

Samba Capital is a corporate body authorized under license Number. (07069-37), in accordance with the Authorized Persons Regulations issued by the CMA.

Al Nafees Global Commodities Equity Fund

(Open Fund)

Prospectus

Notices

This prospectus reflects the terms and conditions under which Samba Capital and Investment Management Company ("Fund Manger") provides investment management services to subscribers. These terms and conditions and appendices thereof constitute the agreement between the fund manager and the subscriber.

This agreement shall be legally binding, and shall govern the basis on which the Fund Manager shall provide its services to subscribers. This agreement supersedes any other previous agreements entered into between the Fund Manager and subscriber.

The Fund Manager may take, or cancel, any action that it may deem appropriate to ensure compliance with any regulations issued by CMA, and the Fund Manger shall not bear any responsibility in connection thereof towards the subscriber or any third party.

The Fund is an open-end one aiming at long-term capital growth through investment in Global Shariah Compliant Commodity related Equities that derive their primary revenues from the production and distribution of commodities.

If the subscriber is an individual, the conditions of the this agreement shall be binding on his heirs, successors, executor, directors and personal representatives, trustees, assignees and the subscriber's acceptance of the terms and conditions herein, shall not automatically lapse by his death or disability. Similarly, if the subscriber is a legal entity, this agreement shall not automatically lapse by his death, disability, insolvency, bankruptcy or liquidation of any of its partners or shareholders. Notwithstanding the above, the Fund Manager may, at its own discretion, suspend any related transactions in connection with these terms and conditions , until it receives an order from the court or a power of attorney authorizing any of the heirs, executors, directors, personal representatives, trustees or assignees allowing to affect such transactions.

Potential investors have to read this document carefully before making any investment decision related to this Fund, and they should not take the Fund Manager's opinion as a recommendation to hold units in the fund. They should also understand that fund's risk level is high (see the paragraph related to the Fund risks in the Fund terms and conditions).

The Fund Manager shall exercise reasonable care during selection of the representative and affiliates, banks, agents, dealers, custodians, funds or investments, but it will not take any responsibility for any loss, damage or obligations or expenses that the subscriber may suffer due to failure of any of the above mentioned parties to perform their duties properly, at all times, unless such failure is attributable to deliberate default or gross negligence.

The Fund Manager's responsibility shall be limited to exerting his best endeavors to make the above mentioned parties to rectify any error they may commit. Under all circumstances, the Fund Manager shall not take any responsibility for any direct, indirect or consequent loss or damage, either attributable to any mistake, default or deliberate negligence, liquidation, bankruptcy, insolvency, or any other financial failures that may be inflicted by the above mentioned persons, and the Fund Manager shall take the necessary actions for recovery of any losses.

The Fund Manager and affiliates, may disclose the information in its possession or any information about the subscriber as may required by law, or for the purpose of performance of the services under this agreement.

The Fund's terms and conditions were issued on 14/08/2011. And the latest version has been updated on 31/07/2017

Fund Prospectus

Al Nafees Global Commodities Equity Fund

Fund Manager

Samba Capital & Investment Management Company

CR 1010237159

Kingdom Tower, Olaya

P.O. Box 220007, Riyadh 11311

Kingdom of Saudi Arabia

www.Sambacapital.com

800 755 7000

Custodian

Samba Capital & Investment Management Company

CR 1010237159

Kingdom Tower, Olaya

P.O. Box 220007, Riyadh 11311

Kingdom of Saudi Arabia

www.Sambacapital.com

800 755 7000

Auditor

PricewaterhouseCoopers

Kingdom Tower – 21st Floor

P.O. Box 8282, Riyadh 11482

Kingdom of Saudi Arabia

www.Pwc.com

+966 11 211 0400

Fund Summary

Fund currency	USD
Risk Level	High
Benchmark Index	MSCI ACWI Islamic Select Commodities Related Capped Index
Purpose	Long-term capital growth through investment in Global Shariah Compliant Commodity related Equities that derive their primary revenues from the production and distribution of commodities
Minimum subscription amount	USD 2000
Minimum additional subscription amount	USD 1000
Minimum redemption amount	USD 1000
Days of subscription and redemption	Every business day in the Kingdom
Last date for subscription and redemption	12.00 pm each Sunday and Tuesday.
Dealing / valuation days	Each Monday and Wednesday.
Payment of the value of redeemed units to subscribers	Within four business days from Valuation day
Subscription fees	None
Management fees	0.75 % annually
Redemption fees	None
Other fees	Maximum of 1.75 % of the total fund assets, (See financial disclosure summary)
Offering date	The Fund will start accepting subscriptions on 17/10/2011 The Fund will start its actual activity on 19/12/2011
Initial unit price	USD 10

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Definitions

- 1- "Jurisdiction" or "Authority" means the Capital Market Authority which is established under the Capital Market law promulgated by Royal Decree No. (M/30) dated 2/6/1424H. It is a government authority having legal personality and financial and administrative autonomy. It reports directly to the President of the Council of Ministers. It regulates and develops the Capital Market, and issues rules, directives and instructions for implementing the Capital Market law and regulations.
- 2- "Affiliates" mean the parent company and any of its subsidiaries or affiliates of the Fund Manager.
- 3- "Fund" means Al Nafees Global Commodities Equity Fund.
- 4- "Fund Manager" or (Samba Capital) means Samba Capital and Investment Management Company.
- 5- "Regulations/Implementing Regulations" mean laws, regulations, rules, procedures, instructions, directives issued by CMA dealing with implementation of the Capital Market law or other applicable laws in the Kingdom, or any law applied by CMA.
- 6- "Net Asset Value" means total net assets value of the Fund after deduction of the total Fund's obligations (including fees paid to the Fund Manager) from the total Fund assets value.
- 7- "Unit price" will be calculated by dividing the total net assets of the Fund on the total number of it's units outstanding on the relevant valuation date
- 8- "Subscriber" means each investor in the Fund. Investor may be a natural person or a legal entity.
- 9- "Samba" means Samba financial Group.
- 10- "Valuation day" means the day in which the net value of the Fund Assets is defined for the purpose of purchase, redemption or transfer of the units.
- 11- "Announcement Day", means the day on which the updated Unit Price is announced on Tadawul website

