

## Terms and Conditions

### Yaqeen Opportunistic Fund Terms and Conditions

Yaqeen Opportunistic Fund is an equity open-end public Investment Fund, registered under the laws of the Kingdom of Saudi Arabia

Fund Manager

Yaqeen Capital Company



- The terms and conditions of the Fund (“Terms and Conditions”) have been reviewed and approved by the Fund’s Board of Directors (the “Board”). The Fund Manager (the “Manager”) and the members of the Board, jointly and severally, assume full responsibility for the accuracy and completeness of the information contained herein. Furthermore, the members of the Board and the Manager hereby represent and warrant the truthfulness and completeness of the information contained in these Terms and Conditions and affirm that such information is not misleading.
- The Capital Market Authority (the “CMA”) has approved the offering of the Fund’s units. The CMA assumes no responsibility for the content of these Terms and Conditions, makes no representations as to their accuracy or completeness, and offers no recommendation as to the advisability of investing in the Fund. The CMA’s approval of the offering of the Fund’s units does not constitute a recommendation to invest in the Fund, and the decision to invest remains solely with the investor or their representative.
- Yaqeen Opportunistic Fund is certified as being an open-end public Investment Fund that is compliant with the Shariah Guidelines permitted by the Investment Fund’s Shariah Board.
- The Fund Manager undertakes to register the Fund with the Zakat, Tax and Customs Authority (ZATCA) within the statutory period. The Manager further undertakes to submit the information and data requested by ZATCA for the purpose of examining and reviewing the declarations within the statutory period and to provide the unit holders subject to Zakat with the publishable information necessary for calculating the Zakat base. The Manager shall also notify ZATCA of the Fund's termination within the prescribed period. Relevant regulations and rules pertaining to investment funds issued by ZATCA can be found at <https://zatca.gov.sa/ar/pages/default.aspx>.
- The Fund Manager represents that these Terms and Conditions and all other Fund documents are subject to the Investment Funds Regulations and contain complete, clear, accurate, and non-misleading information, and are up-to-date and amended as necessary.
- Each investor is advised to read and understand these Terms and Conditions and all other Fund documents.
- Unit holders must sign and accept these Terms and Conditions upon subscribing to any units of the Fund.
- The Fund’s performance can be viewed through reports issued by the Manager and published on the Manager's website and the Saudi Exchange (Tadawul) website.
- Investors are advised to read and understand these Terms and Conditions. If any provision is unclear, professional advice should be sought.
- Date of Issuance of Terms and Conditions: 19/11/2024 It was last updated on 05/03/2026.

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**Fund Information:**

1.	<b>Fund Name:</b> Yaqeen Opportunistic Fund
2.	<b>Fund Category/Type:</b> Shariah-compliant Open-Ended Public Equity Fund
3.	<b>Fund Manager:</b> Yaqeen Capital
4.	<b>Fund Objective:</b> To achieve capital gains and capital growth over the medium to long term.
5.	<b>Risk Level:</b> High
6.	<b>Minimum Subscription/Redemption:</b> None
7.	<b>Dealing/Valuation Days:</b> Monday and Wednesday
8.	<b>Announcement Days:</b> The business days following the dealing day (Tuesday and Thursday)
9.	<b>Redemption Payment Date:</b> Within two business days, no later than the end of the business day preceding the dealing day.
10.	<b>Initial Offering Price (Par Value):</b> SAR 10
11.	<b>Fund Currency:</b> Saudi Riyal
12.	<b>Fund Term and Maturity Date:</b> No fixed term or maturity date as it is an open-ended fund.
13.	<b>Date of Operating the Fund:</b> 01/12/2024 Date of CMA's approval on the Fund Establishment and Offering its Units: 19/11/2014
14.	<b>Date of issuance of the terms and conditions, and their last update:</b> 19/11/2024, It was last updated on 05/03/2026
15.	<b>Early Redemption Fees:</b> None
16.	<b>Benchmark:</b> S&P Shariah Index (Price Return) for comparison purposes only.
17.	<b>Fund Operator:</b> Yaqeen Capital
18.	<b>Custodian:</b> Al Bilad Investment Company
19.	<b>Auditor:</b> RSM
20.	<b>Management Fee:</b> 1.75% of the Fund's net asset value per annum.
21.	<b>Subscription Fee:</b> 1.00% of the subscription amount.
22.	<b>Custodian Fee:</b> Between 0.02% and 0.017% depending on the market in which the Fund invests. Transaction fees for the custodian will range between SAR 56.25 and SAR 135 per transaction depending on the market in which the Fund is traded, calculated at the end of the period and paid monthly.
23.	<b>Tax and Zakat Advisor Fee:</b> PKF Al Bassam Company, with annual fees of SAR 1,400 payable from the Fund's net asset value.
24.	<b>Transaction Expenses:</b> Brokerage fees, trading fees, and other charges related to the purchase and sale of securities as prevailing in the market, paid to brokers, exchanges, regulatory bodies, and custodians.
25.	<b>Audit Fee:</b> SAR 40,000 per annum.
26.	<b>Shariah Committee Fee:</b> Borne by the Manager on behalf of the Fund.
27.	<b>Independent Board Members' Fee:</b> (Borne by the Manager on behalf of the Fund): SAR 3,000 per meeting, up to a maximum of SAR 5,000 per month in cases where there is more than one meeting in a month. The maximum total annual compensation for independent members is SAR 120,000, borne by the Manager.
28.	<b>CMA Fee:</b> SAR 7,500 annually.
29.	<b>Publication Fee:</b> SAR 5,000 annually paid to the Saudi Exchange (Tadawul).
30.	<b>Value Added Tax (VAT):</b> An indirect tax levied on most goods and services bought or sold by businesses, with some exceptions. Implemented in the Kingdom from January 1, 2018, at the rate determined by the relevant authorities in the Kingdom.

**Definitions:**

<b>Term</b>	<b>Definition</b>
<b>Financial Market Institutions Regulation (FMIR)</b>	Refers to the regulation bearing the same name, issued by the Board of the Saudi Capital Market Authority (CMA) pursuant to Resolution No. 1-83-2005 dated 21/05/1426H (corresponding to 28/06/2005G), based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H, as amended by the CMA Board Resolution No. 13-101-2023 dated 08/04/1445H (corresponding to 23/10/2023G).
<b>Investment Funds Regulation (IFR)</b>	Refers to the Investment Funds Regulation issued by the Board of the CMA pursuant to its Resolution No. 1-219-2006 dated 12/03/1427H (corresponding to 24/12/2006G), based on the Capital Market Law, as amended by Resolution No. 2021-22-2 dated 12/07/1442H (corresponding to 24/02/2021G).
<b>Business Day or Day</b>	A business day in the Kingdom of Saudi Arabia in accordance with the official business days of the CMA.
<b>Calendar Day</b>	Means any day, whether a Business Day or not.
<b>Terms and Conditions</b>	The contracts containing the data and provisions required under the provisions of the IFR, executed between the Fund Manager and the Unit Holders. The purchase of Fund Units from the market shall be deemed an acknowledgment by the Unit Holder of their review and acceptance thereof.
<b>Total Fund Assets Value</b>	The value of the Fund's assets, which are valued in accordance with the asset valuation methodology stipulated in the Fund's Terms and Conditions.
<b>Net Asset Value (NAV)</b>	The Total Fund Assets Value less liabilities. The monetary value of any Unit based on the Total Fund Assets Value less the value of liabilities and expenses, then divided by the total number of outstanding Units on the valuation date.
<b>Closing Date</b>	The date of the end of the Initial Public Offering (IPO) period.
<b>Capital Market Authority (CMA) or the Authority</b>	Refers to the CMA established in the Kingdom of Saudi Arabia pursuant to Royal Decree No. 30 dated 02/06/1424H (and any subsequent amendments thereto).
<b>The Fund</b>	Refers to Yaqeen Opportunistic Fund, which is a Shariah-compliant open-ended public equity investment fund offered through a public offering.
<b>Fund Manager</b>	Yaqeen Capital, a licensed entity authorized to conduct management activities by the CMA and subject to its regulation under License No. 06020-37, and shall be responsible for managing the Investment Fund.
<b>Fund Operator</b>	Yaqeen Capital (the Fund Manager), a licensed entity authorized to conduct management activities by the CMA and subject to its regulation under License No. 06020-37, and shall be responsible for managing the Investment Fund.
<b>Fund Term</b>	The Fund is an open-ended public investment fund and there will be no specific term or maturity date for the Fund.
<b>Unit Price in the IPO</b>	The offering price of the Units during the IPO period, which is 10 Saudi Riyals.
<b>Initial Public Offering (IPO) Period</b>	The period during which the Units will be offered in accordance with the IFR for a period of 15 Business Days, commencing on 29/05/1446H (corresponding to 01/12/2024G) and ending on 18/06/1446H (corresponding

	to 19/12/2024G). The Fund Manager has the right to extend the offering period for 45 Business Days.
<b>Initial Public Offering (IPO)</b>	The initial public offering of Units in accordance with the Terms and Conditions of the Fund.
<b>Public Unit Holder</b>	Any person who owns one or more Units of the Investment Fund, provided that they are not: (1) a Major Unit Holder; (2) the Fund Manager and its affiliates; (3) members of the Fund's Board of Directors.
<b>Major Unit Holder</b>	As defined in the IFR and the Real Estate Investment Funds Regulation, a person who owns 5% or more of the Units of a closed-end listed Investment Fund or a listed Real Estate Investment Traded Fund.
<b>Banks or Financial Institutions</b>	Banks or financial institutions that have a banking relationship with the Fund Manager, whether inside or outside the Kingdom of Saudi Arabia, and are licensed by the relevant regulatory authorities in each country with which the Fund deals.
<b>Unit Holder</b>	The investor who invests in the Fund by owning Units.
<b>Related Parties</b>	Means any of the following: (1) the Fund Manager and the sub-Fund Manager; (2) the Custodian and the sub-Custodian; (3) the Approved Valuer; (4) the External Auditor; (5) the Fund's Board of Directors; (6) members of the Board of Directors or any executive managers or employees of any of the above parties; (7) any Unit Holder whose ownership exceeds 5% of the Net Asset Value of the Investment Fund; (8) any person affiliated with or controlled by any of the aforementioned persons.
<b>Unit</b>	Represents the owners' share in any Investment Fund consisting of Units, including fractional Units, and each Unit shall be treated as representing an undivided share in the Fund's assets.
<b>The Market</b>	The Saudi Stock Exchange Company (Tadawul) or the Saudi Stock Exchange. Where the context permits, it shall include any committee, subcommittee, employee, officer, affiliate, or agent who may be presently assigned to perform any of the Market's functions. The phrase "in the Market" means any activity carried out through or by means of the facilities provided by the Market.
<b>Main Market</b>	The market in which shares registered and offered under Chapter Four of the Offering Rules and Continuing Obligations are traded.
<b>Parallel Market (Nomu)</b>	The market in which shares registered and offered under Chapter Eight of the Offering Rules and Continuing Obligations are traded.
<b>Fund's Board of Directors</b>	A board whose members are appointed in accordance with the IFR to monitor and supervise the relevant activities of the Fund Manager.
<b>Member of the Fund's Board of Directors</b>	Any natural person appointed as a member of the Investment Fund's Board of Directors in accordance with the IFR.
<b>Securities</b>	Means any of the following: (1) shares; (2) debt instruments; (3) subscription rights warrants; (4) certificates; (5) units; (6) option contracts; (7) futures contracts; (8) contracts for difference (CFDs); (9) long-term insurance contracts; (10) any right or interest in any of the items listed in paragraphs one through nine.
<b>Money Market Transactions</b>	Means deposits and short-term commercial financing contracts concluded with a party regulated by the Saudi Central Bank (SAMA).

