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**Information Memorandum**  
**Saudi Opportunities Fund**  
(Open-Ended Collective Investment Fund)

Fund Manager  
Audi Capital Company  
**Audi Capital**

**Custodian**  
**HSBC Saudi Arabia Limited**

The information memorandum was issued on 01/04/2018G and amended on 18/05/1446H  
(20/11/2024G)

The Information Memorandum of the Saudi Opportunities Fund was prepared by the Fund Manager in accordance with the Investment Funds Regulations issued by the Capital Market Authority Board in the Kingdom of Saudi Arabia under Resolution No. 2016-61-1, dated 16/08/1437H (23/05/2016G)

We advise investors to read and understand the contents of the Information Memorandum and in the event that its contents can't be understood, we recommend seeking advice of a professional adviser.

This is the amended version of the Information Memorandum of the Saudi Opportunities Fund, stating the following changes: a change in the Fund's Sharia Committee and a change in the benchmark index fees, as per our letter sent to the Capital Market Authority (CMA) dated 20/05/2026G.

**CEO and Head of Wealth Management**

**Daniel Raymond Asmar**

**Director of Compliance, Anti-Money  
Laundering and Counter-Terrorist Financing**

**Al Batoul Ali Al Turki**

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**The Information Memorandum was reviewed and approved by the Fund’s Board of Directors. The Fund Manager and the members of the Fund’s Board of Directors jointly and severally assume full responsibility for the accuracy and completeness of the information included therein and acknowledge and confirm the same. They further acknowledge and confirm that the information and data included therein are not misleading.**

**The Capital Market Authority (CMA) has approved the establishment of the Investment Fund and the offering of its units. The Authority assumes no responsibility for the contents of the Information Memorandum, makes no confirmation regarding its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising out of what is included in the Information Memorandum or out of reliance on any part thereof. CMA does not recommend anything regarding whether or not investing in the Fund is viable, and its approval of the Fund’s establishment does not imply its recommendation to invest in it or a confirmation of the information included in the Terms and Conditions and the Information Memorandum. The Authority emphasizes that the decision to invest in the Fund solely rests with the investor or their representative.**

**The Saudi Opportunities Fund has been certified as a Sharia-compliant investment Fund with the standards approved by the Sharia Supervisory Committee appointed for the Investment Fund.**

## (1) Investment Fund

- a) Investment Fund Name, Class, and Type:  
Saudi Opportunities Fund  
Open-ended equity investment Fund.
- b) Terms and Conditions were issued on 15/04/2015G and amended on 20/11/2024G.
- c) Capital Market Authority approved the establishment of the Fund and the offering of its units on 26/06/1436H (15/04/2015G).
- d) The Fund has no fixed term as it is an open-ended Fund, and its maturity date is upon expiry, in accordance with Paragraph (18) of the Fund's terms and conditions.
- e) The Fund's currency is the Saudi Riyal. In the event of subscription or transfer of unit redemption Funds to an account in a currency other than the that of the Fund, the prevailing exchange rate used by banks operating in the Kingdom of Saudi Arabia on the relevant transaction date shall apply.

## (2) Applicable Law

The Fund is an open-ended investment Fund. The Fund and its manager are subject to the Capital Market Law, its executive regulations, and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

## (3) Investment Policies and Practices

- a) The Saudi Opportunities Fund is an open-ended investment Fund aiming at realizing long-term capital growth by mainly investing in the shares of companies listed on the Saudi Stock Exchange that comply with Sharia investment standards, specifically in companies that are constitute the S&P Saudi Equity Sharia Index. The Fund shall not distribute any dividends to unit holders and shall reinvest all capital gains and cash dividends distributed in the Fund.
- b) The Fund shall mainly invest in shares of listed companies and exchange-traded Funds (ETFs) on the Saudi Stock Exchange. The Fund shall also invest in local initial public offerings (IPOs) where feasible. Cash balances may be invested in Sharia-compliant money markets Funds, selected based on returns and risks in a manner that aligns with the best interest of unit holders.
- c) The Fund shall focus its investments on a selected group of shares of companies listed on the Saudi Stock Exchange that meet Sharia standards. Occasionally, it may invest in ETFs listed on the Saudi Stock Exchange. In exceptional circumstances, the Fund Manager may retain up to 50% of the Fund's assets in cash.

The Fund's investment concentration can be summarized as follows:

Investment Type	Minimum	Maximum
Saudi Equities (including IPOs)	50%	100%
Real Estate Investment Funds (including IPOs)	0%	15%

Exchange-traded Funds (ETFs) in the Saudi Stock Exchange	0%	20%
Money market instruments indirectly (Money market Funds and Murabaha instruments)	0%	50%

The maximum investment for the Fund in shares listed on the Saudi Stock Exchange (Tadawul) shall be 100% of the Fund's assets, while the minimum shall be 50% in exceptional circumstances.

- d) The Fund shall also indirectly invest in money market instruments by investing in units of Sharia-compliant money market Funds denominated in Saudi Riyals, licensed by the Capital Market Authority, and publicly offered in the Kingdom of Saudi Arabia by the Fund Manager, another manager, or both. The Manager shall select the Fund wherein it will invest at its sole discretion, taking into account the Fund's yield, historical performance compared to other Funds offered in the Kingdom of Saudi Arabia, Fund management fees, and the Fund's asset size. The Fund may invest its assets in initial public offerings and securities listed on the Saudi Stock Exchange (Tadawul), in addition to money market instruments and Saudi Riyal-denominated money market Funds in the Kingdom of Saudi Arabia.
- e) The Fund Manager shall actively build and manage the portfolio by investing in the companies constituting the index and adhering to their weightings. The asset management team shall carry out a comprehensive survey of all companies matching the Fund's investment scope and evaluate the companies based on the following factors: main analysis of the company, the experience and performance of the company's senior management, the company's future plans, and the risk level of the sector in which the company operates. A limited number of promising companies shall then be selected according to these factors. If the Fund Manager decides to invest in any company not included in the index, they shall obtain approval from the Fund's Sharia Supervisory Committee to make sure of compliance with Sharia principles and adherence to the restrictions stated in the Investment Funds Regulations. The Fund Manager shall rely on studies and recommendations from their team of analysts to make investment decisions and evaluate the companies they invest in by means of analyzing their financial statements, balance sheets, and cash flows, for the purpose of determining the fair value of such companies and knowing whether or not they have investment attractiveness. With respect to the decision to invest in initial public offerings, a summary report shall be submitted to the Fund's Board of Directors for approval.
- f) The Fund shall not invest in securities other than those mentioned in clause (c) above.
- g) The Fund shall adhere to the investment restrictions stated in the Capital Market Authority's regulations and any subsequent updates. All Fund investments comply with the Fund's Sharia standards. Investments of the Fund's assets are subject to the restrictions of Article (41) of the Investment Funds Regulations.
- h) The Fund may invest a maximum of 50% of its net asset value in other investment Funds, provided that they are in compliance with the Fund's Sharia standards, denominated in Saudi Riyals, licensed by the Capital Market Authority, and publicly offered in the Kingdom of Saudi Arabia by the Fund Manager, any other manager, or both.
- i) The Fund may borrow or seek financing from the Fund Manager or any bank licensed by the Saudi Arabian Monetary Agency (SAMA). In this case, the maximum limit for such borrowing or financing shall not exceed ten percent (10%) of the Fund's net asset value, noting that borrowing or financing shall be based on prevailing financing rates offered by banks operating in the Kingdom of Saudi Arabia. If borrowing is for the purpose of meeting redemption requests, the Fund Manager may not be restricted by the aforementioned limit. In all cases, the borrowing or financing shall comply with the Fund's Sharia standards, and the loan period shall not exceed one year.