Terms and Conditions

- 1. Fund's name** Al Nafees Global Commodities Equity Fund
- 2. Fund Manager's Address** CR 1010237159
Kingdom Tower , Olaya
P.O. Box 220007, Riyadh 11311
Kingdom of Saudi Arabia
www.Sambacapital.com
800 755 7000
- 3. Fund Starting Date** The Fund shall commence accepting subscriptions on 17/10/2011
The Fund shall commence its actual activity on 19/12/2011
- 4. Regulator** The Fund and Fund Manager's acts shall be governed by the CMA Laws and regulations. It should be noted that Samba Capital is a corporate body licensed under the Authorized Persons Regulations issued by CMA, license No. (07069-37).
- 5. Fund terms and conditions issue date and last updated** The Fund terms and conditions were issued on 14/8/2011. And the latest version has been updated on 31/07/2017
- 6. Subscription** USD 2000 as a minimum subscription and minimum balance of the investor
USD 1000 as a minimum for the additional subscription.
- 7. Fund Currency** USD.
If payment for the unites was by any other currency than USD, it shall be changed to USD, based on the current exchange rate applicable by Samba at that time, and purchase shall be effective as from collecting of the amount in USD, based on the unit price.
- 8. Fund Objectives** Long-term capital growth through investment in Global Shariah Compliant Commodity related Equities that derive their primary revenues from the production and distribution of commodities.
MSCI ACWI Islamic Select Commodities Related Capped Index.
(Further information on the index could be obtained at Samba Capital website)

9. Main Investment Strategies

The Fund invests in shares of global companies listed on any stock exchange in the world, and in Shariah compliant Murabaha.

(1) The Fund will primarily deal in Shariah-compliant securities only, as stated in Shariah guidelines set out in Annex I.

(2) The objective of the Fund is to invest not less than 90% of its assets in shares of global companies which derive their revenues from the production and distribution of commodities under normal market conditions. The remaining assets will be kept in the form of cash in various international currencies or investments in Shariah-compliant Murabaha.

(3) The Fund Manager will identify commodity linked companies that derive their revenues primarily from the production and distribution of commodities which can be classified into broad commodity sectors, including agriculture, energy, precious metals and others.

These companies will be studied carefully as susceptible to various risks such as liquidity and market risks. Investment in these companies will be with the objective of creating a diversified portfolio spread over a variety of commodity sectors.

(4) The Fund's performance will be measured against the MSCI ACWI Islamic Select Commodities Related Capped Index, as detailed in Annex II. However, the Fund Manager will not be bound to invest solely in securities listed in the benchmark index.

(5) Fund Manager is entitled to retain all or part of the assets of the Fund in the form of cash or short-term Murabaha investments, if, in his opinion, market or economic conditions are relatively unfavorable for investment.

(6) The Fund Manager shall have the right to obtain Shariah-compliant financing provided that the Fund's borrowing does not exceed 10% of the Fund's Net Asset Value, except for borrowing from its Manager or any of its subsidiaries to cover redemption requests .

10. Main Risks of investment in the Fund

The Fund is suitable for an investor who seeks capital growth and willing to accept high risks in anticipation of return on his investments at the long run.

The Fund shall be subject to the market fluctuations. Thus, the price of the units may fall or rise, and upon redemption, the subscriber may not recover his invested amount, and there is risk that he may lose a

substantial portion of his investments in Fund.

The main risks of investment in the Fund include:

- Risks associated with securities and stock market fluctuations

Investment in the capital markets is highly risky, it is susceptible to high fluctuations and affected by many economic and industrial factors. Accordingly, the Fund investments may decline.

- Economic risk at the local and regional level

The Capital markets are affected by fluctuation of the oil price and the international economy in general. Usually, capital markets decline at the time of slump and recession, which leads to the decline of the Fund investment value.

- Currency and Interest Rate Risks

Such risks manifest themselves in case of payment for the units in a currency which is different from the Fund currency. Differences in the exchange rate may, as the case may be, lead to increase or decrease in the units price. Similarly, fluctuation of the interest rate may be adversely reflected on the investment as it causes decline in the share price of companies owned by the Fund.

Since the Fund invests in various countries, fluctuations in exchange rates may have adverse effects.

- Legal Risks:

The Fund invests in shares of companies which derive their revenues from the production and distribution of commodities that could be vulnerable to legal risks adversely affecting their activity, leading to negative performance of the Fund.

- Liquidity Risks

Liquidity implies quick and easy selling of the asset and converting it into cash. Some shares may become less liquid than others, which means that they cannot be sold quickly or easily, and some shares may be illiquid due to legal restrictions or due to the nature of investment or absence of purchasers who are interested in certain shares.

- Commodity Sectors Risks

Some sectors in the capital market may be negatively or positively affected, which may

consequently affect the Fund performance, depending on the fund's exposure to such sectors.

- Credit Risks

In case of investment in Murabaha transactions, there is possibility that the borrower or the counterparty, in the transaction, may not be able to pay or abide by the timeframe for payment or totally fails to pay.

- Shariah related risks:

The Fund invests only in Shariah compliant equities, hence, such risks arise when any of the companies where investments were placed became incompliant with some Shariah provisions, and the Fund may lose if obliged to sell such equities at low price or in case of losing a performance opportunity that may be higher for such equities or to equities that are originally incompliant with Shariah.

Subscriber's investments in the Fund shall not be deemed as guaranteed liabilities by the Fund Manager or any affiliate or subsidiary, but shall be subject to the above mentioned investment risks.