<b>Murabaha Funds</b>	An Investment Fund whose sole objective is to invest in short-term securities and Money Market Transactions in accordance with the IFR and licensed by the CMA.
<b>Listed Company</b>	Any company that has any type of security listed on the Market.
<b>Due Diligence</b>	Refers to the necessary studies conducted by the Fund Manager, directly or through specialized parties, to verify the facts related to investments to avoid unexpected risks and errors, which must be avoided to ensure the soundness and status of investments in terms of value, technical, legal, economic, and operational aspects, for example.
<b>Announcement Day</b>	The day on which the Fund Unit price is announced through Tadawul and the Fund Manager's website.
<b>Capital Market Disputes Resolution Committee</b>	The committee specialized in resolving disputes that fall within the scope of the Capital Market Law and the regulations, rules, and instructions issued by the CMA.
<b>Fiscal Year</b>	The period commencing from the date of the Fund's commencement of operations and ending on the thirty-first of December of each year following the first Fiscal Year.
<b>Person</b>	Means any natural or legal person as recognized by the laws of the Kingdom.
<b>Gulf Cooperation Council (GCC) States</b>	Refers to the GCC, which comprises Bahrain, Kuwait, Oman, Qatar, the Kingdom of Saudi Arabia, and the United Arab Emirates.
<b>Riyal</b>	Saudi Riyal, the official currency of the Kingdom of Saudi Arabia.
<b>Subscription Application Form</b>	The form used for subscription requests and any required documents as per the CMA regulations and Anti-Money Laundering and Combating the Financing of Terrorism rules, and any attached information signed by the investor for the purpose of subscribing to the Fund Units, provided that it is approved by the Fund Manager.
<b>Value Added Tax (VAT)</b>	An indirect tax imposed on all goods and services purchased or sold by establishments, with some exceptions. The Kingdom began implementing VAT on January 1, 2018, and the tax rate is determined by the relevant authorities in the Kingdom.
<b>Shariah Standards</b>	The Shariah standards applied to the Fund's operations and investments, as approved by the Shariah Committee.
<b>Qualified Client</b>	<p>Qualified Client: Means any of the following:</p> <p>(a) Natural Person: Meeting at least one of the following criteria:</p> <p>(1) Having conducted transactions in the securities markets with a total value of not less than forty million Saudi Riyals and not less than ten transactions in each quarter during the past twelve months.</p> <p>(2) Having net assets of not less than five million Saudi Riyals.</p> <p>(3) Being employed or having been employed for at least three years in the financial sector in a professional position related to securities investment.</p> <p>(4) Holding a professional certificate specialized in the field of securities business, accredited by an internationally recognized body.</p> <p>(5) Holding the General Securities Dealing Certificate accredited by the CMA, provided that their annual income is not less than six hundred thousand Saudi Riyals in the past two years.</p>

	<p>(6) Being a client of a Capital Market Institution licensed to practice management activities, provided that the following are met:</p> <p>(i) The offering is made through the Capital Market Institution, and all related communications are conducted through it.</p> <p>(ii) The Capital Market Institution has been appointed under conditions that enable it to make investment decisions on behalf of the client without the need for prior approval.</p> <p>(7) Persons registered with the Capital Market Institution if the offering is made through the Capital Market Institution itself.</p> <p>(b) Legal Entity: Meeting at least one of the following criteria:</p> <p>(1) Any legal entity acting on its own account, provided that it is any of the following:</p> <p>(i) A company owning, or a member of a group owning, net assets with a value of not less than ten million Saudi Riyals and not exceeding fifty million Saudi Riyals.</p> <p>(ii) Any unregistered partnership, limited liability company, or other establishment owning net assets with a value of not less than ten million Saudi Riyals and not exceeding fifty million Saudi Riyals.</p> <p>(2) A person acting as a member of the Board of Directors, an officer, or an employee of a legal entity and is responsible for any securities activity thereof, when such legal entity meets the definition set forth in subparagraph (1)(i) or (1)(ii).</p> <p>(3) Being a client of a Capital Market Institution licensed to practice management activities, provided that the following are met:</p> <p>(i) The offering is made through the Capital Market Institution, and all related communications are conducted through it.</p> <p>(ii) The Capital Market Institution has been appointed under conditions that enable it to make investment decisions on behalf of the client without the need for prior approval.</p> <p>(4) A company wholly owned by a natural person meeting any of the criteria set forth in paragraph (a) or by a legal entity meeting any of the criteria set forth in paragraph (b).</p>
<b>Private Equity Investment Committee</b>	<p>A committee specialized in studying and evaluating investment opportunities in the private equity asset class, and based on their studies, determining the companies in which the Fund will invest, in accordance with the objectives and limitations stated in the Terms and Conditions and the IFR. The committee consists of five members: three members from the Fund Manager and two members from the Fund Advisor.</p>
<b>Exceptional Circumstances</b>	<p>Situations that the Fund Manager believes could negatively affect the Fund's performance as a result of any changing economic, political, and/or regulatory factors.</p>

## 1. Investment Fund

- A) **Fund Name and Type:** Yaqeen Opportunistic Fund, an open-ended Shariah-compliant public equity investment fund.
- B) **Date of Issuance of the Investment Fund's Terms and Conditions:** November 19, 2024.
- C) **Date of the Authority's Approval for Offering the Investment Fund Units:** November 19, 2024.
- D) **Investment Fund Term and Maturity Date:** This is an open-ended public investment fund; there will be no specified term for the fund's operation and no maturity date.

## 2. Applicable Regulations

Yaqeen Opportunistic Fund and the Fund Manager are subject to the Capital Market Law, its Implementing Regulations, and other relevant laws and regulations in force and applicable in the Kingdom of Saudi Arabia.

## 3. Investment Policies and Practices

### A) Investment Objectives of the Investment Fund:

To achieve capital gains that contribute to capital growth over the medium to long term. The Fund's investments will primarily focus on public equities, including initial public offerings (IPOs) in the Saudi Main Market (Tadawul), the Parallel Market (Nomu), and Gulf markets.

### B) Types of Securities in which the Fund will Primarily Invest:

To achieve the Fund's objectives with the maximum possible benefit, the Fund may invest in the following areas, in compliance with the investment restrictions stipulated in the Investment Funds Regulations and consistent with Shariah standards:

- Shares of Saudi companies listed on the Saudi Main Market and the Parallel Market.
- Shares of Saudi companies in the pre-IPO stage in the Saudi stock market (private equity).
- Shares of Gulf companies listed on Gulf stock markets and compliant with Shariah as per the S&P Shariah Index.
- Traded priority rights and remaining shares from private placements (Rump Offering).
- Initial public offerings (IPOs) in the Saudi stock market and Gulf markets.
- Exchange Traded Funds (ETFs).
- Real Estate Investment Traded Funds (REITs).
- Listed closed-end investment funds.
- Money market transactions and Sukuk issued by counterparties in the Kingdom of Saudi Arabia, compliant with Shariah standards, and subject to and licensed by the Saudi Central Bank (SAMA), and with Gulf counterparties subject to and licensed by similar regulatory bodies, and rated "BBB" by Standard & Poor's or equivalent from other accredited credit rating agencies. In the absence of a credit rating for some of these issuing parties or for money market transactions and Sukuk, the Fund Manager will study, analyze, and evaluate these securities before making investment decisions, including conducting due diligence on the issuer. Investments in unrated money market instruments and Sukuk shall not exceed 30% of the Fund's Net Asset Value.
- Investment in units of investment funds that primarily invest in the aforementioned investment areas, including units of investment funds managed by the Fund Manager, in compliance with the requirements of the Investment Funds Regulations.

### C) Any Policy of Concentrating Investments in Specific Securities, Industries, a Group of Sectors, or in a Specific Country or Geographical Region:

The Fund Manager will select the best stocks from an investment perspective based on studies and research conducted by the research department within the Asset Management division. The Fund Manager will not rely on index weights in implementing the investment strategy or concentration, and will act according to what the Fund Manager deems appropriate. The Fund Manager will adopt a flexible investment policy that allows for the possibility of concentrating investments in various categories of securities, focusing geographically and primarily on local investments and then on Gulf investments, as detailed below.

**D) Table Showing the Minimum and Maximum Investment Percentage in Each Investment Area:**

Asset Class	Minimum	Maximum
Public Equities, including IPOs in the Saudi Main Market (Tadawul), Parallel Market (Nomu), and Gulf markets; ETFs; REITs; and listed closed-end investment funds.	50%*	100%
Pre-IPO Shares of Saudi Companies (Private Equity)	0%	10%
Money Market Instruments and Funds	0%	30%
Sukuk and Sukuk Funds	0%	10%
Units of Other Public Investment Funds	0%	25%

\*In exceptional circumstances, the Fund Manager may be compelled to increase cash liquidity up to 100% and may allocate all of the Fund's assets to cash or short-term Saudi Riyal money market instruments.

**E) Securities Markets where the Fund is likely to buy and sell its investments:**

All of the Fund's investments will be in the Saudi financial markets (Main Market and Parallel Market (Nomu)) and the GCC markets.

**F) Disclosure of whether the Fund Manager intends to invest in the Investment Fund Units:**

Yaqeen Capital, in its capacity as the Fund Manager, may subscribe to the Fund from the commencement of its offering. However, it reserves the right to reduce its subscription, partially or fully, whenever deemed appropriate. The Fund Manager will disclose its investments in the Fund in the Fund's periodic reports.

**G) Transactions, methods, and tools that the Fund Manager may use for making investment decisions for the Investment Fund:**

The Fund Manager will evaluate target securities and seek the best investment opportunities through fundamental analysis of these securities and assessment of investment opportunities based on financial data and ratios to predict their future results and growth opportunities in the medium and long term. Investment decisions in the Fund are made by evaluating available opportunities through recommendations from financial analysts. After conducting a quantitative analysis of these securities based on fundamental indicators such as price-to-earnings ratio, price-to-book ratio, dividend yield, return on equity, and other financial ratios, in addition to analyzing macroeconomic data and the general situation of the sector or industry to which the target securities belong, the aim is to arrive at a fair valuation and support investment decisions by choosing the appropriate timing and circumstances for implementation.

- The Fund Manager will rely on instruments with a credit rating of "BBB" according to Standard & Poor's or its equivalent from other approved credit rating agencies when making investment decisions in Money Market Transactions and Sukuk issued by counterparties in the Kingdom of Saudi Arabia subject to and licensed by the Saudi Central Bank (SAMA) or with GCC counterparties licensed by similar regulatory bodies. In the event that a credit rating is not available for some of these issuing parties or for Money Market Transactions and Sukuk, the Fund Manager will study, analyze, and evaluate these securities before making an investment decision, provided that investments in unrated Money Market Transactions and Sukuk instruments do not exceed 30% of the Fund's Net Asset Value.
- The Fund Manager may use leverage as one of the primary investment strategies to maximize the Fund's returns, where it is entitled to obtain financing up to a maximum of 15% of the Fund's Net Asset Value, in accordance with Shariah standards.

**H) Securities that cannot be included in the Fund's investments:**

The Fund will not invest in securities other than those mentioned previously in paragraph 3(b).

**I) Investment Restrictions:**

There are no other restrictions on the type or types of securities or assets in which the Fund may invest, other than those imposed by the investment restrictions mentioned in the IFR and the Shariah restrictions of the Fund Manager's Shariah Committee.

**J) The limit to which the Fund's assets can be invested in units of the Fund or investment funds managed by that manager or other fund managers:**

The Fund Manager may invest in units of another investment fund or in units of different investment funds issued by the same Capital Market Institution up to a maximum of 25% of its Net Asset Value. The Fund may also invest in privately offered investment funds up to a maximum of 10% of its Net Asset Value. In the event of investment in investment funds managed by the Fund Manager, the Fund Manager will ensure that no duplicate fees are charged on these investments.