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- j) Disclosure of the maximum limit for dealing with any counterparty:  
The Fund may not exceed 25% of its net asset value with a single counterparty.
- k) Statement of the Fund Manager's risk management policy:  
The Fund Manager shall manage the Fund in accordance with best investment practices achieving the Fund's objectives and aligning with its strategy as mentioned in its terms and conditions, Information Memorandum, and any other relevant documents, which includes ensuring as follows:
- Providing the Fund with sufficient liquidity to meet any anticipated redemption requests.
  - Not concentrating the Fund's investments in any specific security other than those mentioned in the Fund's relevant terms and conditions.
  - Not assuming unnecessary investment risks, by the Fund, to achieve its objectives.
  - Establishing a Board of Directors for the Fund to assume its responsibilities as stated in the Information Memorandum and in accordance with the Investment Funds Regulations.
- l) Fund benchmark: The Fund Manager shall rely, in determining the Fund's investment scope, on the companies comprising the S&P Saudi Equities Sharia Index, which is also a benchmark for comparing the Fund's performance.
- m) The Fund does not intend to trade in any market(s) that use securities derivatives.
- n) There are no exemptions regarding any investment restrictions or limits approved by the Capital Market Authority.

**(4) Main Risks of Investing in the Fund:**

- a) **Investing in the Fund involves high risks, so investors shall take into account the main risks of investing in the Fund and review all information included in the Fund's Terms and Conditions and Information Memorandum before investing in the Fund.**  
**The said risks do not constitute a summary of all risks associated with the Fund's investments, but they constitute the main risks to which the Fund may be exposed and which may negatively affect investment returns and the Fund's net asset value.**  
**The Fund is subject to price fluctuations that may lead to volatility in the value of the investments managed by the Fund. Moreover, the Fund's investments may be affected by changes in economic or political conditions, which may adversely affect the value of the investments managed by the Fund and their returns.**
- b) **Previous performance of the Fund or the index is not indicative of the Fund's performance, and there shall not be any guarantee that the Fund's absolute performance or its previous performance, compared to the index, will be repeated or match the previous one.**
- c) **The Fund Manager does not guarantee to unit holders that the Fund's absolute performance or its performance, compared to the index, will be repeated in the future or match previous one.**
- d) **Investing in the Fund does not constitute a deposit with any local bank that markets or sells securities or is affiliated with the investment Fund.**
- e) **Investing in the Fund involves the risk of losing the whole investor's investment or portion thereof, and when any investor redeems their units in the investment Fund, their value may be less than their purchase price.**

**Unit holders shall incur full responsibility for any financial loss incurred from investing in the Fund due to any of the aforementioned risks or others, without any guarantee from the Fund Manager unless the loss is caused due to the Fund Manager's negligence or default.**

- f) Major Risks: The following risks may adversely impact the value of the Fund's investments and could lead to a decrease in the value of any of the Fund's investments:
- Natural Disaster Risks: Natural disasters affect the performance of all economic and investment sectors and may have an adverse impact on the Fund's performance beyond the Fund Manager's control; such as earthquakes, volcanoes, severe weather events, etc. which adversely affect the Fund's investments and then reduce unit prices.
  - Issuer Risks: These are risks of changes in the issuer's performance due to changes in management, financial conditions, and demand for the products and services provided by the issuer, which may lead to a decrease in the value of its shares, adversely affecting the Fund's performance and unit price.
  - Economic Risks: These are risks of changes in economic conditions; such as economic contraction, inflation rates, and oil prices, which may adversely affect the value of invested shares, thus adversely affecting the Fund's performance and unit value.
  - Interest Rate Risks: These are the risks arising out of the volatility of the value of financial instruments due to changes in interest rates. Therefore, the value of securities and company shares can be adversely affected by interest rate fluctuations.
  - Trading Suspension Risks: They take place when, for any reason, trading is suspended in one or all of the markets in which the Fund operates, or a malfunction in computer systems and communication networks takes place due to technical issues, which may also adversely affect the valuation of the Fund's assets and the net asset value of its units. Moreover, a trading suspension for a specific company may take place due to non-compliance by companies listed on the Saudi Stock Exchange with the Capital Market Law and its Executive Regulations, including registration and listing rules, which may lead to the suspension of trading in the listed company's shares, adversely affecting the value of the Fund's assets and, consequently, the unit price.
  - Investment Concentration Risks: These are the risks arising out of the concentration of the Fund's investments in certain companies and market sectors. This makes the Fund's performance subject to sharp fluctuations due to changes in the specific conditions of the companies and sectors wherein the Fund invests, which may adversely affect the Fund's performance.
  - Risks of Large Redemptions: If redemption requests exceeding ten percent of the Fund's assets on a single trading day are received, the Fund may find it difficult to provide sufficient Funds to meet these requests. This may result in delays to redemption requests and may force the Fund to liquidate investment positions at inopportune times or under unfavorable conditions, which may expose the Fund to significant financial losses.
  - Risks of Reliance on Fund Manager Employees: The Fund's performance largely depends on the skills and experience of the Fund Manager employees, who are authorized to manage the Fund and possess professional expertise in the investment field. Therefore, the Fund's returns may be adversely affected by changes in persons in charge and the failure to find a suitable replacement to manage the Fund.
  - Risks of Conflict of Interest: The Fund Manager and its affiliated companies engage in a variety of activities, including financial investments and advisory services. Conflicts of interest may arise between the Fund Manager and its affiliated companies and the Fund's interests, leading to investors missing out of investment opportunities or failing to participate due to these conflicts.
  - Systemic, Legal, and Tax Risks: Funds may be exposed to risks due to changes in regulatory, legal, and tax rules, which may affect the Fund's investment strategy or increase costs such as fees. This may in turn affect the Fund's performance and the unit price.
  - Risks of Relying on Internal Ratings: The Fund Manager will rate issuers of money market instruments and money market Funds and will not rely on any credit ratings from third parties. This may result in inaccurate or incorrect ratings, which may adversely affect the Fund's investments and the net asset value of its units.
  - Emerging Market Risks: Investing in markets, particularly emerging markets such as the Saudi Stock Exchange (Tadawul), may involve risks related to failures or delays in settling market transactions, registration, and custody of securities. Investing in such markets may involve higher than average or usual risks. The market value of securities traded in emerging markets are relatively limited, as the majority of market capitalization and trading volume is concentrated in a limited number of companies. Therefore, the Fund's assets and investments in these markets may experience greater price fluctuations and significantly

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lower liquidity, compared to investments in company shares in more developed markets, which may affect the Fund's assets and accordingly the unit price.

- **Borrowing Risks:** In the event that the Fund borrows for management purposes and delays the repayment due to circumstances beyond the Fund Manager's control. This may result in late payment fees or force the Fund Manager to liquidate some investments to repay the loans, which may affect the Fund's assets and performance and adversely affect unit prices.
- **Sharia Compliance Risks:** These are risks associated with Sharia investment standards set by the Fund's Sharia Supervisory Committee, based on which companies that comply with the Fund's Sharia standards are determined. These standards may limit the investment opportunities available to the Fund Manager. Some companies deviating from Sharia standards may lead to their disposal at inappropriate prices. The investment will be purified or disposed of based on the recommendation of the Fund's Sharia Supervisory Committee, which could adversely affect unit prices and the Fund's performance.
- **Liquidity Risk:** The Fund may be exposed to the risk of failing to execute redemptions or missing out on investment opportunities due to liquidity shortages resulting from low trading volumes in the Saudi Stock Exchange (Tadawul), which may affect the Fund's ability to liquidate its assets to meet redemption requests or use investment opportunities, which may adversely affect the unit price.
- **Credit and Third-Party Risk:** These risks arise out of investment activities involving direct dealings with other financial institutions through cash deposits or Murabaha transactions. The risk for each party to the contract is represented in the fact that the other party may not fulfill its contractual obligations, which may cause the Fund to lose the invested amount, which adversely affects the Fund's assets and performance, consequently affecting the unit price.
- **The risks of Investing in Initial Public Offerings (IPOs):** These are risks of investing in newly established companies that lack a proven track record allowing the Fund Manager to adequately assess their performance. Moreover, companies offering their securities may represent new sectors or be in a growth and development phase, which could adversely affect Fund performance and unit prices.
- **Risks of Inadequate Disclosure in the IPO Prospectus.** If a Fund subscribes to an IPO, there may be issues related to the potential presence of inaccurate or materially incorrect information in the prospectus. Since the Fund Manager heavily rely on the information included in company prospectuses when making investment decisions, the risk of an improper investment decision remains potential in the event of omission or inaccuracy of incorrect information in company prospectuses, which may lead to an incorrect investment decision and may in turn adversely affect Fund performance and unit prices.
- **Risks of Delayed Listing:** There may be a delay in listing shares of a company whose shares were subscribed for during the initial public offering (IPO) period, which may prevent the Fund from selling such shares until the company is listed on the market, which may adversely affect the Fund's performance and unit price.
- **Risks Associated with Allocation Outcomes:** They include the risk of the Fund's small opportunity to acquire a sufficient number of shares due to the increasing number of companies and Funds participating in the book-building process and subsequently subscribing to the Fund. Moreover, the Fund cannot guarantee its right to participate in IPOs or the Capital Market Authority's continued use of the book-building method. This could lead to reduced Fund revenues, adversely affecting the unit price.
- **Risks of Investing in Small-cap companies:** Share prices of companies with small market capitalizations may more sharply rise or fall compared to those of large-cap companies. Accordingly, investing in them may be more exposed to risks, which may adversely affect the Fund and its net asset value.
- **Risks of Investment in Investment Funds:** They represent risks that may affect other investment Funds mentioned in this clause and other investment Funds in which the Fund invests, which may lead to impairment of the Fund unit value and Fund performance.
- **Currency Risks:** An investor may subscribe to the Fund in a currency other than the Fund's own currency, which may adversely affect the value of their investment.