The unit holder shall be responsible for any financial loss attributable to investment in the Fund. The Fund Manager shall not be liable for any claim(s) whatsoever, for any lost opportunity or an actual loss that may be incurred by the subscriber, except in case of deliberate or gross negligence by the Fund Manager.

Subscriber's investments in the Fund shall not be deemed as a deposit and shall not be also construed as a deposit with any local bank.

11. Fees and Expenses

Other expenses: the Fund Manager has the right to put any expenses are in behalf of the Fund include:

1. Audit fees
2. Remuneration of the Board of Directors of Independent
3. Administrative expenses) such as custody expenses and print reports expenses, expense to obtain benchmark data, regulatory fees and expenses of the fund publish data on the trading site.

It is not expected that the total other expenses exceed 1.75% per annum of the average net asset value.

12. Dealing charges

The Fund shall bear all expenses and dealing fees in connection with selling and buying of securities.

13. Liquidation and appointment of a Liquidator

The Capital Market Authority shall have the power to appoint a replacement fund manager or a liquidator or to take any other measures it deems necessary, as appropriate, in the event of:

1. A fund manager ceasing to carry on securities business without notification to the Authority under the Authorized Persons Regulations.
2. A request by a fund manager to the Authority to cancel its authorization as a fund manager under the Authorized Persons Regulations
3. The death or incapacity of a portfolio manager, if no other registered person employed by the fund manager can manage the investment fund and if a suitable replacement cannot be found sufficiently promptly
4. The determination by the Authority of a significant violation or violations of these Regulations, the Capital Markets Law or its Implementing Regulations by the fund manager or the investment fund significant enough in number and/or seriousness as to pose a real threat to the fund manager's ability to continue to perform its duties to investors; or
5. Any other event determined by the Authority on reasonable grounds to be of sufficient significance

14. Board of Directors

Irfan Said (Chairman)

Corporate Finance & Investment Banking Head since 2014

BA, Economics, Wesleyan University, Connecticut, USA - 1993. MA, Economics, Georgetown University, Washington, D.C, USA, 1996.

Mr. Said has over 21 years of corporate finance advisory and arranging experience. His expertise extends across a broad spectrum of products including Debt & Equity Capital Markets, Mergers & Acquisition and Financial Advisory across multiple geographies and in a wide variety of industries. Prior to joining Samba Capital, he worked in Samba Financial Group in Saudi Arabia, ANZ Investment Bank in India and ICF Kaiser International in USA. Mr. Said is a member of the Operating Committee and the Valuation Committee.

Beji Tak-Tak (Member)

Head of Risk Management Group at Samba Financial Group

Two bachelor degrees in Politics & Economics and in Business Management from France.

More than 20 years experience with Citibank.

Abdullah AlShaikh (Member)

Head of Legal

Holds a Bachelor degree in Law, King Saud University, Riyadh - 2003. Master in Law (LL.M), Harvard Law School, Cambridge Massachusetts, USA - 2007. Mr. Al-Shaikh has more than 12 years of experience in banking and financial law. Before joining Samba Capital, he worked as an in-house counsel for the Saudi Arabian Monetary Agency (SAMA) and the Capital Market Authority (CMA). In addition, when seconded to NASDAQ OMX Group he also worked as a legal advisor in the office of the General Counsel of NASDAQ OMX Group, USA. Prior to this he worked with Denton Wilde Sapte LLP as an associate lawyer in their offices in Dubai and Riyadh. Mr. Al-Shaikh is a member of the Operating Committee

Mohammed Al-Jazzar (Independent Member)

Founder and general manager of Badr Trade Investment Company, Master of Law from Case Western Reserve University, Cleveland, Ohio – 21 years experience in law filed.

Qusai Al-Fakhri (independent member)

One of the founders of the Arab-style real estate development company and a partner and chief executive of the company, bachelor's degree in financial management with honors from King Fahd University of Petroleum and Minerals.

The above mentioned persons are members in the board of the following funds:

Qusai Fakhri	Al-	Mohammed Al-Jazzar	Abdullah AlShaikh	Beji Tak Tak	Irfan Said	Saba Capital Investment Funds
X		X	X	X	X	International Trade Finance Fund (Sunbullah USD)
X		X	X	X	X	International

					Trade Finance Fund (Sunbullah SAR)
X		X	X	X	Al Musahem Saudi Equity Fund
X		X	X	X	Al Razeen SAR Liquidity Fund
X		X	X	X	Al Razeen USD Liquidity Fund
X	X	X	X	X	Al Raed Saudi Equity Fund
X		X	X	X	Izdihar China Equity Fund
X		X	X	X	Al-Fareed Saudi Equity Fund
X	X	X	X	X	Al-Raed GCC Fund
	X	X	X	X	Al Jood GCC Equity Fund
X		X		X	Al Musahem GCC Fund
	X	X	X		Samba Real Estate Fund
X	X	X	X	X	Al Ataa Saudi Equity Fund
X		X	X	X	Americas Equity Fund
X		X	X	X	Europe Equity Fund
X		X	X	X	Asian Equity Fund
X		X	X	X	Global Equity Fund
X	X	X	X	X	Al Nafees Global Commodities Equity Fund

The Board of directors' tenure shall commence with the inception of the Fund for three renewable years, and the functions and responsibilities of the board members shall include but not limited to:

- Approval of all substantial contracts, decisions and reports in which the Fund is a party.
- Oversee, and endorse, as may be deemed appropriate, of any conflict of interests that may be disclosed by the Fund Manager pursuant to the investment funds regulations.
- Meet twice a year as a minimum, with the compliance officer (Compliance Committee) and the anti-money laundering and counter-

terrorist officer, to ensure compliance of the Fund Manager with all the applicable rules and regulations.

