking and investment sector inside the Kingdom. Mr. Hani became the Fund Manager at Banque Saudi Fransi in 2004. He joined Morgan Stanley in 2008 as Vice President of Private Wealth Management, and in 2012 he became a partner in Invest Corp. Holds a Bachelor's degree in Technology Management from Wentworth University of Technology.

c. Description of the Roles and Responsibilities of the Fund Board

- Approve all contracts, decisions, and substantial reports to which the fund is a party.
- Adopt a written policy regarding voting rights related to the fund's assets.
- Supervise, and when appropriate, approve or ratify any conflicts of interest disclosed by the Fund Manager in accordance with the investment funds regulations.
- Meeting at least twice annually with the Compliance Officer with the Fund Manager and/or the Compliance Committee and the competent Anti-Money Laundering and Counter-Terrorism Financing Officer, to ensure that the Fund Manager complies with all applicable regulations and bylaws.
- Approval of any recommendation submitted by the liquidator, if appointed, according to the investment funds regulations.
- Ensure that the fund terms and conditions, the information memorandum, and any other document, whether it is a contract or otherwise, is complied with by the Investment Funds Regulations.
- Ensuring that the Fund Manager fulfils its responsibilities in the interest of the unitholders in accordance with the fund terms and conditions, and the provisions of the investment funds regulations.
- Work with honesty, goodwill, interest, care and diligence in the interests of the Fund and its unitholders.
- Take minutes of the meetings that includes all the minutes of the meetings and the decisions made by the Board.

d. Details on the Remuneration of the Fund Board Members

The Fund's Board of Directors' remuneration encompass all the funds of Saudi Fransi Capital, which is supervised by the Board, knowing that these fees will be changed annually, as each share of these funds will be allocated based on the size and proportion of the asset on pro-rata basis, and they are calculated cumulatively on each calendar day and deducted on an annual basis.

The annual maximum sum of the fees and expenses of members of the Board of Directors of all the funds of Saudi Fransi Capital is estimated at SAR 60,000.00 (sixty thousand Saudi Riyals). The Fund's share of this fee is estimated at SAR ١٢٣٧٤ (twelve thousand three hundred and seventy- four).

It is also worth noting that the Fund's share of these fees will change annually according to the Fund's assets (increase or decrease), and that each independent member will receive an amount of SAR 15,000.00 (fifteen thousand Saudi riyals) per meeting with a maximum of two meetings per year which is the minimum number of Fund board meetings for all the funds of Saudi Fransi Capital.

e. Conflict of Potential Interest

There is no existing or potential conflict of interest between the interests of a Fund's Board member and the interests of the Fund.

f. Other Fund Boards Membership

The Fund's Board members participate in other fund boards under the management of Saudi Fransi Capital as follows:

Fund Name	Ehab Farhan	Abdullah Al-Oraini	Hani Obaid	Muhammad Bukhari
Al-Badr Murabaha Fund - US Dollars	Chairman	Member	Independent member	Independent member

US Dollar Money Market Fund	Chairman	Member	Independent member	Independent member
Al-Saffa Saudi Equity Trading Fund	Chairman	Member	Independent member	Independent member
Al Qasr GCC Real Estate and Construction Equity Trading Fund	Chairman	Member	Independent member	Independent member
Al-Badr Murabaha Fund - SAR	Chairman	Member	Independent member	Independent member
Saudi Riyal Money Market Fund	Chairman	Member	Independent member	Independent member
Saudi Istithmar Equity Fund	Chairman	Member	Independent member	Independent member
Al-Danah GCC Equity Trading Fund	Chairman	Member	Independent member	Independent member
Saudi Fransi Capital Saudi Equity Income Fund	Chairman	Member	Independent member	Independent member
Saudi Fransi GCC IPO Fund	Chairman	Member	Independent member	Independent member
Taleem REIT	Member	-	Independent member	Independent member
Bonyan REIT	-	-	Independent member	-