- Re-investment Risks: Since the Fund will reinvest distributed dividends, the dividend amounts may not be reinvested at the same prices at which the shares were originally purchased, which increases the purchase cost and adversely affects the unit price.
- Technology Risks: The Fund Manager's information systems may be attacked by viruses, or they may experience partial or whole failure, which limits the Fund Manager's ability to manage the Fund effectively and adversely affects its performance.
- VAT Risks: Based on Royal Decree No. M/113 dated 12/11/1438H (04/08/2017G), which applied the Value Added Tax (VAT) law in the Kingdom of Saudi Arabia effective as of 01/01/2018G, VAT will be applied to all fees and commissions charged to the Fund for services provided by the Fund Manager or others, which will increase fees and expenses and adversely affect the Fund's assets.

**(5) Risk Assessment Mechanism:**

The Fund Manager adopts an internal mechanism to assess the risks associated with the Fund's assets.

**(6) Target Group for Investment in the Fund**

Any investor, whether an individual or an institution from the public or private sector, local or foreign, shall be authorized to invest in the Fund.

- a) The Fund shall not distribute any profits to unit holders and will reinvest any capital gains and cash dividends distributed in the Fund.
  - 1) Dividend distribution dates for the past three financial years: Not applicable.
  - 2) The Fund's reports are available for review on the Fund Manager's website and the market. The Fund Manager shall forward them to unit holders free of charge upon request.
  - 3) The Fund's reports are available for review on the Fund Manager's website and the market. The Fund Manager shall forward them to unit holders free of charge upon request.
- b) Unit holders shall be entitled to exercise all rights associated with their units, including, but not limited to, the following:
  - Ownership of the units on the trading day following the deadline for submitting subscription requests.
  - The right to vote in unit holders' meetings.
  - Equal and fair treatment by the Fund Manager.
  - Receiving an updated copy of the Terms and Conditions and Information Memorandum in Arabic free of charge.
  - Receiving the reports stated in the Fund's Investment Fund Regulations free of charge.
  - Receiving or making available the notices and communications stated in the Investment Fund Regulations.
- c) Unit holders shall not be directly or indirectly liable for the Fund's debts and liabilities, except that they shall only bear the loss of their investment or part thereof in the Fund.

d) **Termination of the Investment Fund:**

If the Fund Manager deems that the value of the Fund's assets managed by them is insufficient to justify its continued operation, or that it does not serve the interests of the unit holders, or if the Manager deems that a change in laws or regulations, or other economic or regional circumstances, is considered sufficient grounds for termination of the Fund, the Fund Manager may terminate the Fund after giving notice in writing to the Authority and the unit holders, at least (21) business days prior to the termination date.

The Fund Manager shall also terminate the Fund and give notice to the Authority and the unit holders within six months of giving notice to the Authority that the net asset value of the Fund falls below (SAR 10) million.

Upon termination, the Fund Manager shall immediately commence liquidation procedures and announce the said termination and liquidation period on its website and the market website.

e) The Fund Manager acknowledges the existence of an internal mechanism for assessing the risks associated with the Fund's assets, as shown in clause (K) of paragraph (2) of this Information Memorandum. The Fund's Board of Directors will ensure its implementation and activation.

**(7) Investment Limits:**

During their management of the Fund, the Fund Manager shall adhere to the limitations and restrictions imposed by the Investment Funds Regulations, the Fund's Terms and Conditions, and any amendments thereto.

**(8) Service Charges, Commissions and Fees:**

a) Payments to be Deducted from Fund Assets

1) **Management Fees:** The Fund Manager shall receive a management fee of 1.75% annually of the Fund's net asset value. This fee shall be daily calculated based on the Fund's net asset value and deducted at the end of each calendar month.

2) **Custodian Fees:** The custodian fee shall be calculated on each valuation day and paid at the end of each month at an annual rate equivalent to one-tenth of one percent (0.1%) of the Fund's net asset value on the last valuation day of the respective month, provided that this fee shall not be less than SAR 60,000 per year. The custodian may charge the Fund additional fees, including, but not limited to, transaction fees of SAR 112.5 per transaction. The Fund shall bear these expenses, if any.

3) **Fund Administrator's Fees:** The Fund Administrator's fees shall be calculated on each valuation day and paid at the end of each month at an annual rate equivalent to one-tenth of one percent (0.1%) of the Fund's net asset value on the last valuation day of the respective month, provided that this fee is not less than SAR 60,000 per year.

4) **Financing Expenses:** In the event that the Fund obtains a loan, the borrowing or financing will be based on the prevailing financing rates of banks operating in the Kingdom of Saudi Arabia. The expenses related to such a loan shall be stated in the Fund's financial statements.

5) **Other Expenses:** The Fund Manager shall have the right to charge the Fund with any other expenses permitted by law, such as audit fees, remuneration allocated to independent board members, fees of the Sharia Supervisory Committee, supervisory fees, fees for publishing the Fund's data on Tadawul website, and fees for the benchmark index. Below is the Fund Manager's estimate of fixed fees, charges, and remuneration in Saudi Riyals.

6) **Remuneration of Independent Board Members:** Each independent board member shall receive ten thousand Saudi Riyals (SAR 10,000) for each meeting attended, at a maximum of sixty thousand Saudi Riyals (60,000) annually for all three members, which shall be daily calculated and deducted upon payment after each board meeting, noting that the members who are employees of the Fund Manager shall not receive any remuneration.

- 7) Fees of the Sharia Supervisory Committee: The Committee shall receive a fixed annual fee of twelve thousand, five hundred Saudi Riyals (SAR 12,500) for its services provided to the Fund. This fee shall be daily calculated and paid in two equal installments. The second installment shall be due six months after the first one, based on the claim submitted by the service provider.
  - 8) Auditor's Fees: The independent auditor shall receive an annual fee of forty-five thousand Saudi riyals (SAR 45,000) for reviewing and issuing the Fund's financial statements. This fee shall be daily calculated and deducted at the end of each six-month period.
  - 9) Supervisory Fees: A fee of seven thousand, five hundred Saudi riyals (SAR 7,500) shall be charged for monitoring disclosure for each investment Fund. This fee shall be daily calculated and deducted at the end of each financial year for the Fund.
  - 10) Fees for Publishing Fund Data on Tadawul Website: The fee for publishing Fund information on Tadawul website is five thousand Saudi riyals (SAR 5,000). This fee shall be daily calculated and deducted at the end of each financial year for the Fund.
  - 11) Benchmark Index Fees: Fees of USD 8,000 (approximately SAR 30,000), effective from 2026G, for the right to use the index, to be paid to the service provider, S&P, and daily calculated and deducted at the end of each financial year for the Fund.
  - 12) Total other expenses shall not exceed SAR 175,000 annually. Only actual expenses shall be calculated and deducted from the Fund's assets after allocation thereof as units on each calendar day, based on a 365-day cycle.
  - 13) Value Added Tax (VAT): All fees and expenses mentioned in the Terms and Conditions, Information Memorandum, or any related documents shall exclude VAT unless it is or may be levied on any service provided to the Fund, where the Fund shall, in such a case, pay the service provider (in addition to any other fees or expenses) an amount equal to the VAT recorded on the VAT invoice for the respective service. If the VAT is imposed or may be imposed on any service provided by the Fund Manager, unit holders shall pay the Fund (in addition to any other fees or expenses) an amount equal to this tax.
  - 14) Transaction Expenses: The Fund shall bear any securities transaction expenses arising out of the purchase and sale of securities that constitute part of its assets. These fees shall be calculated based on the transaction fees applicable in the markets in which the Fund invests, and their total value shall be stated in the annual and semi-annual reports.
- b) A table illustrating all fees and expenses, including how service charges, commissions, and fees are calculated, and when they are paid by the Fund:

<b>Fees</b>	<b>Amount and Payment Method</b>
<b>Subscription Fees/Additional Subscription Fees</b>	Up to a maximum of 2% of the total subscription amount/ Additional subscription for the Fund Manager.
<b>Management Fees</b>	1.75% annually of the Fund's net asset value, daily calculated cumulatively and deducted at the end of each calendar month.
<b>Redemption and Early Redemption Fees:</b>	None.
<b>Custodian Fees</b>	0.1% of the Fund's net asset value on the last valuation day of the relevant month, provided that this amount is not less than SAR 60,000 per year.
<b>Administrator's Fee</b>	0.1% of the Fund's net asset value on the last valuation day of the relevant month, provided that this amount is not less than SAR 60,000 per year.
<b>Financing Expenses</b>	In the event that the Fund obtains a loan, the borrowing or financing shall be based on the prevailing financing rates of banks operating in the Kingdom of Saudi Arabia.
<b>Other Expenses:</b>	
<b>Benchmark Fee</b>	Eight thousand US dollars (USD 8,000), equivalent to approximately SAR 30,000, as of 2026G. It is daily calculated cumulatively and deducted at the end of each financial year from the Fund's total assets.

<b>Total Remuneration for Independent Board Members</b>	A maximum of SAR 60,000 annually, calculated cumulatively and deducted after each meeting of the independent Board of Directors of the Fund from the Fund's total assets.
<b>Sharia Supervisory Committee Fees</b>	Twelve thousand, five hundred Saudi riyals (SAR 12,500), payable in two equal installments. The second installment shall be paid six months after the first one, based on the claim submitted by the service provider.
<b>Auditors' Fees</b>	SAR 45,000 annually, daily and cumulatively calculated and deducted at the end of each six-month period from the Fund's total assets.
<b>Fees of Publication of the Fund's Data on Tadawul Website</b>	SAR 5,000 annually, daily and cumulatively calculated and deducted at the end of each financial year on Tadawul website from the Fund's total assets.
<b>Supervisory Fees</b>	SAR 7,500 annually, daily calculated and deducted at the end of each financial year from the Fund's total assets.
The total of all other expenses shall not exceed SAR 175,625 annually. Only actual expenses shall be calculated and deducted from the Fund's assets after allocation as units on each calendar day, based on a 365-day cycle.	

- These amounts are estimates based on contractual agreements and the mentioned payment method.
  - The table above does not include any amounts or fees deducted as Value Added Tax (VAT).
  - The table above does not include the custodian's transaction fee of SAR 112.5 per transaction, which is borne by the Fund.
  - If the Fund obtains a loan, the expenses related to such loan shall be shown in the Fund's financial statements.
  - Management fees also include fees related to unit registration and fees related to valuing the Fund's assets.
- c) Details of Transaction Fees Related to Subscription, Redemption, and Title Transfer Fees and the Method of Calculating them:
- **Subscription Fees:** The Fund Manager may charge investors a fee for each subscription transaction, provided that this fee does not exceed two percent (2%) of the subscription amount. This fee shall be payable once per subscription transaction. The subscription fee amount, if any, shall be determined at the discretion of the Fund Manager, in addition to the calculation of VAT.
  - **Redemption or Early Redemption Fees:** There shall be no redemption or early redemption fees for investors in the Fund.
- d) Special Commissions: None. Any commissions, if found, shall be disclosed by the Fund Manager.
- e) A hypothetical example showing all fees and expenses for transactions paid from the Fund's assets or by unit holders, based on the Fund's currency:  
As a practical and illustrative example of a client investing one hundred (100) thousand riyals plus a SAR 2,000 subscription fee at the beginning of the year, given that the Fund's size at that time is one hundred million Saudi riyals (SAR 100,000,000), and that the Fund achieves a 10% annual return:

Type of Fee	What shall be charged to the client investing SAR 100,000, assuming that the Fund size is SAR 100 million. (Figures are in Saudi Riyals)
<b>Subscription Fee 2%</b>	2,000 (excluding investment amount)
<b>Total remuneration for independent board members</b>	60
<b>Sharia Supervisory Committee fees</b>	12.5
<b>Auditor's fees</b>	45
<b>Benchmark fees</b>	30

<b>Fees of Fund data publication on Tadawul platform</b>	5
<b>Supervisory fees</b>	7.5
<b>Annual Expenses – Investment Value</b>	<b>99,840</b>
<b>Management Fees 1.75%</b>	1,747.20
<b>Custodian Fees 0.1%</b>	99.84
<b>Administrator’s Fees 0.1%</b>	99.84
<b>Total Administrative and Operational Fees</b>	2,106.88
<b>Assumed Return 10% + Capital</b>	110,000
<b>Assumed Net Investment after a year</b>	107,893.12

The Fund Manager shall deduct VAT from the Fund on applicable fees and expenses.

- f) The Fund Manager shall undertake to register the Funds with the Zakat, Tax and Customs Authority within the statutory period. The Fund Manager shall also undertake to submit the information and data requested by Zakat, Tax and Customs Authority for the purposes of examining and reviewing returns within the statutory period, and to provide the assigned unit holders with the publishable information necessary for calculating the zakat base, along with undertaking to give notice to Zakat, Tax and Customs Authority of the Fund’s termination within the statutory period.

The regulations and rules related to investment Funds issued by Zakat, Tax and Customs Authority can be viewed on the following website:  
<https://zatca.gov.sa/ar/Pages/default.aspx>

**(9) Valuation and Pricing:**

- a) Method of valuating each asset held by the Fund:

The Fund’s total assets shall be valued each calendar day, based on the official closing prices of the Saudi Stock Exchange (Tadawul) at 5:00 PM on the relevant calendar day. These prices shall be obtained from the Saudi Stock Exchange (Tadawul) or from approved information providers. If prices cannot be obtained on a calendar day because the market is closed, the prices of the last trading day shall be used. Initial public offerings shall be valued between the subscription date and the trading of the related security on the Saudi Stock Exchange (Tadawul) based on the subscription price. Deposits and Murabaha transactions shall be valued at cost. With respect to investment Funds, the last announced unit price shall be used. The Fund’s total assets shall include available cash, profits owed by the companies in which it invests, and returns on deposits and Murabaha transactions. The Fund’s net asset value shall be calculated by subtracting the Fund’s total liabilities from its total assets, as follows:

- Deducting fixed expenses, including but not limited to, transaction expenses, board member remuneration, auditors’ fees, and other expenses and charges stated in paragraph (7) of the Terms and Conditions and paragraph (5) of the Information Memorandum.
  - Deducting management fees from the Fund’s total assets after deducting fixed expenses.
  - Deducting custodian fees from the Fund’s total assets after deducting fixed expenses and management fees.
- b) Number and Frequency of Calendar Points  
The net unit value shall be calculated at the end of each calendar day at 5:00 PM. When neither of these days is a business day, the calculation shall be at the end of the next business day.
- c) The Fund Manager shall take the following actions in case of a calendar or pricing error:
1. Recording the error in a dedicated register.

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2. Compensating all affected unit holders, including previous ones, for all errors without delay.
  3. Immediately giving notice to the Authority of any valuation or pricing error amounting to 0.5% or more of the unit price and immediately disclosing the same on the Fund Manager's website, the market, and in the Fund's annual reports.
- d) Method of calculating the unit price for the purposes of executing subscription and redemption requests:  
The subscription price for units during the initial offering period is ten (10) Saudi Riyals per unit. After the initial closing date, the subscription and redemption price shall be the net unit value on the respective trading day. The net unit value shall be calculated by dividing the Fund's net assets by the total number of current Fund units at the close of trading on the relevant day, where the resulting unit value shall be used for the subscription and redemption price. Fractions of the net value of a single unit shall be calculated up to four decimal places, and at the fifth decimal place shall be rounded up if it has a value of five or more. In exceptional situations or emergencies where the Fund Manager reasonably determines that a substantial portion of the Fund's assets cannot be reliably valued, including but not limited to circumstances where the Saudi stock market is exceptionally closed at the time of valuation, the Fund's assets valuation may be deferred for a period not exceeding two business days, provided that this temporary measure shall be subsequently reviewed by the Fund Manager.
- e) Place, time and frequency of the unit price publication:  
The net unit value shall be published on Tadawul website ([www.tadawul.com.sa](http://www.tadawul.com.sa)) and the Fund Manager's website ([www.audicapital.com](http://www.audicapital.com)) at 5:00 PM on the next business day following each calendar day. In the event of a technical malfunction on any of these websites, the Fund Manager shall announce it as soon as possible.

