الخبير للنمو والدخل
Alkhabeer Growth & Income

Terms & Conditions

Alkhabeer Growth Income Fund

An open-ended public equity investment fund compliant with the standards of the Sharia Supervisory Committee of the Fund Manager

الخبير المالية
Alkhabeer Capital

Terms and Conditions

A) Name of the investment fund, stating its category and type:

Alkhabeer Growth & Income Fund

(An open-ended public equity investment fund compliant with the standards of the Sharia Supervisory Committee of the Fund Manager)

Sharia Certificate No.: AKC-1975-115-12-08-21-#02

B) Name of the Fund Manager:

Alkhabeer Capital

Fund Manager

Target fund capital	1 billion Saudi Riyals, and the minimum amount required to operate the fund is 300 million Saudi Riyals
Total number of units at inception	100 million units
Total number of units after capital reduction and cancellation of part of the units	69,974,149 units
Unit price in the initial offering	10 Saudi Riyals

C) Declarations and explanatory statement:

- These Terms and Conditions were issued on 06/07/1443H, corresponding to 07/02/2022G, and were updated on 03/12/1447H, corresponding to 20/05/2025G.
- The Capital Market Authority approved the offering and listing of the units of Alkhabeer Growth & Income Fund as a closed-ended traded fund on the Saudi Exchange on 06/07/1443H corresponding to 07/02/2022G, and the Capital Market Authority approved the delisting of the Fund's units and the change of the Fund's category and type to an open-ended public fund on 03/12/1447H corresponding to 20/05/2026G.
- The Terms and Conditions of Alkhabeer Growth & Income Fund have been 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, bear full responsibility for the accuracy and completeness of the information contained in the Terms and Conditions. The members of the Fund's Board of Directors and the Fund Manager also acknowledge and confirm the accuracy and completeness of the information contained in the Terms and Conditions and also acknowledge and confirm that the information and data contained in the Terms and Conditions are not misleading.
- The Capital Market Authority has approved the offering of the units of Alkhabeer Growth & Income Fund. The Authority bears no responsibility for the contents of the Fund's Terms and Conditions, gives no assurance as to their accuracy or completeness, and makes no recommendation regarding the feasibility of investing in the Fund. Its approval of the offering of the Fund's units does not constitute a recommendation to invest in it, and it confirms that the decision to invest in the Fund is that of the investor or their representative.
- Alkhabeer Growth & Income Fund has been approved as an investment fund compliant with the Sharia standards approved by the Sharia Supervisory Committee appointed for the investment fund.
- All information and provisions contained in the Terms and Conditions of the "Alkhabeer Growth & Income Fund" are subject to the Investment Funds Regulations issued by the Capital Market Authority, contain complete, clear, correct, and non-misleading information, and shall be updated and amended.
- Potential investors must read the Terms and Conditions of Alkhabeer Growth & Income Fund and its other documents carefully and thoroughly before making an investment decision.
- An investor's investment in the Fund constitutes an acknowledgment that they have reviewed and accepted the Fund's Terms and Conditions.
- The fund's annual reports, including the financial statements, are available on the Fund Manager's website www.alkhabeer.com and the Saudi Exchange website www.saudiexchange.sa, where the Fund's performance can be viewed in its reports.
- We advise investors to read and understand the Fund's Terms and Conditions. If the Fund's Terms and Conditions cannot be understood, we advise seeking the advice of a professional advisor.

This document is only a translation of the Arabic version of the Terms and Conditions that was submitted to the Capital Market Authority. In case of any discrepancy between the English and Arabic version, the Arabic version will prevail. If the client desires to subscribe in the Fund, they must sign the Arabic version of the Terms and Conditions approved by the Capital Market Authority.

This is the amended version of the "Alkhabeer Growth & Income Traded Fund" terms and conditions which reflects the following changes:

Current wording	Proposed wording
Fund name: "Alkhabeer Growth & Income Traded Fund" (Alkhabeer Growth & Income Traded Fund) **(A closed-ended publicly traded equity investment fund)**	**Fund name: "Alkhabeer Growth & Income Fund" (Alkhabeer Growth & Income Fund)** **(An open-ended public equity investment fund)** **(The fund name, category, and type have been amended where applicable)**
The term "Valuation"	**The term "Valuation" (the term has been amended where applicable)**
"Sharia Supervisory Controls"	**"Standards of the Sharia Supervisory Committee at the Fund Manager" (amended where applicable)**
Fund operation date	**Fund operation date (amended where applicable)**
Cover page	
C) Declarations and explanatory statement: • The Capital Market Authority approved the offering and listing of the units of Alkhabeer Growth & Income Fund on the Saudi Exchange on 06/07/1443H, corresponding to 07/02/2022G. • All information and provisions contained in the Terms and Conditions of "Alkhabeer Growth & Income Traded Fund" are subject to the Investment Funds Regulations issued by the Capital Market Authority and the Listing Rules, contain complete, clear, correct, and non-misleading information, and are updated and amended.	**C) Declarations and explanatory statement:** • The Capital Market Authority approved the offering and listing of the units of Alkhabeer Growth & Income Fund as a closed-ended traded fund on the Saudi Exchange on 06/07/1443H corresponding to 07/02/2022G, and the Capital Market Authority approved the cancellation of the listing of the Fund's units and the change of the Fund's category and type to an open-ended public fund on 03/12/1447H corresponding to 20/05/2026G. • All information and provisions contained in the Terms and Conditions of "Alkhabeer Growth & Income Fund" are subject to the Investment Funds Regulations issued by the Capital Market Authority, and contain complete, clear, correct, and non-misleading information, and are updated and amended
Important notice	
The Terms and Conditions also contain the information submitted in compliance with the requirements for registering the units and accepting their listing on the Saudi Exchange in accordance with the Investment Funds Regulations and the Listing Rules.	Delete the statement from the notice for delisting.
Fund Guide	
Offering Manager / Receiving Entity	Delete the information of (Offering Manager / Receiving Entity) from the Fund Guide for delisting where applicable.
Glossary	
"Listing Rules" means the Listing Rules approved by the Capital Market Authority Board Resolution No. (3-123-2017) dated 9 Rabi' Al-Thani 1439H corresponding to 27 December 2017G, as amended by its resolution No. (2021-22-1) dated 12 Rajab 1442H corresponding to 24 February 2021G, as may be amended from time to time;	Delete the definition for delisting.
"Receiving Entity / Entities" means the entities receiving subscription applications for "Alkhabeer Growth & Income Traded Fund" as set out in the Fund Documents;	**Delete the definition for delisting.**
"Tadawul" means the automated stock trading system of the Saudi Exchange;	**Delete the definition for delisting.**
It was not previously mentioned.	**"Dealing Day"** means the day on which subscription to and redemption of the Fund's units may be made, being the day on which submitted subscription and redemption requests are executed using the latest calculated unit price of the Fund. When such a day is not a business day, the Dealing Day shall be the next business day following that day.
It was not previously mentioned.	**"Valuation Day"** means the day on which the valuation point occurs, at which the Fund's assets are valued and consequently used in calculating the Fund's net asset value.
"Net Asset Value" or "Fund Net Asset Value" means the cash value based on the total asset value of the open- or closed-ended traded investment fund with less liabilities (including any financial obligations and fees and expenses accrued to the Fund during the calculation period). The net asset value shall be determined in accordance with paragraph (10) of these Terms and Conditions;	**"Net Asset Value" or "Fund Net Asset Value"** means the cash value based on the total asset value of the open-ended investment fund less liabilities (including any financial obligations and fees and expenses accrued to the Fund during the calculation period). The net asset value shall be determined in accordance with paragraph (10) of these Terms and Conditions;
"Unit Price" means the price of the unit in the market as announced by the Saudi Exchange;	**Delete the definition for delisting.**
"Fundamental Changes" means any of the following cases: 1) a material change in the Fund's objectives, nature, or class; 2) a change that may have a significant adverse effect on unitholders or on their rights in relation to the Fund; 3) a change that affects the Fund's risk level; 4) the voluntary withdrawal of the Fund Manager from the position of Fund Manager; 5) any change that would ordinarily cause unitholders to reconsider their participation in the public closed-ended fund; 6) any change that results in an increase in payments from the assets of the public closed-ended fund to the Fund Manager or any member of the Fund's board of directors or any affiliate of either of them; 7) Any change that introduces a new type of payment to be paid from the assets of the closed-ended public fund; 8) Any change that materially increases the types of other payments paid from the assets of the closed-ended public fund; 9) A change in the maturity date or termination of the closed-ended public fund; 10) An increase in the total value of the assets of the closed-ended public fund through accepting cash or in-kind contributions, or both; 11) Any other cases determined by the Authority from time to time and communicated to the Fund Manager.	**"Fundamental Changes" means any of the following cases:** 1) A material change in the Fund's objectives, nature, or class; 2) A change that may have a material adverse effect on the unitholders or on their rights in relation to the fund; 3) A change that affects the fund's risk level; 4) The voluntary withdrawal of the Fund Manager from the position of Fund Manager; 5) Any other cases determined by the Authority from time to time and communicated to the Fund Manager.
Fund Summary	
Minimum initial subscription amount: 1000 Saudi Riyals.	**Minimum subscription and redemption amount:** 1000 Saudi Riyals for each investor.
Dealing Days: During daily trading hours through licensed financial intermediaries.	**Dealing Days:** Every Sunday and Tuesday of each week, except for official holidays in the Kingdom of Saudi Arabia. If a dealing day falls on an official holiday in the Kingdom of Saudi Arabia or in one of the markets in which the Fund invests, the dealing day shall be the following business day.
Valuation Days: Daily, the fund manager will evaluate the fund's net asset value per unit on each business day, and the net asset value per unit will be published on the business day following the valuation date. When any of those days is not a business day, the valuation day will be the next business day.	**Valuation Days:** Every Monday and Wednesday of each week, except for official holidays in the Kingdom of Saudi Arabia. If an evaluation day falls on an official holiday in the Kingdom of Saudi Arabia or in one of the markets in which the Fund invests, the Fund's assets will be evaluated on the following business day.
Days for announcing the fund's net asset value per unit: The net asset value per unit will be announced and published on the Saudi Exchange website and the fund manager's website.	**Days for announcing the fund's net asset value per unit:** The unit price shall be announced and published at the end of the day following the dealing day.

Redemption payment date:

Since the fund is a closed-ended exchange-traded fund, unitholders cannot redeem their units in the fund; rather, they may trade the units according to the unit trading price in the market, where the units are traded in the same manner as shares of companies listed on Tadawul. Unitholders may sell or buy units during daily trading hours through licensed financial intermediaries.

Redemption payment date:

No later than the closing of business on the fifth day following the valuation day on which the redemption price was determined.

Fund term:

The term of the fund shall be 99 years from the date the units are listed on the Saudi Exchange, renewable at the discretion of the fund manager after obtaining the approval of the Capital Market Authority.

Fund term:

The fund has no specified term, as it is an open-ended public investment fund not restricted to a specified duration.

Subscription Fees

2.0% of the subscription amount.

Subscription Fees

Up to 1.0% of the subscription amount.

Not previously mentioned.

Redemption fees:

None.

Terms and Conditions

1) Investment Fund

(c) The date of the Authority's approval for offering the Fund's units:

Approval was obtained from the Capital Market Authority for the offering and registration of the units of Alkhabeer Growth & Income Traded Fund on the Saudi Exchange on 06/07/1443H, corresponding **to** 07/02/2022G

(c) The date of the Authority's approval for offering the Fund's units:

Approval was obtained from the Capital Market Authority for the offering and registration of the units of Alkhabeer Growth & Income Fund as a closed-ended traded fund on the Saudi Exchange on 06/07/1443H, corresponding **to** 07/02/2022G.

Approval was also obtained from the Capital Market Authority to cancel the listing of the Fund's units and change the Fund's category and type to a public open-ended fund on 03/12/1447H corresponding **to** 20/05/2026G.

(d) Fund term:

The term of the Fund shall be 99 years from the date the units are listed on the Saudi Exchange, renewable at the discretion of the Fund Manager after obtaining the approval of the Capital Market Authority.

(d) Fund term and maturity date:

The Fund has no specified term, as it is a public open-ended investment fund not restricted to a specific duration.

3) Investment Policies and Practices

(d) The investment percentage in each investment field, with its minimum and maximum limits

The fund may invest in a number of different assets that comply with the Sharia Committee's controls. The allocation limits for investment in these assets are as follows:

Type of investment	Minimum limit	Maximum limit*
Listed global and local equities	(75%)	100%
Initial public offering and capital increase of shares of listed companies	(0%)	25%
Unlisted companies and those planning an initial public offering through participation in private offerings	(0%)	25%
Public and private equity funds, exchange-traded funds, and money market funds	(0%)	25%
Cash liquidity and Murabaha transactions	(0%)	25% **

(d) The investment percentage in each investment field, with its minimum and maximum limits

The Fund may invest in a number of different assets that comply with the standards of the Sharia Supervisory Committee of the Fund Manager. The allocation limits for investment in these assets are as follows:

Type of investment	Minimum limit	Maximum limit*
Listed global and local equities	(75%)	100%
Initial public offerings and capital increases for shares of listed companies	(0%)	25%
Private equity funds, unlisted companies, and companies approaching an initial public offering through participation in private placements	(0%)	10%
Public equity funds, exchange-traded funds, and money market funds	(0%)	25%
Cash liquidity and Murabaha transactions	(0%)	25% **

Not previously mentioned.

(e) Statement of the credit rating of the Fund's investments

The Fund invests in direct Murabaha transactions entered into with a party regulated by the Saudi Central Bank or by a regulatory authority equivalent to the Saudi Central Bank outside the Kingdom of Saudi Arabia. These counterparties must have a credit rating as determined by one of the three international credit rating agencies, rated at a minimum as follows:

- Standard & Poor's (BBB-)
- Moody's (Baa3)
- Fitch (BBB-)

Not previously mentioned.

(f) Statement of the maximum percentage of unrated investments and any other restrictions related to the credit rating

The Fund will not invest its assets with unrated entities by any of the three international credit rating agencies (Standard & Poor's, Moody's, Fitch), or with parties not regulated by the Saudi Central Bank or by a regulatory authority equivalent to the Saudi Central Bank outside the Kingdom of Saudi Arabia.

(h) Disclosure of whether the Fund Manager intends to invest in the Fund's units

The Fund Manager may invest in the Fund from time to time during the term of the Fund, provided that the Fund Manager discloses any investment it makes in the Fund at the end of each financial year in the financial disclosure summary. The Fund Manager will disclose details of its investments in the Fund's units at the end of each quarter on its website, the Saudi Exchange website, or any other website available to the public in accordance with the controls specified by the Authority (where applicable), as well as in the reports prepared by the Fund Manager in accordance with Article (76) of the Investment Funds Regulations.

(h) Disclosure of whether the Fund Manager intends to invest in the Fund's units

The Fund Manager may invest in the Fund from time to time during the term of the Fund, provided that the Fund Manager discloses any investment it makes in the Fund at the end of each financial year in the financial disclosure summary. The Fund Manager will disclose details of its investments in the Fund's units at the end of each quarter on its website, the Saudi Exchange website, or any other website available to the public in accordance with the controls specified by the Authority (where applicable), as well as in the reports prepared by the Fund Manager in accordance with the Investment Funds Regulations and any amendments thereto from time to time.

(k) Other restrictions on the types of securities or other assets in which the Fund may invest

The Fund Manager shall comply with the restrictions applicable to the Fund set out in the Investment Funds Regulations, the Fund's Terms and Conditions, the Fund's Sharia supervisory controls, and the Fund's Board of Directors' resolutions, including but not limited to the following:

- The Fund may invest its money and assets in private funds, provided that this does not exceed 25% of the Fund's net asset value.
- The Fund may invest more than 10% of its net asset value in illiquid assets, provided that no more than 25% of the Fund's net asset value is invested in a single illiquid asset.
- The Fund's borrowing in the main market may not exceed 30% of its net asset value.
- No more than 25% of the net asset value of the public fund may be invested in units of another investment fund or in units of different investment funds issued by the same financial institution.
- The Fund shall not own more than 10% in a single unlisted company for the benefit of the Fund.
- No more than 10% of the securities issued by any single issuer may be owned for the benefit of the Fund.
- No more than 20% of the net asset value of the fund whose units have been acquired may be owned.
- No more than 20% of the Fund's net asset value may be invested in all classes of securities of a single issuer.
- No more than 10% of the net asset value of the public fund may be invested in any class of securities issued by a single issuer. In all cases, no more than 20% of the Fund's net asset value may be invested in all classes of securities for a single issuer. The following investments are excluded from this paragraph:
  1. Investment of more than 10% of the net asset value of the public fund in shares of a single issuer listed on

(k) Other restrictions on the types of securities or other assets in which the fund may invest

The Fund Manager shall, in its management of the fund, comply with the resolutions of the fund's board of directors, provided that this does not conflict with the restrictions and limits imposed by the relevant laws and regulations issued by the Capital Market Authority, the fund's terms and conditions, and the standards of the Sharia Supervisory Committee of the Fund Manager.

the market or on any other organized financial market, provided that it does not exceed the ratio of the market value of the issue to the total market value of all shares listed on the relevant market. This applies to a public fund whose objective is to invest in shares listed on the market or on any other organized financial market, provided that such investment does not exceed 20% of the net asset value of the fund. 2. Investment of more than 10% of the net asset value of the public fund in shares listed on the market or on any other organized financial market of a single issuer belonging to a field or sector in which the public fund aims to invest, provided that this does not exceed the ratio of the market value of the issue to the total market value of that specific field or sector. This applies to a public fund whose terms and conditions state that its investment objective is specified in a particular field or sector of shares listed on the market, provided that the investment therein does not exceed 20% of the net asset value of the fund. • Except for investment in investment funds, the total of the fund's investments in different entities belonging to the same group may not exceed 25% of the net asset value of the public fund, and this includes all investments in securities issued by them, money market transactions concluded with them, and bank deposits held with them. • The fund portfolio may not include any security in respect of which any amount due is required to be paid, unless such payment can be fully covered by cash or securities that can be converted into cash from the fund portfolio within five (5) business days. • The Fund Manager shall comply with Article (59) of the Investment Funds Regulations regarding the procedures for breaches of investment restrictions: A. In the event of a breach of any of the investment restrictions stipulated in these Regulations or in the fund's terms and conditions due to an action taken by the Fund Manager or the sub-fund manager, the Fund Manager must notify the Authority thereof in writing immediately and take the necessary corrective measures within five (5) days from the date of the breach, and the Authority may, at its sole discretion, change that period. B. In the event of a breach of any of the investment restrictions stipulated in these Regulations or in the fund's terms and conditions due to a change in circumstances beyond the control of the Fund Manager or the sub-fund manager, and the breach is remedied within five (5) days from the date of the breach, the Fund Manager must notify the Compliance Officer and/or the Compliance Committee thereof immediately, with reference to the corrective plan and confirmation that the breach will be remedied as soon as possible. C. The Fund Manager must notify its Compliance Officer and/or Compliance Committee and the fund's board of directors of all breaches of the investment restrictions referred to in paragraph (a) of this Article immediately upon their occurrence. The Compliance Officer and/or the Compliance Committee must maintain a permanent record of all breaches of the investment restrictions referred to in paragraphs (a) and (b) of this Article, and document the action taken and the time period required to remedy them.	
(m) The fund's powers to obtain financing, the Fund Manager's policy regarding the exercise of powers to obtain financing, and a statement of its policy regarding the pledging of the Fund's assets The Fund Manager may obtain facilities or margin financing, and margin transactions shall be executed for the benefit of the fund through the broker, provided that such facilities or financing are compliant with the controls of the Sharia Board and do not exceed 30% of the net asset value of the fund. The financing periods depend on the nature of the assets purchased with such facilities or margin financing. The fund's assets may be pledged and/or ownership of the Fund's assets or part thereof may be transferred as collateral in the name of a company affiliated with the financial institution that provided financing to the fund (in a manner that does not conflict with the circulars of the regulatory authorities). The amount of financing depends on (a) the financing terms and (b) prevailing market conditions. The terms of any financing facilities shall be based on a non-recourse basis against the unitholders.	**(m) The fund's powers to obtain financing, the Fund Manager's policy regarding the exercise of powers to obtain financing, and a statement of its policy regarding the pledging of the Fund's assets** The Fund Manager may obtain facilities or margin financing, and margin-covered transactions may be executed for the benefit of the Fund through the broker, provided that such facilities or financing comply with the standards of the Sharia Supervisory Committee of the Fund Manager and do not exceed 15% of the net asset value of the Fund. The financing periods depend on the nature of the assets purchased through such facilities or margin financing. The Fund's assets may also be pledged and/or ownership of the Fund's assets, or part thereof, may be transferred as collateral in the name of an affiliate of the financial institution that provided the financing to the Fund (provided this does not conflict with the circulars of the regulatory authorities). Excluded from this is obtaining financing for the purpose of covering redemption requests. The amount of financing depends on (A) the financing terms; (B) prevailing market conditions. The terms of any financing facilities shall be based on a non-recourse basis against the unitholders.
(e) The benchmark and information about the benchmark provider, and the basis and methodology used to calculate the benchmark	**(e) Mentioning the benchmark, the reasons for its selection, and the extent of its suitability for the Fund's strategies and investment objectives, in addition to information about the benchmark provider and the basis and methodology used to calculate the benchmark (total return or price return)** **The benchmark, designed by Ideal Ratings, has been specifically structured to align with the Fund's objectives and investment strategy, providing diversified exposure to global and local equities that comply with the standards of the Sharia Supervisory Committee of the Fund Manager across countries, sectors, and market capitalization segments of the target companies.** **The benchmark has also been constructed using a price return methodology.**
4) Main risks of investing in the Fund	
The Fund is considered high risk, and the Fund Manager cannot confirm that any increase will occur in the value of the investments in the Fund. (A) The traded unit price is likely to be subject to performance fluctuations, as it is an exchange-traded fund, which would make the degree of investment risk in the Fund high.	The Fund is considered high risk, and the Fund Manager cannot confirm that any increase will occur in the value of the investments in the Fund. (A) The net asset value per unit is likely to be subject to high fluctuations due to the composition of its investments, and accordingly, unitholders should be prepared to bear the risk of losing the invested capital in the Fund, in whole or in part, and that there are no guarantees of achieving returns from this investment.
Market liquidity risk: Due to the nature of the exchange-traded fund, an application will be submitted to obtain the approval of the Saudi Exchange for listing the Fund's units on the Saudi Exchange. Approval of the application or listing of the Fund on the financial market and trading of its units should not be construed as a guarantee of the existence of a liquid market for trading the units, or that a liquid market will develop, or that if a market for trading the units does develop, such market will continue indefinitely after approval of the listing and trading application. If a liquid trading market does not develop or continue, the liquidity of the units and their trading prices may be adversely affected. In addition, if the market or market liquidity does not develop, relatively small trades or scheduled trades in the units may have a significant adverse effect on the price of the units in the market, while it may be difficult to execute trades or scheduled trades involving a large number of units at a stable price. The limited number of units and/or unitholders may mean that there is limited liquidity for those units, which may adversely affect: (1) the investor's ability to exit part or all of its investment; and/or (2) the price at which that investor executes such exit; and/or (3) the trading price of those units in the secondary market. In addition, a large proportion of the units may be issued to a limited number of investors, taking into account the public ownership percentage requirement for the Fund's units, which may adversely affect the development of an active and liquid market for the units.	**Liquidity risk:** The Fund may encounter difficulty in exiting or disposing of the Fund's invested assets at any price that the Fund Manager considers fair, or in exiting the Fund's assets at the times planned by the Fund Manager, which may result in the Fund and its Manager being unable to realize any return from the invested assets, thereby negatively affecting the Fund's performance.
Risk of changes in the value of the Fund's units: The market trading price of the units may not reflect the fair value of the Fund's investments. Financial markets may, from time to time, experience severe fluctuations in prices and trading volumes, and this, together with economic,	**Risks of changes in the value of the Fund's units:** The announced net asset value per unit may not reflect the fair value of the Fund's investments. Financial markets may, from time to time, experience severe fluctuations in prices and trading volumes, and this, together with

political, and other conditions, may materially adversely affect the market trading price of the units. As the Fund is listed and traded on the financial market, the quoted prices of the units may be affected by a large number of factors, many of which are beyond the Fund's control; some are specifically related to the Fund and its operations, while others may affect investments as a whole or equity markets generally. In view of these possibilities, the level of investment risk in the Fund has been increased to high.

economic, political, and other conditions, may materially adversely affect the announced net asset value per unit. As the Fund invests in high-risk assets, unit prices may be affected by a large number of factors, many of which are beyond the Fund's control; some are specifically related to the Fund and its operations, while others may affect investments as a whole or equity markets generally. In view of these possibilities, the level of investment risk in the Fund has been increased to high.