**K) The Investment Fund's borrowing powers, the Fund Manager's policy regarding the exercise of borrowing powers, and a statement of its policies regarding pledging the Fund's assets:**

Pursuant to the Fund's Terms and Conditions, the subscriber authorizes the Fund Manager, at its sole discretion, to obtain financing up to the limit permitted by the IFR from any commercial bank licensed by SAMA to conduct banking business in the Kingdom of Saudi Arabia, to be used in connection with the Fund to meet short-term liquidity requirements, and the financing shall not exceed 15% and for a maximum of three months of the Fund's Net Asset Value. The Fund may provide guarantees against any credit facilities or loans it may obtain.

**L) Disclosure of the maximum limit for dealing with any counterparty:**

Dealing with any counterparty shall not exceed 25% of the Fund's Net Asset Value, in line with the IFR.

**M) The Fund Manager's policy for managing the Fund's risks:**

- Investing in the Fund is classified as a high-risk investment, and the Fund Manager does not guarantee the success of the strategies employed to address potential risks. The Fund's investments are subject to several risks, as mentioned in paragraph (4) ("Main Fund Risks"). However, the Fund Manager will take all possible measures to address and mitigate the risks to which the Fund is exposed, in the best interests of the Unit Holders. The following is an overview of the risk management strategy:
  - Adherence to the Capital Market Law, its Implementing Regulations, the IFR issued by the CMA Board, and other relevant laws and regulations in force in the Kingdom of Saudi Arabia.
  - Adherence to the investment limits as stated in the Fund's Terms and Conditions.
  - Adherence to the Fund's investment decision-making mechanism and seeking the greatest possible amount of information related to any investment the Fund decides to enter into.
  - Diversifying the investment base by distributing investments across asset classes as percentages of the Net Asset Value to mitigate concentration risks.
  - Holding assets in cash at 100% temporarily to address any exceptional circumstances that may arise for the Fund.
  - As for unpredictable risks, Yaqeen will exert efforts to study these risks before making investment decisions.

**N) The benchmark index, the index provider, and the basis and methodology used to calculate the index:**

The Fund Manager relies on the companies comprising the Standard & Poor's Shariah-compliant equity index (price return) as a benchmark for comparison with the Fund's performance only, without the index's security weights being binding on the Fund's investments. The methodology of the Standard & Poor's Shariah indices follows Shariah investment principles and does not permit investment in non-Shariah-compliant companies. It does not allow investment in companies that directly engage in or derive more than 5% of their revenue from prohibited business activities such as alcohol, tobacco, pork-related products, conventional finance, defense and weapons, gambling, and other prohibited activities. In addition, the

Standard & Poor's Shariah indices do not permit investment in companies that derive significant income from interest or companies that have a high level of non-Shariah-compliant debt. The Standard & Poor's Shariah indices use three financial ratios to screen such companies:

1. Total debt to the issuer's average market capitalization over 36 months, which should not exceed 33.33%.
2. Total cash and non-Shariah-compliant interest-bearing securities to the issuer's average market capitalization over 36 months, which should not exceed 33.33%.
3. Total cash and accounts receivable to the issuer's average market capitalization over 36 months, which should not exceed 49.00%.

If the company derives part of its total income from interest income and/or prohibited activities, the index's Shariah controls stipulate that this percentage must be deducted from the profits. The disposal of prohibited income will be carried out periodically by the Fund Manager and will be announced in the Fund's periodic reports. For Shariah details, please refer to paragraph twenty-five ("Shariah Committee").

**The purpose of using derivative contracts, if any:** Not Applicable.

**Any exemptions approved by the CMA regarding any investment restrictions or limits:** None.

#### 4. Principal Risks of Investing in the Fund

Prospective investors must be aware of the risks to which their investments in the Fund may be exposed. Therefore, the Fund is suitable for investors who understand the magnitude of these risks and possess the financial capacity, awareness, and knowledge that qualify them to bear a partial or total loss of the investment value. Given the nature of investment in the Fund and its investment strategies, it is evident that investing in the Fund involves a high degree of risk, including but not limited to the risks outlined below. The Fund Manager cannot provide any assurances that Unit Holders will achieve profits on their investment in the Fund. Rather, funds invested in the Fund are subject to profit or total or partial loss. Furthermore, the risk information provided below does not represent a complete explanation of all risks involved in investing in the Fund. Additionally, as the Fund's investment portfolio evolves and changes over time, investment in the Units may be subject to other risk factors. Accordingly, each prospective investor should study the Terms and Conditions in their entirety and consult their professional advisors before deciding to apply for subscription to the Units.

- A) **Investment in the Fund is considered a high-risk investment given its focus on shares of companies listed on the Saudi Stock Exchange. The Fund is likely to experience high volatility due to the nature of trading in the Fund's investments.**
- B) **Past performance of the Investment Fund, or past performance of the benchmark index, is not indicative of future performance of the Fund or the index.**
- C) **The Fund does not guarantee to Unit Holders that the Fund's performance, or its performance relative to the benchmark index, will be replicated or similar to past performance in the future.**
- D) **Investment in the Fund is not a deposit with any local bank that markets or sells securities or is affiliated with the Investment Fund.**
- E) **Investors in the Fund may be exposed to the risk of partial or total financial losses resulting from their investments in the Fund Units.**
- F) **Principal Potential Risks Associated with Investing in the Fund:**

There are always risks of financial losses for investors, and mutual investment funds are not exempt from this risk, although the degree of risk varies significantly from one investment fund to another. Therefore, the investor must be aware of the risks related to their investment and determine their investment position regarding those risks. They must also understand that a short-term investment horizon may result in the sale of investments under unfavorable conditions.

Money market funds are the least volatile, but their returns are considered low, while equity funds are usually the most volatile, but they tend to achieve higher rates of return. The Net Asset Value of the investment fund may change from day to day because the values of the shares in which it invests may be affected by changes in interest rates, economic factors, financial market movements, and company news. As a result, when an investor redeems their units in the investment fund, their value may be higher or lower compared to the purchase price.

The risk elements that can affect the value of the investment in the Fund include, but are not limited to:

- **Capital Depletion Risk:** In the event of a substantial market decline and its failure to recover in a timely manner, the Fund's Net Asset Value is likely to decline in line with the market downturn.
- **Credit Downgrade Risk:** A credit rating downgrade by rating agencies for counterparties may negatively affect the value of the securities issued by that issuer, which may negatively impact the value of the Fund's assets and the Unit price in the Fund.
- **Securities Risk:** Funds that invest in shares of companies listed on the market are affected by stock market movements in general. When the economy is strong, the outlook for many companies is positive, and share prices may generally rise, as does the value of investment funds that own these shares. On the other hand, share prices generally decline during times of economic or industrial recession or contraction. Furthermore, the shares of specific companies or companies in a specific sector, such as the industrial sector, may fluctuate to a different degree compared to the stock market as a whole due to changes occurring in the sector and the investment outlook for those companies in those specific sectors.
- **Specific Stock Issuer Risk:** The market value of a specific issuer's shares can be more volatile compared to the market as a whole. As a result, if a specific issuer's shares represent a significant portion of the market value of the Fund's assets, a change in the market value of that issuer's shares may cause significant fluctuations in the Fund Unit value compared to what would be the case under normal circumstances. If the Fund is less diversified, it may also suffer from low liquidity if a significant portion of its assets is invested in the shares of a single issuer. In particular, the Fund may not be in a position to liquidate its investment in that issuer's shares to meet any redemption requests.
- **Shariah Risk:** This risk stems from the fact that the Fund invests within a limited scope of Shariah-compliant equities compared to conventional equity funds. If any of the companies in which the Fund invests become non-compliant with certain Shariah standards, the Fund's divestment from the shares of those companies through sale may result in losses if those shares are sold at a low price or if the opportunity to achieve a higher level of performance for those shares is missed.
- **Parallel Market (Nomu) Investment Risk:** If the Fund invests in shares of companies listed on the Parallel Market (Nomu), these companies may be less liquid than companies listed on the Main Market, as participation in the Parallel Market is permitted for a specific category of investors. Moreover, companies listed on the Parallel Market are more volatile, as the fluctuation range is higher than in the Main Market. Companies listed on the Parallel Market may be newly established or have a short operating history and limited human and financial resources. In addition, the disclosure requirements for companies listed on this market are relatively lower than for companies listed on the Main Market. All of this may affect the accuracy of the Fund Manager's assessment of the company's performance and price, which could negatively impact the Fund's performance and the Unit price.
- **Initial Public Offering (IPO) Investment Risk:** There is no guarantee that the Fund Manager will receive an invitation to participate in initial public offerings on the market. The information contained in the IPO prospectus may be incomplete, incorrect, or certain material information may

be missing, resulting in the Fund Manager making decisions based on incomplete information, which may negatively affect the Fund's performance.

- **Real Estate Investment Traded Funds (REITs) Investment Risk:** Investing in REIT units involves exposure to the risks of changes in the value of the invested real estate assets due to changing market conditions or a decline in real estate values, in addition to the exposure of these units to price fluctuations as a result of their trading on the market.
- **Exchange Traded Funds (ETFs) Investment Risk:** Investing in ETF units involves exposure to the risks of changes in the value of the market and sector indices they track due to changing market conditions or a decline in the value of those markets or sectors, in addition to the exposure of these units to price fluctuations as a result of their trading on the market, which may negatively affect the Fund's performance.
- **Conflict of Interest Risk:** Situations may arise where the Fund Manager's interests conflict with the interests of the Fund, limiting the Fund Manager's ability to perform its duties objectively, which may negatively affect the Fund.
- **Major Investors Risk:** Fund units can be bought and sold by large investors, other mutual funds, or private investment portfolios. If a major Unit Holder redeems part or all of their investments in the Fund, the Fund may incur capital gains costs and other transaction costs during the redemption process. In addition, some shares may be sold at unfavorable prices, thus reducing the potential portfolio return. On the other hand, if a major Unit Holder increases their investment in the Fund, the Fund may hold a relatively large amount of cash until an investment opportunity becomes available, which may negatively affect the Fund's performance.
- **Regulatory Risk:** Regulatory risks may result in financial risks faced by companies due to changes in regulations or uncertainty regarding the application of laws, regulations, or regulatory procedures. The main legal risks may also stem from the companies in which the Fund invests and the possibility of their exposure to litigation and legal accountability, which reduces the market value of their shares. Legal risks are prevalent among commercial entities that provide essential products and services to consumers, which on certain occasions may be subject to lawsuits and legal cases.
- **Liquidity Risk:** Liquidity refers to the speed and ease with which an asset can be sold and converted into cash without losses in its fair market value. In highly volatile markets, such as during periods of political instability or sudden changes in interest rates and prices, some shares become less liquid, meaning they cannot be sold quickly and easily. Some shares may also be illiquid due to legal restrictions, the nature of the investment, or certain specific aspects such as guarantees or the lack of buyers interested in specific shares or markets. This leads to difficulty in selling shares at a fair price, resulting in a loss or a decrease in the Fund's return.
- **Market Risk:** Market risk is the risk of investing in financial markets, where the market value of the Fund's investments rises and falls due to developments in the invested companies, general market conditions, or interest rates. Market value also changes due to changes in general economic and financial conditions.
- **Equity Risk:** The prices of some shares tend to fluctuate significantly due to factors affecting specific companies, a particular sector, or the entire stock market. A downturn in the economic environment or slowing growth can negatively impact the prices of various shares held by the Fund.
- **Sector-Specific Risk:** At certain times, the Fund may concentrate its investments in a specific sector, which may make the value of the Fund's assets susceptible to changes based on changes in the value of that sector. This concentration can enhance returns if the sector represents good potential investments. However, it also means that the Fund may be riskier compared to more diversified funds.