- Endorse any recommendation that may be raised by the liquidator, if such liquidator is appointed.
- To ensure completeness of the Fund terms and conditions and compliance thereof with the investment funds regulations.
- To ensure that the Fund Manager acts for the benefit of unit holders in accordance with the Fund terms and conditions and the investment funds regulations.
- The Fund Manager's fiduciary responsibility to unit holders includes a duty of loyalty and duty to exercise reasonable care.

15. Fund Manager

Samba Capital and Investment Management
Company
CR 1010237159
Kingdom Tower , Olaya
P.O. Box 220007, Riyadh 11311
Kingdom of Saudi Arabia
www.Sambacapital.com
800 755 7000

The CMA Board has issued license No. (07069-37) to Samba Capital and Investment Company to practice securities business in the Kingdom, in the following areas:

- Dealing
- Managing
- Custody
- Arranging
- Advising

The Fund Manager shall endeavor to avoid any conflict of interests between its interests and the interests of any of its affiliates, the investment fund it manages, and the interests of subscribers, or between the interests of various subscribers. In case of any dispute, all subscribers should be fairly treated by the Fund Manager through disclosure of such dispute or refraining from acting for the benefit of any subscriber at the expense of others. The Fund Manager shall not advance its own interest to the detriment of subscribers' interests, without written approval of the subscriber who is well acknowledged with the details.

The Fund Manager shall have the right to delegate or assign its powers, as the Fund Manager may deem fit and appropriate, to one or more financial institutions (at the risk of the subscribers), to act as an advisor,

trustee, agent or broker for the Fund, which is hereinafter referred to as “ the authorized party”, and for providing of investment and/or custody services for any securities.

Subscriber understands that the Fund Manger shall not disclose any information about subscriber to the above mentioned authorized party or to any third party unless such disclosure is required by law, or if such disclosure is necessary to enable the authorized party to perform its duties.

16. Custodian

Samba Capital and Investment Management Company
CR 1010237159
Kingdom Tower , Olaya
P.O. Box 220007, Riyadh 11311
Kingdom of Saudi Arabia
www.Sambacapital.com
800 755 7000

17. Auditor

The Fund Manager has appointed PWC as an external auditor

PricewaterhouseCoopers
Kingdom Tower – 21st Floor
P.O. Box 8282, Riyadh 11482
Kingdom of Saudi Arabia
www.Pwc.com
+966 11 211 0400

18. Audited Financial Statements

The Fund Manager shall prepare audited financial statements in accordance with SOCPA standards, by the end of each Gregorian year, within a period not later than (90) calendar days from closing of each Gregorian year. Copies of these statements shall be sent to all subscribers, at their request, through Samba Capital centers free of charge, and also copies shall be sent to the potential subscribers upon their written request. The Fund Manager shall also prepare audited interim financial statements every six months, within a period of (45) days from closing of the period, and sent the same to subscribers, upon their request, through Samba Capital centers and also copies shall be sent to the potential subscribers upon their written request.

19. Unit Characteristics

The Fund is an open-ended investment fund. The Fund Manager, at its sole discretion and without prejudice to other conditions reflected in the terms and conditions, may issue unlimited number of units in any fund provided that they shall be of the same

category. Each unit represents a proportional share in the fund and equals its peers in the fund. In case of liquidation of the Fund, the unit's net value which is available for distribution to subscribers shall be divided among the units.

20. Other Information

Investment Effective Date: Investment by a subscriber shall be effective and in full force based on the price announced at the valuation day following receipt of the funds. In case of payment by cheque, investment shall be effective only on the valuation day following receipt of net funds, provided that such funds should be received before 12 P.M., on each Sunday and Tuesday, otherwise the investment becomes effective only at the next valuation day following receipt of the funds.

Credit nature of the Funds: Subscriber understands the credit nature of the fund, and that any decision taken by the Fund Manager from time to time, in accordance with these conditions, regarding the assets that are deposited with the Fund, shall be at the risk and responsibility of the subscriber, provided that such risk is not attributable to the gross negligence or forgery by the Fund Manager.

Segregation and Custody: The Fund manager shall maintain records and accounts reflecting the assets, obligations and expenses incurred in the operation and administration of the fund. The fund assets shall be maintained with one or more custodian at different locations with the financial institutions that the Fund Manager may select, at its own discretion.

The Fund Manager may, at any time, maintain such assets with any affiliate in accordance with the conditions that it may deem fit, provided that the fees or commission paid by the Fund Manager to such parties shall not exceed those fees and commissions paid to other parties providing similar services under similar circumstances.

The Fund will enter into contracts with world-class custodians, and, accordingly, such contracts may be subject to settlement procedures, legal and regulatory requirements at place of jurisdiction of the custodian which may differ from those in Saudi Arabia

Each subscriber holds an indivisible share in the fund's assets based on the net asset value of the subscriber's units.

Information in Public Domain: All decisions relating to the Fund taken by the Fund Manager shall be based only on the information available to the all

investors in the financial markets.

Profits and Distribution: In case of any dividends from the companies owned by the Fund, they shall be reinvested in the Fund. Reinvestment of such dividends in the Fund shall improve value and price of its units.

Power of Attorney: All subscribers of the Fund hereby appoint the Fund Manager to carry out all required regulatory procedures and management of all the Fund affairs on their behalf, as stipulated by the Fund terms and conditions.

Force Majeure: Unless as may be otherwise provided herein, the Fund Manager shall not be deemed in default or be responsible towards the subscriber or any third party, for any delay, or error or failure to perform or delay in performance of any of its functions and duties due to any force Majeure including Acts of God, boycott, labor strike, interruption of power or communication services, civil commotion or any similar act which is beyond the reasonable control of the parties. The Fund Manger shall notify the subscriber in writing of any material delay which is attributable to such circumstances.

Special Commission Arrangements: The Fund Manager may enter into special commission arrangements which shall be limited to execution of transactions on behalf of its customers, or for providing of research services, subject to the investment funds regulations.