Regulatory risks:

Although the Fund Manager must ensure the Fund's compliance with the relevant laws and instructions, it is possible for the Fund to lose one of the conditions that qualify it to be a listed closed-ended investment fund, which would result in adverse effects on the liquidity of trading in the Fund's units, thereby negatively affecting the value of the investment therein. In addition, subsequent changes (including a change in interpretation) may be made to the qualification conditions for the Fund to be a listed closed-ended investment fund. Potential investors should note that there is no guarantee that the Fund, after being selected to be a listed closed-ended investment fund, will remain a listed closed-ended investment fund (whether due to failure to meet regulatory requirements or otherwise). If the Fund fails to meet any of the regulatory requirements necessary to retain its status, the Capital Market Authority may suspend trading in the units or cancel the listing of the Fund. Inability to list the Fund on the Saudi Exchange may lead to adverse consequences for the marketability, liquidity, and value of the units.

Regulatory risks:

Although the Fund Manager must ensure the Fund's compliance with the relevant laws and instructions, the Fund may be exposed to risks due to changes in the applicable regulatory rules or any government actions relating to the Fund's investments, which may adversely affect the Fund's performance.

9) Consideration for services, commissions, and fees

(A) A statement of the details of all payments from the Fund's assets and the method of their calculation:

Subscription Fee

The Fund Manager is entitled to receive a subscription fee (the "Subscription Fee") at a fixed rate of 2.0% of the cash subscription amounts. It is payable once upon subscription.

Subscription Fee

Up to 1.0% of the subscription amount.

Not previously mentioned.

Redemption fee:

None.

Saudi Exchange registration fees:

The Fund shall pay the following fees for registration with the Saudi Exchange:

1. 50,000 Saudi Riyals in addition to 2 Saudi Riyals for each unitholder, up to a maximum of 500,000 Saudi Riyals, payable to the Securities Depository Center Company (Edaa) for creating a register of unitholders; one time.
2. 400,000 Saudi Riyals payable annually to the Securities Depository Center Company (Edaa) for maintaining a register of unitholders. These fees change from time to time depending on the value of the Fund's capital and are paid annually.

Delete the fees due to delisting.

Saudi Exchange listing fees:

The Fund shall pay the following listing fees:

1. 50,000 Saudi Riyals as an initial listing fee payable to the Saudi Exchange (one time); and
2. 0.03% of the Fund's market value annually (with a minimum of 50,000 Saudi Riyals and a maximum of 300,000 Saudi Riyals), payable to the Saudi Exchange on an annual basis.

Delete the fees due to delisting.

(B) The following table sets out all fees and expenses, together with the method of calculating consideration for services, commissions, and fees, and the time of their payment by the Fund:

Type of fees and charges	Applicable rate / amount	Basis of calculation	Calculation timing	Payment basis
Subscription fee	2.0% of the subscription amount	Calculated once on the cash subscription amounts	Upon subscription	Paid once by the investor upon subscription (subscription in the initial offering)

Type of fees and charges	Applicable rate / amount	Basis of calculation	Calculation timing	Payment basis
Subscription fee	Subscription fee	Calculated once on the cash subscription amounts	Upon subscription	Paid once by the investor upon subscription (subscription in the initial offering)

Type of fees and charges	Imposed percentage / amount	Basis of calculation	Time of calculation	Basis of payment
Saudi Exchange registration fees	The Fund pays the following fees for registration with Saudi Exchange 1. SAR 50,000 in addition to SAR 2 for each unitholder, up to a maximum of SAR 500,000; and 2. SAR 400,000 payable annually, and these fees change from time to time depending on the Fund's capital value.	1. One-time fixed amount 2. Fixed amount deducted annually	1. Before listing and trading the Fund's units 2. Lump sum amount based on the Fund's capital	1. Before listing and trading the Fund's units 2. Paid annually
Saudi Exchange listing fees	1. The Fund pays the following listing fees: 2. SAR 50,000 initial listing fee; and 3. 0.03% of the Fund's market value annually (minimum of SAR 50,000 and maximum of SAR 300,000)	1. A one-time lump sum paid upon listing the Fund on Saudi Exchange. 2. Amount based on the Fund's market value.	1. Before listing and trading the Fund's units 2. Calculated based on the Fund's market value	1. Before listing and trading the Fund's units 2. Paid annually

Deletion of fees for delisting.

(c) A hypothetical example illustrating the ratio of the Fund's costs to the Fund's net asset value at the Fund and Unitholder levels throughout the Fund's term, provided that it includes the ratio of recurring and non-recurring costs

The hypothetical table for paragraph (c) has been amended to align with the amendment contained in the fees table in paragraph (b).

Hypothetical subscription data	Percentage / value
Unit price at the beginning of the period (SAR)	10
Number of hypothetical subscription units	10,000
Subscription fee	2.00%
Hypothetical subscription amount before deducting the subscription fee (SAR)	102,000
Hypothetical subscription amount after deducting the subscription fee (SAR)	100,000

Hypothetical subscription data	Percentage / Value
Unit price at the beginning of the period (SAR)	10
Number of hypothetical subscription units	10,000
Subscription fee	%1.00
Hypothetical subscription amount before deducting the subscription fee (SAR)	101,000
Hypothetical subscription amount after deducting the subscription fee (SAR)	100,000

(d) Consideration of transactions imposed on the subscription, redemption, and transfer of ownership of units paid by unitholders

The Fund Manager is entitled to receive a subscription fee at a fixed rate of 2% of cash subscription amounts. As the fund is a closed-end exchange-traded fund, unitholders cannot redeem their units in the fund; rather, they may trade the units based on the unit trading price in the market, where units are traded in the same manner as shares of companies listed on the Saudi Exchange are traded. Unitholders may sell or purchase units during daily trading hours through licensed financial brokers.

(d) Consideration of transactions imposed on the subscription, redemption, and transfer of ownership of units paid by unitholders

The Fund Manager is entitled to receive a subscription fee of up to a maximum of 1.0% of cash subscription amounts.

There will be no fees in the event of a request to redeem Fund's units or transfer ownership thereof to other investors.

(h) A hypothetical example illustrating all fees, expenses, and transaction consideration paid from the Fund's assets or by the unitholder based on the fund's currency.

The hypothetical table for paragraph (h) has been amended to align with the amendment contained in the fees table in paragraph (b).

10) Valuation and Pricing

(b) Number of valuation points and their frequency:

The Fund Manager will value the Fund's assets per unit daily. The Fund Manager will publish the net asset value per

(b) Number of valuation points and their frequency:

The Fund Manager will value the Fund's assets per unit twice weekly (Monday and Wednesday). The Fund

unit on the business day following the valuation date. When any of those days is not a business day, the valuation day will be the following business day. It will be published on the Fund Manager's website www.alkhabeer.com and the Saudi Exchange website www.saudiexchange.sa.	Manager will publish the net asset value per unit by the end of the day following the dealing day. When any of those days is not a business day, the valuation day will be the following business day. It will be published on the Fund Manager's website www.alkhabeer.com and the Saudi Exchange website www.saudiexchange.sa.
(c) Procedures to be taken in the event of an error in valuation or pricing: In the event of an incorrect valuation or pricing of any asset of the fund or an incorrect calculation of the net asset value, the Fund Manager will do the following: • The Fund Manager must immediately notify the Authority of any valuation or pricing error amounting to 0.5% or more of the unit price and immediately disclose such errors on its website, the Saudi Exchange website, and in the fund reports prepared by the Fund Manager in accordance with Article (76) of the Investment Funds Regulations. • The Fund Manager must provide in its reports to the Authority required under Article (77) of the Investment Funds Regulations a summary of all valuation and pricing errors.	**(c) Procedures to be taken in the event of an error in valuation or pricing:** In the event of an incorrect valuation or pricing of any asset of the Fund or an incorrect calculation of the unit price, the Fund Manager will do the following: • The Fund Manager must immediately notify the Authority of any valuation or pricing error amounting to 0.5% or more of the unit price and immediately disclose such error on its website, the Saudi Exchange website, and in the fund reports prepared by the Fund Manager in accordance with the Investment Funds Regulations and any amendments made thereto from time to time. • The fund manager must provide in its reports to the Authority required in accordance with the Investment Funds Regulations and any amendments made thereto from time to time, a summary of all valuation and pricing errors.
(d) Method of calculating the unit price for the purpose of executing subscription and redemption requests: The nominal value of a Fund unit is SAR 10. The traded unit price is determined by the market based on the levels of supply and demand for the unit.	**(d) Method of calculating the unit price for the purpose of executing subscription and redemption requests:** The operator will determine the net asset value per unit as of each valuation day, and it will be calculated to the nearest four decimal places using the following equation: total fund assets minus total fund liabilities, divided by the total number of units issued.
(e) Place and time of publishing the unit price, and its frequency: The Fund's net asset value per unit is announced daily on the business day in the Kingdom following the valuation day through the Fund Manager's website www.alkhabeer.com and the Saudi Exchange website www.saudiexchange.sa.	**(e) Place and time of publishing the unit price, and its frequency:** The Fund's net asset value per unit is announced by the end of the day following the dealing day through the Fund Manager's website www.alkhabeer.com and the Saudi Exchange website www.saudiexchange.sa
11) Dealings	
Allocation mechanism	**Allocation mechanism for the Fund's initial offering (before delisting)**
(b) The specified date and deadlines for submitting subscription requests in the fund: Subscription requests may be submitted at any time during the initial offering period until the closing date. Units will be offered in accordance with the Investment Funds Regulations during the initial offering period, which extends for (15) business days starting from 10/08/1443H corresponding to 13/03/2022G and ending on 28/08/1443H corresponding to 31/03/2022G (the "Closing Date"). If the Fund is unable to raise SAR 300 million (the "minimum target fund capital"), the Fund Manager may, at its discretion, extend the offering period for (10) business days, or the offering will be cancelled and all subscription amounts and any other returns (if any) will be returned to investors in Saudi Riyals without any deduction within five (5) business days from the date of cancellation of the offering. The Fund Manager also reserves the right to reject the subscription request of any subscriber in the Fund if such subscription would result in a breach of the Fund's Terms and Conditions or the laws or implementing regulations that may be imposed from time to time by the Capital Market Authority or other regulatory authorities in the Kingdom of Saudi Arabia. The offering shall be canceled, and all subscription amounts shall be returned to investors, along with any returns resulting from their investment, without deduction, in the following cases (unless the Capital Market Authority decides otherwise): 1. Failure to achieve the minimum target fund capital of SAR 300 million, or 2. If the number of public unitholders is less than 200, or 3. If the percentage of public unitholders is less than 30%. In the event of cancellation of the initial offering, all subscription amounts and any returns resulting from their investment previously received shall be returned to the investor within five (5) business days from the end date of the initial offering period (without any deduction).	**(b) The specified date and deadlines for submitting subscription and redemption requests in the fund, and the responsibilities of the Fund Manager regarding subscription and redemption requests:** The deadline for submitting subscription and redemption requests for a particular dealing day is before 12 p.m. on the business day preceding the relevant valuation day, provided that the subscription and/or redemption request is submitted completely. If the subscription or redemption request is received after 12 p.m. on that day, it will be treated as a request on the next dealing day. **Responsibilities of the Fund Manager regarding subscription and redemption requests:** • Subscription and/or redemption requests are received on each dealing day of every week and are executed on dealing days before 12 p.m. to be valued on the valuation day. As for requests received after 12 p.m., they will be executed on the next valuation day following the dealing day. • The Fund Operator shall process subscription and/or redemption requests at the price calculated at the next valuation point following the deadline for submitting subscription and/or redemption requests. • Units in the Fund are issued or redeemed on the business day following the dealing date. They are reflected in the register of unitholders after the dealing date. • The Fund Operator will execute subscription and/or redemption requests in a manner that does not conflict with any provisions contained in the Investment Funds Regulations or the Fund's Terms and Conditions. • Redemption proceeds shall be paid no later than the close of the fifth business day following the valuation point at which the redemption price was determined.
(C) Subscription and redemption procedures, including the place for submitting applications and the period between the redemption request and payment of redemption proceeds or transfer of ownership: • **<u>Procedures for submitting applications for subscription to units</u>** To subscribe to the offering, investors must subscribe to the units and complete the subscription form. The subscription form will be available on the Fund Manager's website www.alkhabeer.com, the Lead Manager's website, the Receiving Entities, or the Saudi Exchange website www.saudiexchange.sa. Each prospective investor must: (a) submit the completed and signed subscription form, the signed terms and conditions, and any other documents required under the subscription form to the Fund Manager or through the Receiving Entities, and (b) pay the full subscription amount for the units applied for to the Fund's account with the Receiving Entities, free of any deductions, expenses, bank charges, bank transfer fees, and currency exchange fees (which shall be borne by the investor). If the above steps are not completed before the end of the initial offering period, or if the information provided is incorrect, the Fund Manager or the Receiving Entities may reject the subscription application. By submitting the completed and signed subscription form, each investor shall be deemed to have made a binding and irrevocable offer to subscribe for the number of units stated in the subscription form and shall also be deemed to have agreed to the terms and conditions. All subscription applications are subject to the Fund Manager's approval in accordance with the terms and conditions. • **<u>Minimum redemption</u>** Not applicable, as the Fund is closed-ended and listed, and unitholders are not entitled to redeem their units in the Fund. Rather, they may trade the units based on the unit trading price in the market, where the units are traded in the same manner as shares of companies listed on the Saudi Exchange, and unitholders may sell or buy units during the daily trading hours through licensed financial brokers. • **<u>Subscription steps</u>** 1. Reviewing the terms and conditions: Those wishing to subscribe may obtain a copy of the terms and conditions by visiting the website of the Receiving Entities for subscription applications, through the website of the Fund Manager - Alkhabeer Capital Company (www.alkhabeer.com), through the Saudi Exchange website (www.saudiexchange.sa), or through the website of the Saudi Capital Market Authority www.cma.org.sa. Anyone wishing to subscribe to the Fund's initial offering must review and sign the Fund's Terms and Conditions, retain them, and acknowledge electronically that they have reviewed and understood them. 2. Bank transfer: The full subscription amount intended to be subscribed for shall be transferred, with a minimum of 1,000 Saudi Riyals and no maximum subscription limit during the initial offering period, provided this does not conflict with public ownership percentage restrictions, to the account specified by the	**(c) Subscription and redemption procedures, including the place for submitting applications and the period between the redemption request and payment of redemption proceeds or transfer of ownership:** • **<u>Procedures for submitting applications for subscription to the units</u>** To subscribe to the Fund, investors wishing to subscribe to the Fund are required to open an investment account with the Fund Manager through which the subscription process will be executed. Each prospective investor must: (a) submit the subscription form after completing and signing it, and the terms and conditions after signing them, and deliver them by hand or through the website, along with any other documents required under the subscription form, to the Fund Manager, and (b) pay the full subscription amount for the units applied for through the subscriber's investment account, free of any deductions, expenses, bank charges, bank transfer fees, and currency exchange fees (which shall be borne by the investor). If the above steps are not completed, or if the information provided is incorrect, the Fund Manager may reject the subscription application. • **<u>Minimum redemption</u>** SAR 1000 per investor. • **<u>General conditions for subscribing to the Fund</u>** 1. Approval and signing of the Fund's Terms and Conditions. 2. The subscriber must have an active investment account with the Fund Manager. 3. Availability of an IBAN bank account registered in the subscriber's name. • **<u>Subscription steps</u>** 1. Opening an investment account with Alkhabeer Capital: In paper form through the Fund Manager's offices or electronically through the Fund Manager's website, Alkhabeer Capital (www.alkhabeer.com). 2. Review of the Terms and Conditions: Those wishing to subscribe may obtain a copy of the Terms and Conditions by visiting the Fund Manager's website - Alkhabeer Capital (www.alkhabeer.com), or through the Saudi Exchange website (www.saudiexchange.sa), or through the Saudi Capital Market Authority website www.cma.org.sa. Anyone wishing to subscribe to the Fund must review and sign the Fund's Terms and Conditions, retain them, and acknowledge electronically that they have reviewed and understood them. 3. Bank transfer: The full subscription amount intended to be subscribed, with a minimum of SAR 1,000 in addition to the subscription fees and the value-added tax due on the subscription fees, and with no maximum limit for initial or additional subscription, provided this does not conflict with public ownership percentage restrictions, shall be transferred to the subscriber's investment account. 4. Completing the subscription application form: The subscriber shall complete the subscription form fully

Receiving Entities for subscription applications.

3. For example, if an investor wishes to subscribe for 10,000 Saudi Riyals, they must transfer an amount of 10,000 Saudi Riyals as the subscription amount, in addition to the subscription fees and the value-added tax due on the subscription fees, and the subscriber shall attach the bank transfer receipt when submitting the subscription application.
4. Completing the subscription application form: The subscriber shall complete the subscription form fully and correctly, either in paper form or electronically. The investor shall then deliver or send all required documents set out below, either in paper form or electronically. No subscription application or bank transfer will be accepted after the end of the last business day of the subscription period. The investor will not be able to amend the information contained in the subscription application form after sending or delivering it. The subscription may be canceled and a new application submitted, while the subscription may not be canceled after it has been approved and confirmed. In all cases, investors of all categories must ensure submission and completion of the subscription requirements and documents, or upload them through the website.
5. Confirmation of receipt of subscription: The Receiving Entity for subscription applications will send confirmation of receipt of the fund subscription application to the client via email and/or by text message to the mobile number registered with it.
6. Acceptance of the subscription application: The subscription application will be reviewed, and if the application does not meet all requirements or if there are any remarks, the client will be notified by email or by text message to the registered mobile number through the electronic subscription feature to complete the requirements within one business day of notifying the subscriber. If the application is complete, the investor will be notified of the acceptance of the subscription application.
7. Allocation notice: after the closing date of the initial offering and the allocation of units to investors in accordance with the allocation mechanism and period, the Capital Market Authority will be notified, and the final offering results and unit allocation will be announced through the Fund Manager's website.
8. Refund of excess and listing: after the final allocation of units is announced, the excess amounts will be refunded to subscribers within the period specified in the terms and conditions without any deduction, after deducting the value of the allocated units, provided that the allocated units are listed in the subscribers' investment portfolios with the licensed brokerage company through the Saudi Exchange.

- **General conditions for subscription to the fund**
  1. Reviewing the fund's terms and conditions.
  2. The subscriber must have an active investment portfolio.
  3. Availability of a bank account number (IBAN) registered in the subscriber's name, from which the subscriber shall transfer the subscription amount and to which any excess amount will be refunded after allocation.
- **Requirements and documents required by investor category**
  - **Documents required from all investors:**
    - A copy of the bank transfer issued from a bank account in the investor's name, showing the subscription amount, if the subscription application is submitted electronically.
    - A signed copy of the terms and conditions (in paper form, or acknowledgment of having reviewed them electronically or by phone through a recorded call).
    - The subscription application form, signed and completed in full (in paper form, electronically, or by phone through a recorded call).
  - **Requirements and documents required for individuals:**
    - A copy of the national ID for Saudis or citizens of the GCC countries, or a copy of a valid resident ID for residents.
    - It is sufficient to complete one subscription application form for each principal investor subscribing for himself and for his family members listed in the family register, if the family members will subscribe for the same number of units requested by the principal investor, and the following shall result:
      1. All units allocated to the principal investor and dependent investors shall be registered in the name of the principal investor.
      2. Excess amounts for additional unallocated units shall be returned to the principal investor, whether paid by him for himself or for dependent investors.
      3. The principal investor shall receive all distributed unit profits for the units allocated to the principal investor and the dependent investors (provided the units are not sold or ownership thereof is not transferred).
  - **Requirements and documents required for minor individuals:**

    Attach the following documents:
    - A copy of the national ID for Saudis or citizens of the GCC countries, or a copy of a valid resident ID for resident minors aged from 15 Hijri years to 18 Hijri years, or the family book for those under 15 Hijri years.
    - A copy of the resident ID for resident minors under 18 Hijri years.
    - A copy of the national ID for Saudis or citizens of the GCC countries, or a copy of a valid resident ID for residents, for the guardian, valid and in effect.
    - If the guardian is not the minor's father, the guardianship deed must be attached.
    - A separate bank transfer must be made for each minor individual from the minor's guardian's same bank account if the minor does not have a bank account or portfolio.

    Details of some subscription cases for minor individuals:
    - Persons under 18 Hijri years of age may subscribe through a guardian or custodian.
    - A minor under 18 Hijri years may submit a copy of the national ID or residency, along with the guardian's or custodian's ID.
    - If the client is a Saudi national and under 15 Hijri years, the family register, including the minor and the national ID card of the guardian or custodian, must be attached.
    - If the client is under 18 years of age and under guardianship, a copy of the guardianship deed issued by the competent court must be attached along with the custodian's ID.
    - A legally incapacitated person may also subscribe through a guardian or custodian, provided that the legally incapacitated client has an investment portfolio with one of the capital market institutions.
    - A divorced or widowed Saudi woman with minor children from a non-Saudi husband may subscribe in the names of her children, provided that she submits proof that she is divorced or widowed and proof of

and accurately, in paper form or electronically. The investor shall then submit or send all required documents set out below, in paper form or electronically. The investor will not be able to amend the information contained in the subscription application form after submitting or delivering it. The subscription may be canceled and a new application submitted, while the subscription may not be canceled after it has been approved and confirmed, except with the approval of the Fund Manager. In all cases, investors of all categories must ensure submission and completion of the subscription requirements and documents, whether in paper form or through the website.

5. Confirmation of receipt of subscription: The Fund Manager will send confirmation of receipt of the subscription application in the Fund to the client via email and/or by text message to the registered mobile number.
6. Acceptance of the subscription application: The subscription application will be reviewed, and if the application does not meet all requirements or there are any remarks, the client will be notified via email or by text message to the registered mobile number through the electronic subscription feature to complete the requirements within one business day from notifying the subscriber. If the application is complete, the investor will be notified of acceptance of the subscription application.