25 Shariah Board

a. Identity of the Shariah Committee Members

- **Dr. Salah bin Fahd Al-Shalhoub (Chairman of the Shariah Committee)**
 - A specialist in Islamic fiqh and an academic with over twenty years of experience in teaching and researching in the fields of Shariah sciences, Islamic finance, and economics.
 - He is a consultant for a group of Islamic financial institutions to review contracts and products in financing, investment, cooperative insurance, Islamic bonds, and their development to enhance their Shariah and practical efficiency, and serves society through training, authoring, writing, and media participation to raise awareness of Islamic finance and banking.
- **Dr. Salem Ali Al Ali (Member of the Shariah Committee)**
 - A specialist in Islamic finance law and the legal and jurisprudential issues related to the development of Islamic capital markets. He is an assistant professor in the Department of Shariah and Islamic Studies at the United Arab Emirates University and a member of the Shariah Committee in many financial institutions. He has many consultative, educational, and research contributions in the Islamic finance sector in several countries, including Saudi Arabia, the United Arab Emirates, Malaysia, and the United Kingdom.
- **Dr. Hisham bin Abdulmalik Al Al-Sheikh (Member of the Shariah Committee)**
 - A professor of comparative fiqh and Shariah regulations at the Higher Institute of Judiciary at Imam Muhammad bin Saud Islamic University. He previously held the position of Shariah advisor in many financial institutions and entities. He participated in the preparation and formulation of the Shariah rulings code in the financial transactions section under the chairmanship of one of the subcommittees and then participated in the review committees for the Shariah rulings code. He has many printed publications and research in the judiciary and financial transactions field.

The fees of the Shariah Services will not be charged to the fund.

b. Roles and Responsibilities of the Shariah Board

- The committee supervisory role is to outline Sharia-compliant standards and monitor the Fund's performance to ensure it's not violating the established standards.
- Supervising the Islamic banking transactions that comply with the provisions and principles of Sharia.

- Decide on Shariah-related matters to comply with Shariah provisions and principles in force.
- Ensuring that Sharia policies and procedures are in line with the provisions and principles of Sharia

c. Remuneration of the Sharia Board Members

Shariah Board remuneration will not be incurred by the Fund.

d. Standards Used to Determine Shariah-Compliant Investments, its Periodic Review and the Procedures in the Event of Non-Compliance with Shariah Standards

The criteria applied to determine the legitimacy of the listed shares subject to investment are investment in shares of listed companies, except for:

- Financial institutions (except for Islamic banks and Islamic insurance companies).
- Companies with the following characteristics:
 - usurious debts exceeding 33% for an average period of 12 months of the market value of the company.
 - Cash and debts owed to the company exceed 49% for the 12-month average of the company's market value.
 - The usurious income or any income that is not compatible with the provisions of Islamic law exceeds 5% of the total income.

The legitimacy of the Fund's assets is reviewed periodically, and in the event that the assets invested in it become non-compliant to the provisions of Islamic Sharia, the Fund is obliged to withdraw from these investments.

26 Investment Advisor

None

27 Distributor

None

28 Auditor

a. Name of the Auditor

Price Waterhouse Coopers..

b. Registered Address

Head Office: Kingdome Tower, King Fahad Road
P.O Box 8282, Riyadh 11482, Saudi Arabia
Phone: +966.11.2110400 - Fax: +966.11.2110401
Website: www.pwc.com/middle-east

c. Functions, Duties and Responsibilities

The Auditor prepares, submits and reviews the interim and annual financial statements and approves the annual statements in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.

d. Provisions regulating the replacement of the Auditor

The Fund Manager has the right to replace the Auditor after obtaining the approval of the Fund's Board in the following cases:

- In the event of existing and important allegations about the professional misconduct of the Auditor in the performance of its duties.
- If the auditor is no longer independent.
- If the auditor is no longer registered with the Authority.
- If the fund's board of directors decides that the auditor does not have sufficient qualifications and experience to perform the audit duties satisfactorily.
- If the Authority requests, at its sole discretion, the auditor appointed for the fund to be changed.