**(10) Transactions:**

- a) Initial Offering:  
The initial offering period extends from 05/05/2015G to 31/05/2015G. The minimum amount for subscription to the Fund is SAR 10,000 (ten thousand Saudi Riyals), the minimum additional subscription amount is SAR 5,000 (five thousand Saudi Riyals), and the minimum balance invested in the Fund is SAR 10,000 (ten thousand Saudi Riyals). It is worth noting that the Fund Manager will not invest the subscription amounts during the initial offering period, and these amounts shall be held in cash.
- b) Specific dates and deadlines for subscription and redemption requests on any trading day:  
The deadline for receiving subscription requests with the full amount or redemption requests from investors shall be before 3:00 PM Saudi Arabia time, on the business day preceding any trading day. If the Fund Manager receives the request after 3:00 PM Saudi Arabia time on the business day preceding any trading day, or before this time but the subscription amount was received after 3:00 PM, the execution of the said request will be deferred until the following trading day.  
In the event of receiving the redemption requests by the Fund Manager after 3:00 PM Saudi Arabia time on the business day preceding any trading day, the execution of the request shall be deferred until the following trading day. If the trading day falls on a Saudi Arabian bank holiday, requests shall be dealt with based on the unit price of the next trading day.
- c) Subscription and Redemption Procedures:  
Applicants for Fund subscriptions or redemptions shall complete the necessary procedures by filling out the appropriate form for each transaction and submitting it within the deadline mentioned above.

The Fund Manager shall be responsible for implementing Know Your Customer (KYC), Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) procedures and reserve the absolute right to request more substantiation and proof of the subscriber's identity, or the identity of the person or entity on whose behalf the subscriber seeks the purchase of units, and/or the source of Funds. In the event that the subscriber fails to provide this information, the subscription request shall be rejected, and the Fund Manager shall refund the subscription amount and the subscription fee, via bank transfer to the subscriber's account. The minimum initial subscription amount for a subscriber to the Fund is ten thousand (SAR 10,000) Saudi Riyals. Further subscriptions are allowed with a minimum of five thousand (SAR 5,000) Saudi Riyals for each additional subscription request. In the event of any redemption request that would reduce a unit holder's investment in the Fund by less than SAR 10,000, the Fund Manager shall have the right to redeem the full invested amount and credit it to the unit holder's account. The redemption amount shall be transferred via bank transfer to the bank account specified by the unit holder in the redemption request before the trading close, on the fourth day following the date at which the redemption price was determined. A transfer between two Funds managed by [the Fund Manager] are deemed one transaction consisting of two separate parts: redemption and subscription. Accordingly, redemption is carried out according to the "Redemption Request Submission" section above, while subscription is carried out according to the "Subscription Request Submission" section for the other Fund.

- d) Unit Holders' Register: The Fund Manager shall maintain a register of the Fund's unit holders in the Kingdom of Saudi Arabia for ten years. Upon request from any unit holder, the Fund Manager shall provide a summary of the unit holders register free of charge, containing only the relevant information related to such unit holder.
- e) The Fund Manager shall not invest the subscription money received in bank deposits or money market transactions concluded with entities regulated by the Saudi Arabian Monetary Agency (SAMA) or a similar regulatory body outside the Kingdom until the Fund business commences.
- f) Minimum Funding Target Requirement: None.
- g) Corrective Measures required to ensure compliance with the SAR 10 million or equivalent minimum net asset value requirement: If the Fund's net asset value falls below SAR 10 million for a maximum period of six months, the Fund Manager shall first give notice to the Authority and then analyze and study the market condition and the options that are in the interest of the unit holders, in liquidating the Fund's assets or requesting an increase in their investments in the Fund. Accordingly, the Fund Manager shall call a meeting of the unit holders to vote on the options presented by the Fund Manager, in accordance with the Authority's regulations. The Fund Manager shall announce the same on their website and the market's website. If the unit holders vote against increasing their investments in the Fund to increase its net asset value to ten million Saudi Riyals, the Fund Manager shall liquidate the Fund's assets after obtaining the necessary approvals from the Authority.
- h) Cases in which trading in units is deferred or suspended, and the procedures followed in such cases:

The Fund Manager may defer or suspend the execution of redemption requests from the Fund until the next trading day in the following cases:

  1. If the total percentage of all requests from unit holders in the Fund on any trading day becomes 10% or more of the Fund's net asset value.
  2. In the event of a suspension of trading operations in the main market in which the Fund operates, whether generally or specifically with regard to the Fund's assets.
  3. If the Fund Manager reasonably believes that the suspension serves the interests of the unit holders in the Fund.

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The Fund shall also follow these procedures when deferring or suspending redemption requests:

1. Redemption requests that are not processed on any trading day shall have priority over new redemption requests on the following trading day. After completion of the subscription or redemption process, the investor shall receive a confirmation including the full details of the transaction.
  2. In the event of suspension, the Fund Manager shall make sure that the suspension continues for a necessary and justified period, taking into account the interests of unit holders.
  3. The Fund Manager shall also regularly review the suspension and consult with the Fund's Board of Directors and the Custodian to this effect.
  4. The Authority and unit holders shall be immediately given notice of any suspension, with a clear explanation of the justifications. They shall be immediately given notice upon the expiry of the suspension period, which shall be announced on both the Fund Manager's website and the market's website.
- i) Procedures for selecting redemption requests to be deferred:
1. The Fund Manager may defer the execution of any redemption request from an open-ended public Fund until the following trading day if the total ratio of all redemption requests from unit holders on any trading day becomes 10% or more of the Fund's net asset value.
  2. Fair and equitable procedures shall be followed when selecting redemption requests to be deferred.

**(11) Unit Characteristics:**

The Fund includes a single class of units, all of which have equal rights and obligations and are subject to a unified strategy and objectives.

**(12) Accounting and Reporting**

- a) The Fund Manager shall prepare annual reports, summary annual reports, and preliminary reports, including audited annual financial statements.
- b) Annual reports are prepared and published within (70) days of the end of the reporting period, while preliminary reports are prepared and published within 35 days of the end of the reporting period. The Fund Manager uploads and makes the annual and preliminary reports available to the public, including unit holders, on the Fund Manager's website and the market's website.
- c) The Fund Manager shall acknowledge that the first audited financial statement at the end of the Fund's financial year is available as of 31/12/2015G, on the Fund Manager's website and the market's website. The said statement can also be directly provided to unit holders and investors upon request, free of charge, along with the remaining financial statements.
- d) The Fund Manager shall provide all unit holders with any reports upon request free of charge.

**(13) Fund Board of Directors:**

- a) Members of the Fund Board of Directors and their membership type: The Fund is supervised by a Board of Directors consisting of three members:
  1. Daniel Raymond Asmar, Chairman of the Fund's Board.
  2. Abdul Elah Hamad bin Hassan (Independent Member).
  3. Khaled bin Ahmed Al Jaber (Independent Member).