21. Islamic Investment Funds

The Fund Manager shall undertakes that all the investments and strategies shall comply with the guidance and instructions issued by the Islamic Shariah Board, Samba Financial Group, which can be referenced in the Annexure attached

SAMBA SHARIAH BOARD MEMBERS

1. Sheikh Abdullah Al-Manee'a (Chairman):

- MBA, Higher Judicial Institute
- Member of the senior Ulama Board since its inception in the year 1391H.
- Member of Supreme Judiciary of Saudi Arabia.
- Former Judge at Supreme Court, Saudi Arabia.
- Former President of Makkah Courts.
- Member of Islamic Fiqh Academy.
- Member of Sharia'h boards of various Banks and Islamic Financial Institutions.

2. Sheikh Dr. Abdullah Al-Mutlaq:

- PhD in comparative jurisprudence, High Justice Institute
- Professor of Comparative Jurisprudence at Al Imam Mohammed bin Saud Islamic University, Saudi Arabia.
- Member of Supreme Judiciary Committee of Saudi Arabia.
- Advisor to several Islamic Institutions and Shariah Board Member of many Banks & Islamic Financial Institutions.

3. Sheikh Dr. Mohammed Ali Al Qari

- PhD in Economics, California University
- Professor of Islamic Economics and Former Director of Center for Research in Islamic Economics-King Abdulaziz University, Saudi Arabia.
- Expert of the Fiqh Academy of the Organization of Islamic Conference in Jeddah.
- Shariah Board member of many Islamic Banks and Institutions.

4. Sheikh Dr. Abdul Sattar Abu Al-Ghuddah:

- PhD in Islamic Law, Al-Azhar University, Egypt.
- Secretary General of the Unified Shariah Board, Dallah Al-Barakah Group.
- Member of Islamic Fiqh Academy.
- Member in The Accounting and Auditing Organization
- Professor of Fiqh.
- Shariah Board Member of many Islamic Banks and Financial Institutions.

5. Sheikh Nizam Yaqubi:

- Bachelor degree in economics, McGill University, Canada.
- Professor of interpretation, Hadith and Fiqh in the State of Bahrain.
- Member of the Shariah Supervisory Board of the Islamic Investment Banking Unit of Al-Ahli United Bank (UK) PLC, London, Abu Dhabi Islamic Bank and many banks and other Islamic financial institutions.
- A member of the Islamic International Capital Market Authority, England.

Fund does not pay any fees to the members of the Shariah Supervisory Committee.

22. International Investment Funds

N/A

23. Initial Offering

N/A

24. Fund Manager's Investment in the Fund

Fund Manager may invest in the Fund for its own account. Such investment must be disclosed in the financial statements, and shall receive the same treatment of other unit holders.

Unit initial price : USD 10

25. Subscription and Redemption Procedures

Subscription:

Subscribers who are interested in purchasing units in the Fund may complete and handle to the Fund Manager the relevant form which is obtainable from Samba Capital, with authorization to debit their accounts with Samba. Subscription in the Fund shall be through purchase of units based on the valuation price, as defined herein. The Fund Manager may, at its sole discretion, deny subscription of any person in the Fund, if such subscription, among other things, is violating any law or the regulations which are enforced by regulators from time to time.

The Fund's units shall be valued daily based on the closing price of the international capital markets on Monday and Wednesday, noting that the deadline for acceptance of subscription applications shall be before 12 P.M., on Sunday and Tuesday, and the prevailing price shall be applied on the following valuation day.

The minimum initial subscription for corporate saving plans/ Regular investment related to Samba Financial Group is SAR 3000 and SAR 500 for any additional subscription on monthly basis.

Redemption:

a) Redemption requests may be made on the form which is obtainable from Samba capital centers or through alternative channels (e.g. Samba Capital phone, Samba Capital Online).

b) Redemption shall not be less than USD 1000.

The maximum period of time that may lapse between redemption by the unit holder and payment of redemption proceeds, shall be four business days

following the valuation day.

(C) In case that the total number of requests for redemption or transfer on any Valuation Day exceeds 10% of the Net Asset Value of the Fund's units, the Fund Manager may, at its sole discretion, postpone any requests for redemption or transfer totally or partially proportionately to the following Valuation Day, with due consideration at all times that such redemption or transfer shall not exceed the maximum limit of 10% of the total value of units. This limit is applied only during periods when redemption and / or transfer requests constitute restrictions on liquidity resulting in damage to the other subscribers in the Fund.

(D) At the time of receiving any redemption request, if such redemption would lead to decreasing of the subscribers investment to less than the minimum subscription amount, all the invested amount by such subscriber in that fund will be redeemed without providing the subscriber with a prior notice. Proceeds of all redemptions will be transferred to the subscriber's current account specified by the subscriber.

In case any request for subscription and/or transfer during any Valuation Day relating to the number of units of the Fund will render the investment of the Subscriber in excess of 10% of the Net Asset Value of the Fund, the Fund Manager shall decline the request for such subscription in line with the provisions of the Investment Fund Regulations.

e) Subscriber may request transfer of his investments or part of it from a fund to another. In such a case, the transfer request shall be treated as an independent redemption request from the first fund and subscription in the second fund as per the respective T&C of the funds.

Based on the transfer request, in case that the subscriber's investment falls below the minimum initial subscription amount, the Fund Manager may treat such request as a request for transfer of all investments to the fund to which the subscriber requested to transfer the investments.

f) Unless otherwise referred to, if units are jointly held by two or more persons, any investment in the fund shall be deemed as a joint property of those persons, and they authorize the Fund Manager to act on their behalf based on written instructions from all or any of

them. If subscriber is a legal entity, he should, before allowing him to invest in the Fund, furnish to the Fund Manager a copy of his CR and articles of association and partnership agreement or other articles of incorporation and company decisions, if any, to the satisfaction of the Fund Manager.