29 Fund Assets

- The assets of Saudi Fransi GCC IPO Fund are held by a Custodian on behalf of the Fund and the unitholders. These assets are not the property of the Custodian who has no right to dispose of them except in accordance with the Fund's Terms and Conditions.
- The Custodian must separate the assets of each Fund from its assets and the assets of its other clients, and those assets must be identified independently by registering the securities and other assets of each investment fund in the name of the Custodian for the benefit of that Fund, and that it maintains all necessary records and other documents that support the performance of its contractual obligations.
- The assets of Saudi Fransi GCC IPO Fund are collectively owned by unitholders of communal ownership. It is not permissible for the Fund Manager, the Sub-Manager, the Custodian, the Sub-Custodian, the Advisor or the Distributor to have any interest in the Fund's assets or a claim with respect to those assets, unless the Fund Manager, the Sub-Manager or the Custodian or The Sub-Custodian, Advisor, or Distributor owns the units of the Fund, within the limits of its ownership, or these claims were permitted under the provisions of the Investment Funds Regulations and disclosed in these Terms and Conditions.

30 Complaint Procedure

The procedures for handling complaints related to the fund are available to unitholders and it will be presented to them upon request and free of charge.

Any of the unitholders can submit any complaint by sending a letter of complaint that includes the signature of the unitholder, phone number, fax number and postal address to one of the following:

Visiting the customer service department in the head office of the Fund Manager.

- Contact the customer service of the Fund Manager on the toll-free number 8001243232.
- Send the complaint to the Fund Manager via fax 011-2826623.
- By emailing the Fund Manager at complaints@fransicapital.com.sa

The Fund Manager will settle the complaint and respond to it within 5 business days from its date.

31 Other Information

- a. **The policies and procedures that the fund manager will follow to address the conflict of interest and any potential and/or actual conflict of interest will be provided to the fund unit holders upon request free of charge.**

- b. **The Jurisdiction of the Committee for the Resolution of Securities Disputes**

The competent judicial authority to consider any dispute arising out of or from investing in the Fund is the Securities Dispute Resolution Committee.

- c. **The List of Documents Available for Unitholders**

- Fund terms and conditions
- All contracts mentioned in the terms and conditions
- Fund periodic reports
- The Fund's audited financial statements
- The fund manager's financial statements

- d. **There is no other known information, or it should be known to the Fund Manager or the Fund's Board of Directors and may be requested - reasonably - by the current or potential owners of the units or expected to be included in the Terms and Conditions on which the investment decision will be decided upon**

- e. Any exemption from the restrictions of the investment regulation approved by the Capital Market Authority, except for those mentioned in the investment policies and practices.

The Fund is not subject to any exemption from any of the investment regulations restrictions, other than general exemptions that have been issued or may be issued in the future by the Capital Market Authority regarding all investment funds.

32 Acknowledgment from the Unitholder

I/we have read the Terms and Conditions of Saudi Fransi GCC IPO Fund, and understand what was stated in them and agree to them, and acknowledge to review the properties of units that were subscribed to in the Fund, and a copy of this agreement was received and signed.

Subscriber name(s)	
Investment Account Number	
Date	
Location or Branch	
Signature	

For use by Saudi Fransi Capital employees only	
Employee Name	
Date	

33 Appendix (1): Summary of Financial Disclosure

Audited figures for 2022 (including VAT, where applicable).

Fee type	Amount (SAR)
Auditor Fees	40,250.00
Regulatory Fees	7,869.52
Custodian Fees	467,620.35
Transaction Fees	450,550.15
Remuneration of the Board of Directors	5,310.75
Management Fees	3,294,830.98
Tadawul Fees	5,750.00
Index calculation fees	30,530.72
Others	66,914.35

Salam Zaki AlKhunaizi

Chief Executive Officer and Board Member

Haifa Fahad Algoufi

Chief Compliance, Governance and Legal