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- b) About the Qualifications of the Fund's Board Members:
1. Daniel Raymond Asmar: Mr. Daniel currently holds the position of the CEO of Audi Capital. He has over (18) years of professional experience, mainly in wealth management. He previously worked at Credit Suisse as a Group Manager in Dubai, Riyadh, and several other regions, followed by several positions at Audi Capital, until he began now the CEO. He holds a Master of Business Administration from Boston University.
  2. Abdul Elah Hamad Bin Hassan: Mr. Abdul Elah currently holds the position of a Senior Manager for several branches at Alinma Bank. He previously held a position at the bank as a Senior Partner Relationship Manager. He has also about (27) years of experience in the banking sector, having worked at several banks including Samba Bank and Emirates NBD. He has served multiple times as a Regional Manager and possesses high experience in branch management, marketing, time management, and working under pressure.
  3. Khaled bin Ahmed Al Jaber: Mr. Ahmed currently holds the position of Senior Manager at Samba Financial Group. He has over (20) years of experience in the banking sector, mainly in private banking, where he has valuable experience and strong communication and time management skills. Mr. Khaled holds a Bachelor's degree in Marketing from King Saud University.
- c) Roles and Responsibilities of the Fund's Board of Directors:
1. Approving all substantial contracts, resolutions, and reports to which the Fund is a party.
  2. Adopting a policy in writing, regarding voting rights related to the Fund's assets.
  3. Supervising and, where appropriate, approving any conflict of interest disclosed by the Fund Manager in accordance with the Investment Funds Regulations.
  4. Meeting at least twice a year with the Fund Manager's Compliance Officer to ensure the Fund Manager's compliance with all applicable regulations and laws.
  5. Ensuring the completeness and accuracy of the Fund's terms and conditions, Information Memorandum, and any other document, whether a contract or otherwise, containing disclosures related to the Fund and/or the Fund Manager, as stated in the Investment Funds Regulations.
  6. Ensuring that the Fund Manager carries out their responsibilities in a manner that serves the best interests of the unit holders, in accordance with the Fund's terms and conditions, the Information Memorandum, and the Investment Funds Regulations.
  7. Acting honestly and in the best interests of the Fund and its unit holders.
  8. Recording meeting minutes that document all proceedings and resolutions made by the Board.
- d) Remuneration of Fund Board Members: Each independent Board member shall receive ten thousand Saudi Riyals (SAR 10,000) for each attended meeting, up to a maximum of sixty thousand Saudi Riyals (SAR 60,000) annually for all three members.
- e) Stating any actual or potential conflict of interest between a Fund Board member and the Fund: A Fund Board member may not vote on any resolution made by the Board regarding any issue in which such member has a direct or indirect personal interest. The Fund Manager shall disclose any such interest to the Fund Board.
- f) All boards of directors of the Fund in which the relevant Board member participates:
- Daniel Raymond Asmar is the chairman of the Board of Directors of the Saudi Opportunities Fund and Audi Income Fund, which are affiliated with the Fund Manager.

- Abdul Elah Hamad bin Hassan serves as an independent member of the Board of Directors of the Saudi Opportunities Fund and Audi Income Fund, which are affiliated with the Fund Manager.
- Khaled bin Ahmed Al Jaber serves as an independent member of the Board of Directors of the Saudi Opportunities Fund and the Audi Income Fund, which are affiliated with the Fund Manager.

**(14) Sharia Supervisory Committee:**

a) Names and Qualifications of Sharia Supervisory Committee Members:

The Fund's Sharia Committee consists of Osol for Shariah Advisory and Audit (the "Sharia Committee"), which is licensed to provide Sharia advisory services by the Ministry of Awqaf and Islamic Affairs in the State of Kuwait. The committee shall review all Fund operations and investments and monitor their compliance with Sharia controls and standards. Osol's professional team consists of specialists in Islamic finance with distinguished academic qualifications and professional certifications. Osol shall appoint a team of three Sharia advisers to carry out periodic reviews and Sharia supervision of the Fund's activities, to express opinions on the compliance of the Fund's operations and investments with Sharia controls and standards. The qualifications and profiles of the Sharia advisers to be appointed for the Fund are mentioned below.

**Dr. Mohamed Abdulrahman Al Shurafa**

Holding a PhD in Islamic Finance from the University of Malaya, Malaysia. He is a Sharia adviser and auditor with practical experience in working with over 200 investment Funds and companies listed in Saudi Arabia and the GCC countries. Holding a Master's degree in Islamic Finance (CIFP) from the International Centre for Education in Islamic Finance (INCEIF), affiliated with Bank Negara, Malaysia. He is a Sharia adviser fellow as per certification issued by the Saudi Judicial Scientific Society, affiliated with Imam Muhammad Ibn Saud Islamic University, and holds an Executive Master's degree in Islamic Finance, a Professional Diploma in Sharia Auditing from the General Council for Islamic Banks and Financial Institutions (CIBAFI), and is a Certified Sharia Adviser and Auditor (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He also holds a CIMA Diploma in Islamic Finance from the Chartered Institute of Management Accountants (CIMA) in the United Kingdom.

**Dr. Abdulrahman Mohamed Al Baloul**

Holding a PhD in Comparative Jurisprudence and Principles of Islamic Jurisprudence from Kuwait University and a Master's degree in Principles of Islamic Jurisprudence from the Faculty of Sharia and Islamic Studies at the University of Jordan, Hashemite Kingdom of Jordan. He is a Certified Sharia Auditor (certified by the Central Bank of Kuwait) and a Certified Sharia Adviser and Auditor (CSAA) as per certification issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He is also a part-time faculty member at the Public Authority for Applied Education and Training in Kuwait and a researcher in Islamic Sharia and law. He has published research and books on the jurisprudence of financial transactions and comparative studies with Arab civil laws.

**Dr. Hamad Yousef Al Mazroui**

Holding a PhD in Principles of Islamic Jurisprudence from the Faculty of Sharia and Islamic Studies at the University of Jordan, Hashemite Kingdom of Jordan, and a Master's degree in Principles of Islamic Jurisprudence from the same faculty. He is a Certified Sharia Auditor as per certification issued by the Central Bank of Kuwait and a Certified Zakat Accountant as per certification issued by the Kuwaiti Accountants and Auditors Association. He is also a faculty member at the Faculty of Sharia at Kuwait University and the Public Authority for Applied Education and Training, and a researcher in Islamic economics. He has authored publications and research papers in his specialization.

b) Roles and Responsibilities of the Sharia Supervisory Committee:

- Reviewing and approving the Fund's offering documents, including the Fund's terms and conditions and all other documents implemented in connection with the Fund, and approving any subsequent amendments thereto.
- Preparing the Sharia standards to which the Fund adheres when investing.
- Meeting, if necessary, to discuss issues related to the Fund.

- Issuing the Fund’s Sharia Supervisory Committee report annually.
  - Responding to inquiries from the Fund Manager regarding the Fund’s investments, activities, contracts, or investment structure, specifically with respect to compliance with Sharia controls and standards.
  - Supervising and monitoring the Fund’s activities to ensure their compliance with Sharia controls and standards, or delegating this responsibility to another entity.
- c) Remuneration of Sharia Supervisory Committee Members:  
The Committee shall receive financial remuneration from the Fund for its services, at a fixed annual amount of twelve thousand, five hundred Saudi Riyals (SAR 12,500). This amount shall be paid in two equal installments, the second of which shall be six months after the first, based on a claim submitted by the service provider.
- d) Standards applied to determine the sharia compliance of assets prepared for investment, periodic review of such assets, and procedures followed in case of non-compliance with sharia principles:

Ser.	Sharia Controls
<b>Standard 1</b>	
<b>Shares Issuance</b>	
1	Shares may be issued if the purpose of establishing the company is legitimate and its essence of business activity is permissible. The purpose may not be to engage in prohibited issues.
2	A certain percentage may be added to the share price upon subscription to cover issuance expenses, provided that the percentage is reasonably estimated.
3	New shares may be issued to increase the company’s capital at the fair value of the existing shares, whether based on an expert valuation of the company’s assets or at market value (at an issuance premium or discount).
4	The issuance may be guaranteed if it is free of charge against the guarantee, while work consideration; such as conducting studies or marketing, may be received, provided that the consideration is not for the guarantee.
5	The share price may be paid in installments upon subscription, with one installment paid and the remaining ones deferred, provided that all shares are included and the company assumes responsibility for the subscribed shares.
6	Preferred shares granting priority in liquidation or dividend distribution may not be issued.
7	Some shares may be granted procedural or administrative privileges in addition to the rights of ordinary shares.
8	Preference shares that grant their holder unequal rights to profits or company assets compared to capital shares may not be issued.
9	A share certificate is a document proving a shareholder’s ownership. It may be issued in the owner’s name, to their order, or to the bearer.
<b>Standard 2</b>	
<b>Investment of Shares</b>	
1	Shares of joint-stock companies may be purchased and sold immediately or on credit if the company’s objective and activity are permissible, whether for investment or trading.
2	Participation or trading for the purpose of change is permissible if the shareholder has the ability to influence and make the decision to convert in accordance with Sharia.
3	It is not permissible to purchase shares with an interest-bearing loan (margin sale), or to pledge shares as collateral for such a loan.
4	Shares that the seller does not own (short sale) may not be sold.
5	The purchaser of a share may dispose of it after the sale is completed and the guarantee is transferred, even before final registration.
6	Official entities may regulate the trading of shares through licensed brokers to achieve legitimate interests.
7	Lending company shares is not allowed. Pledging permissible shares is allowed, provided the conditions for sale are met when liquidating them.
8	Forward sale contracts on shares, futures contracts, options, and swaps are not allowed.
9	Shares may not be leased for any purpose, except for lending them for pledging or for distributing dividends, provided that the sale is not completed until the pledge is executed.
10	Shares of companies whose assets are only in cash may only be traded at their nominal value and subject to immediate possession.
11	The shares of companies whose assets are only debts may only be traded in accordance with the provisions governing the disposal of debts.