26. Valuation of the Fund's Assets

The Funds assets are valued as follows:

- Calculation of the total assets by calculating of the value of the shares of companies held by the Fund based on the close price at the relevant valuation day, and addition of the cash assets and value of Murabaha (which is the principal value of Murabaha transaction plus accumulated profits up to the relevant valuation day) to the total.
- Deduction of the obligations which include, the established fees and expenses, from the total value of the Fund assets.
- Unit price shall be determined by dividing the net asset value on the total units outstanding on the valuation day.

The purchase price of the Fund units or redemption price shall be the net assets value, on the basis of the price of each individual unit, which is disclosed at every Sunday and Wednesday. If banks in the Kingdom are closed at any valuation day, the valuation day in that case shall be the following day on which Saudi banks are open. Unit valuation shall be declared twice per week through "Tadawul" website and through Samba Capital electronic services, Samba Capital communication and investment centers.

Delay of valuation of Fund's Assets: The Fund Manager may delay valuation of the Fund's assets for a period not later than two days from the deadline for submission of the purchase and redemption instructions, if the Fund Manager reasonably determines that it is not possible to evaluate a substantial part of these assets in a reliable manner, subject to prior approval of the Fund Board of Directors.

27. Dilution Charges

N/A

28. Termination

If in the opinion of Fund Manger that the value of the fund assets under his management is not enough to justify continuation of the Fund, or in case of any

changes to law or regulations or occurrence of specified events, which constitute a valid reason for termination of the fund, it may terminate the fund by a notice to subscribers and subject to the CMA approval. In such case, the fund assets shall be liquidated and its remaining proceeds shall be distributed to subscribers by a liquidator, whose acts shall be always governed by the laws and implementing regulations and instructions of the competent authority.

29. Reporting to unit holders

Newsletters and periodical statements: The Fund Manger shall send to each subscriber, by the end of each quarter, a statement reflecting net assets value of the Fund units, value of his investment in the Fund, unit price and total units held y him in the Fund and record of transactions.

Mail Address: All statements, notices and correspondences relating to the Fund, shall be sent by the Fund Manger to subscribers at their address shown in the subscription application form.

Subscribers shall notify the Fund Manager, at all times, of their correct mail addresses and inform the Fund manger immediately of any change to their addresses. In case that subscribers fail to notify the Fund Manager of their correct address, or if they ask the Manager not to send the statements and notices about their investments in the Fund, they agree to protect the Fund Manager and relieve it from any responsibility and waive their rights or claims against the Fund Manager, which may directly or indirectly arise from failure to provide them with such statements and notices or any information about their investments, or any rights that may arise from their failure to respond to such notices, or to verify the information or correct any alleged errors or mistakes in any of these statements or information.

30. Conflict of Interests

Without prejudice to the Fund interests, subscriber understands and agrees that the Fund Manager or any of his directors, employees, may from time to time:

- 1) Hold investment units in the Fund.
- 2) Have a banking relationship with companies whose securities are maintained or purchased or sold to the Fund or on its behalf.

The Fund Manager shall avoid any type of conflict between the Fund interests and subscriber's interests, and shall not advance the interests of a certain group of investors to the detriment of other

investors in the same fund.

Any conflict of interests should be disclosed in the Fund Manager annual report and should be communicated to the Fund Board.

The Fund Board of Directors shall be notified of any conflict of interests, and its approval of any conflict of interests that may arise during operation of the Fund, should be sought.

31. Voting Rights Policies

The Fund Manger shall consult with the compliance officer and approve overall policies regarding voting rights attributed to the Fund based on the securities included in its portfolio of assets. The Fund manger shall decide, at its discretion, to exercise or not to exercise any voting rights after consultation with the compliance officer

32. Amendment of Terms & Conditions

The Fund Manager may at any time, at its own discretion, amend these terms and conditions as may be dictated by the Fund interest, and shall seek the CMA prior approval of any material change to these terms and conditions, and notify subscribers by mail of the proposed change and furnish to them a copy of the updated terms and conditions, and such amendments shall be effective after (60) days from the notice date.

33. Complaints

In case of any complaint about the Fund, Unitholder shall send his/her complaint to the Customers Complaint Unit of the Fund Manager via any of the channels described on the Fund Manager's Website. The Fund Manager shall provide the procedures of handling subscribers 'complaints if they so request. In case a settlement is not reached or no answer within thirty business days, Unitholder is entitled to submit his/her compline to Investors Complaints Department at CMA. He/she may also submit his/her complaint to the Committee for the Resolution of Securities Disputes after ninety calendar days as of the date of submitting the complaint to CMA, unless otherwise CMA notifies the complainant to submit his/her complaint to the Committee for the Resolution of Securities Disputes before the lapse of this period.

34. Applicable Law

The Fund conditions and transactions shall be governed by the Saudi applicable laws and regulations. Any dispute arising from connection with these conditions shall be brought before the

Committee for Resolution of Securities Disputes at the CMA. The subscriber admits and agrees that purchase or selling of the Fund assets and investments and properties shall be governed also by the Kingdom laws and regulations.

The Fund Manager may take any action that it may deem necessary to ensure compliance with any applicable laws that are issued by any competent authority, and shall not take any responsibility towards the subscriber or any third party.

**35. Compliance with
Investment Fund
Regulation**

These terms and conditions and other documents of the Fund shall be governed by the investment funds regulations issued by the CMA which require full, correct and express disclosure of all material information about the Fund.