- **Trading Suspension Risk:** Non-compliance by companies listed on Tadawul with the Saudi Capital Market Law and its Implementing Regulations, including the Listing Rules, may lead to the suspension of trading in the shares of those companies, which may negatively affect the value of the Fund's assets and consequently the Unit price.
- **Large Redemption Risk:** Large and sometimes consecutive redemption requests by Unit Holders may compel the Fund Manager to liquidate the Fund's assets at lower prices, leading to a decline in the value of the Fund's assets and a decrease in the Unit price.
- **Small-Cap Risk:** Shares of small companies tend to be less tradable and in smaller volumes compared to large companies. As a result, the prices of small-cap stocks tend to be less stable than those of large companies. Their value also rises or falls more sharply compared to large-cap stocks, and they may be more difficult to buy or sell. While small companies may offer good capital growth opportunities, they are also exposed to substantial risks and should be considered speculative stocks. Historically, small-cap stocks have been more volatile in price compared to large companies, especially in the short term. Lower growth revenues for small companies, their lack of liquidity, and their high sensitivity to changing economic conditions are the main reasons for the volatility of their share prices. In addition, small companies may be affected by the absence of effective management, making them unable to provide the necessary funds for growth and development, or they may be productive and capable of developing products and services for which there are no markets, or which may not even exist.
- **Follow-Up Risks:** The Fund seeks to achieve returns similar to or better than the benchmark index. However, the Fund's ability to outperform the index is affected by the operating and management expenses incurred by the Fund. These expenses are influenced by several factors, including the size of the Fund's assets, the skill of the Fund Manager, and the level of trading activity undertaken by the Fund. An unusual level of trading results in additional expenses that hinder the Fund's ability to achieve the same return as, or exceeding, the benchmark index.
- **Information Technology Risks:** The Fund Manager relies on the use of technology in managing the Fund's operations and preserving its assets. It is possible, despite the high security precautions implemented, that the Fund Manager's information technology systems may be breached, targeted by virus attacks, or experience partial or complete disruption, limiting the Fund Manager's ability to effectively manage the Fund's investments, and this may negatively affect the Fund's performance.
- **Investment Outside the Kingdom Risks:** Investing outside the Kingdom of Saudi Arabia involves several risks, including, but not limited to, exchange rate fluctuations and economic and geopolitical risks.
- **Zakat and Tax Risks:** Investing in the Fund may result in tax obligations, including Zakat. These taxes may apply to the Fund and its investments or to the Unit Holder. The Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia, or any other authority, may impose taxes on investment funds, leading to a decrease in the Fund's Net Asset Value and the Unit price.

## 5. Risk Assessment Mechanism

The Fund Manager assesses the Fund's risks periodically according to an internal mechanism for evaluating the risks related to the Fund's assets.

## 6. Target Investor Category

The Fund targets sophisticated investors, including individuals, companies, private, governmental, and semi-governmental institutions, who prefer medium- and long-term investments and have the capacity and willingness to bear a high level of risk.

## 7. Investment Restrictions/Limits

The Fund Manager, during its management of the Fund, shall adhere to the restrictions and limits stipulated by the IFR issued by the CMA and the Fund's Terms and Conditions, in accordance with Shariah standards.

## 8. Fund Currency

The Fund's currency is the Saudi Riyal. In the event of payment for Units in a currency other than the Fund's currency (Saudi Riyal), the Fund Manager shall convert the payment currency into the Fund's currency according to the prevailing exchange rate at the time of subscription. The purchase will then be effective based on the price after conversion.

## 9. Fees, Commissions, and Charges

### A) All payments from the Investment Fund's assets and their calculation method:

Fee/Charge Type	Description
Subscription Fee	1.00% maximum of the subscription amount upon subscribing to the Fund.
Fund Management Fee	1.75% per annum of the Fund's Net Asset Value. The Fund Manager receives the Fund Management Fee, calculated pro-rata based on a 365-day year, deducted daily, and paid quarterly.
Benchmark Index Fee	The Fund pays a fixed amount of USD 5,000 annually (equivalent to SAR 18,750).
Publication Fee	The Fund pays a publication fee to the Saudi Stock Exchange Company (Tadawul) of SAR 5,000 annually. Payable to Tadawul.
External Audit Fee	SAR 40,000 annually.
Capital Market Authority (CMA) Fee	SAR 7,500 annually.
Custodian Fee	Custody fees range between 0.017% and 0.02% depending on the market in which the Fund invests. Custodian transaction fees will range between SAR 56.25 and SAR 135 per transaction, depending on the market in which the Fund is traded, calculated at the end of the period and paid monthly.
Shariah Committee Fee	Borne by the Fund Manager on behalf of the Fund.
Independent Board Members' Fees	SAR 2,000 for each independent member per meeting, with a maximum of SAR 4,000 annually per independent member (the total fees of the independent members shall not exceed SAR 12,000 annually).
Posting fees on Tadawul website	5,000 Saudi Riyals accrued on a daily basis and paid for Tadawul annually

Transaction Expenses	The Fund bears trading commissions and fees resulting from securities purchase and sale transactions according to prevailing market commissions. Payable to brokers, financial markets, regulatory bodies, and custodians.
Administrative Fees	0.30% of the Fund's Net Asset Value, paid annually. Includes, but is not limited to, the costs of studies and legal consultations.
Tax and Zakat Advisor Fees	SAR 1,400 annually.

All fees and expenses mentioned in these Terms and Conditions for the Fund are exclusive of Value Added Tax (VAT) unless otherwise stated.

**B) All fees and expenses, with the method of calculating fees, commissions, and charges, and the time of their payment by the Investment Fund:**

Sn.	Fee/Charge Type	Percentage/Fixed Amount	Calculation Basis	Accrual Timing	Payment Basis
1	Fund Management Fee	1.75% of the Fund's Net Asset Value	Annual	Daily	Paid quarterly in arrears
2	Benchmark Index Fee	USD 5,000 annually (equivalent to SAR 18,750)	Fixed annual amount	Daily	Paid annually
3	Publication Fee	SAR 5,000	Fixed annual amount	Daily	Paid annually
4	Administrative Fees	0.30% of the Fund's Net Asset Value	Annual	Daily	Paid annually
5	Custodian Fee	Custody fees range from 0.017% to 0.02% of the value of assets under custody	Annual	Calculated at the end of the period	Paid monthly
6	External Audit Fee	SAR 40,000	Fixed annual amount	Daily	Paid annually
7	Tax & Zakat Advisor Fee	SAR 1,400	Fixed annual amount	Daily	Paid annually
8	CMA Fee	SAR 7,500	Fixed annual amount	-	Once Per annum
9	Independent board of directors' fees	SAR 2,000 for each independent member per meeting.	Attendance fees are calculated after the meeting	Annual fees are calculated on a semi-annual basis, and attendance fees are calculated after each meeting.	Paid semi-annual
10	Transaction Expenses (Brokerage)	Recognized at cost, and any costs related to share trading are borne by the Fund	Recognized at cost	Daily	Paid upon request

**C) Ratio of Fund Expenses to Total Fund Assets Value at the Fund and Unit Holder levels during the Fund's lifespan:**

The ratios mentioned are calculated based on the hypothetical example in paragraph 9(c).

	Fund	Unit Holder
Ratio of Fund Expenses to Total Fund Assets Value***	3.8%	3.8%
Recurring Expenses Ratio**	2.6%	2.6%
Non-Recurring Expenses Ratio*	1.2%	1.2%

\*Subscription Fees divided by the Net Asset Value at the end of the year.

\*\*\* Total fees and expenses at the end of the year (Excluding subscription fees) divided by the Net Asset Value at the end of the year.

**D) Consideration for transactions imposed on subscription, redemption, and transfer of ownership paid by Unit Holders, and the method of calculating such consideration:**

Consideration	Calculation Method
Subscription Fee (borne by the investor upon subscription or addition)	1.00% of the subscription amount
Redemption Fee	None
Transfer of Ownership Fee	None

**E) Special Discounts and Commissions:** The Fund Manager has the right to waive the subscription fees, or a portion thereof, for subscribers as it deems appropriate in the best interests of the Fund and the Unit Holders, without disclosing the reasons for doing so.

**F) Information related to Zakat and/or Tax:**

- The Fund Manager does not pay Zakat on behalf of the Fund.
- The Fund Manager undertakes to register the Fund with the Zakat, Tax and Customs Authority (ZATCA) within the statutory deadline. The Fund Manager further undertakes to submit the information and data requested by ZATCA for the purposes of examining and reviewing the declarations within the statutory period and to provide taxable Unit Holders with the publishable information necessary for calculating the Zakat base upon request, in accordance with the Implementing Regulations for the Collection of Zakat issued by ZATCA. Taxable investors subject to the provisions of these regulations who own investment units in the Fund are responsible for calculating and paying Zakat on these investments. The regulations and rules related to investment funds issued by ZATCA can be accessed through the following website: <https://zatca.gov.sa/ar/pages/default.aspx>. Value Added Tax (VAT) will be applied according to the instructions of the Implementing Regulations issued by the General Authority of Zakat and Tax (GAZT) on all fees, expenses, charges, and costs. All fees and expenses mentioned in the Fund documents are exclusive of VAT unless otherwise stated.
- **Any special commission concluded by the Fund Manager:** None.

**G) Hypothetical Example of Fund Fees and Expenses, calculated based on a Unit Holder subscription of SAR 200,000 for one year, with a Total Fund Assets Value of SAR 100 million, assuming the Fund did not realize any profits or losses during the year.**

Total Assets Value as at Year Start (SAR)	Unit Holder Year 1	Unit Holder Year 2
	SR 200,000	SR 192,749.73
<b>Less</b>		
Subscription Fee	2,300	-
Fund Management Fee	3,500.00	3,373.12
Custodian Fee	40.00	38.55

External Audit Fee	80.00	80.00
Administrative Fees	600.00	578.25
CMA Fee	15.00	15.00
Publication Fee	10.00	10.00
Benchmark Index Fee	37.50	37.50
Tax & Zakat Advisor Fee	2.8	2.8
<b>Total Non-Recurring Fees</b>	2,300.00	-
<b>Total Recurring Fees</b>	4,952.48	4,779.76
<b>Total Fees and Expenses (End of Year)</b>	7,255.28	4,779.76
<b>Net Asset Value (End of Year)</b>	192,744.72	187,964.96

## 10. Valuation and Pricing

### A) Valuation of assets held by the Fund:

- The Fund is valued on each Valuation Day, and the valuation is performed on a currency basis. The valuation is determined based on all assets included in the portfolio, net of any liabilities of the Fund at that time.
- The valuation method depends on the type of asset. The Fund Manager/Fund Operator may rely on reliable systems with respect to determining values, prices, and exchange rates.
- The following table illustrates the method used to value each of the Fund's assets:

Fund Asset	Valuation Method
Securities listed or traded on any regulated securities market or on an automated pricing system	Based on their closing prices in that market or system.
Suspended Securities	Valued at the last traded price before suspension unless there is conclusive evidence that the value of these securities has decreased from the suspended price.
Private Equity Shares	Fair value as determined by the Fund Manager/Fund Operator based on best practices and rules related to the valuation of such investments, including, but not limited to, cost price, and after verification by the Fund's External Auditor.
Unlisted Sukuk	Book value plus accrued profit.
Sukuk listed or traded on any regulated securities market or on an automated pricing system, but where the circumstances of that market or system do not permit valuation of the Sukuk	May be valued in the same manner as unlisted Sukuk. Book value plus accrued profit or interest is used.
Investment Funds	The last published Net Asset Value per unit.
Deposits	Nominal value plus accrued profit.
Fund assets invested in initial public offerings of shares prior to listing	Based on the subscription price after allocation.
Value of each unit	The Total Fund Assets Value less accrued liabilities and expenses, divided by the number of outstanding units at the time of valuation.