<b>12</b>	If a company's assets are diversified (cash, tangible assets, and debts), the provision shall vary according to the activity and objective:
12.1	If the activity is related to dealing in tangible assets, usufructs, and rights, trading shall be allowed, provided that the market value of the tangible assets, usufructs, and rights is not less than 30% of the company's total assets.
12.2	If the activity is related to dealing in gold, silver, or currencies, the rules of exchange shall be taken into account.
12.3	If the activity is related to dealing in debts and facilities, the provisions of debt shall be taken into account.
<b>13</b>	Issuing all types of interest-bearing bonds, which stipulate the repayment of the borrowed amount plus an increase in any form, whether this increase is paid upon repayment of the loan principal, or in monthly, annual, or other installments and whether the increase is a percentage of the bond's value, as in most types of bonds, or a deduction from it, as in zero-coupon (yield) bonds.
<b>14</b>	Prize bonds, whether private, public, or governmental, are prohibited.
<b>15</b>	Participation or trading with the intention of converting to Sharia is permissible for those who are able to make the decision to convert to Sharia or of seeking the same, at the first general assembly meeting.
<b>Standard 3</b>	<b>Dealing with Companies:</b>
<b>1</b>	It is not allowed to participate or invest in companies whose activities involve usury or prohibited activities.
<b>2</b>	Investment in companies is permissible if the following requirements are met:
2.1	The Company's Articles of Association shall not mention dealings in usury or other prohibited activities.
2.2	The total of the borrowed interest-bearing amount shall not exceed 30% of the market value of the shares.
2.3	The total deposited interest-bearing amount shall not exceed 30% of the market value of the shares.
2.4	The revenue generated from prohibited activities shall not exceed 5% of the company's total revenue.
2.5	The percentages shall be determined based on the latest audited balance sheet or financial position.
<b>3</b>	Prohibited revenue shall be disposed of according to the following controls:
3.1	Disposal shall take place at the end of the investor's financial period, regardless of whether dividends have been distributed.
3.2	The share of prohibited revenue per share shall be calculated and multiplied by the number of owned shares.
3.3	The prohibited element may not be used or circumvented in any way.
3.4	The institution shall be responsible for disposal if it is acting on its own behalf, or informing the client if it is acting as an intermediary.
<b>4</b>	These controls shall be adhered to throughout the entire investment period, and the investment shall be withdrawn if there are any violations.

### (15) Fund Manager

- The Fund Manager is Audi Capital.
- The Fund Manager is licensed by the Capital Market Authority under license No. 06017-37.
- The Fund Manager's address is Centria Mall, 3<sup>rd</sup> Floor, 2908 Prince Mohammed Bin Abdulaziz Road, Al Olaya, Unit 28, Riyadh 6055-12241, Kingdom of Saudi Arabia.
- The Fund Manager's license was issued on 15/05/2006G.
- The Fund Manager's paid-up capital is SAR 60,000,000.
- The Fund Manager's financial information, including revenues and dividends for the previous financial year:

Item	As of 31/12/2025G
<b>Revenues</b>	10,269,617

<b>Expenses</b>	(23,942,212)
<b>Shareholders' Equity</b>	46,372,685
<b>Total Assets</b>	132,719,871
<b>Net Revenue/Loss</b>	(16,072,171)

g) Names of Fund Manager Board Members:

1. Waleed Al Murshid.
2. Khalil Al Dibs.
3. Abdulaziz Al Dahyan.
4. Mu'ayyad Makhloof.
5. Shahdan Jubaili.
6. Tareq Zidan.

There are no major activities of the members that are of material significance to the Fund Manager's business.

h) Roles, Responsibilities, and Duties of the Fund Manager:

The Fund Manager shall have several duties and responsibilities to be adhered to in accordance with the Investment Funds Regulations, Terms and Conditions, and Information Memorandum. The Fund Manager's duties include as follows:

1. Working in the best interests of the unit holders and for their benefit.
2. Complying with all principles and obligations in accordance with the Authorized Persons Regulations, including the fiduciary duty towards unit holders, acting in their best interests, with due care.
3. Establishing policies and procedures to monitor risks affecting the Fund's investments, ensuring their prompt handling, and carrying out an annual risk assessment.
4. Compliance with the Investment Funds Regulations, in addition to the Terms and Conditions and Information Memorandum.
5. Establishing and implementing a compliance monitoring program for the Fund.
6. Maintaining the Fund's books and records.
7. Maintaining a register of all issued and cancelled units, and an up-to-date record showing the current balance of the Fund's units.
8. Preparing and maintaining a register of unit holders in the Kingdom.

Moreover, the Fund Manager shall be obliged to undertake the following responsibilities:

- Fund management.
- Fund operations, including administrative services.
- Offering the Fund units.
- Ensuring the accuracy, completeness, clarity, and correctness of the Fund's Terms and Conditions and Information Memorandum, and that they are not misleading.

i) Tasks Assigned to a Third Party by the Fund Manager.

The Fund Manager has assigned HSBC Saudi Arabia Limited to act on its behalf in managing the Fund's administrative affairs only, as of 01/04/2018G.

j) Business activities or other interests of the Fund Manager that are of material importance, or that could conflict with the Fund's activities:

The Fund Manager and its Board members have no business activities or interests that could conflict with their responsibilities or performance towards the Fund and if there are such conflicts, they shall be disclosed. Moreover, there is no material conflict of interest on the part of the Fund Manager that could affect the performance of its obligations to the Fund.

- k) Provisions for Dismissal or Replacement of the Fund Manager:  
The Fund Manager may be dismissed and replaced by the Authority, or any other measure deemed by the Authority to be fit may be taken against them, for the following reasons:
1. The Fund Manager ceases to manage the Fund without giving notice to the Authority.
  2. The Fund Manager's license to manage the Fund is revoked, withdrawn, or suspended by the Authority.
  3. The Fund Manager submits a request to the Authority to revoke their license to manage the Fund.
  4. The Authority finds that the Fund Manager has violated the provisions of the Law or its Executive Regulations.
  5. The Portfolio Manager managing the assets of the investment Fund dies, becomes incapacitated, or resigns, and no other person registered with the Fund Manager can manage the assets of the Investment Fund or the Funds managed by the Portfolio Manager.
  6. Any other case deemed significant by the Authority.