36- Financial Disclosure Summary

36-1 Fees & Expenses

Type	Percent/Amount (USD)
Subscription Fees	N/A
Redemption Fees	N/A
Fund management fees (management fees)(**)	0.75% annually from the fund net assets
Early redemption fees	N/A
Archiving fees and other archiving services	2,117.15
Independent chartered accountant fees as per the concluded contract (*)	8,066.67
Borrowing expenses for the investment fund	N/A
Expenses related to the registration of units or other administrative services	N/A
Regulatory fees (as per the fees imposed by CMA) (*)	2,000
Fees related to the services of unit owners' register	N/A
Instructive index fees	10,000.00
CMA fees (trading) as per the received invoices (*)	1,333.3
If the investment fund has received transactions expenses	The Fund is not a holding one
Total of independent board directors remunerations	Estimated expenses of the fund out of the total expenses for the seven funds account for SAR 80,000 annually for two independent directors in relation with all funds compliant with Sharia requirements, which will be allocated based on the fund net assets percent against the total assets of the said funds
Foreign fund financial arrangement	N/A

36-2 Fees Calculation Formula, Collection Method and Payment Time:

(*) Payable expenses shall be calculated and beard according to the number of due days for each calendar day and shall be paid upon receiving the invoices.

(**) Management fees shall be calculated for each calendar day of the fund and payment is made on a quarterly basis. Payable fees shall be calculated and beard and paid according to the number of due days for each calendar day (shall be deducted from the fund account) at the end of each quarter.

Management fees = (fund assets – other payable expenses) x %0.75% x (number of days falling between the current and former calendar day) x $\frac{1}{360}$.

36-3 Fund assets, fees and actual expenses during 2016 :

Net Asset Value	2,623,881.00
Units in issue	311,717.00
Unit Price	USD 8.42
Management Fees	16,561.00
Independent Fund Board members	17.94
CMA's Annual Fee	2,000.00
Index Fees	1,560.54
Dividends Purification Fees	234.97
Tadawul fees	1,333.33
Dealing Fees	0.00
Custody Fees	2,117.15
Audit Fees	8,066.67
Sub-manager Fees	N/A
Borrowing Cost	N/A
Legal Fees	N/A
Admin Fees / Other Fees	0.00
Fund Expense Ratio	0.58%
Dealing Expense Ratio	0.00%
Redemption / Early Redemption	N/A
Subscription Fees	N/A
Subscription & Redemption Fee to NAV	N/A

All fees and expenses are calculated on every evaluation day and deducted as quarterly payments

36-4 Illustrative Example of the Fund Fees & Expenses Calculation Method Using and Assumptive Investment

<u>Assumptions:</u>		
1. Sole investor		
2. Investment value USD 100m (10,000,0000 unit x USD 10 unit price)		
3. Return on investment = 5% quarterly		
4. Keep 10% of the investment in cash		
Investment Value		100,000,000 USD
Fund details	Cash (A)	10,000,000 USD

	Investments (B)	90,000,000 USD
Valuation of investments at the end of the first quarter assuming the increase of their value by 5%	$C = B + (B \times 5\%)$	94,500,000 USD
Total fund assets including cash	$D = A + C$	104,500,000 USD
First quarter expenses (please see total expenses below)	$E = T \div 4$	(5,005) USD
Net assets before deducting management fees	$AA = D - Z$	104,494,995 USD
Management fees for the first quarter	$K = \text{Management fees} = (\text{fund assets} - \text{other accrued expenses}) \times 0.5\% \times (\text{number of days falling between the current and previous calendar day}) \times \frac{1}{360}$	(195,928) USD
Net assets = Customer's net investment value by the end of the first quarter	$F = AA - K$	104,299,067 USD
Unit price after the first quarter	$P = F \div \text{No. of Units}$	10.43 USD
Return on investment for the customer by the end of the first quarter	$BB = P \div \text{Unit Offering Price}$	%4.3

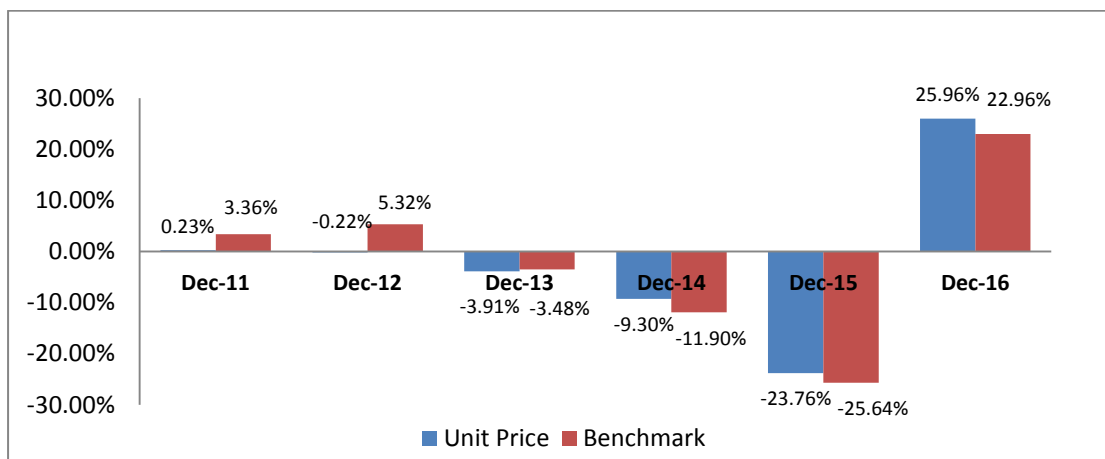
Total of other estimated expenses (*) of the fund for a full fiscal year excluding the management fees	Amount in USD
Independent auditor fees	6,700
Stock Exchange fees(Trading)	1,300
Supervision fees	2,000
Instructive index fees Standards and Poor's	10,000
Total remunerations of the independent fund board	20
Total of other expenses (annually)	20,020

(*) The other expenses mentioned above are just estimates and may be decreased or increased during the year.