- B) Number of valuation points and their frequency:** Yaqeen Opportunistic Fund utilizes the previous day's closing prices for its daily valuation.
- C) Procedures to be taken in case of erroneous valuation or pricing:**  
In the event of an erroneous valuation of a Fund asset or an incorrect calculation of the Unit price, the Fund Operator shall document such error.
1. The Fund Operator shall compensate affected Unit Holders (including former Unit Holders) for all valuation or pricing errors without delay.
  2. The Fund Manager shall immediately notify the CMA of any valuation or pricing error affecting the Unit price by 0.5% or more. The Fund Manager shall also disclose such error on both the company's website and the Saudi Stock Exchange (Tadawul) website. Furthermore, the error must be noted in the Fund reports prepared by the Fund Manager in accordance with Article 76 of the IFR.
- D) Method of calculating the Unit price for the purpose of executing subscription and redemption requests:**
1. The Fund Manager calculates the Fund's investments on each Valuation Day. The valuation is determined based on all assets included in the portfolio, net of any liabilities of the Investment Fund at that time. The Net Asset Value per unit (Unit price) is calculated based on the following equation:  $(\text{Total Assets} - \text{Liabilities} - \text{Accrued Expenses}) / \text{Number of outstanding units at the time of valuation}$ .
  2. The Fund's assets shall include all assets, regardless of their type and nature, as explained in the valuation method outlined in paragraph 76. This includes cash, dividends, and distributions payable (whether in shares, cash, or other receivables due to the Fund).
  3. The Fund's liabilities shall include all liabilities, regardless of their type and nature, including, but not limited to, all loans, payables, and all expenses and fees due or accrued to the Fund, as explained in paragraph (i) of this memorandum.
- E) Place, time, and frequency of Unit price publication:** Yaqeen Opportunistic Fund prices will be published daily on both Tadawul and Yaqeen Capital's websites: [www.tadawul.com.sa](http://www.tadawul.com.sa) and [www.yaqeen.sa](http://www.yaqeen.sa).

## 11. Transactions

### A) Initial Public Offering (IPO):

1. Units of Yaqeen Opportunistic Fund will be offered during the IPO period, which extends for 15 Business Days, starting on 29/05/1446H (corresponding to 01/12/2024G) and ending on 18/06/1446H (corresponding to 19/12/2024G). The Fund Manager has the right to extend the offering period for 45 Business Days.
2. Initial Unit Price: SAR 10.

- B) Specified date and deadlines for submitting subscription and redemption requests, and the Fund Manager's responsibilities:** Subscriptions and redemptions can be made on each Business Day, no later than the end of the Business Day immediately preceding the Dealing Day. If a subscription request or subscription amount is received after the specified date, it will be processed (unless the Fund Manager decides otherwise) based on the valuation price on the next Dealing Day. If the subscription amount is not received by the end of the next Dealing Day, the subscription request shall be considered void. The deadline for receiving subscription and redemption requests is 4:30 PM.

### C) Subscription and Redemption Procedures:

#### • Subscription Procedures:

Investors wishing to purchase Units in the Fund must complete, sign, and submit a Subscription Application Form to any Yaqeen branch, along with payment of the investment amount.

Alternatively, they can complete the subscription request and agree to the Fund's Terms and Conditions through Yaqeen's online services system and deposit the subscription amount into the designated account.

In the case of payments or bank transfers, the investment in the Fund will only be executed upon receipt of a clearing or transfer confirmation. In the event of payment for Units in a currency other than the Fund's currency (Saudi Riyal), the Portfolio Manager shall convert the payment currency into the Fund's currency according to the prevailing exchange rate at the time of subscription, and the purchase will then be effective based on the price after conversion. Notwithstanding receipt of the signed Subscription Application Form or any other requirements, the Fund Manager reserves the right to reject any subscription request to any Fund without providing any reasons. In such a case, the Fund Manager shall return the subscription amount paid by the investor without delay.

- **Redemption Procedures:**

The Unit Holder shall complete and sign a Redemption Request Form and submit it to the Fund Manager through its offices on any Business Day. Alternatively, they can complete and submit the redemption request through Yaqeen's online services system. Redemption requests are processed on the Dealing Day following the receipt of the redemption request.

Investors may redeem all or part of their investment units. If a participant's redemption results in their participation falling below the minimum required for participation in the Fund, their entire investment will be redeemed. Redemption proceeds shall be paid within a maximum of two Business Days after the next Dealing Day.

- **Specified date and deadlines for submitting subscription and redemption requests:**

Subscriptions and redemptions can be made on every Business Day, no later than the end of the Business Day immediately preceding the Dealing Day. If a subscription request or subscription amount is received after the specified date, it will be processed (unless the Fund Manager decides otherwise) based on the valuation price on the next Dealing Day. Specifically, before 4:30 PM.

**D) Restrictions on dealing in Fund Units:** None.

**E) Circumstances under which dealing in Units is postponed or suspended, and the procedures followed in such cases:**

The Fund Manager has the right to suspend or postpone dealing in the Fund's Units in the following circumstances:

1. If requested by the CMA.
2. If the Fund Manager deems that the suspension is in the best interests of the Unit Holders.
3. If trading is suspended in the Main Market where the securities or other assets held by the general fund are traded, either generally or with respect to the Fund's assets that the Fund Manager reasonably believes are material to the Net Asset Value of the general fund.
4. If redemption requests exceed 10% of the Fund's Net Asset Value on any Dealing Day.

In the event of a suspension of the Fund's valuation, redemption or subscription requests submitted on or after the date of suspension will be executed two Business Days after the next Dealing Day when the valuation suspension ends. The Fund Manager shall immediately notify the CMA and Unit Holders of any suspension, explaining the reasons for the suspension, and notify them in the same manner used for the suspension notice immediately upon the end of the suspension, disclosing this on the Fund Manager's website and the Market website.

**F) Procedures by which redemption requests to be postponed are selected:** Yaqeen is not obligated to execute redemption requests for more than 10% of the Fund's Net Asset Value on any Dealing Day. In the event of a suspension of the Fund's valuation, a request to redeem Fund units submitted on or after the date of suspension will be executed two Business Days after the next Dealing Day when the valuation suspension ends. Redemption requests to be postponed are selected based on precedence and

redemption size. The Fund Manager executes redemption requests received first, up to the limit of 10% of the Fund's Net Asset Value. Remaining redemption requests are postponed to the next Dealing Day.

- G) Transfer of ownership of Units to other investors:** The Fund Manager does not permit the transfer of ownership of Units to other investors.

**Minimum subscription or redemption amount:** There is no minimum subscription or redemption amount.

- H) Minimum amount the Fund Manager intends to raise and the impact of not reaching this minimum:** The minimum capital requirement to commence the Fund's operations is SAR 1 million. If the minimum amount is not raised during the IPO period, the Fund Manager shall return all subscription amounts to the Unit Holders and any investment returns due to them, without deduction.

## 12. Distribution Policy

The Fund Manager shall not distribute any profits to the Participants. All distributed corporate earnings shall be reinvested in the Fund.

## 13. Reporting to Unit Holders

### (a) Financial Reports:

- The Fund Manager shall prepare quarterly statements, preliminary financial statements, annual reports (including annual financial statements), and summary reports in accordance with the requirements of Annexes 3 and 4 of the Investment Funds Regulations and any amendments thereto. These reports shall be provided to Unit Holders upon request, free of charge.
- The Fund Manager shall prepare preliminary financial reports and make them available to the public within 30 days of the end of the period, at the locations and through the means specified in the Fund's Terms and Conditions and on the websites of the Market and the Fund Manager. An audited annual report shall be prepared and published to the public within a period not exceeding 3 months from the end of the reporting period, as of the end of the fiscal year on December 31st of each year, on the websites of the Market and the Fund Manager.
- The Fund Manager shall prepare the quarterly statement in accordance with the requirements of Annex 4 of the Investment Funds Regulations within a period not exceeding 10 days from the end of each quarter and publish it on the websites of the Market and the Fund Manager.

### (b) Locations and Means of Making Fund Reports Prepared by the Fund Manager Available:

Fund reports, including audited annual financial statements, preliminary financial reports, and quarterly reports, shall be published on the Fund Manager's website, [www.yaqeen.sa](http://www.yaqeen.sa), and the Saudi Exchange (Tadawul) website, [www.saudiexchange.sa](http://www.saudiexchange.sa).

### (c) Means of Providing Unit Holders with Annual Financial Statements:

Annual financial statements shall be published within the annual reports on the Fund Manager's website, [www.yaqeen.sa](http://www.yaqeen.sa), and the Saudi Exchange (Tadawul) website, [www.saudiexchange.sa](http://www.saudiexchange.sa).

### (d) Availability of Audited Financial Statements:

The Fund Manager confirms the availability of all audited financial statements for the Fund at the end of each fiscal year since its inception, noting that the first financial statement for the Fund was issued on December 31, 2025.

### (e) Provision of Audited Financial Statements to Unit Holders:

The Fund Manager confirms the provision of the Fund's audited annual financial statements free of charge upon request by Unit Holders. The Fund Manager shall make the current Net Asset Value of the public fund it manages available for inspection by Unit Holders, free of charge, and shall make all previous Net Asset Value figures available at the registered offices of the Fund Manager.

## 14. Unit Holders Register

### (a) Maintenance of Register:

The Fund Operator shall maintain a register of Unit Holders and update and keep it in the Kingdom of Saudi Arabia.

### (b) Access to Register Information:

The Fund Operator shall provide a summary of the Unit Holders register to any Unit Holder, free of charge, upon request. This summary shall show only the information related to the requesting Unit Holder. This can be obtained by contacting the Fund Manager directly or through one of the Fund Manager's offices.

## 15. Unit Holders Meeting

### (a) Circumstances Requiring a Unit Holders Meeting:

1. The Fund Manager may convene a Unit Holders meeting at its own initiative.
2. The Fund Manager shall convene a Unit Holders meeting within 10 days of receiving a written request from the Custodian.
3. The Fund Manager shall convene a Unit Holders meeting within 10 days of receiving a written request from one or more Unit Holders who collectively or individually own at least 25% of the value of the Fund's units.

### (b) Procedures for Convening a Unit Holders Meeting:

1. Notice of a Unit Holders meeting shall be given by announcing it on the Fund Manager's website and any other publicly available website, as per the regulations determined by the Authority, and by sending written notification to all Unit Holders and the Custodian at least ten days and no more than twenty-one days prior to the meeting. The announcement must specify the date, location, time, and proposed resolutions of the meeting. The Fund Manager shall, upon sending any notice to Unit Holders after a Unit Holders meeting, send a copy thereof to the Authority.
2. The Fund Manager may amend the agenda of a Unit Holders meeting during the announcement period, provided that it announces such amendment on its website and any other publicly available website, as per the regulations determined by the Authority, and sends written notification to all Unit Holders and the Custodian at least ten days and no more than twenty-one days prior to the meeting.
3. In the event that the Unit Holders approve any of the proposed resolutions at a Unit Holders meeting and such approval necessitates amending the Fund's Terms and Conditions, the Fund Manager must amend these Terms and Conditions in accordance with the approved resolution.
4. A Unit Holders meeting shall not be valid unless attended by one or more Unit Holders who collectively own at least 25% of the value of the public fund's units.
5. If the quorum specified in the preceding paragraph is not met, the Fund Manager must call a second meeting by announcing it on its website and any other publicly available website, as per the regulations determined by the Authority, and sending written notification to all Unit Holders and the Custodian at least five days prior to the second meeting. The second meeting shall be valid regardless of the percentage of units represented at the meeting.

### (c) Voting Procedures and Rights at Unit Holders Meetings:

1. Each Unit Holder may appoint a proxy to represent them at a Unit Holders meeting.
2. Each Unit Holder may cast one vote at a Unit Holders meeting for each unit they own at the time of the meeting.
3. Unit Holders meetings may be held, and participation in their deliberations and voting on their resolutions may be conducted through modern technological means, in accordance with the

regulations established by the Authority, provided that this is announced on the Fund Manager's website and the Market's website.