- **General conditions for subscribing to the Fund**
  1. Approval and signing of the Fund's Terms and Conditions.
  2. The subscriber must have an active investment account with the Fund Manager.
  3. Availability of an IBAN bank account registered in the subscriber's name.
- **Requirements and documents required by investor category**
  - Opening an investment account with the Fund Manager through which subscription and/or redemption transactions will be executed, whereby the process of opening the investment account for all investor categories includes all know-your-customer procedures and anti-money laundering and counter-terrorism financing procedures, in compliance with the relevant laws and regulations issued by the Capital Market Authority and any amendments thereto from time to time.
  - Documents required from all investors:
    - The investment account opening agreement, duly completed and approved in paper form or electronically, including all statutory procedures issued by the Capital Market Authority.
    - A signed copy of the Terms and Conditions (in paper form or electronic acknowledgment of having reviewed them).
    - The subscription application form, signed and completed in full (in paper form or electronically).
  - Requirements and documents required for individuals:

    Complete the application form for subscription to the Fund's units, and review and approve the Fund's Terms and Conditions

her motherhood of the minor children.	
(d) Restrictions on dealing in the units: A unitholder's purchase of any unit of a closed-ended traded investment fund from the market shall constitute an acknowledgment that they have reviewed and accepted the Fund's Terms and Conditions. Upon listing, the units are traded in the same manner as shares of companies listed on the Saudi Exchange are traded. Unitholders may sell or purchase units during daily trading hours through licensed financial brokers.	**(d) Restrictions on dealing in units:** Ownership of the units may not be transferred except after obtaining the Fund Manager's approval. The transfer of ownership of units to other investors is subject to the Capital Market Authority Law and its implementing regulations, in addition to other regulations applicable in the Kingdom of Saudi Arabia.
(e) Cases in which dealing in units is deferred or suspended, and the procedures followed in such cases: • The Authority may suspend trading of listed units or cancel their listing at any time as it deems appropriate, in the following cases: a) If it deems this necessary to protect unitholders or to maintain an orderly market. b) If the Fund Manager materially fails, as deemed by the Authority, to comply with the Law, its implementing regulations, or the market rules. c) If the Fund Manager fails to pay any financial consideration due to the Authority or the market, or any fines due to the Authority, on their due dates. d) If it determines that the Fund, its business, the level of its operations, or its assets are no longer suitable for the continued listing of its units on the market. e) If it determines that the Custodian has materially failed, as deemed by the Authority, to comply with the Law, its implementing regulations, and the market rules. f) Upon expiry of the Fund's term. • The lifting of a trading suspension imposed pursuant to paragraph (1) above shall be subject to the following considerations: a) The situations that led to the suspension have been adequately remedied, and there is no need for the suspension to continue for unitholders. b) That lifting the suspension is not likely to affect the normal activity of the market. c) The Fund Manager's compliance with any other conditions deemed appropriate by the Authority. • The market shall suspend trading of the Fund's units in any of the following cases: a) The Fund Manager's failure to comply with the specified deadlines for disclosing its periodic financial information in accordance with the relevant implementing regulations: b) If the auditor's report on the Fund's financial statements contains an adverse opinion or a disclaimer of opinion. If the liquidity requirements specified in the Listing Rules are not met after the lapse of the period specified by the market for the Fund to rectify its position, unless the Authority approves otherwise. The market may at any time propose to the Authority the suspension of trading of the units or the cancellation of their listing if it considers that any of the cases set out in paragraph (1) above are likely to occur. When trading of its units is suspended, the Fund must continue to comply with the Law, its implementing regulations, and the market rules. If trading of the units remains suspended for six months without the Fund Manager taking appropriate measures to rectify such suspension, the Authority may cancel the listing of the Fund's units. • After listing its units, the Fund may not cancel the listing except with the prior approval of the Authority. To obtain the Authority's approval, the Fund must submit the delisting application to the Authority while simultaneously notifying the market thereof, and the application must include the following information: a) The specific reasons for the delisting application. b) A copy of the public disclosure of such matter as soon as possible. The disclosure must include, at a minimum, the reason for the delisting, the nature of the event that led to it, and the extent of its impact on the Fund's activities. c) The names and contact information of the financial advisor and legal advisor appointed pursuant to the relevant implementing regulations. • The Authority may, at its discretion, accept or reject the delisting application. • The Fund Manager must obtain the approval of the unitholders through an ordinary fund resolution for the delisting after obtaining the Authority's approval. • When delisting is based on the Fund Manager's application, the Fund Manager must disclose this to the public as soon as possible. The disclosure must include, at a minimum, the reason for the delisting, the nature of the event that led to it, and the extent of its impact on the Fund's activities. • The Fund Manager may request the market to temporarily suspend trading of the Fund's units upon the occurrence of an event during the trading session that must be disclosed without delay pursuant to the Law, its implementing regulations, or the market rules, and the Fund Manager is unable to maintain its confidentiality until the end of the trading session. The market shall suspend trading of the Fund's units immediately upon receiving the request. • When trading is temporarily suspended at the request of the Fund Manager, the Fund Manager must disclose to the public, as soon as possible, the reason for the suspension, its expected duration, the nature of the event that led to it, and the extent of its impact on the Fund's activities. • The Authority may temporarily suspend trading without a request from the Fund Manager when it has information or when there are circumstances that may affect the Fund's activities, and it believes that such circumstances may affect market activity or prejudice the protection of unitholders. A Fund whose units are subject to temporary trading suspension must continue to comply with the Law, its implementing regulations, and the market rules. • The Exchange may propose to the Authority to exercise its powers pursuant to paragraph (13) above if it becomes aware of information or circumstances that may affect the Fund's activities and are likely to affect the market activity or the protection of unitholders. • The temporary suspension of trading shall be lifted upon the expiry of the period specified in the disclosure referred to in paragraph (13) above, unless the Authority or the Exchange determines otherwise.	**(e) Cases in which dealings in units are deferred or suspended, and the procedures followed in such cases:** The Fund Manager has the right to defer or suspend dealings in the Fund's units in the following cases: 1. If requested by the Authority. 2. If the Fund Manager reasonably considers that the suspension serves the interests of the Fund's unitholders. 3. If trading is suspended in the principal market in which the securities or assets invested in by the Fund are traded, whether generally or in relation to the Fund's assets that the Fund Manager reasonably considers material to the Fund's net asset value. 4. The Fund Manager may defer the execution of redemption requests if the Fund is unable to sell/liquidate the assets it owns for any reason whatsoever. 5. The Fund Manager also reserves the right to reject any subscriber's subscription request in the Fund if such subscription would result in a breach of the Fund's Terms and Conditions or the rules or implementing regulations that may be imposed from time to time by the Capital Market Authority or other regulatory authorities in the Kingdom of Saudi Arabia. The Fund Manager shall take the following actions in the event of any suspension imposed by the Fund Manager: 1. Ensure that any suspension does not continue beyond the necessary and justified period, taking into account the interests of the Fund's unitholders. 2. Review the suspension regularly and consult regularly with the Fund's Board of Directors, the Custodian, and the Fund Operator regarding the suspension. 3. Notify the Authority and the unitholders immediately of any suspension, explaining the reasons for the suspension, and notify the Authority and the unitholders immediately upon the end of the suspension using the same method used to notify of the suspension, and disclose this on the Fund Manager's website and any other website in accordance with the controls determined by the Authority. 4. The Authority has the power to lift the suspension if it deems that to be in the interests of the unitholders.
(f) Statement of the procedures pursuant to which the redemption requests to be deferred are selected: Not applicable, as the Fund is closed-ended and listed, and unitholders are not entitled to redeem their units in the Fund. Rather, they may trade the units according to the unit trading price in the market, where the units are traded in the same manner as shares of companies listed on the Saudi Exchange are traded. Unitholders may buy or sell units during the daily trading hours through licensed financial brokers.	**(f) Statement of the procedures pursuant to which the redemption requests to be deferred are selected:** The Fund Manager reserves the right to defer redemption requests in the Fund in the following cases: – If the percentage of redemption requests submitted by unitholders and required to be executed on any dealing day reaches 10% or more of the Fund's net asset value, the Fund Manager shall have the right to execute redemptions not exceeding 10% of the Fund's net assets on that day only. Such redemptions shall be executed on a pro rata basis among the unitholders who submitted redemption requests, so that the executed amount is allocated among them in proportion to the value of each holder's units requested to be redeemed relative to the total value of the units requested to be redeemed on that day. Redemption

	requests that are not executed shall be carried forward to the next dealing day and shall have priority over new redemption requests, such that the carried-forward redemption requests are executed in full before any subsequent redemption requests begin to be executed, and this shall continue in the same manner on subsequent dealing days. – If trading is suspended in the principal market in which the securities or assets invested in by the Fund are traded for any reason, whether generally or partially, and the Fund Manager considers that the market suspension has affected the valuation of the Fund's units. –
(g) Description of the provisions governing the transfer of ownership of units to other investors: A unitholder's purchase of any unit of a listed closed-ended investment fund from the market constitutes an acknowledgment that it has reviewed and accepted the Fund's Terms and Conditions upon listing, and the Fund's units may be traded in the same manner as shares of companies listed on the Saudi Exchange; accordingly, unitholders and investors may trade during the regular trading hours announced by the financial market and through licensed brokerage firms.	**(g) Description of the provisions governing the transfer of ownership of units to other investors:** The Fund Manager aims to comply with the Authority's laws and instructions with respect to the transfer of ownership of units to other investors whenever such transfers exist.
(H) The minimum number or value of units that a unitholder must subscribe for, transfer, or redeem: The minimum subscription must not be less than SAR 1,000 or 100 units for each unitholder.	**(H) The minimum number or value of units that a unitholder must subscribe for, transfer, or redeem:** Minimum subscription: SAR 1,000 for each investor. Minimum additional subscription: SAR 1,000 for each investor. Minimum redemption: SAR 1,000 for each investor. Units may not be transferred except after obtaining the approval of the Fund Manager. The transfer of ownership of units to other investors is subject to the Capital Market Authority Law and its implementing regulations, in addition to other regulations applicable in the Kingdom of Saudi Arabia. The minimum subscription must not be less than SAR 1,000.
14) Register of Unitholders	
As a listed closed-ended investment fund, the register of unitholders is maintained by the Securities Depository Center Company (Edaa).	a) The Fund Operator must prepare and maintain a register of unitholders in the Kingdom of Saudi Arabia. b) The register of unitholders constitutes conclusive evidence of ownership of the units recorded therein. c) The Fund Operator shall update the register of unitholders immediately so that it reflects any changes in the information referred to in the Investment Funds Regulations. d) The register of unitholders must be made available for the Authority's inspection upon its request, and the Fund Manager must provide any unitholder, free of charge upon request, with a summary showing all information related to the relevant unitholder.
19) Changes to the Fund's Terms and Conditions	
(A) Provisions governing changes to the Fund's Terms and Conditions and the approvals and notices specified under the Investment Funds Regulations The Fund Manager shall comply with the provisions set out in the Investment Funds Regulations regarding changes made to the terms and conditions that require the Board's approval for all changes stipulated in Articles (62) and (63) of the Investment Funds Regulations, prior to the Fund Manager obtaining the approval of the unitholders and the Authority or notifying them, in accordance with the disclosure requirements for the listed closed-ended fund under Article (52) of the Investment Funds Regulations. Fundamental Changes: The Fund Manager must obtain the approval of the fund's unitholders for the proposed fundamental change through an ordinary fund resolution, unless the fundamental change relates to a change in the maturity date or termination of the public closed-ended fund, in which case the approval of the fund's unitholders shall be obtained through a special fund resolution. The Fund Manager must, after obtaining the approval of the unitholders and the Sharia Committee's approval, obtain the approval of the Capital Market Authority for the proposed fundamental change to the fund. The Fund Manager must notify unitholders and disclose details of the fundamental changes on its website and any other website available to the public, in accordance with the controls specified by the Authority, (10) days before the change takes effect. Details of the fundamental changes must be stated in the public fund reports prepared by the Fund Manager in accordance with Article 76 of the Investment Funds Regulations. Non-Fundamental Changes: The Fund Manager must notify the Authority and the unitholders and disclose on the Fund Manager's website and any other website available to the public, in accordance with the controls specified by the Authority, any non-fundamental changes in the public fund it manages (10) days before the change takes effect. The Fund Manager must obtain the approval of the Fund Board before making any non-fundamental change. Details of the non-fundamental changes must be stated in the public fund reports prepared by the Fund Manager in accordance with Article 76 of the Investment Funds Regulations. Disclosure of material developments: (1) The Fund Manager must disclose to the Authority and the unitholders, without delay, any material developments falling within the scope of its activities that are not publicly available and that may affect the Fund's assets and liabilities, its financial position, or the general course of its business, and may: (A) lead to a change in the listed unit price, or (B) materially affect the fund's ability to meet its obligations related to debt instruments. (2) To determine the development that falls within the scope of paragraph (A) of this Article, the Fund Manager must assess whether it is likely that any prudent unitholder would take such development into account when making his investment decision. Disclosure of certain events: The Fund Manager must disclose to the Authority and the unitholders, without delay, any of the following developments (whether or not they are material in accordance with paragraph (A) of this Article): (1) Any transaction to purchase, sell, mortgage, or lease an asset at a price equal to or exceeding 10% of the Fund's net assets according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent. (2) Any losses equal to or exceeding 10% of the Fund's net assets according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent. (3) Any dispute, including any lawsuit, arbitration, or mediation, if the amount of the dispute or claim is equal to or exceeds 5% of the Fund's net assets according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent. (4) An increase or decrease in the Fund's net assets equal to or exceeding 10% according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent.	**(A) Provisions governing changes to the Fund's Terms and Conditions and the approvals and notices specified under the Investment Funds Regulations** The Fund Manager shall comply with the provisions set out in the Investment Funds Regulations regarding changes made to the Terms and Conditions, which require Board approval for all changes stipulated in the Investment Funds Regulations and any amendments thereto from time to time. Fundamental Changes: The Fund Manager must obtain the approval of the Fund Unitholders for the proposed fundamental change through an ordinary fund resolution. The Fund Manager must, after obtaining the approval of the Unitholders and the Sharia Committee's approval, obtain the Capital Market Authority's approval for the Fund's proposed fundamental change. The Fund Manager must notify the Unitholders and disclose the details of the fundamental changes on its website and any other website available to the public in accordance with the controls specified by the Authority, 10 days before the change takes effect. Details of the fundamental changes must be stated in the public fund reports prepared by the Fund Manager in accordance with the Investment Funds Regulations and any other amendments thereto from time to time. Non-Fundamental Changes: The Fund Manager must notify the Authority and the Unitholders and disclose on the Fund Manager's website and any other website available to the public, in accordance with the controls specified by the Authority, any non-fundamental changes in the public fund it manages 10 days before the change takes effect, and the Fund Unitholders shall have the right to redeem their units before the non-fundamental change takes effect without imposing any redemption fees (if any). The Fund Manager must obtain the approval of the Fund Board before making any non-fundamental change. Details of the non-fundamental changes must be stated in the public fund reports prepared by the Fund Manager in accordance with the Investment Funds Regulations and any other amendments thereto from time to time.

(5) An increase or decrease in the Fund's total profits equal to or exceeding 10% according to the latest audited annual financial statements. (6) Any transaction between the Fund and a related party, or any arrangement pursuant to which both the Fund and a related party invest in any project or asset or provide financing for it, if such transaction or arrangement is equal to or exceeds 1% of the Fund's total revenues according to the latest audited annual financial statements. (7) Any interruption of any of the Fund's principal activities resulting in an effect equal to or exceeding 5% of the Fund's total revenues according to the latest audited annual financial statements. (8) The issuance of a judgment, decision, declaration, or order by a court or judicial authority, whether at the court of first instance or appellate level, that may adversely affect the Fund's use of any part of its assets with a total value exceeding 5% of the Fund's net asset value according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent. (9) Any proposed change in the total value of the Fund's assets.	
B) The procedures to be followed for notifying any change in the Fund's Terms and Conditions Fundamental changes: the Fund Manager shall send a notice to the Unitholders and disclose the details of the fundamental changes on its website and the Saudi Exchange website 10 days before the change takes effect; Non-fundamental changes: the Fund Manager must notify the Authority and the Unitholders and disclose on the Fund Manager's website and any other website available to the public, in accordance with the controls specified by the Authority, any non-fundamental changes in the public fund 10 days before the change takes effect. The Fund Manager will disclose all changes to the Fund's Terms and Conditions in the Fund's annual reports, including the summary annual reports and interim financial statements prepared in accordance with Article (76) of the Investment Funds Regulations.	**B) The procedures to be followed for notifying any change in the Fund's Terms and Conditions** Fundamental changes: The Fund Manager shall send notice to the unitholders and disclose the details of the fundamental changes on its website and the Saudi Exchange website in accordance with the controls determined by the Authority, (10) days before the change becomes effective; Non-fundamental changes: The Fund Manager must notify the Authority and the unitholders and disclose on the Fund Manager's website and any other website available to the public, in accordance with the controls determined by the Authority, any non-fundamental changes in the public fund, (10) days before the change becomes effective. The Fund Manager will disclose all changes to the Fund's Terms and Conditions in the Fund's annual reports, including the summary annual reports and interim financial statements prepared in accordance with the Investment Funds Regulations and any amendments thereto from time to time.
20) Termination and liquidation of the Fund	
(A) Cases requiring the termination of the investment fund and the relevant procedures under the Investment Funds Regulations: ❖ **The Fund shall be terminated in any of the following cases (each referred to as a "Termination Event"):** • The Fund Manager's desire to terminate the Fund and not continue it; • Upon expiry of the Fund's term;	**(A) Cases requiring the termination of the investment fund and the relevant procedures under the Investment Funds Regulations:** ❖ **The Fund shall be terminated in any of the following cases (each referred to as a "Termination Event"):** • The Fund Manager's desire to terminate the Fund and not continue it;
21) Fund Manager	
(J) Statement of the provisions governing the removal and replacement of the Fund Manager 6. Issuance of a special fund resolution by the unitholders of the closed-ended fund requesting the Authority to remove the Fund Manager. - **Upon removal of the Fund Manager in accordance with the case stipulated in subparagraph (6) above, it must obtain an ordinary fund resolution at the same meeting in which the unitholders voted on the request to remove the Fund Manager; in order to appoint the custodian or another party to search for and negotiate with a replacement fund manager and determine the specified period for the search and negotiation.**	**(J) Statement of the provisions governing the removal and replacement of the Fund Manager** Delete the paragraphs to change the fund type to open-ended.
31) Other information	
(F) The Fund Manager may appoint a market maker for the Fund.	**There will be no need to appoint a market maker for the Fund due to delisting.**
Appendix (1) - Financial Disclosure Summary	
Subscription Fees The Fund Manager is entitled to receive a subscription fee (the "Subscription Fee") at a fixed rate of 2.0% of the cash subscription amounts. It is paid once upon subscription.	**Subscription Fees** Up to 1.0% of the subscription amount.
Registration fees in the Saudi Exchange: The Fund shall pay the following fees for registration in the Saudi Exchange: 1. SAR 50,000 in addition to SAR 2 for each unitholder, up to a maximum of SAR 500,000, payable to the Securities Depository Center Company (Edaa) in consideration for establishing a unitholders register on a one-time basis; 2. SAR 400,000 payable annually to the Securities Depository Center Company (Edaa) in consideration for managing a unitholders register, and these fees change from time to time according to the value of the Fund's capital and are paid annually.	**Delete the fees due to delisting.**
Listing fees in the Saudi Exchange: The Fund shall pay the following listing fees: 1. SAR 50,000 as an initial listing fee payable to the Saudi Exchange once; and 2. 0.03% of the Fund's market value annually (with a minimum of SAR 50,000 and a maximum of SAR 300,000). It is paid to the Saudi Exchange annually.	**Delete the fees due to delisting.**
Appendix (3) - Internal Mechanism for Risk Assessment and Management	
Risk Mitigation Measures: The Fund Manager publishes the Fund's net asset value daily, which helps traders make a buy or sell decision. **Risk Description:** Although the Fund is valued daily, given that the Fund is traded on the Saudi Exchange, the purchase and sale prices of the units may be higher or lower than the Fund's net asset value as a result of supply and demand. **Expected Risks:** **Unit Price Volatility Risk**	**Delete unit price fluctuation risk due to delisting.**
Appendix (5) - Subscription Application Form	**Appendix (5) - Subscription / Redemption Application Form**
Appendix (6) - Letter issued by the legal advisor licensed to practice in the Kingdom regarding the legal due diligence report, in the form set out in Appendix No. (12) of the Investment Funds Regulations	**Delete (Appendix (6)) due to delisting.**
Appendix (7) - Letter issued by the Fund Manager regarding the due diligence report, in the form set out in Appendix No. (13) of the Investment Funds Regulations	**Delete (Appendix (7)) due to delisting.**

As per our letter sent to the Capital Market Authority dated 10/06/2026G.

Important Notice

These Terms and Conditions contain detailed information relating to Alkhabeer Growth & Income Fund (the "Fund") and the offering of units in the Fund (the "Units"). Upon submitting an application to subscribe to the Units, investors will be treated as having applied solely on the basis of the information contained in these Terms and Conditions, copies of which are available on the website of Alkhabeer Capital (the "Fund Manager") (www.alkhabeer.com), the website of the Saudi Capital Market Authority (the "CMA") (www.cma.org.sa), or Saudi Exchange (www.saudiexchange.sa).

Prospective investors must read these Terms and Conditions in full before purchasing Units in the Fund, as investment in the Fund involves certain risks and may not be suitable for all investors. Investors must be prepared to bear the risks associated with any investment in the Fund, as described in paragraph (4) of these Terms and Conditions. The acquisition by Unitholders of Units in the Fund shall constitute their confirmation and acceptance of these Terms and Conditions.

The Fund Manager has prepared these Terms and Conditions in its capacity as a closed Saudi joint stock company registered in the commercial register of the Kingdom of Saudi Arabia under No. 4030177445, licensed by the Capital Market Authority as a capital market institution under license No. 37-07074.

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

The Fund Manager bears full responsibility for the accuracy and correctness of the information contained in these Terms and Conditions, and confirms, to the best of its knowledge and belief, after conducting all possible studies and to the extent reasonably possible, that there are no other facts the inclusion or omission of which in these Terms and Conditions would make any statement contained herein misleading. The Fund Manager has conducted all reasonable inquiries to verify the accuracy of the information contained in these Terms and Conditions as of their date of issue; however, a significant portion of the information contained in these Terms and Conditions relating to the market and the sector has been obtained from external sources. Although the Fund Manager has no reason to believe that any market and sector information is materially inaccurate, it has not independently verified such information and makes no representation or warranty as to the accuracy or completeness of any such information.

The CMA bears no responsibility for the contents of these Terms and Conditions and gives no opinion or assurances as to the accuracy or completeness of these Terms and Conditions. The CMA bears no responsibility for any financial loss arising from the application of any provision of these Terms and Conditions or as a result of reliance thereon.

These Terms and Conditions should not be construed as a recommendation by the Fund Manager to participate in the initial offering. Furthermore, the information contained in the Terms and Conditions is general in nature and has been prepared without taking into account the individual investment objectives, financial situation, or particular investment needs of persons intending to invest in the offered units. Before making any investment decision, each person receiving a copy of these Terms and Conditions is responsible for obtaining independent advice from a financial advisor licensed by the Capital Market Authority in relation to the initial offering, and should rely on their own examination of the Fund and the suitability of both the investment opportunity and the information contained in these Terms and Conditions in light of the recipient's individual objectives, financial position, and needs, including the benefits and risks of investing in the Fund. Investment in the Fund may be suitable for some investors and not for others, and prospective investors should not rely on the decision of another party as to whether or not to invest as a basis for their own assessment of the investment opportunity and their own circumstances.

Subscription to the units is available only to the following categories of investors (the "Target Investors"): (a) natural persons holding Saudi nationality or other nationalities from the GCC countries; (b) institutions, companies, investment funds, and other legal persons established in the Kingdom of Saudi Arabia and other GCC countries; (c) foreign residents in the Kingdom of Saudi Arabia; (d) qualified foreign financial institutions licensed in accordance with the Rules Governing the Investment of Qualified Foreign Financial Institutions in Listed Securities issued by the Board of the Capital Market Authority pursuant to Resolution No. 1-42-2015 dated 15 Rajab 1436H (corresponding to 4 May 2015G); (e) other investors permitted by the Capital Market Authority to own shares listed on the Saudi Exchange. All recipients of these Terms and Conditions must review any legal or regulatory restrictions relevant to the initial offering and the sale of the units and must comply with all such restrictions.

The information contained in these Terms and Conditions is current as of the date of its issuance; however, it is subject to change. In particular, the value of the offered units may be adversely affected by future developments such as inflation, interest rates, taxes, or any economic, political, or other factors beyond the Fund Manager's control (for further details, please refer to paragraph (4) of these Terms and Conditions). Neither these Terms and Conditions nor any oral or written information regarding the offered units is intended, nor should it be construed or relied upon in any way, as a promise, representation, or guarantee of future profits, results, or events.

The forecasts contained in these Terms and Conditions have been prepared on the basis of assumptions derived from the Fund Manager's information in accordance with its market experience, in addition to publicly available market information. Future operating conditions may differ from the assumptions used, and therefore no assurances, undertakings, or guarantees are given as to the accuracy or completeness of any of these forecasts.

Certain statements contained in these Terms and Conditions constitute, or may be deemed to constitute, "forward-looking assumptions." These assumptions can generally be identified by the use of forward-looking words such as "plans," "estimates," "believes," "expects," "predicts," "may," "will," "should," "is expected," or "is assumed," the negative of these words, their derivatives, or similar terminology. These assumptions reflect the current views of the Fund Manager regarding future events, but they are not guarantees of future performance. There are many factors that could cause the Fund's actual results, performance, or achievements to differ materially from any future results, performance, or achievements expressed or implied by these forward-looking assumptions. Some of these risks and factors that may have such an effect are described in detail in other sections of these Terms and Conditions (for further details, please refer to paragraph (4) of these Terms and Conditions). If any of these risks or uncertainties materialize, or if any of the underlying assumptions prove to be incorrect or inaccurate, the Fund's actual results may differ materially from those stated in these Terms and Conditions as expected, estimated, or planned.

Fund Guide

Fund Manager

Alkhabeer Capital

P.O. Box: 128289, Jeddah 21362

Kingdom of Saudi Arabia

www.alkhabeer.com

Custodian

Albilad Capital

P.O. Box: 140, Riyadh 11411

Kingdom of Saudi Arabia

www.albilad-capital.com

Fund Operator

Alkhabeer Capital Company

P.O. Box: 128289, Jeddah 21362

Kingdom of Saudi Arabia

www.alkhabeer.com

Auditor and Zakat Consultant

Crowe Solutions for Professional Consulting Company

A member of Crowe Global

P.O. Box: 21499, Jeddah 40097

Kingdom of Saudi Arabia

https://www.crowe.com/sa

Legal Advisor

Mohammed Ibrahim Alammar Law Firm (in cooperation with King & Spalding LLP)

Kingdom Centre, 20th Floor

King Fahd Road

P.O. Box: 14702, Riyadh 11434

Kingdom of Saudi Arabia

www.kslaw.com

Sharia Supervisory Committee

Shariyah Review Bureau W.L.L.