**(16) Custodian:**

- a) The Custodian name is HSBC Saudi Arabia Limited.
- b) The Custodian's license No. is 05008-37.
- c) The Custodian's address is Unit No. 7267, Al Olaya, Al Muruj, Riyadh 2255-12283, Kingdom of Saudi Arabia.
- d) The Custodian's license was issued on 14/04/2008G.
- e) Roles and Responsibilities of the Custodian:  
The Custodian shall be responsible for fulfilling their obligations under the contract signed with the Fund Manager, in addition to the provisions of the Investment Funds Regulations, the Terms and Conditions, and the Information Memorandum, whether they directly meet their responsibilities or assign them to a third party. The Custodian shall be liable to the Fund Manager and unit holders for any losses incurred by the Fund due to fraud, negligence, misconduct, or willful omission. He shall also be responsible for the safekeeping and protection of the Fund's assets for the benefit of the unit holders and for taking the necessary administrative actions related to the safekeeping of the Fund's assets.
- l) Tasks Assigned to a Third Party by the Custodian:  
The Custodian shall not assign any major tasks related to the safekeeping of the Fund's assets to third parties on their behalf, as the custodian shall be responsible for the same.
- f) Provisions for the Dismissal or Replacement of the Custodian:  
The Custodian appointed to the Fund may be dismissed and replaced by the Authority, or any other measure deemed fit by the Authority may be taken against him. The Fund Manager shall then appoint a replacement custodian in accordance with the Authority's instructions, for the following reasons:
  1. The Custodian ceases to carry out custody activities without giving notice to the Authority.
  2. The Custodian's license to engage in custody activities is revoked, withdrawn, or suspended by the Authority.
  3. The Custodian submits a request to the Authority to revoke their license to carry out custody activities.
  4. The Authority determines that the Custodian has violated the regulations or their Executive Regulations.
  5. Any other case deemed significant by the Authority.The Fund Manager may also dismiss the Custodian appointed by them by a notice in writing if their dismissal is in the best interests of the unit holders, provided that the Fund Manager shall immediately give notice in writing to the Authority and the unit holders. The Fund Manager shall then appoint a replacement custodian within (30) days of the custodian receiving the aforementioned notice.

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In all cases, the Fund Manager and the dismissed custodian shall fully cooperate to facilitate the transfer of responsibilities and obligations to the replacement custodian within the first 60 days of the replacement custodian's appointment, along with transferring all contracts related to the Fund.

**(17) Investment Adviser:** None.

**(18) Distributor:** None.

**(19) Chartered Accountant (Auditor):**

- a) PricewaterhouseCoopers (PwC).
- b) Address: Kingdom Centre Tower, Floors 21, 24 and 56. Tel. +966 (11) 211 0400. Fax: +966 (11) 211 0401, P.O. Box: 8282, 11482, Riyadh, Kingdom of Saudi Arabia.
- c) The Fund Manager shall appoint the independent auditor for the Fund prior to establishment thereof, and the Fund's Board of Directors shall approve the Auditor's fees, to audit and prepare annual (audited) and interim (unaudited) financial reports and statements in accordance with the Investment Funds Regulations, Terms and Conditions, and Information Memorandum.

**(20) Other Information:**

- a) The Fund Manager shall provide, upon request and free of charge, the policies and procedures to be followed to address conflicts of interest and any potential or actual conflicts of interest.
- b) The Fund Manager's policy regarding discounts and special commissions:  
There are no special commissions for the Fund. However, the Fund Manager shall apply the policies and provisions regarding special commissions as mentioned in the Authorized Persons Regulations and the Investment Fund's Regulations.
- c) Value Added Tax (VAT), an indirect tax imposed on all goods and services purchased and sold by facilities, with some exceptions, shall be applied. It is a main source of revenue that contributes to strengthening country budgets. The Kingdom committed to applying VAT as of 14/04/1439H (01/01/2018G). VAT is applied at each stage of the supply chain, from production through distribution to the final sale of the good or service. The consumer shall pay the VAT on the goods and services they purchase, while facilities pay the government Value Added Tax (VAT) collected on consumer purchases and redeem the VAT they paid to their suppliers. Therefore, investing in the Fund involves various tax risks, some of which apply to the investment in the Fund itself and others to specific circumstances that may relate to a particular investor. The taxes incurred by unit holders shall necessarily reduce the returns associated with their investment in the Fund and decrease the unit price.
- d) Unit Holders' Meeting:
  - 1) The Fund Manager shall convene a meeting of unit holders in the following cases:
    - Within (10) business days of receiving a written request from the Custodian.
    - Within (10) business days of receiving a written request from one or more unit holders who jointly or severally own at least 25% of the Fund's unit value.
    - To approve a proposed essential change.
    - The Fund Manager wishes to discuss or seek the unit holders' approval of a specific resolution.
  - 2) The Fund Manager shall invite unit holders to the meeting by announcing it on the Fund manager's website and the market's website, in addition to sending a notice in writing to all unit holders and the Custodian, at least (10) business days before the meeting and no more than (21) business days, and sending a copy thereof to the Authority.

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- 3) The quorum required for a unit holders' meeting is the presence of unit holders jointly owning at least 25% of the Fund's units. If this quorum is not met, the Fund Manager shall hold a second meeting using the same notification methods mentioned above, at least five business days prior to the meeting. The second meeting shall be valid regardless of the ratio of units represented therein.
- 4) Each unit holder shall have the right, during a unit holders' meeting, to exercise all or any of the following rights:
1. Appointing a representative to represent them at the meeting.
  2. Casting one vote at the unit holders' meeting for each unit they own at the time of the meeting.
  3. Voting on meeting resolutions using modern technology.
- e) Fund Termination and Liquidation Procedures:  
If the Fund Manager determines that the value of the Fund's assets is insufficient to justify its continued operation, or that it does not serve the interests of unit holders, or if they deem it fit to change in laws or regulations, or other economic or regional circumstances, to be sufficient reasons for terminating the Fund, the Fund Manager may terminate the Fund after giving notice in writing to the Authority and unit holders, at least (21) days prior to the termination date. Moreover, the Fund Manager shall terminate the Fund and give notice to the Authority and unit holders within six months of notifying the Authority that the net asset value of the Fund falls below SAR 10 million.  
Upon termination, the Fund Manager shall immediately initiate liquidation procedures and announce the Fund's termination and liquidation period on their website and the market's website.
- f) Complaint Procedures:  
If any investor has a complaint related to the Fund, they shall send it to the Compliance Officer at Audi Capital, 2908 Prince Mohammed Bin Abdulaziz Road (Al-Tahlia), P.O. Box: 250744, Riyadh 11391, Kingdom of Saudi Arabia, Fax: +966114627942, Email: [compliance@audicapital.com](mailto:compliance@audicapital.com). Any investor can obtain a copy of the Fund Manager's Complaints Policy and Procedures upon written request, free of charge, by submitting the request to the address above. If a complaint cannot be resolved or no response is received within thirty (30) business days, the subscriber shall be entitled to file their complaint with the Capital Market Authority, Investor Complaints Department. The subscriber shall also be entitled to file the complaint with the Committee for the Resolution of Securities Disputes after (90) calendar days from the date of filing the complaint with the Authority, unless the Authority gives notice to the complainant that it may be filed with the Committee before the expiry of this period.
- g) Competent Judicial Authority:  
The Fund Manager shall confirm that its terms and conditions, Information Memorandum, and any other documents complying with the Investment Funds Regulations issued by the Capital Market Authority Board include complete, accurate, and correct disclosures of all material facts relating to the Fund. In the event of any dispute, the Committee for the Resolution of Securities Disputes shall be the competent judicial authority to consider the dispute.
- h) List of Documents Available to Unit Holders:
1. Fund Terms and Conditions.
  2. Information Memorandum.
  3. Information Summary.
  4. All Contracts Relating to the Fund.
  5. The Fund Manager's Financial Statements.
  6. Procedures and Policies Adopted by the Fund.

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- i) The Fund's assets are collectively owned by the unit holders. The Fund Manager, sub-manager (if any), custodian, sub-custodian (if any), adviser, or distributor (if any) may not have any interest in or claim to the Fund's assets unless they own units in the Fund, within the limits of their ownership, or the same are permitted under the Investment Funds Regulations and set out in the Fund's terms and conditions or Information Memorandum.
  - j) Investors may contact the Fund Manager for any other information related to the Fund. The Fund Manager shall disclose any relevant information to the Board of Directors and unit holders.
  - k) There are no exemptions from the Investment Funds Regulations that have been approved by the Authority except in relation to investment policies and practices.
  - l) After consulting with the Compliance Officer, the Fund's Board of Directors approves the general policies relating to the exercise of voting rights given to the Fund under the securities that constitute part of its assets. The Fund Manager shall decide, at its discretion, whether or not to exercise any voting rights after consulting with the Compliance Officer or as stated in the voting policies and procedures adopted by the Fund's Board of Directors. Unit holders shall be provided with these policies upon request.

**CEO and Head of Wealth Management**

**Daniel Raymond Asmar**

**Director of Compliance, Anti-Money  
Laundering and Counter-Terrorist Financing**

**Al Batoul Ali Al Turki**