## 16. Unit Holders' Rights

### (a) List of Unit Holders' Rights:

1. The right to obtain a copy of the Fund's Terms and Conditions in Arabic, or any updates thereto, free of charge.
2. The right to obtain, upon request and free of charge, a summary of the Unit Holders' Register, showing only information pertaining to the requesting Unit Holder.
3. The right to exercise all rights associated with the Units, including, but not limited to, the right to vote at Unit Holders' meetings.
4. The right to receive ten (10) days' prior written notice from the Fund Manager detailing any Material Changes to the Fund.
5. The right to redeem Units (in an open-ended public fund) prior to the effective date of any Material Change without incurring any redemption fees (if applicable).
6. The right to receive ten (10) days' prior written notice from the Fund Manager of any proposed Non-Material Changes.
7. The right to redeem Units (in an open-ended public fund) prior to the effective date of any Non-Material Changes without incurring any redemption fees (if applicable).
8. The right to receive immediate notice from the Fund Manager upon the suspension of subscriptions or redemptions of Fund Units, along with a clear explanation of the reasons for such suspension.
9. The right to receive immediate notice from the Fund Manager upon the termination of any suspension of subscriptions or redemptions of Fund Units.
10. The right of affected Unit Holders to receive compensation from the Fund Manager for any valuation or pricing errors.
11. The right to initiate a special resolution requesting the removal of any member of the Fund's Board of Directors, to be addressed to the Fund Manager.
12. The right to have the Fund Manager adhere to all requirements for Unit Holders' meetings in accordance with Article 75 of the Investment Funds Regulations.
13. The right to have the Fund Manager adhere to all reporting requirements to Unit Holders in accordance with Article 76 of the Investment Funds Regulations.
14. In the event of a fund merger, the right to have the Fund Manager comply with all requirements of Chapter Seven of the Investment Funds Regulations.
15. The right to receive immediate written notice from the Fund Manager upon the removal of the appointed Custodian.
16. The right to receive notice from the Fund Manager upon the termination of the public fund.
17. The right to receive at least twenty-one (21) days' prior written notice detailing the plan and procedures for the termination of the Fund, without prejudice to the Fund's Terms and Conditions.
18. The right to obtain, upon request and free of charge, the procedures for handling complaints.
19. Any other rights of Unit Holders as stipulated by the regulations, implementing bylaws issued by the Board of the Capital Market Authority, and instructions related to investment funds.

### (b) The Fund Manager's Policy Regarding Voting Rights Associated with Any Assets of the Public Fund it Manages:

Pursuant to Yaqeen's internal policy for voting rights, and in collaboration between the Fund's Board of Directors and the Compliance and Ethics Group, this policy shall be followed in the event of voting. The Fund Manager shall make voting decisions within the framework of this policy, in consultation with the Compliance and Ethics Group.

## 17. Unit Holders' Liability

Except for the loss of a Unit Holder's investment in the Fund, or a portion thereof, the Unit Holder shall not be liable for the debts and obligations of the Fund. Unit Holders are responsible for paying Zakat on their invested Units.

## 18. Characteristics of the Units

All Units are of one class, and their holders enjoy equal rights and are treated equally by the Fund Manager. Each Unit represents an equal, undivided share in the Fund's assets.

## 19. Changes to the Fund's Terms and Conditions

### A) Explanation of the provisions governing changes to the Fund's Terms and Conditions, and the approvals and notifications specified under the Investment Funds Regulations:

The provisions governing changes to the Fund's Terms and Conditions are divided into two sections according to the Investment Funds Regulations, based on the nature of the information to be changed, in accordance with Articles 62 and 63, respectively, as follows:

#### First: CMA and Unit Holders' Approval of Material Changes

1. The Fund Manager must obtain the approval of the Fund's Unit Holders for the proposed Material Change through an Ordinary Fund Resolution.
2. The Fund Manager must obtain the approval of the Fund's Unit Holders for the proposed Material Change, which is the change in the maturity or termination date of a closed-end public fund, through a Special Fund Resolution.
3. After obtaining the Unit Holders' approval, the Fund Manager must obtain the CMA's approval for the proposed Material Change to the public fund.
4. The term "Material Change" refers to any of the following circumstances:
  - A significant change in the objectives, nature, or class of the public fund.
  - A change that may have a materially adverse effect on Unit Holders or their rights in relation to the closed-end public fund.
  - A change that affects the risk profile of the public fund.
  - The voluntary resignation of the Fund Manager.
  - Any change that would ordinarily cause Unit Holders to reconsider their participation in the closed-end public fund.
  - Any change that results in increased payments from the assets of the closed-end public fund to the Fund Manager, any member of the Fund's Board of Directors, or any affiliate of either.
  - Any change that introduces a new type of payment made from the assets of the closed-end public fund.
  - Any change that materially increases other types of payments made from the assets of the closed-end public fund.
  - A change in the maturity or termination date of the closed-end public fund.
  - An increase in the total value of the assets of the closed-end public fund by accepting cash or in-kind contributions, or both.
  - Any other circumstances determined by the CMA from time to time and communicated to the Fund Manager.

5. The Fund Manager must obtain the approval of the Fund's Board of Directors before making any Material Change.
6. The Fund Manager must announce the details of Material Changes on its website, the market's website, and any other publicly available website, according to the regulations determined by the CMA, ten (10) days prior to the effective date of the change.
7. Details of Material Changes must be disclosed in the public fund reports prepared by the Fund Manager.

**Second: Notification of the Authority and Unit Holders of Non-Material Changes**

1. The Fund Manager shall notify the Authority and announce on its website, the Market's website, and any other publicly accessible platform, in accordance with the regulations stipulated by the Authority, of any non-material changes to the Public Fund under its management at least ten (10) days prior to the effective date of such change.
2. The Fund Manager shall obtain the approval of the Fund's Board of Directors prior to implementing any non-material change.
3. For the purposes of the Investment Funds Regulations, "non-material change" shall mean any change that does not fall within the scope of material changes.
4. Details of non-material changes shall be disclosed in the Public Fund reports prepared by the Fund Manager.

**B) Disclosure Procedures for Changes to the Fund's Terms and Conditions:**

1. The Fund Manager shall announce details of material changes on its website, the Market's website, and any other publicly accessible platform, in accordance with the regulations stipulated by the Authority, at least ten (10) days prior to the effective date of such change. The Fund Manager shall notify the Authority of such changes.
2. The Fund Manager shall notify the Authority and announce on its website, the Market's website, and any other publicly accessible platform, in accordance with the regulations stipulated by the Authority, of any non-material changes to the Public Fund under its management at least ten (10) days prior to the effective date of the change.

## 20. Termination of the Investment Fund

**(A) Circumstances Requiring Termination and Procedures Thereof Pursuant to the Investment Funds Regulations:**

If the Fund Manager determines that the Fund's Assets Under Management (AUM) are insufficient to justify the continued operation of the Fund, or in the event of any change in law or regulation, or any other circumstance that the Fund Manager deems to be reasonable cause for termination, the Fund Manager shall notify the Capital Market Authority (CMA) and inform the Unit Holders in writing of its intention to terminate the Fund no less than twenty-one (21) days prior to the intended termination date.

**Procedures for Terminating the Investment Fund:**

- The Fund Manager shall adhere to the following termination procedures in accordance with Article 22 of the Investment Funds Regulations: The Fund Manager shall complete the liquidation of the Fund's assets and distribute the proceeds to the Unit Holders prior to the termination date.
- For the purpose of terminating the Fund, the Fund Manager shall prepare a termination plan and procedures that serve the best interests of the Unit Holders, and shall obtain the approval of the Fund's Board of Directors for such plan prior to taking any action in this regard.
- Should the Fund Manager wish to terminate the Fund, it shall notify the Authority and announce on its website, the Market's website, or any other publicly accessible platform, in accordance with the regulations stipulated by the Authority, no less than twenty-one (21) days prior to the intended termination date of the Public Fund, without prejudice to the Fund's terms and conditions.

- The Fund Manager shall notify the Authority and the Unit Holders in writing of the Fund's termination within ten (10) days of the termination date, in accordance with the requirements of the Investment Funds Regulations.
  - The Fund Manager shall immediately terminate the Fund if it determines that the Fund's AUM are insufficient to justify continued operation, or in the event of any change in law or regulation, or any other circumstance that the Fund Manager deems to be reasonable cause for termination, and shall notify the Authority and the Unit Holders in writing within five (5) days of the occurrence of the event necessitating termination. The Fund Manager shall adhere to the termination plan and procedures approved by the Fund's Board of Directors.
  - The Fund Manager shall treat all Unit Holders equitably during the termination process.
  - The Fund Manager shall distribute the proceeds to the Unit Holders immediately upon termination without delay and in a manner that does not conflict with the interests of the Unit Holders and the Fund's terms and conditions.
  - For the purpose of terminating the Fund, the Public Fund Manager shall announce on its website, the Market's website, or any other publicly accessible platform, in accordance with the regulations stipulated by the Authority, the termination of the Fund.
  - The Fund Manager shall provide the Unit Holders with a termination report within seventy (70) days of the completion of the termination process, including the final audited financial statements of the Fund for the period subsequent to the last audited annual financial statements.
- (B) Upon termination of the Fund, the Fund Manager shall not receive any fees deducted from the Fund's assets.**

## 21. Fund Manager

**(A) Name, Duties, and Responsibilities of the Fund Manager:**

The Fund Manager is Yaqeen Capital, a licensed entity under the Market Institutions Regulations. Yaqeen Capital, in its capacity as Fund Manager, shall manage the Fund prudently and equitably with the objective of achieving the Fund's investment objectives as outlined in this prospectus, while at all times considering the interests of the Unit Holders within the framework of the Fund's terms and conditions. The Fund Manager shall comply with the provisions of paragraph (3) ("Investment Objectives of the Investment Fund") of this prospectus, as well as the relevant provisions of Article 41 ("Investment Restrictions") of the Investment Funds Regulations. The Fund Manager shall also adhere to Shariah investment standards and shall periodically verify the compliance of all Fund investments with the Shariah standards approved by the Fund's Shariah Board, under the supervision of the Shariah Board, and promptly report any material violations to the Fund's Board of Directors.

As part of its duties, the Fund Manager shall ensure sufficient liquidity to meet any potential redemption requests.

**(B) License Number and Date Issued by the CMA:**

License Number 37.06020, dated 1427/4/29H (Gregorian equivalent: 2006/07/26) for Dealing as Principal and Agent, Underwriting, Investment Fund and Portfolio Management, Arranging, Advising, and Custody services in Securities.

**(C) Registered Address and Head Office Address of the Fund Manager:**

Yaqeen Capital Building, Al Ulaya Al Aam Road, Al Worood District, Kingdom of Saudi Arabia.  
Telephone: 800 4298888

**(D) Website of the Fund Manager and any related website containing information about the Investment Fund:**

Fund Manager's Website: [www.yaqeen.sa](http://www.yaqeen.sa)

Saudi Exchange (Tadawul) Website: [wow.saudiexchange.com](http://wow.saudiexchange.com)

**(E) Paid-up Capital of the Fund Manager:**

A Saudi Public Joint Stock Company with a paid-up capital of 255billion Saudi Riyals.