Building No. 872, Office No. 41 and 42

Road 3618, Seef 436

Kingdom of Bahrain

www.shariyah.com

Glossary

"CMS Regulations"	The Capital Market Institutions Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (1-83-2005) dated 21 Jumada Al-Awwal 1426H, corresponding to 28 June 2005, based on the Capital Market Law issued by Royal Decree No. (M/30) dated 2 Jumada Al-Akhirah 1424H, as amended by the CMA Board Resolution No. (2-75-2020) dated 22 Dhu al-Hijjah 1441H, corresponding to 12 August 2020;
"Day"	means a business day in the Kingdom according to the Authority's official working days;
"Business Day"	means any day on which banks are open for business in the Kingdom of Saudi Arabia;
"Calendar Day"	means any day, whether a business day or not;
"Terms and Conditions"	are the contracts containing the data and provisions required under the provisions of the Investment Funds Regulations for the public fund, and which are signed between the Fund Manager and the Unitholders;
"Capital"	means the subscription amounts subscribed by the Unitholders in the Fund;
"Target Fund Minimum Capital"	means an amount equivalent to SAR 300 million as the minimum amount that the Fund Manager seeks to raise through the offering of units in the Fund;
"Closing Date"	is the date of the end of the initial offering period;
"Listing Date"	means the date of listing the units on the Saudi financial market;
"Capital Market Authority" or "Authority"	means the Saudi Capital Market Authority;
"Law"	means the Capital Market Law issued pursuant to Royal Decree No. (M / 30) dated 2 Jumada Al-Akhirah 1424H, corresponding to 31 July 2003;
"Termination Event"	means the cases stipulated in paragraph (20) of these Terms and Conditions;
"Fund"	means Alkhabeer Growth & Income Fund, an open-ended public equity investment fund compliant with the standards of the Fund Manager's Sharia Supervisory Committee and managed by the Fund Manager;
"Fund Manager"	means Alkhabeer Capital Company, which is licensed as a capital market institution by the Capital Market Authority under license No. 37-07074;
"Fund Term"	means that the Fund has no specified term, as it is a public open-ended investment fund not restricted to a specific duration;
"Initial Offering Unit Price"	means the price of offering the units during the initial offering period, which is 10 Saudi Riyals;
"Initial Offering Period"	means the period during which the units will be offered in accordance with these Terms and Conditions for a period of (15) business days, commencing on 10/08/1443H corresponding to 13/03/2022G and ending on 28/08/1443H corresponding to 31/03/2022G;
"Target Investors"	are (a) natural persons holding Saudi nationality or the nationality of any other GCC country; (b) institutions, companies, investment funds, and other legal persons established in the Kingdom of Saudi Arabia and other GCC countries; (c) foreign residents in the Kingdom of Saudi Arabia; (d) permitted foreign target investors allowed to invest pursuant to the Rules Governing the Investment of Qualified Foreign Financial Institutions in Listed Securities issued by the Board of the Capital Market Authority pursuant to its Resolution No. 2015-42-1 dated 15 Rajab 1436H corresponding to 4 May 2015; and (e) other investors who may be permitted by the Capital Market Authority to own securities listed on the Saudi Exchange;
"Investment"	means any asset in which the Fund invests;
"Offering" and "Initial Offering"	mean the initial public offering of the units in accordance with the Terms and Conditions;
"Public Offering"	means investing in the shares of companies that are about to be listed on the stock market or that have been listed for no more than five years;

"Private Placements"	means investing in the shares of unlisted companies that are approaching an initial public offering through participation in private placements targeted for listing on local markets (the Main Market or Parallel Market) and international markets. The Fund Manager executes transactions through a broker, and the broker shall be a financial and commercial company licensed by the regulatory authorities in the countries in which it operates;
"Core-satellite management"	is a strategy that combines an index-tracking strategy and an actively managed strategy, achieved by linking a portion of the Fund's value to the index in order to reduce the risk of underperformance relative to the expected level, and then refining this by investing the remaining portion in a number of active investment instruments, including public and private equity funds, IPOs, or private placements;
"Public Unitholder"	means a unitholder that does not represent any of the following: (a) any unitholder owning 5% or more of the units; (b) the Fund Manager and its affiliates; (c) a member of the Fund's Board of Directors;
"Ordinary Fund Resolution"	is a resolution adopted with the approval of unitholders whose ownership percentage represents more than 50% of the total units owned by unitholders present at the unitholders' meeting, whether present in person or by means of modern technology;
"Special Fund Resolution"	means a resolution requiring the approval of unitholders whose ownership percentage represents 75% or more of the total units owned by unitholders present at the unitholders' meeting, whether they are present in person, represented by a proxy, or by means of modern technology;
"Related Party":	as defined in the Investment Funds Regulations, means the following: 1) The Fund Manager and any sub-fund manager. 2) The custodian and any sub-custodian. 3) The accredited valuer. 4) The auditor. 5) The Fund's Board of Directors. except the Kuwaiti dinar;
"Currencies pegged to the US Dollar"	are currencies fixed against the dollar, such as the currencies of the Gulf Cooperation Council countries
"Money Market Funds"	means investment in units of Murabaha funds that aim to invest in short-term securities;
"Special Purpose Vehicle"	means a limited liability company established by the Custodian for the purpose of holding title to the Fund's assets;
"Subscription Amount"	means the amount contributed by the Unitholder upon subscribing to the Offering;
"Unit"	means the owners' interest in any investment fund composed of units, including fractions of a unit, and each unit shall be treated as representing an undivided interest in the Fund's assets;
"The Fund Manager's Sharia Supervisory Committee standards"	mean the fund-specific Sharia board controls based on which the fund determines the extent of investment compliance, as set out in Appendix (2);
"Sharia Supervisory Committee"	means Shariyah Review Bureau;
"Unitholder"	means the investor who invests in the Fund by owning its units;
"Dealing Day"	means the day on which subscription for and redemption of the Fund's units may be made; it is the day on which submitted subscription and redemption requests are executed using the latest calculated unit price of the Fund. When such a day is not a Business Day, the Dealing Day shall be the next Business Day thereafter.
"SAR"	means the Saudi Riyal, the official currency of the Kingdom of Saudi Arabia;
"Valuation Day"	means the day on which the valuation point occurs, at which the Fund's assets are valued and which is therefore used in calculating the Fund's net asset value.
	1) Members of the Board of Directors or any executive managers or employees of any of the above parties. 2) Any unitholder whose ownership exceeds 5% of the net assets of the investment fund. 3) Any affiliate of, or person controlling, any of the aforementioned persons.

"Broker"	means a person through whom the Fund Manager executes transactions for the purchase and sale of shares for the Fund's account. The broker shall be a financial and commercial company licensed by the regulatory authorities in the countries in which it operates;
"Sub-Fund Manager"	means a financial and commercial company licensed by the regulatory authorities in the countries in which it operates, appointed by the Fund Manager to manage specific asset classes, provided that the approval of the Fund's Board of Directors is obtained. The Fund Manager shall pay the fees and expenses of any sub-fund manager from its own resources;
"Purification Service Provider"	means a specialized company through which the Fund Manager calculates investment returns that are non-compliant with the standards of the Fund Manager's Sharia Supervisory Committee and which must be disposed of;
"Index Service Provider"	means a specialized company through which the Fund Manager creates the Fund's benchmark index, allocates the shares of the companies included therein, and periodically calculates their market values;
"Net Asset Value" or "Fund Net Asset Value"	means the monetary value based on the gross value of the assets of the open-ended investment fund less liabilities (including any financial obligations and fees and expenses accrued to the Fund during the calculation period). The Net Asset Value shall be determined in accordance with paragraph (10) of these Terms and Conditions;
"Murabaha"	means the sale of a commodity at the same price at which the seller purchased it plus an agreed known profit, whether as a percentage of the price or a fixed amount, whether effected without a prior promise, which is ordinary Murabaha, or effected based on a promise to purchase from the party wishing to obtain the commodity through a financial institution, which is banking Murabaha;
"Murabaha Transactions"	means Murabaha transactions executed with banks licensed by the Saudi Central Bank;
"Major Currencies"	are currencies in which the Fund may transact, including - by way of example and not limitation - the Saudi Riyal, the US Dollar, the Euro, the Hong Kong Dollar, the Japanese Yen, the Swiss Franc, and the Pound Sterling;
"Due Diligence Studies"	means the required studies conducted by the Fund Manager directly or through specialized parties to verify facts relating to investments in order to avoid unexpected risks and errors that must be avoided, and to ascertain the soundness and status of investments in terms of value and technical, legal, economic, and operational position, for example;
"Fundamental Analysis"	is the process of analyzing economic and financial data and information for the purpose of forecasting the future profitability of the investment and identifying the extent of future risks. The stages of fundamental analysis include the following: 1. Macroeconomic analysis. 2. Analysis of the sector in which the target company operates. 3. Analysis of the company's conditions and circumstances. 4. Financial analysis of the company. 5. Estimation of the company's fair value.
"Taxes / Tax"	is a financial obligation compulsorily paid by an individual to the state or one of the local public authorities as a contribution to covering public expenditures, without any special benefit accruing to him in return for paying the tax;
"Value Added Tax"	means, according to the Zakat, Tax and Customs Authority, an indirect tax imposed on all goods and services bought and sold by businesses, with some exceptions. It is considered a key source of income that contributes to strengthening state budgets. The Kingdom committed to implementing value added tax starting from 1 January 2018, corresponding to 14 Rabi' al-Thani 1439H, and value added tax was imposed at every stage of the supply chain, starting from production, through distribution, and ending with the final sale stage of the good or service. The consumer pays the cost of value added tax on the goods and services they purchase, while businesses pay the government the value added tax collected from consumers' purchase transactions, and businesses recover the value added tax they paid to their suppliers;

"Fundamental Changes"	means any of the following cases: 1) A material change in the Fund's objectives, nature, or class; 2) A change that may have a material adverse effect on the Unitholders or on their rights in relation to the Fund; 3) A change that affects the Fund's degree of risk; 4) The voluntary withdrawal of the Fund Manager from the position of Fund Manager; 5) Any other cases decided by the Authority from time to time and communicated to the Fund Manager.
"Non-Fundamental Changes"	means any change that is not considered among the fundamental changes;
"Benchmark"	refers to the index against which the Fund's performance is compared, which is the Alkhabeer Global Equity Index. It is an index compliant with the standards of the Sharia Supervisory Committee of the Fund Manager;
“Exceptional Circumstances”	means circumstances that are beyond the control of the Fund Manager, which the Fund Manager believes, if they occur, may adversely and unusually affect the Fund’s assets due to several political and/or economic and/or regulatory factors - including but not limited to - the occurrence of an economic crisis, force majeure, war, currency collapse, or any similar event).

Fund Summary

Fund name, type, and category	Alkhabeer Growth & Income Fund is an open-ended public equity investment fund compliant with the standards of the Sharia Supervisory Committee of the Fund Manager. It was established in accordance with the laws and regulations in force in the Kingdom and is subject to the control and supervision of the Capital Market Authority.
Fund Manager	Alkhabeer Capital, a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030177445 and licensed as a capital market institution by the Authority under License No. 37-07074.
Investment Objective	The investment objective of the Fund is to grow the net asset value of the Fund through the performance of its investments over the long term and to generate periodic income for investors through distributing the returns of the companies in which the Fund invests, in addition to a portion of the capital gains resulting from the growth in the market value of the invested securities. This is achieved by investing in a diversified portfolio of global equities, public and private equity funds, companies' initial public offerings, private placements, and cash and cash equivalents.
Risk Level	Investment in the Fund involves a high level of risk.
Minimum Subscription and Redemption Amount	1000 Saudi Riyals for each investor.
Dealing Days	Sundays and Tuesdays of every week, except official holidays in the Kingdom of Saudi Arabia. If a dealing day falls on an official holiday in the Kingdom of Saudi Arabia or in one of the markets in which the Fund invests, then the dealing day shall be the next business day following that day.
Valuation Days	Mondays and Wednesdays of every week, except official holidays in the Kingdom of Saudi Arabia. If a valuation day falls on an official holiday in the Kingdom of Saudi Arabia or in one of the markets in which the Fund invests, the Fund's assets will be valued on the next business day following that day.
Days for Announcing the Fund's Net Asset Value per Unit	The unit price shall be announced and published by the end of the day following the dealing day.
Redemption Payment Date	No later than the closing of business on the fifth day following the valuation day on which the redemption price was determined.
Unit Price in the Initial Offering	10 Saudi Riyals.
Fund Currency	Saudi Riyal (SAR).
Fund Term	There is no specific term for the Fund, as it is an open-ended public investment fund not restricted to a specific duration.
Fund Operation Date	3 April 2022G or any other date determined based on the successful collection of the minimum required capital during the subscription period.
Date of Issuance of the Fund's Terms and Conditions	06/07/1443H corresponding to 07/02/2022G
Benchmark	Alkhabeer Global Equity Index.
Fund Operator	Alkhabeer Capital.
Custodian	Albilad Capital.
Name of the auditor	Crowe Solutions for Professional Consulting Company - a member of Crowe Global.

Distribution Policy for Returns and Profits	• The Fund Manager aims to distribute profits on a semi-annual basis. This distribution includes 100% of the returns from the Fund's investments and up to 50% of the net realized and unrealized capital gains. These distributions are subject to the approval of the Fund's Board of Directors. • The Fund Manager may, as it deems appropriate, make additional distributions during the fiscal year, and these additional distributions are subject to the approval of the Fund's Board of Directors. • Distributions (if any) will be announced in accordance with the controls set by the Capital Market Authority from the date of announcement and publication of the Fund's quarterly report through the Saudi Exchange website, and details of the distributions will also be announced on the Saudi Exchange website www.saudiexchange.sa, and distributions (if any) will be paid within thirty business days from the date of announcement and publication of the Fund's quarterly report through the Saudi Exchange website.
Management Fees	0.80% annually of the Fund's net asset value.
Fund Operator Fees	The Fund shall pay the Fund Operator annual fees equal to 0.15% of the Fund's net asset value.
Subscription Fees	Up to 1.0% of the subscription amount.
Redemption Fees	None.
Custody Fees	The Fund will pay a fee of SAR 25,000 to establish a special purpose vehicle. Annual custody fees for assets in the Saudi market, calculated from the Fund's total asset value, are as follows: **A- From SAR 0 to SAR 750 million: 0.06%** **B- From SAR 750 million to SAR 1 billion: 0.05%** **C- More than SAR 1 billion: 0.04%** Annual custody fees for assets in global markets are as follows: **A- United States and United Kingdom: 0.04%** **B- France, Germany, Switzerland, and Japan: 0.07%** **C- China A market and China B market: 0.22%** Provided that the Custodian's fees shall not be less than SAR 3,000 as a minimum monthly amount.
Transaction Costs and Fees (Brokerage)	Brokerage expenses (including broker fees) or any other trading fees shall be paid directly by the Fund at levels determined by the regulations or the broker in the markets in which the Fund trades. These amounts vary based on the type of transactions, the nature of the investments, and the volume of operations.
Other Fees and Expenses	The Fund shall bear all other actual expenses related to the Fund's activities, the deployment of its investments, and the professional and operational services provided by third parties, including - but not limited to - the costs of convening unitholders' meetings and other professional services provided to the Fund, in addition to the expenses of the income purification service provider (if any) and the index service provider's expenses. The Fund shall be responsible for any payable tax imposed in the future by the regulatory authorities. These fees, charges, and expenses shall not exceed 0.50% of the Fund's net asset value annually, excluding fees, commissions, and taxes subject to government laws and regulations, noting that only the actual fees will be deducted.
Zakat advisor expenses for submitting information returns to the Zakat, Tax and Customs Authority	The expenses of the Zakat advisor for submitting information returns to the Zakat, Tax and Customs Authority are expected to amount to SAR 20,000 annually.

Zakat	The Fund Manager will comply with the "Rules for the Collection of Zakat from Investors in Investment Funds" and any amendments thereto from time to time. The Fund Manager has also registered the Fund with the Zakat, Tax and Customs Authority for Zakat purposes and for submitting the necessary returns in accordance with the rules and regulations of the Capital Market Authority and any amendments thereto. Note that the responsibility for calculating and paying Zakat rests with the Fund's unitholders, and the Fund bears no responsibility in this regard. The Fund Manager also undertakes to provide the Zakat, Tax and Customs Authority with all required information returns within a period not exceeding (120) days from the end of the Fund's Zakat year. The Fund Manager will also provide unitholders with the information necessary to calculate their Zakat base upon request in accordance with the rules. Investors subject to the provisions of these rules who own investment units in the Fund are required to calculate and pay Zakat on these investments. The Fund Manager will also notify the Zakat, Tax and Customs Authority of the Fund's termination within (60) days from the date of termination. The Zakat Authority rules may also be viewed through the website: https://zatca.gov.sa/ar/Pages/default.aspx.

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Terms and Conditions

1) Investment Fund

(A) Name, class, and type of the fund

The “Alkhabeer Growth & Income Fund” is an open-ended public equity investment fund that complies with the standards of the Sharia Supervisory Committee of the Fund Manager. It was established in accordance with the laws and regulations applicable in the Kingdom and is subject to the control and supervision of the Capital Market Authority. These Terms and Conditions were issued on 06/07/1443H, corresponding to 07/02/2022G.

(B) Date of issuance of the investment fund’s Terms and Conditions, and the latest update (if any)

These Terms and Conditions were issued on 06/07/1443H, corresponding to 07/02/2022G, and were updated on 03/12/1447H, corresponding to 20/05/2025G.

(C) Date of the Authority's approval for the offering of the Fund's units

The Capital Market Authority approved the offering and registration of the units of Alkhabeer Growth & Income Traded Fund as a closed-ended traded fund on the Saudi Exchange on 06/07/1443H, corresponding to 07/02/2022G.

The Capital Market Authority also approved the cancellation of the listing of the Fund's units and the change of the Fund's category and type to a public open-ended fund on 03/12/1447H corresponding to 20/05/2026G.

(D) Fund Term

There is no specified term for the Fund, as it is a public open-ended investment fund not restricted to a specific duration.

2) Applicable Law

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

3) Investment Policies and Practices

(A) Investment Objectives

The Fund Manager will focus on investing in a diversified portfolio of global equities. The Fund's investments include investing in shares of companies across all sectors traded in global markets, including the Kingdom of Saudi Arabia, the United States of America, the People's Republic of China, Japan, Switzerland, the United Kingdom, France, Germany, and Canada. Investment in those markets will be made according to the currency of each country. In addition, the Fund Manager will invest in public and private equity funds managed by fund managers licensed by the Authority or an equivalent body in the case of investment outside the Kingdom of Saudi Arabia, where these funds include shares of companies with different market capitalizations across various countries and sectors. The Fund Manager also intends to invest in initial public offerings that will be listed on various equity markets, in addition to subscribing to capital increases of listed companies, and pre-IPO unlisted companies through participation in private placements prior to the initial public offering, and cash and cash equivalents, in compliance with the standards and principles of the Fund Manager's Sharia Supervisory Committee, with the aim of achieving long-term growth and generating periodic income from share returns and capital gains.

The Fund Manager will adopt a passive investment policy to build and manage the portfolio of global and local equities by following Alkhabeer Global Equity Index compliant with the standards of the Fund Manager's Sharia Supervisory Committee (the "Index"), which is an index created specifically for the benefit of the Fund in cooperation with the index service provider, Ideal Ratings (the "Index Service Provider"). The Index Service Provider will calculate the values of the companies included in the Index and manage the Index for the benefit of the Fund. The Index includes companies of various sectors and sizes in the largest global financial markets, in addition to the leading companies in the Kingdom of Saudi Arabia. The Index will be rebalanced every three months by the Index Service Provider.

The Fund Manager aims to adopt an active policy for deploying capital in public and private equity funds offered by local, regional, and global licensed fund managers or exchange-traded funds, including the Fund Manager. In the event of investment in a fund managed by the Fund Manager, the Fund will be exempt from any management fees or administrative fees due for the benefit of such fund. When investing in funds in general, the Fund Manager will ensure that the strategy of the target fund is aligned with the Fund's investment strategy in terms of the risk-return mix.

The Fund Manager will adopt an active policy for investing in company IPOs and capital increases of companies listed in the local market, whether on the Saudi Exchange or the parallel market (Nomu), in addition to regional and global markets. The Fund Manager will conduct due diligence studies to verify the suitability of the investment.

The Fund Manager will follow an active approach when investing in unlisted companies approaching an initial public offering through participation in private placements in the local market or regional and global markets. The Fund Manager will study potential investments to ensure their compliance with the standards of the Fund Manager's Sharia Supervisory Committee and their suitability in terms of potential profits and associated risks.

The Fund Manager may employ cash liquidity in Murabaha transactions or money market funds. Under normal circumstances, the Fund Manager will not retain cash or invest in Murabaha transactions in excess of 25% of the Fund's net asset value. However, in the event of liquidation of certain investments (until the cash liquidity is reinvested), or under exceptional circumstances such as an economic crisis, war, etc., the allocation to cash liquidity and Murabaha transactions may be increased up to 100% of the Fund's net asset value.

(B) Type(s) of securities in which the Fund will primarily invest

The Fund Manager aims to deploy the Fund's capital by investing in global equities, public offerings, public and private equity funds, private placements, and Murabaha transactions.

(C) Policy for concentration of investment in certain securities, or in an industry or group of sectors, or in a particular country or geographic region, provided that it includes the minimum and maximum for such securities.

The Fund Manager will focus on investing in a diversified portfolio of global and local equities, public and private equity funds, initial public offerings, capital increases, private placements, cash and cash equivalents, in compliance with the standards and principles of the Sharia Supervisory Committee of the Fund Manager, to achieve long-term growth and generate periodic income from stock returns and capital gains. The table in item (d) sets out the minimum and maximum for such securities.

(D) Investment percentage in each investment field at its minimum and maximum limits

The Fund may invest in a number of different assets that comply with the standards of the Sharia Supervisory Committee of the Fund Manager. The allocation limits for investment in these assets are as follows:

Type of investment	Minimum limit	Maximum limit *
Listed global and local equities	(75%)	100%
Initial public offering and capital increase for shares of listed companies	(0%)	25%
Private equity funds and unlisted companies preparing for an initial public offering through participation in private placements	(0%)	10%
Public equity funds, exchange-traded funds, and money market funds	(0%)	25%
Cash liquidity and Murabaha transactions	(0%)	25% **

* In the event of an increase or decrease in the capital value of investment assets, or due to debt maturity, which may cause the Fund to exceed the maximum investment limit in any of its assets, the Fund Manager will evaluate the investment positions and rebalance the portfolio to ensure compliance with the investment ratio limits specified in the above table. The Fund Manager may need to choose to retain the investment position until the next portfolio rebalancing date or until the maturity date of an illiquid asset, in the interest of the unitholders.

The Fund Manager will comply with the investment limits and restrictions applicable to the Fund as set out in the Investment Funds Regulations, the Fund's Terms and Conditions, and the standards of the Sharia Supervisory Committee of the Fund Manager.

** Under normal circumstances, the Fund Manager will not retain cash liquidity or invest in Murabaha transactions in excess of 25% of the Fund's net asset value. However, in the event that some investments are liquidated (and until the cash liquidity is reinvested), or in exceptional circumstances, including, for example, an economic crisis, force majeure, war, etc., the allocation to cash liquidity and Murabaha transactions may be increased up to 100% of the Fund's net asset value.

(E) Statement of the credit rating of the Fund's investments

The Fund invests in direct Murabaha transactions entered into with a party regulated by the Saudi Central Bank or by a regulatory authority equivalent to the Saudi Central Bank outside the Kingdom of Saudi Arabia.

These counterparties must have a credit rating as determined by one of the three international credit rating agencies, with a minimum rating as follows:

- Standard & Poor's (BBB-)
- Moody's (Baa3)
- Fitch (BBB-)

(F) Statement of the maximum percentage of unrated investments and any other restrictions related to the credit rating

The Fund will not invest its assets with unrated entities by one of the three international credit rating agencies (Standard & Poor's, Moody's, Fitch), or with parties not regulated by the Saudi Central Bank or by a regulatory authority equivalent to the Saudi Central Bank outside the Kingdom of Saudi Arabia.

(G) Securities markets in which the Fund is likely to buy and sell its investments

The Fund Manager has the right to invest in local and global financial markets, as the Fund Manager aims to diversify the geographic scope of the Fund's investments through investing in various equity markets, including the Kingdom of Saudi Arabia, the United States of America, the People's Republic of China, Japan, Switzerland, the United Kingdom, France, Germany, and Canada. Companies are filtered based on a market capitalization exceeding USD 100 million and a traded value exceeding USD 1 million daily, and there will be no target weights for investment in the countries or economic sectors included in the index or the fund. The index includes 160 companies from among global companies compliant with the standards of the Sharia Supervisory Committee of the Fund Manager, in addition to the 10 largest companies listed on the Saudi stock market. The global companies included in the index are divided by market capitalization into three categories: the largest 70 companies in terms of free-float market capitalization among large-cap companies, the largest 50 companies in terms of free-float market capitalization among mid-cap companies, and the largest 40 companies in terms of free-float market capitalization among small-cap companies.

Large-cap companies are defined as those companies representing the largest market capitalization, being the segment of companies that represents up to or equal to 70% of the total combined market capitalization; the segment above 70% up to or equal to 85% is mid-cap; and the segment above 85% up to or equal to 100% is small-cap.

Illustrative table for the definition of companies' market capitalization:

Segment of the total combined market capitalization	Definition of the company
Above 0% up to or equal to 70%	Large market capitalization
Above 70% up to or equal to 85%	Medium market capitalization
Above 85% up to or equal to 100%	Small market capitalization

In addition, the maximum weight of a single country will be 60% and 5.0% for a single company of the total value of the index. The index is rebalanced annually by the index service provider.

(H) Disclosure of whether the Fund Manager intends to invest in the units of the fund

The Fund Manager may invest in the Fund from time to time during the term of the Fund, provided that the Fund Manager discloses any investment it has in the Fund at the end of each fiscal year in the financial disclosure summary. The Fund Manager will disclose details of its investments in the Fund's units at the end of each quarter on its website, the Saudi Exchange website, or any other website available to the public in accordance with the controls determined by the Authority (where applicable), as well as in the reports prepared by the Fund Manager in accordance with the Investment Funds Regulations and any amendments made thereto from time to time.