Fund performance compared with Benchmark Index

Date	Unit Price	Unit price change rate	Benchmark	Benchmark change rate
Inception	10.00		10.00	
Dec 11	10.02	0.23%	10.34	3.36%
Dec 12	10.00	0.22-%	10.89	5.32%
Dec 13	9.61	-3.91%	10.51	-3.48%
Dec 14	8.72	-9.30%	9.26	-11.90%
Dec 15	6.65	-23.76%	6.88	-25.64%
Dec 16	8.37	25.96%	8.46	22.96%

Annual cumulative return	Change in unit price	Change in benchmark
Since 1 year	25.96%	22.96%
Since 3 years	-12.89%	-19.45%
Since 5 years	-16.49%	-18.12%



The Benchmark index shall be MSCI ACWI Islamic Select Commodities Related Capped Index

Disclaimer:

Neither the past performance of the fund nor the past performance of the index is an indication of how the fund will perform in the future

There is no guarantee for unitholders that the fund's absolute performance or its performance relative to the index will repeat or match past performance.

Total remunerations of independent board members:

The total remunerations paid to the fund board (independent) members are 17.94 USD.

Declaration:

I/We, have read the prospectus and appendices related to the Fund and fully understood contents thereof, and we agree on them, and we have obtained a copy of the same and affixed our signature on it.

Subscriber's Full Name : _____

Signature : _____

Date : _____

Annex I

Annexure of the Shariah Directions and Instructions

1.1 Examination of business activities:

Investment principles of Shariah do not allow to invest in companies that work directly in or derive more than 5% of their (cumulative) revenues from the following activities ("Prohibited Activities"):

- Alcohol: distilleries, makers of wine and alcoholic beverage producers, including producers of beer and malt beverages, the owners and operators of taverns and bars.
- Tobacco: Cigarettes and other tobacco products and their manufacturers and retailers.

- **Pork-related Products:** companies operating in manufacturing and retail trading in pork products.
- **Conventional Financial Services:** commercial banks operating in retail banking, corporate lending, investment banking services; companies operating in the fields of mortgage and related services; financial service providers, including insurance, capital markets and specialized financial services; credit agencies; stock exchanges; specialized boutiques; consumer financing services, including personal loans, credit cards, lease financing, financial services related to travel and pawn shops, and financial institutions operating primarily in investment management, and care-related services, services and fee-based securities; operators of mutual funds, closed-end funds and unit investment funds; financial institutions operating primarily in investment banking and brokerage, including subscription in shares and debt, mergers and acquisitions, security lending and advisory services institutions, insurance and reinsurance brokerage firms, including companies that provide insurance coverage of property, injury and disability, compensation or supplemental health insurance.
- **Defense / Weapons:** manufacturers of space equipment, defensive military equipment and their parts or products, including defense equipment, electronics and space equipment.
- **Gambling / Casinos:** owners and operators of casinos and gaming facilities, including companies providing lottery and betting services.
- **Music:** producers and distributors of music as well as owners and operators of broadcasting networks.
- **Hotels:** owners and operators of hotels.
- **Cinema:** companies engaged in the production, distribution and screening of films and television programs; owners and operators of television broadcasting systems and providers of cable services or satellite television.
- **Adult Entertainment:** owners and operators of products and entertainment activities for adults.

1.2 Financial Screening

Shariah investment principles do not allow to invest in companies that receive substantial income from interest or companies that have high interest rates. MSCI uses the following three financial ratios to examine these companies:

- Total debt to total assets
- Sum of cash and securities of the interest-bearing company to total assets
- Total receivables and cash of the Company to total assets

It is not permissible for any of the financial ratios to exceed 33.33%. The securities will be deemed non-compliant in terms of financial examination if any of the financial ratios exceed 33.33%.

In order to reduce the turnover rate of the index resulting from financial examination, a limit reduced by 30% will be used in determining new listings to the Islamic indices. A security that is not currently compatible with the MSCI Islamic Index will be considered compatible with respect to the financial examination only if all three financial ratios do not exceed 30%.

1.3 Purification of Profits

If a given company derives part of its gross income from interest income and/or prohibited activities, the principles of Shariah-legitimate investment stipulate that this percentage should be deducted from the dividends paid to shareholders and given to charities.

MSCI will apply an "Profits Adjustment Factor" to all reinvested profits. An "Profits Adjustment Factor" is defined as follows:

$$\text{(Gross profit - (income from illicit activities + interest income)) / gross profit}$$

In this formula, gross profit is defined as gross income, and income from interest is defined as operational and non-operational interest. MSCI will review the "Profits Adjustment Factor" on an annual basis in the semi-annual review of the index in the month of May.

Annex II

Global Shariah-Compatible Commodities Producers Index

MSCI will incorporate all components of the MSCI index as a criterion for applying the screening criteria as set out in Annex 1.

Screening Criteria

There will be five sectors of large-scale commodities within the index, namely: agriculture, energy, industrial metals, precious metals and others. Pre-set weights, as outlined in the table below, will be applied to each of these sectors. Each such sector shall consist of companies within a predetermined set of GICS Sub-Industries as shown in the table below. Constituent weights in the relative sectors will be based on free modified market capitalization. The benchmark index will be re-weighted semi-annually to adjust the weights of the respective sector in line with pre-determined standards.

Commodity Producer Sector	Sector weight designations	GICS code	GICS Sub-Industries
Agriculture	28%	15101030	fertilizers and agricultural chemicals
		30202010	agricultural products
Energy	45%	10102010	Integrated Oil & Gas
		10102020	exploring and producing oil and gas
		10102050	coal and consumption fuel
Industrial Metals	15%	15104010	aluminum
		15104020	Diversified Metals and Mining
		15104050	Steel
Precious metals	10%	15104030	Gold
		15104040	Other precious metals
Others	2%	15105010	Forest Products
		15105020	paper products
		20106010	Construction, farm, heavy equipment and trucks

The benchmark index weights will be reviewed once every year taking into account the MSCI Global Islamic Index. In case of change of Shariah status to an effective percentage of the stock in the sector, weights of the sector can be modified accordingly.