**(F) Summary of the Fund Manager's Financial Information, including Revenues and Profits for the Previous Fiscal Year:**

Description	Fiscal Year Ending 31/12/2024
Revenue	89,479 Million
Expenses	60,683 Million
Net Profit	21,472 Million

**(G) Statement of the Fund Manager's Primary Roles and Responsibilities with respect to the Investment Fund:**

1. The Fund Manager shall act in the best interests of the Unit Holders in accordance with the provisions of the Investment Funds Regulations, the Financial Market Institutions Regulations, the Fund's Terms and Conditions, and the decisions of the Sharia Committee.
2. The Fund Manager shall adhere to all principles and duties stipulated in the Financial Market Institutions Regulations, including the fiduciary duty towards Unit Holders, which entails acting in their best interests and exercising reasonable care.
3. The Fund Manager shall be responsible for the following:
  - The Fund Manager shall manage the Fund prudently and equitably with the objective of achieving the Fund's investment objectives as outlined in this Memorandum, taking into account at all times the interests of the Unit Holders within the framework of the Fund's Terms and Conditions.
  - The Fund Manager shall comply with the controls set forth in paragraph (2) ("Investment Policies and Practices") of this Memorandum, as well as the relevant controls contained within Article (41) ("Investment Restrictions") of the Investment Funds Regulations.
  - The Fund Manager shall also adhere to Sharia investment standards and shall periodically verify the compliance of all Fund investments with the Sharia standards approved by the Fund's Sharia Committee, and promptly notify the Fund's Board of Directors of any material violations.
  - As part of its duties, the Fund Manager shall ensure the availability of sufficient liquidity to meet any potential redemption requests.

**(H) Other Business Activities or Interests of the Fund Manager that are Materially Significant or that Could Conflict with the Activities of the Investment Fund:**

The Fund Manager may invest in securities issued by the Fund Manager as long as they meet the investment scope criteria. In this case, the Fund Manager will present the conflict of interest to the Fund's Board of Directors for approval before investing in the security issued by the Fund Manager.

**(I) The Fund Manager's Right to Appoint a Sub-Fund Manager:**

The Fund Manager has the right to appoint a sub-fund manager if deemed necessary.

**(J) Statement of the Provisions Governing the Removal or Replacement of the Fund Manager:**

The Authority has the right to remove the Fund Manager and take any action it deems appropriate to appoint a replacement Fund Manager or take any other measure it deems appropriate, in the event of any of the following:

1. The Fund Manager ceases to carry out the management activity without notifying the Authority in accordance with the Financial Market Institutions Regulations.
2. The Fund Manager's license to carry out the management activity is revoked, withdrawn, or suspended by the Authority.

3. The Fund Manager submits a request to the Authority to revoke its license to carry out the management activity.
4. If the Authority deems that the Fund Manager has materially violated the regulations or its implementing regulations.
5. The death, incapacity, or resignation of the Portfolio Manager who manages the assets of the Investment Fund, with no other person registered with the Fund Manager capable of managing the assets of the Investment Fund or the assets of the funds managed by the Portfolio Manager.
6. Any other circumstance that the Authority – based on reasonable grounds – deems to be materially significant.

## 22. Fund Operator:

- (a) **Name of the Fund Operator:** Yaqeen Capital Company carries out the duties assigned to the Fund Operator according to the Investment Funds Regulations.
- (b) **License Number issued by the Capital Market Authority and its Date:** The company is licensed by the Capital Market Authority under license number 37-06020 issued on 29/04/1427H corresponding to 27/05/2006G.

- (c) **Address of the Fund Operator:**

Yaqeen Capital Company  
Olaya Main Road  
P.O. Box 884 Riyadh 11421

Tel: 8004298888

Fax: +966 (11) 4617268

- (d) **Statement of the Primary Roles and Responsibilities of the Fund Operator:**

- The Fund Operator is responsible for the operation of the Fund.
- The Fund Operator maintains the books and records related to the operation of the Fund.
- The Fund Operator maintains the register of Unit Holders, updates it, and keeps it in the Kingdom in accordance with the requirements of the Investment Funds Regulations.
- The Fund Manager is responsible for fully and fairly valuing the Fund's assets and calculating the price of the Fund's Units.
- The Fund Operator may assign a third party or more, or any of its licensed affiliates practicing the activity of fund operation, to act as a sub-operator for the Fund.

- (e) **Tasks entrusted by the Fund Operator to a Third Party:** None, with the possibility of the Fund Operator appointing a third party or more, or any of its licensed affiliates practicing the activity of fund operation, to act as a sub-operator for the Fund.

## 23. Custodian

- (a) **Name of the Custodian:** Al Bilad Investment Company.
- (b) **License Number issued by the Capital Market Authority (CMA) and its Date:** Al Bilad Investment Company is a Saudi closed joint-stock company licensed by the Capital Market Authority under license number 08100-37 dated 01/08/1428H corresponding to 14/08/2007G to provide dealing services as principal and agent, underwriting, management of investment funds and portfolios, arranging, advising, and custody of securities.
- (c) **Registered and Business Address of the Custodian:**  
King Fahd Road, Olaya, P.O. Box 140, Riyadh 11411  
Telephone: 920003636  
Fax: +966 (11) 2906299

**(d) Statement of the Custodian's Primary Roles and Responsibilities with respect to the Investment Fund:**

1. Safekeeping the Fund's assets and performing administrative services related to record-keeping, issuing financial statements, valuing the net asset value, and issuing the net asset value per unit of the Fund.
2. The Custodian shall be responsible for its obligations in accordance with the provisions of the Investment Funds Regulations, whether it performs its responsibilities directly or delegates them to a third party pursuant to the provisions of the Investment Funds Regulations or the Financial Institutions Regulations.
3. The Custodian shall be responsible for the safekeeping and protection of the Fund's assets for the benefit of the unit holders, and shall be responsible for taking all necessary administrative measures in accordance with applicable laws and regulations with respect to the safekeeping of the Fund's assets.

**(e) The Custodian is not entitled to appoint a sub-custodian.****(f) Tasks entrusted by the Custodian to a third party with respect to the Investment Fund:** Not Applicable.**(g) Statement of the provisions governing the removal or replacement of the Custodian:**

The CMA has the authority to remove the Custodian appointed by the Fund Manager or take any measure it deems appropriate in the event of any of the following:

1. The Custodian ceases to practice custody activities without notifying the CMA in accordance with the Financial Institutions Regulations.
2. Revocation, withdrawal, or suspension of the Custodian's license to practice custody activities by the CMA.
3. Submission of a request to the CMA by the Custodian to cancel its license to practice custody activities.
4. If the CMA deems that the Custodian has materially breached the regulations or its implementing regulations.

In such cases, the Fund Manager shall appoint a replacement Custodian and transfer custody responsibilities to the replacement Custodian within 60 days of their appointment.

The Fund Manager may also remove the Custodian by written notice if it reasonably believes that the removal of the Custodian is in the best interests of the unit holders. In this case, the Fund Manager shall appoint a replacement Custodian within 30 days of the Custodian's receipt of the written notice, and shall immediately disclose the appointment of a replacement Custodian on the Fund Manager's website and the market's website.

## 24. Board of Directors of the Fund

**(a) Names of the members of the Fund's Board of Directors, indicating the type of membership:**

1. Mr. Ahmed bin Ibrahim Al-Shabaneh (Chairman of the Fund Board of Directors - non-independent)
2. Mr. Muhammad bin Misfer Al-Maliki (independent member - Yaqeen).
3. Mr. Yazid bin Abdulaziz Abunayyan (independent member - Yaqeen).
4. Mr. Abdulaziz bin Abdulrahman Al-Arfaj (independent member - Yaqeen).

**b) Qualifications of the fund board members:****Mr. Ahmed bin Ibrahim Al-Shabaneh (Chairman of the Board of Directors of the Fund - non-independent):**

CEO of Yaqeen Capital of Yaqeen Capital, Member of the Board of Directors and member of the Nominations and Remuneration Committee at Alpha Arabia Finance Company, holder of a master's

degree in business administration from the Swiss Business School and he also holds a bachelor's degree in business administration from King Faisal University. Mr. Ahmed has more than twenty-two years of experience in the banking sector through his work in the Treasury field in money markets, foreign exchange, banking and investment operations, and securities operations. Among his most prominent previous experiences: He worked at Alawwal Bank (SABB) and Gulf International Bank. He also held the position of Manager of the Treasury Department at Yaqeen Capital, then he joined the Asset Management from 2017 until November 2022.

**Mr. Muhammad bin Misfer Al-Maliki (independent member - Yaqeen):**

He holds a master's degree in business administration from Al-Faisal University in 2013. He has more than 30 years of experience in the financial sector in financial markets, banks, business supervision and regulatory oversight, and has held prominent leadership roles in semi-governmental entities and the private sector, where he previously held the position of acting CEO in Small and Medium Enterprises Bank (SME Bank) affiliated to the National Development Fund, in addition to holding the position of Acting CEO of the Saudi Venture Investment Company, also the founder and CEO of Natej Financial Consulting Company, and he held the position of CEO of Kasab Financial Company, in addition to having previously held the position of Deputy Governor of the General Authority for Small and Medium Enterprises (Monshaat) for financing, and he is currently the CEO of Madar Investment Company and a member of the Board of Directors of Thakher Makkah, and a member of the Board of Directors and a member of the Management, Nominations and Remuneration Committee in Kwara Finance, and a member of the Audit Committee in the “The Riq” project of for the Public Investment Fund, a board member and a member of the Nominations and Remuneration Committee of the Saudi Real Estate Company, a board member and a member of the Audit Committee and the Executive Committee of the Saudi Bangladeshi Industrial and Agricultural Investment Company (Sabinco), a board member and a member of the Executive Committee of a Bayan for credit information, and a member of the Audit and Risk Committee of the First Riyadh Health Pool affiliated to the Ministry of Health, a board member in Saudi FinTech, a board member in the Saudi Venture Investment Company, and a board member in Al Anson Trading Company.

**Mr. Yazid bin Abdulaziz Abunayyan (independent member - Yaqeen).**

Mr. Abunayyan holds an MBA from the University of Manchester (UK) and a bachelor’s degree in industrial engineering from King Saud University. He also holds several professional certifications, including the Alternative Investments Certificate from Harvard Business School and the Board Readiness Program from the Governance Center.

He has over 20 years of experience in the financial sector. His previous roles include serving as CEO of the Iraqi National Bank – Saudi Branch, General Manager of Greenstone Saudi Arabia, and leadership positions at Credit Suisse Saudi Arabia, Albilad Capital, and Banque Saudi Fransi. He is currently the Co-Founder of a digital investment platform and participates in several investment and advisory initiatives within and outside the Kingdom.

**Mr. Abdulaziz bin Abdulrahman Al-Arfaj (independent member - Yaqeen).**

Mr. Al-Arfaj holds a bachelor's degree in accounting with a minor in Economics from the University of Oregon (USA). He has completed several executive leadership programs, including programs at INSEAD Abu Dhabi, the Fahad Sultan Academy for Consulting and Training, and the Strategic Leadership and Change Program at PricewaterhouseCoopers.

He has more than 10 years of experience in auditing, treasury, accounting, budgeting, and risk management. He has held several financial roles at MISK Foundation, where he currently serves as Head of Treasury. He previously worked as Director of Finance at Misk Art Institute and contributed to developing treasury policies, cash management frameworks, and financial governance at the institutional level. Mr. Al-Arfaj began his career at Ernst & Young as a Senior Auditor, where he led comprehensive financial audits for regulated sectors and enhanced compliance with applicable accounting standards. He has also served as a Member of the Finance Committee of the Al-Arfaj Non-Profit Fund.