(I) Transactions, methods, and instruments that the Fund Manager may use for the purpose of making investment decisions for the investment fund

- The fund's performance will largely depend on the performance of the global and local equity portfolio that follows the blended management or core-satellite management strategy, which primarily relies on tracking the Alkhabeer Global Equity Index and enhancing performance through investment in private placements, initial public offerings, and investment funds.
- Replicating the Alkhabeer Global Equity Index, which includes companies of various sectors and sizes in the largest global financial markets, in addition to the largest leading companies in the Kingdom of Saudi Arabia that comply with the standards of the Sharia Supervisory Committee of the Fund Manager, and investing in subscriptions and private placements.
- For subscriptions in unlisted companies approaching an initial public offering, the Fund Manager will rely, through participation in private placements, on the fundamental analysis of each investment opportunity and its evaluation based on the strength of the financial position and expected returns of the relevant companies, in addition to analyzing technical indicators and the level of risk associated with each opportunity. Thereafter, investments considered suitable investment opportunities will be selected.
- The Fund Manager aims to invest in public and private equity funds offered by local and global fund managers licensed by the Capital Market Authority or a similar regulatory authority, in order to increase diversification, access additional markets and companies, and

target different investment strategies that are consistent with the Fund's objectives in terms of the risk-return mix. The returns achieved by the Fund from investing in the targeted funds shall be net of any fees and charges related to those funds. These funds are selected based on the suitability of the funds, the efficiency of the fund manager, and financial performance criteria, which include the following:

Suitability criteria:

- Compliance with the standards of the Sharia Supervisory Committee of the Fund Manager
- Fund size
- Fund strategy and investment objective
- Geographic and sector diversification
- Risk level
- Fees and expenses

Fund manager efficiency:

- Licensed by the Capital Market Authority or a similar authority when investing outside the Kingdom
- Company history
- Company reputation in the market
- Total assets under management
- Team experience and competence

Financial performance criteria:

- The fund's past performance
- Risk management
- Performance compared to competing funds

- The Fund invests in commodity murabaha transactions with financial institutions rated as determined by one of the three international credit rating agencies, with a minimum rating of Standard & Poor's (BBB-), Moody's (Baa3), Fitch (BBB-). The Fund Manager will rely on analyzing the best available offers in murabaha transactions or money market funds managed by fund managers licensed by the Capital Market Authority. Under normal circumstances, the Fund Manager will not retain cash liquidity or invest in murabaha transactions in excess of 25% of the Fund's net asset value. However, in the event of liquidation of some investments (until the cash liquidity is reinvested), or in exceptional circumstances such as an economic crisis, war, etc., the allocation to cash liquidity, murabaha transactions, and money market funds may be increased up to 100% of the Fund's net asset value.
- If the value of any asset owned by the Fund rises above or falls below the Fund's investment ratios mentioned in paragraph (d), which may result from an increase or decrease in the capital value of an invested asset or due to financing maturity, the Fund Manager will assess the investment positions and rebalance the portfolio to ensure compliance with the investment ratio limits specified in the table under paragraph (d) above. The Fund Manager may need to choose to retain the investment position until the date of rebalancing the Fund's investments or until the maturity date of an illiquid asset, in the interest of the unitholders, so that the Fund can comply with the investment ratios mentioned in paragraph (d) above.
- The investment decisions made by the Fund Manager shall be consistent with sound and prudent investment practices that achieve the Fund's investment objectives specified in the Fund's Terms and Conditions, including exerting its best efforts to ensure the following:
  1. The Fund's investments are based on prudent and careful risk diversification without prejudice to the investment objectives, policies, the Fund's Terms and Conditions, and the Regulations.
  2. Sufficient liquidity is available in the Fund to meet any expected payment request, such as due expenses and fees paid from the Fund.
- Risks have been assessed, and the necessary measures have been taken to achieve the interests of the unitholders in line with the applicable laws and regulations. For more details on the potential risks in the Fund, please refer to paragraph (4) of these Terms and Conditions.
- The Fund Manager follows a risk management policy aimed at identifying and assessing potential risks as early as possible and addressing them to reduce their impact. The Fund Manager studies and assesses the risks of any assets before investment, and risks are reassessed annually. For more details on the internal mechanism for risk assessment and management, please refer to Appendix No. (3).

(J) Securities that may not be included within the Fund's investments

The Fund will not invest its assets in financial derivatives and debt instruments such as sukuk or in securities not mentioned in paragraph (d) of the Terms and Conditions.

(K) Other restrictions on the types of securities or other assets in which the Fund may invest

The Fund Manager shall, in managing the Fund, comply with the resolutions of the Fund's Board of Directors in a manner that does not conflict with the restrictions and limits imposed by the relevant laws and regulations issued by the Capital Market Authority, the Fund's Terms and Conditions, and the standards of the Sharia Supervisory Committee of the Fund Manager.

(L) The limit within which the Fund's assets may be invested in units of a fund or investment funds managed by the Fund Manager or other fund managers or exchange-traded funds

The Fund Manager shall comply with the investment restrictions set out in the Investment Funds Regulations, which include the following.

- The allocation of the Fund's assets for investment in other funds managed by other fund managers shall not exceed 25% of the Fund's net asset value.
- Investment of the Fund's assets in units of another investment fund shall not exceed 25% of its net asset value.
- It is not permissible to own more than 20% of the net asset value of the fund whose units have been acquired.
- To avoid duplication of fees in the event of investment in other investment funds managed by the Fund Manager, the Fund Manager shall reimburse the amount of any fees charged to the units invested in the other investment funds managed by the Fund Manager by paying the amounts of such fees into the Fund's account within (10) business days from the date of their collection.

(M) The Fund's powers to obtain financing, the Fund Manager's policy regarding the exercise of the powers to obtain financing, and a statement of its policy in relation to pledging the Fund's assets

The Fund Manager may obtain facilities or margin financing, and trades with margin coverage shall be executed for the benefit of the Fund through the broker, provided that such facilities or financing comply with the standards of the Sharia Supervisory Committee of the Fund Manager and do not exceed 15% of the Fund's net asset value. The financing periods depend on the nature of the assets purchased through such facilities or margin financing.

The Fund's assets may be pledged and/or ownership of the Fund's assets, or part thereof, may be transferred as collateral in the name of a subsidiary of the financial institution that provided financing to the Fund (provided this does not conflict with the circulars of the regulatory authorities).

Excluded from the above is obtaining financing for the purpose of covering redemption requests.

The amount of financing depends on (a) the financing terms; (b) prevailing market conditions. The terms of any financing facilities shall be based on a non-recourse basis against the unitholders.

(N) The maximum limit for dealing with any counterparty

The maximum limit for dealing with any counterparty is 25% of the Fund's net asset value. The Fund Manager shall comply with the limits imposed by the Investment Funds Regulations.

(O) The Fund Manager's policy for managing the Fund's risks

The Fund Manager follows a risk management policy aimed at identifying and assessing potential risks as early as possible and addressing them to mitigate their impact. The Fund Manager studies and assesses the risks of any assets before investment, and risks are reassessed annually. The Fund Manager acknowledges the existence of an internal mechanism for assessing the risks related to the Fund's assets. For more details on the internal mechanism for risk assessment and management, please refer to Appendix No. (3).

The investment decisions made by the Fund Manager shall be consistent with sound and prudent investment practices that achieve the Fund's investment objectives specified in the Fund's Terms and Conditions, including using its best efforts to ensure the following:

- The Fund's investments are based on a cautious and prudent diversification of risk, without prejudice to the investment objectives, policies, and the Fund's Terms and Conditions.
- The availability of sufficient liquidity in the Fund to meet any expected payment request, such as expenses and accrued fees payable by the Fund.
- In exceptional circumstances and at its sole discretion, the Fund Manager may retain the Fund's assets in the form of cash liquidity and/or

investments in money markets and/or murabaha transactions and/or funds investing in murabaha transactions, up to a maximum of 100% of the Fund's net asset value.

- Risks are assessed, and the necessary actions are taken to achieve the interests of the unitholders in line with the applicable laws and regulations.

(P) Statement of the benchmark index, the reasons for its selection, and its suitability for the Fund's investment strategies and objectives, in addition to information about the index provider and the bases and methodology used to calculate the index (total return or price return)

The Alkhabeer Global Equity Index is an index created specifically for the benefit of the Fund in cooperation with the index service provider, which will calculate the values of the companies included in the index and manage it for the benefit of the Fund. The index includes companies of various sectors and sizes in the largest global financial markets, in addition to the largest leading companies in the Kingdom of Saudi Arabia, after screening companies based on a market capitalization exceeding USD 100 million and a daily trading value exceeding USD 1 million. The index will include 160 global companies representing the largest global financial markets, in addition to the 10 largest companies in the Kingdom of Saudi Arabia that comply with the standards of the Sharia Supervisory Committee of the Fund Manager. The global companies will be divided by market capitalization into three categories: the largest 70 companies by free-float market capitalization among large-cap companies, the largest 50 companies by free-float market capitalization among mid-cap companies, and the largest 40 companies by free-float market capitalization among small-cap companies.

Large-cap companies are defined as those companies representing the highest market capitalization, being the segment of companies representing up to or equal to 70% of the total market capitalization collectively; the segment above 70% up to or equal to 85% is mid-cap, and the segment above 85% up to or equal to 100% is small-cap.

The benchmark index, designed by Ideal Ratings, has been specifically created to align with the Fund's investment objectives and strategy, providing diversified exposure to global and local equities that comply with the standards of the Fund Manager's Sharia Supervisory Committee across countries, sectors, and market capitalization segments of the target companies.

The benchmark index has also been constructed using the price return methodology.

Illustrative table for the definition of companies' market capitalization:

Combined market capitalization size segment	Company definition
Greater than 0% up to and including 70%	Large market capitalization
Greater than 70% up to and including 85%	Medium market capitalization
Greater than 85% up to and including 100%	Small market capitalization

In addition, the maximum limit for a single country will be set at 60% and for each company at 5.0% on the annual rebalancing date, which differs from the index's quarterly rebalancing conducted for the purpose of Sharia review of the index constituents.

The index is calculated by the service provider (Ideal Ratings) using the total free-float-adjusted market capitalization of all stocks in the Alkhabeer Global Equity Index. The total market capitalization of a company is determined by multiplying its share price by the number of available shares, taking into account the number of free-float shares. The net performance of the index will be calculated daily. The Fund Manager will rely on following the Alkhabeer Global Equity Index in constructing the global equity portfolio:

- The global and local equity portfolio follows a passive investment strategy by replicating the performance of the index while maintaining tracking error at the lowest level and at a maximum of 2%.
- The Fund Manager will focus on investing in a diversified portfolio of global equities, as the Fund's investments include investments in shares of companies across all sectors traded in global markets, including the Kingdom of Saudi Arabia, the United States of America, the People's Republic of China, Japan, Switzerland, the United Kingdom, France, Germany, and Canada. Investment in those markets will be made according to the currency of each country. In addition, the Fund Manager will invest in public and private equity funds managed by fund managers licensed by the Authority or an equivalent body in the event of investment outside the Kingdom of Saudi Arabia, where these funds invest in shares of companies with different market capitalizations across various countries and sectors. The Fund Manager also intends to invest in initial public offerings to be listed on different stock markets, in addition to subscribing to capital increases of listed companies, and unlisted companies approaching an initial public offering through participation in private placements preceding the initial public offering, and cash and cash equivalents, in compliance with the standards and principles of the Fund Manager's Sharia Supervisory Committee, in order to achieve long-term growth and generate periodic income from equity returns and capital gains.

- There is no guarantee that the performance of the global equity portfolio will match the performance of the benchmark index in the following cases:
    - When comparing the performance of the global equity portfolio after deducting fees and expenses.
    - During periods of distributions to investors or receipt of dividends by the Fund.
    - Upon periodic rebalancing of the index by the index service provider and rebalancing of the global equity portfolio by the Fund Manager.
- The portfolio assets will be rebalanced every three months, in addition to tracking changes in the index (through the removal or addition of stocks), and the rebalancing process will be carried out within five (5) business days, depending on the markets invested in.
- Circumstances that may affect the index service provider's ability to calculate the index accurately:
    - Use of an incorrect closing price.
    - Delayed and incorrect company announcements.
    - Technical errors such as miscalculation or data entry errors by the index service provider.
- In the event of the expiry or termination of the contract with the index service provider, the Fund Manager shall have the right to contract with another service provider (30) days before the expiry or termination of the contract.
- Investors may track the performance of the index on Alkhabeer Capital's website.

(Q) Use of derivative contracts

The Fund will not invest its assets in financial derivatives.

(R) Exemptions from investment restrictions or limits approved by the Capital Market Authority

This paragraph does not apply to the Fund.

4) Key risks of investing in the Fund

The Fund is considered high risk, and the Fund Manager cannot confirm that any increase will occur in the value of the Fund's investments.

(A) The unit's net asset value is likely to be subject to high volatility due to the composition of its investments. Accordingly, unitholders should be prepared to bear the risk of losing all or part of the capital invested in the Fund, and there is no guarantee of achieving returns from this investment. The Fund's past performance or the benchmark's past performance is not an indication of the Fund's future performance.

(B) There is no guarantee to unitholders that the Fund's absolute performance or its performance relative to the benchmark will recur or match past performance.

(C) Investment in the investment fund is not considered a deposit with any bank.

(D) Unitholders are exposed to the loss of part or all of their capital invested in the Fund.

(E) The main potential risks associated with investing in the Fund, the risks to which the Fund is exposed, and the circumstances affecting the Fund's net asset value and returns:

Equity market risks: Share prices in the markets are subject to sharp fluctuations, which may include a sharp and sudden downward movement, in addition to the loss of part of the capital and a negative impact on the Fund's net asset value. No guarantee or assurance can be given regarding the future performance of securities, and past performance records do not reflect what will be achieved in the future.

Risks of subscribing to initial offerings and capital increases: Investment in initial offerings and capital increases involves the risk of limited share availability, as in the event the subscription is fully covered and demand for the shares offered for subscription increases, a maximum limit is set on the number of shares for each subscriber, and the remaining shares are then allocated in limited quantities to each subscriber. In addition, the investor's knowledge of the issuing company may be insufficient, or the company may have a limited performance history. Issuers of securities may also belong to new economic sectors, and some companies may be in the development stage and not generate operating income in the short term, which increases the risks of subscribing to their shares.

It is possible that there may be a delay in listing the shares of a company whose shares were acquired during the initial offering period, which results in the amount subscribed being tied up and limits the investment opportunities available to the Fund. This negatively affects the Fund's performance and the unit price.

Private offering risks: Investment in private offerings involves liquidity risk, as the Fund Manager may be unable to sell the securities in the market when desired, the offering process may not be completed, or there may be a delay in listing the shares of a company whose shares were acquired during the pre-offering period. In addition, investment in newly established companies with no operating history that would allow the Fund Manager to adequately evaluate the company's performance increases the risks of private offerings.

Risks of investing in other funds: Other funds in which the Fund may seek to invest may be exposed to risks similar to those stated in this paragraph, "the principal risks of investing in the Fund," which may adversely affect the Fund's performance and the unit price.

Compliance with Sharia restrictions: The Fund's investments must follow the standards of the Fund Manager's Sharia Supervisory Committee. These principles apply to the investment structure and, to a certain extent, to the Fund's activities and the diversification of its investments. To comply with these principles, the Fund may have to exit an investment, or part of it, if that investment or its investment structure violates the standards of the Fund Manager's Sharia Supervisory Committee. The Fund Manager may dispose of certain companies at prices that may sometimes be unsuitable in order to comply with Sharia standards, which adversely affects the Fund's investments. In addition, when complying with the standards of the Fund Manager's Sharia Supervisory Committee, the Fund may lose investment opportunities if the Sharia committee determines that any proposed investment is not compliant with the standards of the Fund Manager's Sharia Supervisory Committee and therefore the Fund cannot consider it. Under certain circumstances, these factors may have a negative impact on the Fund's financial performance or investments compared to the results that could be obtained if the standards of the Fund Manager's Sharia Supervisory Committee were not applied to the Fund's investments.

Availability of suitable investments: No guarantee can be given that the Fund Manager will be able to select investments that achieve the Fund's investment objectives. The activities of selecting and structuring investments suitable for the Fund involve a high degree of competition and uncertainty as to whether the Fund's investments will generate profits for unitholders. The Fund Manager's inability to select suitable investments may negatively affect the Fund's ability to achieve the required growth in the market value of the units.

Currency exchange risk: The Fund's currency is the Saudi Riyal, and the Fund may invest in assets and financial instruments in different currencies. Investments in foreign securities involve additional considerations, such as fluctuations in the exchange rate between the Saudi Riyal and the various foreign currencies in which the Fund invests, and the costs associated with converting the principal amount of the investment and the income from the investment from one currency to another. Fluctuations in exchange rates and the costs associated with currency exchange negatively affect the value of the Fund's investments in Saudi Riyals and, consequently, the unit value.

Distribution volatility risk: There are no guarantees regarding the amounts of future distributions that the Fund will pay to unitholders. The Fund may be unable to pay any distributions due to unexpected events resulting in an increase in the Fund's costs or a decrease in its revenues as a result of the companies in which the Fund invests not distributing any cash dividends or the Fund not realizing any capital gains.

Financing risk: In general, financing may cause greater fluctuations in the Fund's net asset value, or the Fund may incur losses greater than the value of its investment. The Fund may also be delayed in repaying borrowed amounts on time for reasons beyond the Fund Manager's control, resulting in late payment charges (which are disbursed to charitable causes under the supervision of the financier's Sharia Committee), or the Fund Manager may be forced to sell some of its investments, which would affect the Fund's assets and be negatively reflected in unit prices. At the same time, financing involves a higher degree of risk that increases the Fund's and its investments' exposure to factors including higher debt costs and economic downturn, which negatively affect the Fund's net assets.

Risk of pledging assets: If the Fund obtains financing against pledged assets, this will lead to an increase in the level of risk, as the Fund may lose the pledged assets in favor of the financing party if it defaults on payment in accordance with the terms and conditions of the financing agreements with the financier. The use of financing involves a high degree of financial risk and exposes the Fund and its investments to other factors such as an increase in the cost of financing and economic recession. Furthermore, pledging the Fund's assets to the financing party and failure to comply with repayment to the financing party allow the financier to dispose of the pledged assets to recover the amounts due, which will affect the Fund's performance and expected returns.

Risk of limited operational experience: The risks involved in the Fund's future investments may differ significantly from the risks of the investments and strategies previously implemented by the Fund Manager in managing other investment funds. Future performance cannot necessarily be inferred from the previous results achieved by the Fund Manager. Therefore, the novelty of this product constitutes a risk, as it is difficult to predict the extent of change in the value of the units or the returns intended to be distributed.

Liquidity risk: The Fund may face difficulty in exiting the Fund's invested assets or disposing of them at any price that the Fund Manager considers fair, or in exiting the Fund's assets at the times planned by the Fund Manager, which may result in the Fund and its Manager being unable to achieve any return from the invested assets, which in turn negatively affects the Fund's performance.

No guarantee of investment returns: There is no guarantee that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the Fund and the nature of the transactions described in these Terms and Conditions. The value of the units may decline, or investors may lose some or all of the capital they have invested. No guarantee can be given that the Fund's expected or targeted returns will be achieved. All figures and statistics contained in these Terms and Conditions are for illustrative purposes only and do not represent profit projections. Actual returns cannot be predicted and may differ from the illustrative figures and statistics contained in these Terms and Conditions.

Risk of reliance on a broker: The Fund Manager intends to contract with a broker to execute investment transactions, which exposes the Fund to additional risks related to the efficiency of those brokers in carrying out the investment instructions agreed with the Fund Manager, thereby affecting the income generated for the Fund and causing a decline in unit prices.

Risks of relying on sub-fund managers: The Fund may appoint a specialized sub-fund manager to manage specific asset classes, which exposes the Fund to additional risks related to such manager's inefficiency in performing its duties, whether due to limited experience, failure to comply with the investment strategy, weakness in governance mechanisms, or related professional standards for managing the Fund's assets allocated to it, which affects the income generated for the Fund and leads to a decline in unit prices.

Risks of relying on the Fund Manager's employees: The success of the Fund depends primarily on the quality of performance of its management team affiliated with the Fund Manager. The loss of the services of any member of the management team in general (whether due to resignation or otherwise), or the inability to attract and retain additional employees, may have a material impact on the Fund's business and opportunities, as the Fund's ability to identify, analyze, and execute suitable investment opportunities in line with the Fund's strategies and practices would be affected, which would negatively impact distributions to unitholders.

Potential conflicts of interest: The Fund is exposed to various conflict of interest situations, as the Fund Manager, its affiliates, and their directors, officers, and partners may be directly or indirectly involved in a large number of activities and businesses that are sometimes competitive with the Fund. These risks arise in cases that affect the objectivity and independence of the Fund Manager's decision due to a personal interest that may affect the Fund Manager's decisions in making investment decisions, which may negatively affect the Fund's performance. This may adversely affect the Fund's ability to achieve its investment objective, including growing its returns and its ability to achieve better market value for the units.

Technology risks: The Fund Manager relies on the use of technology in managing the Fund. However, its information systems may be hacked or attacked through viruses or may partially or completely malfunction, which limits the Fund Manager's ability to manage the Fund's investments effectively. This negatively affects the Fund's performance, net asset value, and unit price.

Risks of dealing with a third party: The Fund may enter into transactions with a third party that may not be able to fulfill its contractual obligations under these transactions as a result of changes in the financial conditions of the contracting parties due to changes in management, demand, or products and services, which may lead to failure to fulfill the agreed obligations or contracts, and consequently have a negative impact on the Fund's net asset value and unit price.

Risks of changes in the value of the Fund's units: The announced net asset value per unit may not reflect the fair value of the Fund's investments. Financial markets may, from time to time, experience severe fluctuations in prices and trading volumes, and this, together with economic, political, and other conditions, may materially adversely affect the announced net asset value per unit. As the Fund invests in high-risk assets, unit prices may be affected by a large number of factors, many of which are beyond the Fund's control, some specifically related to the Fund and its operations, and some that may affect investments as a whole or equity markets in general. In view of these possibilities, the level of investment risk in the Fund has been increased to high.

Risks of incorrect expectations and changes in market conditions: The Fund's future performance depends significantly on changes in supply and demand conditions in the sectors invested in, which may be affected by regional and local economic and political conditions and increased competition, leading to a decline in the value of the acquired asset and fluctuations in supply and demand. Incorrect expectations used by the Fund Manager to make investment decisions may adversely affect the Fund's performance.

Valuation risks: The Fund's assets will be valued according to the method described in the paragraph entitled "Valuation of the Fund's Assets," the result of which may later prove to be inaccurate compared with the actual value of the assets if sold. As a result, the value of the Fund's assets represented by the net asset value may differ significantly from the actual value, which adversely affects cash distributions and the market value of the units.

Risks of failure of other parties to perform: Risks arising from changes in the financial conditions of the contracting parties due to changes in management, financial solvency, demand, or products and services may lead to their inability to fulfill obligations in the event they provide services for the benefit of the Fund, which affects the income generated for the Fund and leads to a decline in unit prices.

Sovereign and political risks: The value of the Fund and its investments may be adversely affected by geopolitical developments, social instability, and changes in government policies in the countries in which the Fund invests, as well as other political and economic developments, which may have a negative impact on the performance of the Fund's assets and the returns to unitholders.

Natural disaster risks: These include volcanoes, earthquakes, epidemics, hurricanes, floods, and any natural phenomenon that cannot be controlled and causes significant destruction to property and assets, and adversely affects various economic and investment sectors, which may have a negative impact on the performance of the Fund's assets and the returns to unitholders.

Interest rate risks: The market value of the securities owned by the Fund is affected by changes in interest rates, and such fluctuations will be reflected in the net asset value of the Fund; consequently, they will have a negative impact on the Fund's net asset value and the unit price.

Investment in emerging markets: The Fund intends to make investments in (emerging markets); therefore, the Fund is exposed to various risks usually associated with investing in emerging markets, including the possibility of adverse political and economic developments in some target countries, in addition to developments and restrictions relating to currency exchange rates, restrictions on transferring money abroad, regulatory restrictions, difficulty in obtaining official and governmental approvals, and other bureaucratic factors that may affect the Fund, its investments, and the returns to unitholders.

Geographic concentration risks: The Fund will invest a large portion of its investments outside the Kingdom of Saudi Arabia, thereby exposing the Fund to the risks of concentration of investment in one country or a group of countries in which it invests. Such risks may include the economic situation and its impact on interest rates and exchange rates, in addition to government regulations and legislation and the political stability of those countries, all of which may adversely affect the Fund's investments.

Risks of investing in Murabaha transactions in Saudi Riyals: The Fund may invest in Murabaha transactions in Saudi Riyals, directly or indirectly, with local Saudi banks or other investment funds. The value of these types of investments may decline, as they are not considered bank deposits. In addition, there are counterparty risks relating to Murabaha transactions arising from trading activities, including transactions in illiquid financial instruments that are not cleared and settled through a clearing house subject to regulation and supervision or in a financial market, which adversely affects cash distributions and the market value of the units.

Risks of investing in other funds: The other funds in which the Fund may seek to invest may be exposed to the same risks set out in this section, "Main Risks of Investing in the Fund," which adversely affect the Fund's performance and the unit price.

Risks of changes in the level of activity in the markets invested in: The general movement in local and global financial markets, prevailing and expected economic conditions, profit rates, financing costs, investor appetite, and general economic conditions may all adversely affect the value of the invested assets, and a lack of liquidity may negatively affect the market value of the units. Therefore, investment in the Fund is considered suitable only for investors who are able to bear the risks involved in the investment.

Issuer risk: The performance of the issuer of securities may change over time as a result of changes in its management, financial position, and demand for its products or services, leading to a decline in the value of its shares, which adversely affects the value of the units in the Fund and distributions to unitholders.

Risks of reliance on the internal rating of fixed income instruments and weakness in the financial position of issuers of fixed income instruments: The Fund bears the risks related to investing in fixed income instruments and money market instruments that are not credit rated and in which the Fund invests based on research and analysis, followed by the internal assessment and credit rating conducted by the Fund Manager. Any weakness in the financial position of issuers of fixed-income instruments or any inaccuracy in the analysis leads to a reduction in the Fund's net asset value, which adversely affects unit prices.

Investment outside the Kingdom risks: Investment outside the Kingdom of Saudi Arabia involves many risks including, but not limited to: (1) matters related to fluctuations in currency exchange rates; (2) economic and geopolitical risks; (3) the possibility that the country in which the investment is made may impose taxes on income and gains associated with these assets and/or regulatory laws limiting foreign ownership of certain assets; (4) and changes in the legislation of the countries in which investments are made in a manner that negatively affects the Fund and its investments. All or any of these factors will adversely affect the Fund’s returns, leading to lower return distributions to Unitholders and a decline in the value and price of the units in the Saudi financial market.

Market risk and selection risk: Market risk is the risk of a decline in the value of one or more of the markets in which the Fund invests, including the possibility of a sharp and unexpected market downturn. Selection risk is the risk that the securities selected by the Fund for investment will perform below the overall market performance, below the relevant indices, or below the securities selected by other funds with similar investment objectives and investment strategies. In both cases, the Fund and the Unitholders are exposed to loss as a result of the occurrence of any of the aforementioned risks.

Forward-looking statements: These Terms and Conditions may contain forward-looking statements relating to future events or the future performance of the Fund. In some cases, forward-looking statements can be identified by words such as: "expects," "believes," "continues," "estimates," "awaits," "intends," "can," "may," "plans," "should," "will," or the negative forms of these words or other similar expressions. These statements are merely expectations. Actual events or results may differ materially. When evaluating these statements, investors must specifically take into account various factors, including the risks referred to in this paragraph, "Risks of Investing in the Fund," as these factors may cause actual events or results to differ materially from any forward-looking statements. The Fund Manager is under no obligation to update any forward-looking statements after the date of the Terms and Conditions in order to align these statements with actual results or changes in expectations.

Legal and regulatory risks: The information contained in these Terms and Conditions is based on existing and published legislation. Legal and regulatory changes may occur in the investment climate in the Kingdom or other changes during the term of the Fund that may adversely affect the Fund or the investments, resulting in the Fund becoming involved in legal claims that require it to resort to the courts in the Kingdom to obtain compensation. Since judicial procedures and enforcement may take a long time, the Fund may incur accumulated losses until it receives appropriate compensation, which affects the Fund's performance and the income of the Unitholders.

Regulatory risks: Although the Fund Manager is required to ensure the Fund's compliance with the relevant laws and instructions, the Fund may be exposed to risks due to changes in the applicable regulatory rules or any governmental actions relating to the Fund's investments, which would adversely affect the Fund's performance.

Litigation risks with third parties: The Fund is exposed to the possibility of becoming involved in legal proceedings with third parties due to the nature of its activities. In such a case, the Fund shall bear legal fees in relation to defending against third-party claims, in addition to settlement amounts or judgments, which would reduce the Fund's assets and the cash available for distribution to Unitholders. The Fund Manager and others are entitled to be indemnified by the Fund in relation to such legal disputes, subject to certain limitations. This would adversely affect the value of the units in the Fund and the distributions to Unitholders.

Income tax and zakat risks: Pursuant to the interpretation of the regulations and rules issued by the Zakat, Tax and Customs Authority and applicable in the Kingdom of Saudi Arabia, the Fund may be required to register with the Zakat, Tax and Customs Authority. Since the Authority has not, to date, mandated investment funds subject to the supervision and oversight of the Capital Market Authority to register for zakat, but has instead made it optional, the regulations and rules provide that the Authority has the right to subject investment funds to zakat, and accordingly zakat may be applied to the funds or the investors in such funds. This may be applied in the future or retroactively and may result in penalties for late payment of zakat, thereby reducing the value of cash available for the Fund's operations and for potential distributions to unitholders. In all cases, investors must seek advice regarding their zakat obligations in relation to their investments in the Fund. The Fund Manager shall also comply with the "Rules for the Collection of Zakat from Investors in Investment Funds" and any amendments thereto from time to time. The Fund Manager has also registered the Fund with the Zakat, Tax and Customs Authority for zakat purposes and submitted the necessary returns in accordance with the rules and regulations of the Capital Market Authority and any amendments thereto. Noting that the responsibility for calculating and paying zakat rests with the Fund's unitholders, and the Fund bears no responsibility in this regard. The Fund Manager also undertakes to provide the Zakat, Tax and Customs Authority with the required information returns within a period not exceeding (120) days from the end of the Fund's zakat year. The Fund Manager will also provide unitholders with the information necessary to calculate their zakat base upon request in accordance with the rules, and investors who are obligated persons subject to the provisions of these rules and who own investment units in the Fund are required to calculate and pay zakat on these investments.
The Fund Manager shall also notify the Zakat, Tax and Customs Authority of the termination of the Fund within (60) days from the date of termination.
The Zakat Authority's rules can also be viewed on the website: https://zatca.gov.sa/ar/Pages/default.aspx .

Value Added Tax, income tax, withholding tax, capital gains tax, and any other tax risks: As of the date of these Terms and Conditions, no investment in the Fund is subject to income tax, withholding tax, capital gains tax, or any other tax. However, it has been officially decided to impose Value Added Tax in the Kingdom by January 2018. Under the recently issued regulations, investment in the Fund is not expected to be subject to Value Added Tax; however, the Fund may be required to pay Value Added Tax upon the acquisition or disposal of certain assets of the Fund, in addition to amounts due for services provided to the Fund. In all cases, investors should obtain advice regarding the impact of Value Added Tax on their investments in the Fund. If Value Added Tax and/or income tax and withholding tax and/or capital gains tax and/or any other tax is applied to investment in the Fund, this will adversely affect the value of the units in the Fund and distributions to unitholders. The Fund Manager and the Fund’s service providers are expected to be subject to Value Added Tax, and accordingly the payments due (for services, commissions, charges, and fees) to the Fund Manager and/or the Fund’s service providers will be adjusted to take Value Added Tax into account. Value Added Tax imposed on services affects distributions to unitholders and the Fund’s assets.

Withholding tax risks: Under the Saudi tax regulations, any payment made by a resident person (whether or not liable to pay taxes) to a non-resident person is subject to tax in accordance with the regulations and rules issued by the Zakat, Tax and Customs Authority with respect to withholding taxes. Therefore, the payment by any investment fund of dividend distributions to a non-resident shareholder is subject to withholding tax at a rate determined by the relevant authorities. According to current customary practice, investment funds have not been required to make any tax withholdings (except withholding tax) on payments made by the Fund to unitholders. Accordingly, any withholding tax payable on distributions from the Fund may necessarily reduce the returns generated from any investment in the Fund. Prospective investors should consult their tax advisors regarding the tax implications of investing in, holding, and disposing of the units.

The risks mentioned above do not constitute a complete, comprehensive explanation and summary of all risk factors involved in investing in the Fund's units, with emphasis on the recommendation that all prospective investors seek independent advice from their specialized professional advisors.

There is no guarantee that the Fund Manager can provide regarding the achievement of the investment objectives stated in these Terms and Conditions, and subscribers must take the risk factors mentioned above into consideration before subscribing to the Fund, which may affect the net asset value of the Fund's assets.

The Fund Manager or any of its affiliates shall not be liable in the event of any financial loss to the Fund unless such loss results from intentional acts by the Fund Manager. The Fund Manager shall be liable to the unitholders for the Fund's losses arising from its fraud, gross negligence, misconduct, or willful default.

All subscribers wishing to subscribe must make their decision themselves or in consultation with their professional advisors with respect to the legal, financial, and tax risks associated with this Fund. The risks above do not constitute a summary of all risks involved in investing in the Fund, but they represent the principal risks to which the Fund may be exposed.

5) Risk Assessment Mechanism

The Fund Manager acknowledges that it has an internal mechanism for assessing the risks related to the Fund's assets.

Please also review Annex (3) of these Terms and Conditions.

6) Target Investor Category

Subscription to the units is available only to the following categories of investors (the "Target Investors"): (a) natural persons holding Saudi nationality or one of the nationalities of the other GCC countries; (b) institutions, companies, investment funds, and other legal persons established in the Kingdom of Saudi Arabia and the other GCC countries; (c) foreign residents in the Kingdom of Saudi Arabia; (d) eligible foreign investors permitted to invest pursuant to the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities issued by the Board of the Capital Market Authority pursuant to its Resolution No. 1-42-2015 dated 15 Rajab 1436H, corresponding to 4 May 2015; and (e) other investors whom the Capital Market Authority may permit to own securities in Saudi Exchange.

7) Investment Restrictions / Limits

The Fund Manager shall comply, in its management of the investment fund, with the restrictions and limits imposed by the Investment Funds Regulations and the Fund's Terms and Conditions.

8) Fund Currency

The currency of the Fund is the Saudi Riyal. Subscription amounts are accepted, and distributions are made in Saudi Riyals.

9) Service Consideration, Commissions, and Fees

(A) A statement of details of all payments from the Fund's assets and the method of calculating them:

Type of Fees and Charges	Description
Management Fees	In consideration for managing the Fund's assets, the Fund Manager shall receive management fees (the "Management Fees") at the rate of 0.80% per annum of the net asset value. The Management Fees must be paid every half calendar year. The Fund shall bear the Management Fees, which are calculated on each valuation day and paid semi-annually starting from the commencement date. The Management Fees shall be paid on a pro rata basis, taking into account the days that have elapsed in the period on the basis of which the fees are calculated.
Sub-Fund Manager Fees	The sub-fund manager (if any) shall be compensated at the Fund Manager's expense and paid semi-annually.
Subscription Fees	Up to 1.0% of the subscription amount.
Redemption Fees	None.
Custody Fees	The Fund shall pay a fee of SAR 25,000 to establish a special-purpose company. The annual custody fees for assets in the Saudi market, as a percentage of the total value of the Fund's assets, are as follows: **A- From zero Saudi Riyals to 750 million Saudi Riyals: 0.06%** **B- From 750 million Saudi Riyals to 1 billion Saudi Riyals: 0.05%** **C- More than 1 billion Saudi Riyals: 0.04%** The annual custody fees for assets in global markets are as follows: **A- United States and United Kingdom: 0.04%** **B- France, Germany, Switzerland, and Japan: 0.07%** **C- China A-share market and China B-share market: 0.22%** Provided that the Custodian's fees shall not be less than a minimum monthly amount of SAR 3,000
Fund Operator Fees	The Fund must pay the Fund Operator annual fees equal to 0.15% of the Fund's net asset value, payable semi-annually.
Auditor's Fees	The Fund must pay the auditor annual fees equal to SAR 60,000, payable semi-annually.
Expenses of the zakat consultant for submitting the annual information returns to the Zakat, Tax and Customs Authority	The Fund must pay the zakat consultant annual fees for submitting the information returns to the Zakat, Tax and Customs Authority equal to SAR 20,000, payable annually.
Sharia Supervisory Committee fees	The Fund must pay the Sharia advisor a one-time fixed fee of SAR 20,000 for reviewing the terms and conditions and the Fund structure. The Fund shall also pay the Sharia advisor annual fees of SAR 15,000 for annual Sharia audit services.
Publication fees on the Saudi Exchange website	The Fund shall pay publication fees on the Saudi Exchange website in the amount of SAR 5,000 annually, payable to the Saudi Exchange on an annual basis.
Regulatory fees	The Fund shall pay regulatory fees to the Capital Market Authority in the amount of SAR 7,500 annually, payable annually.
Fees of the independent Board members	The Fund shall pay SAR 5,000 annually to each independent member, in addition to an attendance allowance of SAR 4,000 for each meeting. Two independent members have been appointed to the Fund; accordingly, the total fees payable to the two members will be a fixed annual fee of SAR 10,000 annually for both members, in addition to an attendance allowance of SAR 4,000 for each meeting attended by each member. It is expected that at least two meetings will be held during the year (and a maximum of four meetings during the year); accordingly, the total expected attendance allowance for the two members will be SAR 16,000 at a minimum (SAR 32,000 at a maximum). Accordingly, the total fees expected to be paid during the year to the independent Board members will be SAR 26,000 at a minimum (SAR 42,000 at

	a maximum). Non-independent Board members will not receive any remuneration.
Transaction expenses and fees (brokerage)	Brokerage expenses (including intermediary broker fees) or any other trading fees shall be paid directly by the Fund at levels determined by the regulations or by the intermediary broker in the markets in which the Fund trades. Such amounts vary based on the type of transactions, the nature of the investments, and the size of the operations for each transaction.
Sharia-compliant financing expenses in accordance with the standards of the Sharia Supervisory Committee at the Fund Manager	They shall be charged to the Fund, if any, according to prevailing market prices, calculated on each valuation day and paid according to the requirements of the financing entity.
Other expenses	The Fund shall bear all other actual expenses related to the Fund's activities, the deployment of its investments, and the professional and operational services provided by third parties, including - but not limited to - the costs of convening meetings of unitholders, other professional services provided to the Fund, in addition to income purification expenses (if any) and the expenses of the index service provider (Ideal Ratings). The Fund shall be responsible for any payable tax imposed in the future by the regulatory authorities. These fees, charges, and expenses shall not exceed 0.50% of the Fund's net asset value annually, excluding fees, commissions, and taxes subject to government laws and regulations, noting that only the actual fees will be deducted.

Note: All payments referred to above are subject to value added tax, the rate of which may change from time to time.

Value Added Tax

All fees, charges, and expenses referred to in the terms and conditions are exclusive of value added tax, unless otherwise stated. To the extent that value added tax is payable in relation to any supply by any person to the Fund or to the Fund Manager in its capacity as manager of the Fund, the Fund Manager must pay, out of the Fund's assets, additional consideration for that supply equal to the amount of the consideration exclusive of value added tax (or its market value exclusive of value added tax, if any) multiplied by the rate of value added tax due on that supply (provided that a tax invoice is issued and the Fund receives that invoice).

(B) The following table sets out all fees and expenses, together with the method of calculating the consideration for services, commissions, and fees, and the timing of their payment by the Fund:

Type of fees and charges	Percentage/amount charged	Basis of calculation	Calculation timing	
Management fees	0.80% annually of the Fund's net asset value	Calculated from the Fund's net asset value after deducting the operator's fees, custodian fees, and other fees and expenses	Each valuation day	Paid semi-annually
Sub-fund manager fees	The sub-fund manager (if any) shall be compensated at the expense of the Fund Manager.	At the expense of the Fund Manager	Not applicable	Not applicable
Subscription fees	Up to 1.0% of the subscription amount	Calculated once on the cash subscription amounts	Upon subscription	Paid once by the investor upon subscription (subscription to the initial offering)

Custodian fees	The annual asset custody fees in the Saudi market, based on the total value of the Fund's assets, are as follows: A- from zero Saudi Riyals to 750 million Saudi Riyals: 0.06% B- from 750 million Saudi Riyals to one billion Saudi Riyals: 0.05% C- more than one billion Saudi Riyals: 0.04% The annual asset custody fees in global markets are as follows: A- United States and United Kingdom: 0.04% B- France, Germany, Switzerland, and Japan: 0.07% C- China A market and China B market: 0.22%	Calculated based on the total value of the Fund's assets, and the Fund will also pay a fee of 25,000 Saudi Riyals for establishing a special purpose vehicle. The custodian fees shall not be less than a minimum monthly amount of 3,000 Saudi Riyals.	Monthly	Paid monthly
Fund Operator fees	0.15% annually of the Fund's net asset value.	Calculated based on the Fund's net asset value before deducting management fees, custodian fees, and other fees and expenses	Each valuation day	Paid semi-annually
Auditor fees	60,000 Saudi Riyals annually	A fixed amount deducted annually	Each valuation day	Paid semi-annually
Zakat advisor expenses for submitting annual information returns to the Zakat, Tax and Customs Authority	20,000 Saudi Riyals annually.	A fixed amount charged to the Fund each year based on the Fund's total assets	Each valuation day	Paid annually
Sharia Supervisory Committee fees	15,000 Saudi Riyals annually	A fixed amount deducted annually	Each valuation day	Paid annually
	20,000 Saudi Riyals	Paid only once for reviewing the Fund's Terms and Conditions and structure.		
Publication fees on the Saudi Exchange website	5,000 Saudi Riyals annually	A fixed amount deducted annually	-	Paid annually
Regulatory fees	7,500 Saudi Riyals annually	A fixed amount deducted annually	-	Paid annually
Independent Board Members' fees	26,000 Saudi Riyals minimum and 42,000 Saudi Riyals maximum	Attendance fees are calculated after each meeting	Annual fees are calculated semi-annually, and attendance fees are calculated after each meeting	Paid semi-annually
Transaction expenses and fees (brokerage)	Calculated for each transaction executed by the fund through the intermediary broker either directly and/or on a periodic basis. Brokerage expenses (including	Calculated according to the levels set by the regulations or the intermediary broker in the markets in which the fund trades. These amounts vary based on the type of	Upon execution of each transaction	Paid upon request

	intermediary broker fees) or any other trading fees are paid directly by the fund.	transactions, the nature of the investments, and the volume of operations.		
Sharia-compliant financing expenses in accordance with the standards of the Sharia Supervisory Committee at the Fund Manager	Charged to the fund, if any, according to prevailing market prices	According to prevailing market prices and in accordance with the contract with the financing bank	Each valuation day	Paid according to the requirements of the financing bank
Other expenses	These fees, charges, and expenses will not exceed 0.50% of the fund's net asset value annually, excluding fees, commissions, and taxes subject to government laws and regulations, noting that only the actual fees will be deducted.	Calculated based on the fund's net asset value	Each valuation day	Paid semi-annually

Note: All payments referred to above are subject to value-added tax, the rate of which may change from time to time.

(C) A hypothetical example illustrating the ratio of the fund's costs to the fund's net asset value at the fund level and the unitholder level over the life of the fund, including the ratio of recurring and non-recurring costs

The following table shows a hypothetical and illustrative example of a client's subscription in the fund in the amount of 100 thousand Saudi Riyals (after deducting the subscription fee) that remained unchanged throughout the year, assuming that the total value of the Fund's assets during that period is 1,000 million Saudi Riyals (excluding any financing) and remained unchanged throughout the year, and assuming that the fund achieves an annual return on the subscription at the end of the period of 10.00%, the following hypothetical example shows the subscriber's share of expenses in Saudi Riyals (on an annual basis) 1: Hypothetical fund data (at the fund level) (SAR) 1						
	Percentage/ value	**Recurring / non-recurring**	**First year at the fund level with an asset value of 1,000,000,000 (SAR) 1, and assuming an annual return at the end of the period of 10.00%**	**First year at the hypothetical subscription level with a value of 100,000 (SAR) 1 for the unitholder**	**Second year at the fund level (SAR) 1, and assuming an annual return at the end of the period of 10.00%**	**Second year at the hypothetical subscription level with a value of 100,000 (SAR) 1 for the unitholder**
Number of Fund's units	-	-	100,000,000	10,000	100,000,000	10,000
Total value of the Fund's assets at the beginning of the period (SAR)	-	-	1,000,000,000	100,000	1,031,698,252	103,170
Hypothetical annual return at the end of the period	10%	-	100,000,000	10,000	103,169,825	10,317
Total value of the Fund's assets at the end of the period	-	-	1,100,000,000	110,000	1,134,868,078	113,487
Sharia Supervisory Committee fees	23,000.00	Non-recurring	23,000	2.30	Not applicable	Not applicable

Total non-recurring fees and expenses	0.002%	-	23,000	2.30	0	0
Legal accountant fees	69,000	Recurring	69,000	6.90	69,000	6.90
Expenses for filing information returns to the Zakat, Tax and Customs Authority	23,000	Recurring	23,000	2.30	23,000	2.30
Sharia Supervisory Committee fees	15,000	Recurring	15,000	1.50	15,000	1.50
Publishing fees on the Saudi Exchange website	5,750.00	Recurring	5,750	0.58	5,750	0.58
Supervisory fees	8,625.00	Recurring	8,625	0.86	8,625	0.86
Fees of independent Board of Directors members	42,000.00	Recurring	42,000	4.20	42,000	4.20
Custodian fees	%0.10	Recurring	1,265,000	126.50	1,305,098	130.51
Operator fees	%0.15	Recurring	1,897,179	189.72	1,957,366	195.74
Other fees and expenses	%0.50	Recurring	6,323,928	632.39	6,524,552	652.46
Management fees	%0.80	Recurring	10,031,013	1,003.10	10,349,243	1,034.92
Total recurring fees, charges, and expenses	**%1.82**	**-**	**19,680,495**	**1,968.05**	**20,299,634**	**2,029.96**
Total fees, charges, and expenses	**%1.82**	**-**	**19,703,495**	**1,970.35**	**20,299,634**	**2,029.96**
Net distributions from capital gains	**50%**	**-**	**31,698,252**	**3,169.83**	**32,717,246**	**3,271.72**
Net income distributions	**100.00%**	**-**	**16,900,000**	**1,690.00**	**17,423,700**	**1,743.57**
Net growth in asset value	**-**	**-**	**31,698,252**	**3,169.83**	**32,717,246**	**3,271.72**
Net Asset Value of the Fund after deducting fees, charges, and distributions	**-**	**-**	**1,031,698,252**	**103,169.83**	**1,064,415,498**	**106,442**

1 inclusive of Value Added Tax (15%)

2 Historical return rate (1.69%) * Total value of the Fund's assets at the beginning of the period (1,000,000,000 SAR)

Hypothetical subscription data	Percentage / Value
Unit price at the beginning of the period (SAR)	10
Number of hypothetical subscription units	10,000
Subscription fee	1.00%
Amount of hypothetical subscription before deducting subscription fees (SAR)	101,000
Default subscription amount after deducting subscription fees (SAR)	100,000

(D) Consideration for transactions imposed on subscription, redemption, and transfer of ownership of units paid by unitholders

The Fund Manager is entitled to receive a subscription fee of up to 1.0% of the cash subscription amounts.

There will be no fees in the event of requesting redemption of the Fund's units or transferring their ownership to other investors.

(E) Discounts and special commissions and an explanation of the Fund Manager's policy regarding them:

None.

(F) Zakat and tax

As of the date of preparing the Terms and Conditions, there are no taxes due on the Fund, and the Fund Manager does not pay zakat on behalf of the unitholders. As stipulated in the Terms and Conditions, the Fund pays value-added tax on fees paid for certain services it receives from third parties.

The Fund Manager shall also comply with the "Rules for the Collection of Zakat from Investors in Investment Funds" and any amendments thereto from time to time. The Fund Manager has also registered the Fund with the Zakat, Tax and Customs Authority for zakat purposes and for submitting the necessary returns in accordance with the rules and regulations of the Capital Market Authority and any amendments thereto. Note that the responsibility for calculating and paying zakat rests with the Fund's unitholders, and the Fund bears no responsibility in this regard. The Fund Manager also undertakes to provide the Zakat, Tax and Customs Authority with the required information returns within a period not exceeding (120) days from the end of the Fund's zakat year. The Fund Manager will also provide unitholders with the information necessary to calculate its zakat base upon request in accordance with the rules, and investors subject to the provisions of these rules who own investment units in the Fund are required to calculate and pay zakat on these investments. The Fund Manager shall also notify the Zakat, Tax and Customs Authority of the Fund's termination within (60) days from the date of termination. The Zakat Authority rules can also be viewed through the website: https://zatca.gov.sa/ar/Pages/default.aspx.

(G) Statement of any special commission entered into by the Fund Manager

None.

(H) A hypothetical example illustrating all fees, expenses, and transaction consideration paid from the Fund's assets or by the unitholder based on the Fund's currency.