**(b) Roles and Responsibilities of the Fund's Board of Directors:**

1. Approve all material contracts, resolutions, and reports to which the Fund is a party.
2. Adopt a written policy regarding voting rights related to the Fund's assets.
3. Supervise and, where appropriate, ratify any conflicts of interest disclosed by the Fund Manager in accordance with the Investment Funds Regulations.
4. Meet at least twice a year with the Compliance Officer and the Compliance Committee at the Fund Manager and the Anti-Money Laundering and Counter-Terrorist Financing Reporting Officer to ensure the Fund Manager's compliance with all applicable regulations and rules.
5. Approve all changes stipulated in Articles 64 and 65 of these regulations before the Fund Manager obtains the approval or notification of the unit holders and the CMA (where applicable).
6. Ensuring compliance with the terms and conditions of the Fund, the Information Memorandum, and any other document stipulated in the Investment Funds Regulations.
7. Ensuring that the Fund Manager fulfills its responsibilities in the best interests of the Unit Holders, in accordance with the terms and conditions of the Fund and the provisions of the Investment Funds Regulations.
8. Reviewing the report containing the assessment of the performance and quality of services provided by the parties responsible for providing essential services to the Fund, to ensure that the Fund Manager fulfills its responsibilities in the best interests of the Unit Holders, in accordance with the terms and conditions of the Fund.
9. Evaluating the Fund Manager's risk management mechanism related to the Fund's assets, in accordance with the Fund Manager's policies and procedures regarding monitoring and managing Fund-related risks.
10. Acting with integrity and in the best interests of the Investment Fund and its Unit Holders.

11. Maintaining minutes of meetings that document all proceedings and resolutions adopted by the Board.
12. Reviewing the report containing all complaints and actions taken regarding them, to ensure that the Fund Manager fulfills its responsibilities in the best interests of the Unit Holders, in accordance with the terms and conditions of the Fund and the provisions of the Investment Funds Regulations.

**(c) Details of Board of Directors' Remuneration:**

SAR 2,000 for each independent member per meeting, with a maximum of SAR 4,000 annually per independent member (the total fees of the independent members shall not exceed SAR 12,000 annually).

There are no actual or potential conflicts of interest between the interests of any Board member and the interests of the Fund. Any member must disclose to the Board any conflict of interest when voting on any resolution where the Board member may have a direct or indirect personal interest.

**(d) The following Board members also serve on the boards of other funds managed by the Fund Manager, as detailed below:**

Fund name	Ahmad Ibrahim Alshabanah	Yazid bin Abdulaziz Abunayyan	Muhammad Bin Misfer Al-Maliki	Abdulaziz bin Abdulrahman Al-Arfaj
Yaqeen Petrochemical ETF	✓	✓	✓	✓
Yaqeen IPO Fund	✓	✓	✓	✓
Yaqeen Opportunistic Fund	✓	✓	✓	✓
Yaqeen Saudi Equity Fund	✓	✓	✓	✓
Yaqeen SAR Murabaha Fund	✓	✓	✓	✓
Yaqeen Gold Fund	✓	✓	✓	✓
Yaqeen Murabaha Fund	✓	✓	✓	✓
Yaqeen Arar Hills Fund	✓	✓	✓	✓
Yaqeen Income Generating I Fund	✓	✓	✓	✓
Yaqeen Income Generating II Fund	✓	✓	✓	✓
Yaqeen Yaqeen Residential Compound Fund	✓	✓	✓	✓
Yaqeen S&P ESG MENA ETF	✓	✓	✓	✓
Yaqeen Saudi Equity ETF	✓	✓	✓	✓

## 25. Sharia Committee

**(a) Names and Qualifications of Sharia Committee Members:**

The Sharia Committee of Yaqeen Capital will serve as the Sharia Committee for the Fund to ensure the Fund's compliance with Sharia standards. The Sharia Committee of Yaqeen Capital comprises the following members:

- **Sheikh Dr. Abdul Rahman bin Abdulaziz Al-Tuqeisi – Chairman of the Committee:**  
Bachelor's degree in Sharia, Master's and Doctorate in Islamic Economics. More than 18 years of experience in Sharia supervision and Islamic financial transactions. Former cooperating lecturer at Imam Muhammad Ibn Saud Islamic University. Member of several Sharia committees in the Kingdom of Saudi Arabia. Published research and multiple contributions in the field of Islamic finance.
- **Dr. Ammar Ahmed Abdullah – Committee Member:**  
Doctorate in Islamic Jurisprudence from Mohammed V University in Morocco, Master's in Islamic Jurisprudence from Jinan University in Lebanon, Executive Professional Master's in Islamic Finance from the General Council for Islamic Banks and Financial Institutions. Sharia auditor and supervisor in several financial companies and financing firms. Graduate studies instructor at the Islamic University of Minnesota. Author of several publications on the jurisprudence of financial transactions.

**(b) Statement of the Roles and Responsibilities of the Sharia Committee:**

1. Studying and reviewing the Fund's investment objectives, policies, and documents to ensure their compliance with Sharia principles.
2. Advising the Fund Manager on matters related to Sharia compliance, upon request by the Fund Manager.
3. Advising on the determination of Sharia standards necessary for the selection of securities, companies, or any other investments in the primary or secondary market in which the Fund is expected to invest.
4. Periodically monitoring the compliance of the Fund's investments with Sharia principles.
5. Issuing a Sharia opinion on the compliance of the Fund's operations with Sharia principles for inclusion in the Fund's annual audited report.

The Fund Manager shall adhere to the standards and recommendations issued by the Sharia Committee and ensure their application in all of the Fund's investments at all times.

- (c) **Remuneration of Sharia Committee Members:** Borne by the Fund Manager on behalf of the Fund.
- (d) **Standards Applied to Determine the Sharia Compliance of Assets Designated for Investment, Periodic Review of These Assets, and Procedures Followed in Case of Non-Compliance with Sharia Standards:**

The following are the Sharia standards adopted by the Yaqeen Sharia Committee for the selection of company stocks:

- **Company Objectives:**  
It is prohibited to deal in the shares of companies involved in one or more of the following activities:
  - Dealing in interest or non-Sharia compliant financial instruments, including prohibited activities of conventional banks;
  - Production, distribution, and marketing of prohibited goods such as tobacco and its equivalents, alcohol, narcotics, pigs and their meat, and meat not mentioned in Sharia; manufacturing of gambling instruments; and resorts, hotels, and restaurants with prohibited activities;
  - Production and dissemination of media and publications that promote obscenity;
  - Derivatives that include futures, options, swaps, and conventional preferred shares.
- Dealing in Currency futures contracts.
- Securities issued by companies whose income sources are related to the following sectors:
  - Conventional banks and insurance companies or activities related to interest rates.

- Production and distribution of alcohol products.
- Production and distribution of weapons.
- Gambling.
- Production and distribution of pork or any related non-Sharia compliant activities.
- Hotels and resorts that offer non-Sharia compliant services.
- Production and distribution of alcohol, narcotics, and the like.

The Committee conducts periodic reviews. In the event that any of the Fund's assets do not comply with Sharia standards, the Fund Manager will liquidate that asset, taking into account the avoidance of harm to Unit Holders resulting from the liquidation.

## 26. Investment Advisor

Not Applicable.

## 27. External Auditor

**(a) Name of External Auditor: RSM**

**(b) Registered and Business Address of the External Auditor:**

Olaya Street, Olaya District  
 Building No. 3193  
 P.O. Box 8335, Riyadh 12333  
 Kingdom of Saudi Arabia  
 Tel: +966 (0) 114169361  
 Fax: +966 (0) 114169349

**(c) Statement of the Principal Roles and Responsibilities of the External Auditor:** The External Auditor shall audit the Fund's preliminary and annual financial statements.

**(d) Provisions Governing the Replacement of the Fund's External Auditor:** In the event the Fund Manager desires to appoint, replace, or change the External Auditor, it must obtain the approval of the Fund's Board of Directors. The Board members shall have the right to reject the appointment of an External Auditor or direct the Fund Manager to change the appointed External Auditor in any of the following circumstances:

1. The existence of substantiated and material allegations of professional misconduct against the External Auditor relating to the performance of its duties.
2. If the External Auditor of the Public Fund ceases to be independent.
3. If the External Auditor of the Public Fund ceases to be registered with the Authority (Capital Market Authority - CMA).
4. If the Fund's Board of Directors determines that the External Auditor does not possess the requisite qualifications and experience to perform the audit functions satisfactorily.
5. If the Authority, at its sole discretion, requests the change of the appointed External Auditor with respect to the Public Fund.

## 28. Fund Assets

- (a) The Fund's assets shall be held in safekeeping by the Custodian for the benefit of the Fund.
- (b) The Custodian shall segregate the assets of each Investment Fund from its own assets and from the assets of its other clients. Such assets shall be independently identifiable through the registration of securities and other assets of each Investment Fund in the name of the Custodian for the benefit of that Fund. The Fund's investment assets shall be registered in the name of a subsidiary of the

Custodian. The Custodian shall maintain all necessary records and other documentation that support the performance of its contractual obligations.

- (c) The Fund Manager hereby affirms that the Fund's assets are collectively owned by the Unit Holders (Tenancy in Common). Neither the Fund Manager, the Sub-Fund Manager, the Fund Operator, the Custodian, the Sub-Custodian, the Advisor, nor the Distributor shall have any interest in or claim against the Fund's assets, except to the extent that the Fund Manager, the Sub-Fund Manager, the Fund Operator, the Custodian, the Sub-Custodian, the Advisor, or the Distributor is a Unit Holder, to the extent of its ownership, or such claims are permitted under the provisions of the Investment Funds Regulations and are disclosed in these Terms and Conditions.

## 29. Complaints Handling

The Fund Manager states that the procedures for handling complaints will be provided upon request, free of charge. Unit Holders may contact the Fund Manager regarding any complaint that may arise at the following address:

Yaqeen Capital  
Kingdom of Saudi Arabia  
Olaya Main Road, Alworood District  
Yaqeen Capital Building  
Tel: 800 4298888  
Website: [www.yaqeen.sa](http://www.yaqeen.sa)  
Email: [Support@yaqeen.sa](mailto:Support@yaqeen.sa)

## 30. Other Information

- (a) The policies and procedures that will be followed to address conflicts of interest and any potential or actual conflicts of interest will be provided upon request, free of charge.
- (b) The competent judicial authority to consider any dispute arising from or related to investment in the Investment Funds is the Committee for the Resolution of Securities Disputes.
- (c) List of Documents Available to Unit Holders:

The list includes the following documents:

- Fund Terms and Conditions
- Contracts mentioned in the Terms and Conditions.
- Financial statements of the Fund Manager.

**(d) Tax and Zakat Advisor:**

PKF Al Bassam Company

**Address:** P.O. Box 69658, Intersection of Prince Mohammed bin Abdulaziz Road and Al-Dhabab Street, Riyadh 11557, Kingdom of Saudi Arabia.

### **Principal Roles and Responsibilities of the Tax and Zakat Advisor with respect to the Investment Fund:**

- Review and submit the Fund's Zakat returns at the end of the fiscal year.
- Register each Fund with the Zakat, Tax and Customs Authority (ZATCA).
- Provide a Certified Public Accountant (CPA) certificate to investors upon request to ascertain the Zakat base calculation for their investment, noting that the issuance of the certificate is not mandatory for the Fund Manager.

- (e) There is no other information, to the best of the Fund Manager's and the Board of Directors' knowledge, that has not been included in this Terms and Conditions document.
- (f) There are no exemptions from the restrictions of the Investment Funds Regulations approved by the Capital Market Authority (CMA) other than those mentioned in the Investment Policies and Practices.

**31. Additional Information Requirements for Specific Fund Types:**

Not Applicable.

**32. Declaration by the Unit Holder:**

By signing these Terms and Conditions, I/we acknowledge that I/we have received a copy of this prospectus containing the Terms and Conditions of the Yaqeen Opportunistic Fund and its appendices, and have reviewed, understood, and agreed to its contents. I/we am/are also aware that the Financial Summary of this prospectus is updated annually, and accordingly, I/we have signed it:

Investor Name: -----  
Investor Account Number: -----  
Investor Signature: -----

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**On behalf of Yaqeen Capital:**

Name : -----  
Job Title : -----  
Office Address : -----  
Date : -----  
Date : / /

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