		First year		Second year	
		At the fund level, with assets valued at 1,000,000,000 (SAR) 1, and assuming an annual return at the end of the period of 10.00%	At the level of the hypothetical subscription amounting to 100,000 (SAR) 5	At the fund level (SAR) 1 and assuming an annual return at the end of the period of 10.00%	At the level of the hypothetical subscription amounting to 100,000 (SAR) 1
Non-recurring fees and expenses	Percentage/amount charged				
Sharia Supervisory Committee fees	23,000	23,000	2.30	Not applicable	0
Total fees and expenses above		**23,000**	**2.30**	**Not applicable**	**0**
Percentage of the total fees and expenses of the fund size		**0.002%**			

Recurring fees, charges, and expenses					
Auditor's fees	69,000	69,000	6.90	69,000	6.90
Expenses for submitting information returns to the Zakat, Tax and Customs Authority	23,000	23,000	2.30	23,000	2.30
Sharia Advisor fees	15,000	15,000	1.50	15,000	1.50
Publication fees on the Saudi Exchange website	5,750	5,750	0.58	5,750	0.58
Regulatory fees	8,625	8,625	0.86	8,625	0.86
Fees of 2 independent Board members	42,000	42,000	4.20	42,000	4.20
Net asset value of the Fund before deducting management fees, operator fees, custodian fees, and other fees and expenses		1,099,813,625	109,981	1,134,704,703	113,470
Custodian fees (an average custodian fee of 0.10% has been calculated for illustration purposes)	0.10%	1,265,000	126.50	1,305,098	130.51
Fund Operator Fees	0.15%	1,897,179	189.72	1,957,366	195.74
Other Fees and Expenses 3	0.50%	6,323,928	632.39	6,524,552	652.46
Fund Net Asset Value before Deducting Management Fees		1,090,327,518	109,033	1,124,917,687	112,492
Management Fees	0.80%	10,031,013	1,003.10	10,349,243	1,034.92
Total Recurring Fees, Charges, and Expenses		**19,680,495**	**1,968.05**	**20,299,634**	**2,029.96**
Ratio of Total Recurring Fees, Charges, and Expenses to the Fund's Net Asset Value after Deducting Total Fees, Charges, and Expenses		**1.82%**		**1.82%**	
Total Fees, Charges and Expenses		**19,703,495**	**1,970.35**	**20,299,634**	**2029.96**
Ratio of the Total Recurring and Non-Recurring Fees, Charges, and Expenses Above to the Fund's Net Asset Value		**1.82%**		**1.82%**	
Total fees, charges, and expenses as a percentage of the Fund's net asset value (Total Expense Ratio)		**1.82%**		**1.82%**	
Fund net asset value at the end of the period		1,080,296,505	108,030	1,14,568,444	111,457
Net profit		80,296,505	8,029.65	82,870,192	8,287.02
Net profit %		8.03%		8.03%	
Net distributions of returns	**100%**	16,900,000	1,690.00	17,435,700	1,743.57
Net distributions from returns %		1.69%		1.69%	
Net distributions from capital gains	**50%**	31,698,252	3,169.83	32,717,246	3,271.72

Net distributions from capital gains %		3.17%		3.17%	
Total distributions		48,598,252	4,859.83	50,152,946	5,015.29
Total distributions %		4.86%		4.86%	
Net growth in asset value		31,698,252	3,169.83	32,717,246	3271.72
Net growth in asset value %		3.17%		3.17%	
Fund net asset value after deducting fees, charges, and distributions		1,031,698,252	103,169.83	1,064,415,498	106,442

1 Including VAT (15%).

2 The maximum limit has been assumed.

3 The subscription fee is paid directly by the investor and is not included in the investment amount.

10) Valuation and Pricing

(A) A detailed statement on how each asset owned by the fund is valued

The total value of the Fund's assets is calculated based on the following:

1. If the assets are listed or traded securities on any organized securities market or on an automated pricing system, the closing price in that market or system shall be used. If the securities are suspended, they should be valued in accordance with the last price before suspension, unless there is conclusive evidence that the value of these securities has declined below the suspended price.
2. For investment funds, the latest published net asset value per unit is used.
3. For unlisted Murabaha transactions, the book value plus accrued profits is used.
4. The valuation of any other investment at fair value will be reviewed upon issuance of the fund's financial statements (twice annually) in the manner determined by the Fund Manager based on the methods and rules disclosed in the Terms and Conditions, after verification by the fund's auditor, as follows:
   - -The latest valuation issued for the asset, or
   - -Any investment rounds in which the assets are valued, or
   - -Transaction prices of comparable or similar companies for the invested assets, whether in the same field or the same sector, or
   - -Using an independent valuer.

   The Fund Manager shall periodically verify any events that may adversely affect the value of the asset, and if that occurs, it must recognize the impairment value.

The Fund Manager shall value these assets using the best methods and approaches that protect the interests of the unitholders, in accordance with approved international accounting standards, in a manner that does not conflict with the Investment Funds Regulations, other implementing regulations, and any laws in force in the Kingdom of Saudi Arabia.

The net asset value per unit is calculated by deducting all accrued liabilities and expenses from the total assets of the fund and dividing the result by the number of units outstanding at the time of valuation.

(B) Number of valuation points and frequency

The Fund Manager will value the Fund's assets per unit twice weekly (Monday and Wednesday). The Fund Manager will publish the net unit value by the end of the day following the dealing day. When any of those days is not a business day, the valuation day shall be the next business day. It will be published on the Fund Manager's website www.alkhabeer.com and the Saudi Exchange website www.saudiexchange.sa.

(C) Procedures to be taken in the event of an error in valuation or pricing

In the event of an incorrect valuation or pricing of any of the fund's assets, or an incorrect calculation of the unit price, the Fund Manager shall do the following:

- The Fund Manager must immediately notify the Authority of any valuation or pricing error amounting to 0.5% or more of the unit price and immediately disclose it on its website, the Saudi Exchange website, and in the fund reports prepared by the Fund Manager in accordance with the Investment Funds Regulations and any amendments thereto from time to time.

  The Fund Manager must provide in its reports to the Authority required under the Investment Funds Regulations and any amendments thereto from time to time, a summary of all valuation and pricing errors.

(D) Method of calculating the unit price for the purpose of executing subscription and redemption requests

The operator shall determine the net asset value per unit as of each valuation day, and it shall be calculated to the nearest four decimal places using the following equation: total fund assets minus total fund liabilities, divided by the total number of units issued.

(E) Place and time of publishing the unit price, and its frequency

The net asset value of the fund per unit is announced at the end of the day following the dealing day through the fund manager's website www.alkhabeer.com and the Saudi Exchange website www.saudiexchange.sa.

11) Transactions

(A) Details of the initial offering, such as the start date, duration, and initial price

The fund will target offering 100 million units to unitholders at a price of 10 Saudi Riyals per unit. The details of the offering are as follows:

Target fund capital	1 billion Saudi Riyals
Total number of units	100 million units
Unit price in the initial offering	10 Saudi Riyals
Offering percentage allocated to institutional investors	A minimum of 5% and a maximum of 70% of the public offering amount shall be allocated to institutional investors. If it is not fully subscribed by institutional investors, the remaining percentage shall be allocated to public investors.
Offering start date	15 business days starting on 10/08/1443H corresponding to 13/03/2022G and ending on 28/08/1443H corresponding to 31/03/2022G.
Duration	15 business days

The fund's capital was reduced, and part of its units were canceled based on the approval of the fund's unitholders for the fund to purchase its units for the purpose of cancellation, on 19/07/2023G corresponding to 19/01/1446H. Accordingly, the fund details before and after the cancellation of the units shall be as follows:

Total number of canceled units	30,025,851
Total number of Fund's units before cancellation	100,000,000
Total number of Fund's units after cancellation	69,974,149
Nominal value of the fund capital before cancellation	1,000,000,000
Nominal value of the fund capital after cancellation	699,741,490
Percentage of canceled units to the number of units issued	%30.03

Allocation mechanism for the fund's initial offering (before cancellation of listing)

The offered cash units shall be allocated as follows, "taking into account the public ownership percentage":

First: Allocate no less than 5% and no more than 70% of the total offering to the subscribing institutions - if any - on a pro rata basis among them.

Second: If not fully subscribed by institutional clients, the remainder shall be allocated to individual subscribers by allocating a minimum of 100 units to individual subscribers.

Third: Allocate the remaining units among all cash subscribers on a pro rata basis according to the amounts subscribed.

Noting that if the subscribed amounts are more than or equal to 300 million Saudi Riyals and/or 1 billion Saudi Riyals or less, the full subscribed amounts shall be allocated to subscribers on a pro rata basis among them.

Also, if the number of subscribers to the fund exceeds one million subscribers, the fund manager does not guarantee allocation of the minimum to each subscriber.

Timeline

The following table shows the time periods for the steps taken between the initial offering of the fund's units and their trading:

Steps	Expected timeline
Initial offering period	15 business days starting on 10/08/1443H, corresponding to 13/03/2022G, and ending on 28/08/1443H, corresponding to 31/03/2022G.
Extension of the initial offering period	10 business days
Issuance of a statement of the offering results to the Capital Market Authority	10 business days from the end of the initial offering period or any extension thereof
Announcement of the status of unit allocation to subscribers	10 business days from the end of the initial offering period or any extension thereof
Refund of excess amounts (if any)	10 business days after allocation
Listing of the Fund's units and commencement of their trading on the Saudi Exchange	20 business days after the end of the offering period

(B) The specified date and deadlines for submitting subscription and redemption requests in the Fund, and the responsibilities of the Fund Manager regarding subscription and redemption requests

The deadline for submitting subscription and redemption requests for a specific dealing day is before 12 p.m. on the business day preceding the relevant valuation day, provided that the subscription and/or redemption request is submitted complete. If a subscription or redemption request is received after 12 p.m. on that day, it will be treated as a request on the next dealing day.

Responsibilities of the Fund Manager regarding subscription and redemption requests:

- Subscription and/or redemption requests are received on each dealing day of every week and are executed on dealing days before 12 p.m. to be valued on the valuation day. As for requests received after 12 p.m., they will be executed on the next valuation day following the dealing day.
- The Fund Operator shall process subscription and/or redemption requests at the price calculated at the next valuation point following the deadline for submitting subscription and/or redemption requests.
- Units in the Fund are issued or redeemed on the next business day after the dealing date. They are reflected in the unitholders' register after the dealing date.
- The Fund Operator will execute subscription and/or redemption requests in a manner that does not conflict with any provisions contained in the Investment Funds Regulations or the Fund's Terms and Conditions.
- The payment date of redemption proceeds shall be no later than the closing of the fifth business day following the valuation point at which the redemption price was determined.

(C) Subscription and redemption procedures, including the place for submitting requests and the period between the redemption request and payment of redemption proceeds or transfer of ownership

- **<u>Procedures for submitting requests related to subscription to units</u>**

  To subscribe to the Fund, investors wishing to subscribe to the Fund must open an investment account with the Fund Manager through which the subscription process will be executed. Each prospective investor must: (a) submit the subscription form after completing and signing it, and the terms and conditions after signing them, and deliver them by hand or through the website, along with any other documents required under the subscription form, to the Fund Manager; and (b) pay the full subscription amount for the units for which subscription is requested through the subscriber's investment account, free of any deductions, expenses, bank charges, bank transfer fees, and currency exchange fees (which shall be borne by the investor). If the above steps are not completed, or if the information provided is incorrect, the Fund Manager may reject the subscription request.

  By submitting the subscription form after completing and signing it, each investor shall be deemed to have made a binding and irrevocable offer to subscribe for the number of units stated in the subscription form and shall also be deemed to have agreed to the terms and conditions. All subscription requests shall be subject to the approval of the Fund Manager in accordance with the terms and conditions.

- **Minimum subscription**

  During the initial offering period, investors must subscribe to at least 100 units per investor at a subscription price of 10 Saudi Riyals per unit, with a total subscription amount of not less than 1,000 Saudi Riyals.

- **Minimum redemption**

  1,000 Saudi Riyals per investor.

- **Subscription steps**

  1. **Open an investment account with Alkhabeer Capital:**
     In paper form through the Fund Manager's offices or electronically through the website of the Fund Manager, Alkhabeer Capital (www.alkhabeer.com).
  2. **Review the terms and conditions:** Those wishing to subscribe may obtain a copy of the terms and conditions by visiting the website of the Fund Manager - Alkhabeer Capital (www.alkhabeer.com), or through the Saudi Exchange website (www.saudiexchange.sa), or through the website of the Saudi Capital Market Authority www.cma.org.sa. Anyone wishing to subscribe to the Fund must review and sign the Fund's Terms and Conditions, retain them, and electronically acknowledge that they have reviewed and understood them.
  3. **Bank transfer:** The full subscription amount intended for subscription, with a minimum of 1,000 Saudi Riyals in addition to the subscription fees and the value-added tax due on the subscription fees, with no maximum limit for initial or additional subscription, shall be transferred to the subscriber's investment account.
  4. **Subscription application form completion:** The subscriber shall complete the subscription form fully and accurately, either in paper form or electronically. The investor shall then submit or send all required documents set out below, either in paper form or electronically. The investor will not be able to amend the information contained in the subscription application form after sending or submitting it. The subscription may be canceled and a new application submitted, whereas the subscription may not be canceled after it has been approved and confirmed, except with the approval of the Fund Manager. In all cases, investors of all categories must ensure submission and completion of the subscription requirements and documents, whether in paper form or through the website.
  5. **Subscription receipt confirmation:** The Fund Manager will send confirmation of receipt of the fund subscription application to the client via email and/or by text message to the mobile number registered with it.
  6. **Acceptance of the subscription application:** The subscription application will be reviewed, and if the subscription application does not meet all requirements or if there are any remarks, the client will be notified via email or by text message to the registered mobile number through the electronic subscription feature to complete the requirements within one business day from notifying the subscriber. If the application is complete, the investor will be notified of the acceptance of the subscription application.

- **General terms for subscribing to the fund**

  1. Approval and signature of the fund's terms and conditions.
  2. Availability of an active investment account for the subscriber with the Fund Manager.
  3. Availability of an IBAN bank account number registered in the subscriber's name.

- **Requirements and documents required by investor category**

  - Opening an investment account with the Fund Manager through which subscription and/or redemption transactions will be executed, whereby the process of opening the investment account for all investor categories includes all Know Your Customer procedures and anti-money laundering and counter-terrorism financing procedures, in compliance with the relevant laws and regulations issued by the Capital Market Authority and any amendments thereto from time to time.
  - Documents required from all investors:
    - Completed and approved investment account opening agreement, in paper form or electronically, including all regulatory procedures issued by the Capital Market Authority.
    - A signed copy of the terms and conditions (in paper form or acknowledgment of review thereof electronically).
    - A signed and fully completed subscription application form (in paper form or electronically).
  - Requirements and documents required for individuals:
    - Complete the fund units subscription application form, and review and approve the fund's terms and conditions
  - Documents required for companies:
    - A copy of the commercial registration with the company stamp.
    - A copy of the articles of association and bylaws with the company stamp.

- A copy of the ID of the authorized signatory with the company stamp, signed by the authorized signatory.

- Documents required for investment funds:
  - A copy of the commercial registration of the Fund Manager with the company stamp.
  - A copy of the articles of association and bylaws of the Fund Manager with the company stamp.
  - A copy of the license to conduct business of the Fund Manager.
  - A copy of the fund's terms and conditions.
  - A copy of the Capital Market Authority's approval for offering the fund.
  - A copy of the ID of the authorized signatory with the company stamp, signed by the authorized signatory.
- Documents required for investment portfolios:
  - A copy of the ID of the owner of the investment portfolio.
  - A copy of the commercial registration of the portfolio manager with the company stamp.
  - A copy of the articles of association and bylaws of the portfolio manager with the company stamp.
  - A copy of the license to conduct business of the portfolio manager.
  - A copy of the investment portfolio management agreement.
  - A copy of the ID of the authorized signatory with the company stamp, signed by the authorized signatory.

(D) Restrictions on dealing in the units

Ownership of the units may not be transferred except after obtaining the approval of the Fund Manager. Transfer of ownership of the units to other investors is subject to the Capital Market Authority Law and its implementing regulations, in addition to other regulations applicable in the Kingdom of Saudi Arabia.

(E) Cases in which dealing in the units is deferred or suspended, and the procedures followed in such cases

The Fund Manager has the right to defer or suspend dealing in the Fund's units in the following cases:

1. If the Authority so requests.
2. If the Fund Manager reasonably determines that the suspension serves the interests of the fund unitholders.
3. If dealing is suspended in the main market in which the securities or assets invested in by the fund are traded, whether generally or in relation to the fund's assets that the Fund Manager reasonably considers material to the fund's net asset value.
4. The Fund Manager has the right to defer the execution of redemption requests if the Fund is unable to sell/liquidate the assets it owns for any reason whatsoever.
5. The Fund Manager also reserves the right to reject any subscriber's subscription request to the Fund if such subscription would result in a breach of the Fund's Terms and Conditions or the laws or implementing regulations that may be imposed from time to time by the Capital Market Authority or other regulatory authorities in the Kingdom of Saudi Arabia.

The Fund Manager will take the following actions in the event of any suspension imposed by the Fund Manager:

1. Ensuring that any suspension does not continue except for the necessary and justified period, taking into account the interests of the Fund's unitholders.
2. Reviewing the suspension regularly and consulting with the Fund's Board of Directors, the Custodian, and the Fund Operator regarding the suspension on a regular basis.
3. Notifying the Authority and the unitholders immediately of any suspension, clarifying the reasons for the suspension, and notifying the Authority and the unitholders immediately upon the end of the suspension in the same manner used to notify of the suspension, and disclosing that on the Fund Manager's website and any other website in accordance with the controls determined by the Authority.
4. The Authority has the power to lift the suspension if it deems that doing so serves the interests of the unitholders.

(F) Statement of the procedures under which the redemption requests that will be deferred are selected

The Fund Manager reserves the right to defer redemption requests in the Fund in the following cases:

– If the percentage of redemption requests submitted by unitholders, which are required to be executed on any dealing day, reaches 10% or more of the Fund's net asset value, the Fund Manager shall have the right to execute redemptions not exceeding 10% of the Fund's net assets on that day only. Such redemptions shall be executed on a pro rata basis among the unitholders who submitted redemption requests, such that the executed amount is allocated among them each in proportion to the value of the units requested to be redeemed by such holder to the total value of the units requested to be redeemed on that day. As for the redemption requests that are not executed, they shall be carried forward to the next dealing day and shall have priority over new redemption requests, such that the carried-forward redemption requests are executed in full before beginning to execute any subsequent redemption requests, and this shall continue in the same manner on subsequent dealing days.

- If trading is suspended in the main market in which the securities or assets invested in by the Fund are traded for any reason whatsoever, whether generally or partially, and the Fund Manager believes that the market suspension has affected the valuation of the Fund's units.

(G) Description of the provisions governing the transfer of ownership of units to other investors

The Fund Manager aims to comply with the Authority's laws and instructions with respect to the transfer of ownership of units to other investors whenever such exists.

(H) The minimum number or value of units that a unitholder must subscribe for, transfer, or redeem

Minimum subscription: 1,000 Saudi Riyals for each investor.

Minimum additional subscription: 1,000 Saudi Riyals for each investor.

Minimum redemption: 1,000 Saudi Riyals for each investor.

Ownership of units may not be transferred except after obtaining the Fund Manager's approval. The transfer of ownership of units to other investors is subject to the Capital Market Authority Law and its implementing regulations, in addition to other regulations applicable in the Kingdom of Saudi Arabia.

The minimum subscription must not be less than 1,000 Saudi Riyals.

(I) The minimum amount that the Fund Manager intends to raise and the action to be taken if that minimum is not reached in the Fund

Investors must subscribe during the initial offering period for no less than the minimum target fund capital of SAR 300 million (the "minimum target fund capital"). The target fund capital (through the initial offering) will be SAR 1 billion (the "maximum target fund capital").

If the Fund is unable to raise the minimum target fund capital during the initial offering period mentioned above, the Fund Manager may, at its discretion, extend the offering period by (10) business days or cancel the offering and return all subscription amounts to the subscribers without deduction. If the Fund is able to raise an amount equal to or exceeding the minimum target fund capital (i.e., any amount between the minimum and maximum target fund capital), then the units shall be allocated as described above in the paragraph entitled "Allocation Mechanism" of paragraph (11)(A) above.

12) <u>Distribution Policy</u>

A) Income and profit distribution policy, including details of undistributed distributions:

- The Fund Manager targets distributing profits on a semi-annual basis. This distribution includes 100% of the returns on the Fund's investments, and up to 50% of the net realized and unrealized capital gains, and such distributions are subject to the approval of the Fund's Board of Directors.
- The Fund Manager may, as it deems appropriate, make additional distributions during the fiscal year, and such additional distributions shall be subject to the approval of the Fund’s Board of Directors.
- Distributions (if any) will be announced in accordance with the controls set by the Capital Market Authority from the date of announcement and publication of the Fund’s quarterly report through the Saudi Exchange website, and details of the distributions will also be announced through the Saudi Exchange website www.saudiexchange.sa, and the distributions (if any) will be paid within thirty business days from the date of announcement and publication of the Fund’s quarterly report through the Saudi Exchange website.
- The Fund Manager will take into account asset values, the unit price, and the market conditions at the time, while considering the long-term growth of the Fund’s assets, in order to make the most appropriate decision regarding whether or not to distribute.

B) Approximate entitlement and distribution date (where applicable):

Distributions (if any) will be announced within (10) business days from the date of announcement and publication of the Fund’s quarterly report through the Saudi Exchange website, and details of the cash distributions will be announced through the Saudi Exchange website <u>www.saudiexchange.sa</u>.

Entitlement to cash distributions shall be for unitholders according to the unitholders register on the entitlement date within (20) business days from the date of announcement of the distributions, and the distributions shall be paid within (30) business days from the date of announcement and publication of the Fund's quarterly report through the Saudi Exchange website. If the Fund Manager decides not to distribute profits due to market conditions or any other circumstances, the Fund Manager will announce to the market that no profits will be distributed for the specified period.

C) **How distributions are paid:**

- Profits are distributed through a deposit into the investment account of the unitholder.
- The Fund Manager will distribute returns and/or profits after obtaining the approval of the Fund's Board of Directors.

13) Reporting to unitholders

(A) Information related to the financial reports, including the interim and annual financial periods

- The Fund's accounting period and fiscal year shall be 12 calendar months ending on 31 December, and the end of the Fund's initial accounting period shall be 31 December 2022.
- The Fund Manager shall, in accordance with the Investment Funds Regulations, prepare and issue the Fund's quarterly reports, summarized annual reports, and audited annual and interim financial statements.
- A quarterly statement for the Fund shall be made available within (10) days of the end of the relevant quarter.
- The Fund Manager will prepare the interim financial statements and make them available to the public within (30) days from the end of the statement period.
- The Fund's annual reports (including the annual financial statements) shall be made available to the public within a period not exceeding three months from the end of the reporting period.

(B) Information on the locations and means of making available the Fund's reports prepared by the Fund Manager

The Fund's annual reports, including the financial statements, shall be made available on the Fund Manager's website: www.alkhabeer.com, the Saudi Exchange website: www.saudiexchange.sa, and any other website available to the public in accordance with the Authority's controls.

(C) The Fund Manager acknowledges the availability of the Fund's annual reports, audited annual financial statements, summarized annual reports, and interim financial statements at the Fund Manager's offices, in addition to the Fund Manager's website and the Saudi Exchange website, and the Fund's audited annual financial statements are prepared on 31 December of each year.

(D) The Fund Manager also acknowledges the availability of the first audited financial statements at the end of the Fund's fiscal year. The end of the Fund's initial accounting period is 31 December 2022.

(E) The Fund Manager acknowledges that it will provide the Fund's audited annual financial statements to unitholders free of charge upon request.

14) Unitholders Register

(A) The Fund Operator must prepare and maintain a register of unitholders in the Kingdom of Saudi Arabia.

(B) The unitholders register shall be conclusive evidence of ownership of the units recorded therein.

(C) The Fund Operator shall update the unitholders register immediately to reflect any changes to the information referred to in the Investment Funds Regulations.

(D) The unitholders register must be made available for the Authority's inspection upon its request, and the Fund Manager must provide any unitholder, free of charge upon request, with a summary showing all information related to the relevant unitholder.

15) Meeting of unitholders

(A) Circumstances in which a meeting of unitholders is called

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

(B) Procedures for calling a meeting of Unitholders

The Fund Manager shall call a meeting of Unitholders by publishing the invitation on its website and on the Saudi Exchange website and by sending written notice to all Unitholders and the Custodian, giving a notice period of not less than (10) days and not more than (21) days prior to the date of the meeting. The announcement and notice must specify the date, place, and time of the meeting, its agenda, and the proposed resolutions. The Fund Manager must also, at the same time, send a notice to the Capital Market Authority.

(C) Statement setting out the voting method of Unitholders and voting rights at Unitholders' meetings

- The quorum required for holding a meeting of Unitholders shall consist of a number of Unitholders who collectively own at least 25% of the value of the Fund's units. For the avoidance of doubt, the Fund Manager and its affiliates shall have no voting rights in respect of the Units they own.
- If the quorum requirements set out above are not met, the Fund Manager must call a second meeting by publishing an announcement on its website and on the Saudi Exchange website, and it must also send written notice to the Custodian, giving a notice period of not less than five (5) days prior to the date of the second meeting. At the second meeting, any number of Unitholders holding any number of Units, whether present in person or by representatives, shall constitute a legal quorum.
- Each Unitholder has the right to appoint a proxy to represent it at the Unitholders' meeting using the form set out in Annex No. (4) of these Terms and Conditions.
- Each Unit owned by a Unitholder represents one vote at the Unitholders' meeting.
- Meetings of Unitholders, their deliberations, and voting on resolutions may be conducted using modern technology in accordance with the controls specified by the Capital Market Authority.

16) Rights of Unitholders

(A) List of Unitholders' rights

- Obtaining a copy of the Fund's Terms and Conditions in Arabic, or any update thereto, free of charge.
- Obtaining, upon request and free of charge, a summary showing all information related only to the relevant Unitholder.
- Notification of any matter relating to the termination or liquidation of the Fund within the period stipulated in the Regulations.
- The right to exercise all rights associated with the Units, including - but not limited to - the right to vote at meetings of Unitholders on any matter related to the Fund.
- Disclosure to Unitholders of material developments or certain events without delay.
- Obtaining the Fund's audited financial statements, reviewed semi-annual statements, and the information stipulated in the Fund Regulations free of charge upon request.
- The right to inspect the Fund's current net asset value free of charge.
- The right of all Unitholders of the same class to enjoy equal rights and to be treated equally by the Fund Manager.
- Not having any profits distributed to Unitholders reclaimed.
- The right to request the issuance of a special resolution to request the removal of any member of the Fund's Board of Directors, and such request shall be addressed to the Fund Manager.
- Notification of any change to the Fund's Terms and Conditions and sending a summary of such change before it takes effect, in accordance with the type of change and the period specified in the Investment Funds Regulations.
- The right to redeem Units before any fundamental or non-fundamental change takes effect without redemption fees (if any).
- Receiving subscription amounts and any returns resulting from their investment without any deduction in the event that the minimum amount is not raised during the initial offering period, as well as any excess, within the period stipulated in the Fund Regulations.
- The right to receive immediate notice from the Fund Manager when it imposes a suspension of subscription or redemption of the Fund's units, together with clarification of the reasons for the suspension, and likewise immediately upon the end of the suspension.

- Affected Unitholders shall have the right to receive compensation from the Fund Manager for all valuation or pricing errors without delay.
- Obtaining an updated copy of the Fund's Terms and Conditions annually showing the actual fees and charges and the Fund's performance information upon request.
- Notification of the Fund Manager's intention to terminate the Investment Fund at least (21) calendar days prior to termination, other than the events stipulated in the Terms and Conditions.
- Notification of the Authority's decision in the event of removing the Fund Manager from the liquidation process and appointing an alternative liquidator.
- Immediate notification without delay of any material events or developments during the liquidation period.
- The right to attend, request the convening of meetings, vote, and receive notice of the meeting before it is held within the period stipulated in the Fund Regulations.
- Obtain the procedures for handling complaints upon requesting them from the Fund Manager.

(B) The Fund Manager's policy regarding voting rights associated with any assets of the fund

The Fund Board consults with the Compliance Officer of the Fund Manager and approves the general policies related to the voting rights attributed to the fund based on the securities in its asset portfolio. The Fund Manager, at its discretion and in accordance with the voting policies and procedures approved by the Fund Board, decides whether or not to exercise any voting rights after consulting with the Compliance Officer, and it must retain complete documented records of the exercise of these voting rights (including the reasons for exercising or not exercising them in any particular manner). Unitholders will be provided with this policy upon request. The voting rights policy may also be reviewed through the Fund Manager's website and the Saudi Exchange website.

17) Responsibilities of Unitholders

Except for the Unitholder's loss of its investment in the fund or part thereof, the Unitholder shall not be liable for the debts and obligations of the fund. Unitholders shall be responsible for paying Zakat on their invested units.

18) Unit characteristics

All units are of one class, and their holders enjoy equal rights and are treated equally by the Fund Manager, as each unit represents an equal undivided share in the assets of the fund.

19) Changes to the Fund's Terms and Conditions

(A) The provisions governing changes to the Fund's Terms and Conditions, and the approvals and notices specified under the Investment Funds Regulations

The Fund Manager shall comply with the provisions set out in the Investment Funds Regulations regarding changes made to the Terms and Conditions, which require Board approval for all changes stipulated in the Investment Funds Regulations and any amendments thereto from time to time.

Fundamental changes:

The Fund Manager must obtain the approval of the fund's Unitholders for the proposed fundamental change through an ordinary fund resolution.

After obtaining the approval of the Unitholders and the approval of the Sharia Board, the Fund Manager must obtain the approval of the Capital Market Authority for the proposed fundamental change to the fund.

The Fund Manager must notify Unitholders and disclose the details of the fundamental changes on its website and any other website available to the public in accordance with the controls specified by the Authority, (10) days before the change takes effect.

Details of the fundamental changes must be stated in the fund's public reports prepared by the Fund Manager in accordance with the Investment Funds Regulations and any other amendments thereto from time to time.

Non-fundamental changes:

The Fund Manager must notify the Authority and Unitholders and disclose on the Fund Manager's website and any other website available to the public in accordance with the controls specified by the Authority any non-fundamental changes in the public fund it manages, (10) days before the change takes effect. The fund's Unitholders have the right to redeem their units before the non-fundamental change takes effect without imposing any redemption fees (if any).

The Fund Manager must obtain the approval of the Fund Board before making any non-fundamental change.

Details of the non-fundamental changes must be stated in the public fund reports prepared by the Fund Manager in accordance with the Investment Funds Regulations and any other amendments thereto from time to time.

(B) The procedures to be followed for notifying any change in the Fund's Terms and Conditions

Fundamental changes: the Fund Manager shall send a notice to Unitholders and disclose the details of the fundamental changes on its website and the Saudi Exchange website in accordance with the controls specified by the Authority, (10) days before the change takes effect;

Non-fundamental changes: the Fund Manager must notify the Authority and Unitholders and disclose on the Fund Manager's website and any other website available to the public in accordance with the controls specified by the Authority any non-fundamental changes in the public fund it manages, (10) days before the change takes effect.

The Fund Manager will disclose all changes to the Fund's Terms and Conditions in the Fund's annual reports, including the summary annual reports and interim financial statements prepared in accordance with the Investment Funds Regulations and any amendments thereto from time to time.

The Fund Manager must submit an updated copy of the Fund's Terms and Conditions to the Authority within (10) days of making any change thereto, and also to the custodian immediately upon updating them.

The Fund Manager must publish a copy of the Fund’s Terms and Conditions on its website, the Exchange’s website, or any other website available to the public in accordance with the controls determined by the Authority (where applicable). It must also announce an updated copy of the Fund’s Terms and Conditions on its website, the Exchange’s website, or any other website available to the public in accordance with the controls determined by the Authority (where applicable) within (10) days of making any update thereto.

20) Termination and liquidation of the Fund

(A) Cases requiring the termination of the investment fund and the procedures related thereto under the Investment Funds Regulations:

❖ **The Fund shall be terminated in any of the following cases (each referred to as a "Termination Event"):**

- The Fund Manager wishes to terminate the Fund and not continue it;
- After obtaining the approval of the Fund Board in the event of exit from the Fund or the sale of all its assets and distribution of all proceeds from such disposals to the unitholders;
- In the event of any change in regulations, bylaws, or other legal conditions, or in the event of material changes in market conditions in the Kingdom of Saudi Arabia, and the Fund Manager considers this a justified reason to terminate the Fund, or if the termination of a Fund is required pursuant to a decision of the Capital Market Authority or under its regulations. In such a case, the Fund Manager must terminate the public fund immediately upon the occurrence of such an event;
- Achievement of the Fund’s investment objective, and the Fund Manager deems that the Fund should be terminated and not continued;
- If the Fund’s Terms and Conditions provide for its termination upon the occurrence of a certain event.

❖ **And the procedures for terminating the investment fund under the Investment Funds Regulations:**

- The Fund Manager must specify the provisions for terminating the Fund in the Fund’s Terms and Conditions.
- The Fund Manager must complete the stage of selling the Fund’s assets and distributing the unitholders’ entitlements to them before the end of the Fund’s term.
- The Fund Manager may extend the Fund’s term in order to complete the asset sale stage or for any other circumstance, in accordance with the provisions of Article (62) of the Investment Funds Regulations.
- For the purpose of terminating the Fund, the Fund Manager shall prepare a plan and procedures for terminating the Fund in a manner that achieves the interests of the unitholders and shall obtain the approval of the Fund Board for this plan before taking any action in this regard.
- The Fund Manager must adhere to the approved plan and procedures for terminating the Fund.

- The Fund Manager must notify the Authority in writing of the Fund’s termination and also notify the unitholders of its termination by announcement on the Fund Manager’s website and the Exchange’s website within (10) days of the end of the Fund’s term in accordance with the requirements set out in paragraph (d) of Annex (10) of the Investment Funds Regulations.
- If the Fund’s Terms and Conditions provide for its termination upon the occurrence of a certain event, the Fund Manager must terminate the Fund immediately upon the occurrence of such event and notify the Authority in writing and the unitholders by announcing this on the Fund Manager’s website and the Exchange’s website within five (5) days of the occurrence of the event requiring the Fund’s termination.
- If the Fund’s term expires and the Fund Manager has not completed the stage of selling the Fund’s assets during its term, the Fund Manager must liquidate the assets and distribute the unitholders’ entitlements to them within a period not exceeding (6) months from the date of expiry of the Fund’s term.
- The Fund Manager must adhere to the approved plan and procedures for the Fund’s liquidation in accordance with the paragraph stated above.
- The Fund Manager must notify the Authority in writing and the unitholders by announcement on the Fund Manager’s website and the Exchange’s website of the completion of the Fund’s liquidation within (10) days of the completion of the Fund’s liquidation in accordance with the requirements set out in paragraph (d) of Annex (10) of the Investment Funds Regulations.
- The Fund Manager must ensure that all unitholders are treated equally during the Fund termination or liquidation process.
- The Fund Manager must distribute the unitholders’ entitlements to them immediately upon the expiry of the Fund’s term or its liquidation without delay and in a manner that does not conflict with the interests of the unitholders and the Fund’s Terms and Conditions.
- The Fund Manager must provide the unitholders with the Fund termination report in accordance with the requirements of Annex (14) of the Investment Funds Regulations within a period not exceeding (70) days from the date of completion of the Fund’s termination or liquidation, including the Fund’s final audited financial statements for the period subsequent to the last annual audited financial statements.
- The Authority may remove the Fund Manager from the liquidation process in the event that a special resolution for the Fund is issued by the Fund’s unitholders, provided that the replacement liquidator is appointed at the same meeting in which the unitholders voted to remove the Fund Manager.
- In the event that the Fund Manager is removed from the liquidation activities, the Fund Manager shall fully cooperate in transferring the liquidation responsibilities to the appointed liquidator and shall transfer to it all documents related to the relevant investment fund that enable it to complete the liquidation activities within (20) days from the date of the Authority's decision to remove the Fund Manager and appoint an alternative liquidator.
- The Fund Manager must notify the unitholders through an announcement on the Fund Manager's website and the Saudi Exchange website in the event of the Authority's issuance of a decision to remove the Fund Manager and appoint an alternative liquidator.
- In all cases, the Fund Manager must notify the Authority in writing and the unitholders through an announcement on the Fund Manager's website and the Saudi Exchange website immediately and without any delay of any material events or developments during the fund liquidation period.

(B) Procedures followed for liquidating the investment fund:

- For the purpose of liquidating the fund, the Fund Manager must obtain the approval of the Fund's Board of Directors (where applicable) on the fund liquidation plan and procedures before taking any action in this regard.
- The Fund Manager must adhere to the approved fund liquidation plan and procedures in accordance with the paragraph set out above.
- The Fund Manager must notify the Authority in writing and the unitholders through an announcement on the Fund Manager's website and the Saudi Exchange website of the completion of the fund liquidation within (10) days from the completion of the fund liquidation in accordance with the requirements set out in paragraph (d) of Annex (10) of the Investment Funds Regulations.
- The Fund Manager must treat all unitholders equally during the fund termination or liquidation process.

- The Fund Manager must distribute the unitholders' dues to them immediately upon the end of the fund term or its liquidation without delay and in a manner that does not conflict with the interests of the unitholders and the Fund's Terms and Conditions.
- The public Fund Manager must announce on its website, the Saudi Exchange website, or any other website available to the public, according to the controls determined by the Authority (where applicable), the end of the fund term or its liquidation period.
- The Fund Manager must provide the unitholders with the fund termination report in accordance with the requirements of Annex (14) of the Investment Funds Regulations within a period not exceeding (70) days from the date of completion of the fund termination or liquidation, including the fund's final audited financial statements for the period subsequent to the last annual audited financial statements.
- The Authority may remove the Fund Manager from the liquidation process in the event of the issuance of a special resolution for the fund by the fund's unitholders, provided that the alternative liquidator is appointed at the same meeting in which the unitholders voted on the removal of the Fund Manager.
- In the event that the Fund Manager is removed from the liquidation activities, the Fund Manager shall fully cooperate in transferring the liquidation responsibilities to the appointed liquidator and shall transfer to it all documents related to the relevant investment fund that enable it to complete the liquidation activities within (20) days from the date of the Authority's decision to remove the Fund Manager and appoint an alternative liquidator.
- The Fund Manager must notify the unitholders through an announcement on the Fund Manager's website and the Saudi Exchange website in the event of the Authority's issuance of a decision to remove the Fund Manager and appoint an alternative liquidator.
- In all cases, the Fund Manager must notify the Authority in writing and the unitholders through an announcement on the Fund Manager's website and the Saudi Exchange website immediately and without any delay of any material events or developments during the fund liquidation period.

(C) If the fund term expires, the Fund Manager shall not receive any fees deducted from the Fund's assets.

21) Fund Manager

(A) Name of the Fund Manager and its duties and responsibilities

Name of the Fund Manager:

Alkhabeer Capital Company.

Duties and responsibilities of the Fund Manager:

The Fund Manager shall appoint an investment portfolio manager registered with the Capital Market Authority in accordance with the Market Institutions Regulations issued by the Capital Market Authority, in order to supervise the management of the fund.

Statement of the Fund Manager's main roles and responsibilities in relation to the fund:

1. Managing the fund, offering its units, and ensuring that the Fund's Terms and Conditions are accurate, complete, clear, correct, and not misleading;
2. Identifying and executing acquisition transactions for the Fund's assets and disposing of them;
3. Establishing the decision-making procedures that must be followed when carrying out the fund's business and projects;
4. Developing policies and procedures to monitor risks affecting the fund's investments, ensuring prompt handling thereof, provided that such policies and procedures include conducting a risk assessment process at least annually;
5. Informing the Saudi Capital Market Authority of any material events or developments that may affect the fund's business;
6. Complying with all applicable laws and regulations in force in the Kingdom of Saudi Arabia relating to the fund's business;
7. Compliance with all principles and duties stipulated in the Financial Market Institutions Regulations, including the fiduciary duty toward unitholders, which includes acting in their best interests and exercising reasonable care;
8. Managing the Fund’s assets in a manner that serves the interests of investors in accordance with the Terms and Conditions;
9. Acting in the interest of unitholders under the provisions of the Investment Funds Regulations, the Financial Market Institutions Regulations, and the Fund’s Terms and Conditions;
10. Ensuring the legality and enforceability of all contracts entered into for the benefit of the Fund;
11. Implementing the Fund strategies set out in these Terms and Conditions;

12. Applying the Fund's compliance and conformity monitoring program and providing the Authority with the results of its application upon request;
13. Arranging, negotiating, and executing financing facility documents that comply with the standards of the Sharia Supervisory Committee of the Fund Manager on behalf of the Fund;
14. Cooperating with all persons concerned with performing duties for the Fund, including the custodian and the auditor, and providing them with everything necessary to perform their duties and tasks in accordance with the Investment Funds Regulations;
15. Appointing the Fund's Sharia Supervisory Committee and obtaining its approval that these Terms and Conditions are compliant with the standards of the Sharia Supervisory Committee of the Fund Manager;
16. Supervising the performance of the parties contracting with the Fund;
17. Being responsible to unitholders for the Fund's losses resulting from its fraud, negligence, misconduct, or willful default;
18. Arranging the liquidation of the Fund upon its termination;
19. Providing the Fund's Board of Directors with all necessary information relating to the Fund to enable the Board members to fully perform their responsibilities;
20. Preparing an annual report that includes an assessment of the performance and quality of services provided by the parties concerned with providing the Fund's essential services, including the custodian, the developer, and the property manager (as applicable);
21. Preparing an annual report that includes all complaints and the actions taken regarding them and submitting it to the Fund's Board of Directors;
22. Consulting with the Fund's Board of Directors to ensure compliance with the Capital Market Authority regulations and these Terms and Conditions;

(B) License number issued by the Capital Market Authority and its date

07074-37

4 July 2007

(C) The registered address and head office address of the Fund Manager

Alkhabeer Capital

P.O. Box: 128289

Jeddah 21362

Kingdom of Saudi Arabia

Telephone: +966 12 658 8888

Fax: +966 12 658 6663

(D) Fund Manager's website address

Website: www.alkhabeer.com

(E) Statement of the Fund Manager's paid-up capital

The capital of "Alkhabeer Capital" amounts to SAR 894,523,230, fully paid.

(F) Summary of the Fund Manager's financial information, including revenues and profits for the previous fiscal year

- The Company's audited revenues for 2017 amounted to SAR 187.5 million, and profits before zakat amounted to SAR 61.1 million.
- The Company's audited revenues for 2018 amounted to SAR 188.2 million, and profits before zakat amounted to SAR 56.9 million.
- The Company's audited revenues for 2019 amounted to SAR 25.08 million, and profits before zakat amounted to SAR -123.9 million (loss).
- The Company's audited revenues for 2020 amounted to SAR 200.6 million, and profits before zakat amounted to SAR 63.5 million.
- The Company's audited revenues for 2021 amounted to SAR 237.6 million, and profits before zakat amounted to SAR 81.4 million.
- The Company's audited revenues for 2022 amounted to SAR 262 million, and profits before zakat amounted to SAR 95.4 million.
- The Company's audited revenues for 2023 amounted to SAR 289.1 million, and profits before zakat amounted to SAR 108.5 million.
- The Company's audited revenues for 2024 amounted to SAR 308.940 million, and profits before zakat amounted to SAR 120.875 million.

(G) Statement of the Fund Manager's key roles and responsibilities in relation to the Fund

See paragraph (21)(A) of these Terms and Conditions.

(H) Any other business activities or interests of the Fund Manager that are materially significant or may conflict with the Fund's activities

See paragraph (24)(F) of these Terms and Conditions.

(I) Statement of the Fund Manager's right to appoint a sub-fund manager

The Fund may appoint specialized sub-fund managers to manage specific asset classes, provided that the approval of the Fund's Board of Directors is obtained. They may be replaced as the Fund Manager deems appropriate at its discretion and after obtaining the approval of the Fund's Board of Directors. The Fund Manager shall pay the fees and expenses of any sub-fund manager from its own resources.

The sub-fund manager shall be responsible for the daily management of the Fund's assets allocated to it. For the avoidance of doubt, the Fund Manager remains responsible for appointing sub-fund managers and bears the consequences of their actions.

The Fund Manager will adopt the same selection criteria followed for selecting executing brokers, with differences depending on the roles.

(J) Statement of the provisions governing the removal and replacement of the Fund Manager

The Authority may remove the Fund Manager in relation to a specific investment fund and take any action it deems appropriate to appoint an alternative fund manager for that fund or take any other measure it deems appropriate, in the event any of the following cases occur:

1. The Fund Manager ceases to conduct the activity of managing investments and operating funds or the activity of managing investments without notifying the Authority thereof pursuant to the Capital Market Institutions Regulations.
2. The cancellation, withdrawal, or suspension by the Authority of the Fund Manager's license to conduct the activity of managing investments and operating funds or the activity of managing investments.
3. The submission by the Fund Manager of an application to the Authority to cancel its license to conduct the activity of managing investments and operating funds or the activity of managing investments.
4. If the Authority considers that the Fund Manager has materially breached, in a manner the Authority deems material, compliance with the Law or its implementing regulations.
5. The death, incapacity, or resignation of the portfolio manager managing 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 case that the Authority considers, on reasonable grounds, to be of material significance.

The Fund Manager must notify the Authority of any of the cases mentioned in paragraph (5) above within (2) two days of their occurrence.

- The Authority shall direct the removed Fund Manager to call a meeting of the unitholders within (15) days from the date of the Authority's removal decision in order to appoint the Custodian or another entity, through an ordinary fund resolution, to search for and negotiate with an alternative fund manager and determine the specified period for the search and negotiation.
- The Fund Manager must notify the Authority of the results of the unitholders' meeting within (2) two days from the date of its convening.
- The Fund Manager must cooperate and provide the Custodian or the appointed authorized entity conducting the search and negotiation with any documents requested from it for the purpose of appointing a fund manager within (10) days from the date of the request, and both parties must maintain the confidentiality of the information.
- The Fund Manager must, upon the alternative fund manager's approval to manage the fund and the transfer of the fund's management to it, send the alternative fund manager's written approval to the Authority immediately upon receipt.

Subject to Article (20) of the Investment Funds Regulations, if the Authority exercises any of its powers pursuant to this paragraph, the Fund Manager must cooperate fully in order to assist in facilitating the smooth transfer of responsibilities to the alternative fund manager during the first (60) days of the appointment of the alternative fund manager. The removed Fund Manager must transfer, where necessary and appropriate and at the sole discretion of the Authority, to the alternative fund manager all contracts related to the relevant investment fund.

If the Fund Manager is removed, it must cease making any investment decisions relating to the fund immediately upon the appointment of the alternative fund manager or at any earlier time specified by the Authority.

If an alternative fund manager is not appointed during the specified period for searching and negotiating with an alternative fund manager, the unitholders shall have the right to request the liquidation of the fund through a special fund resolution.

22) Fund Operator

(A) Name of the Fund Operator

Name of the Fund Operator: Alkhabeer Capital Company.

(B) License number issued by the Capital Market Authority and its date

07074-37

4 July 2007

(C) Registered address and head office address of the Fund Operator

Alkhabeer Capital Company

P.O. Box: 128289

Jeddah 21362

Kingdom of Saudi Arabia

Telephone: +966 12 658 8888

Fax: +966 12 658 6663

(D) Statement of the Fund Operator's main roles and responsibilities

The fund operator must, in relation to the fund, perform all administrative duties and obligations required under the Investment Funds Regulations and any other undertakings that may be necessary in order to implement and achieve the fund's purposes, policies, and objectives. For example, without limitation:

- Maintaining the books and records related to the operation of the fund
- Valuing the Fund's assets.

(E) Statement of the fund operator's right to appoint a sub-fund manager

The fund operator may appoint specialized sub-fund operators, provided that the approval of the fund's board of directors is obtained. They may be replaced as the fund manager deems appropriate at its discretion and after obtaining the approval of the fund's board of directors. The fund operator shall pay the fees and expenses of any sub-fund operator from its own resources.

(F) Tasks delegated by the fund operator to a third party in relation to the fund

Not applicable.

23) Custodian

(A) Name of the custodian

Albilad Capital Company

(B) Custodian license number issued by the Capital Market Authority and its date

08100-37

14 August 2007

(C) Registered address and business address of the custodian

King Fahd Road

P.O. Box: 140, Riyadh 11411

Kingdom of Saudi Arabia

Unified number: 920003636; Fax: 011 290 6299

Email: clientservices@albilad-capital.com

Website: www.albilad-capital.com

(D) Statement of the custodian's key roles and responsibilities in relation to the fund

- The custodian shall be responsible for fulfilling all of its obligations pursuant to the Investment Funds Regulations, whether it performs its responsibilities and duties directly or delegates them to a third party in accordance with the Investment Funds Regulations and the Market Institutions Regulations.
- The custodian shall be liable to the fund manager and the unitholders for the fund's losses resulting from any fraud, negligence, misconduct, or willful default on the part of the custodian.
- The custodian shall be responsible for the safe custody and protection of the Fund's assets for the benefit of the unitholders and for taking all administrative actions required in relation to the safe custody of the Fund's assets.
- The custodian shall open a separate account for the fund, and shall take all necessary actions to segregate the Fund's assets from any other assets independently, including the custodian's own assets and the assets of its other clients, such that those assets are identified independently through registering securities and other assets in the name of the special purpose entity, and shall maintain all necessary records and other documents supporting the performance of its contractual obligations.

(E) Statement of the custodian's right to appoint a sub-custodian

No sub-custodian has been appointed; however, the custodian may appoint one or more third parties or any of its affiliates as sub-custodians for the fund. The custodian must pay any fees and expenses relating to the sub-custodian. The custodian shall remain responsible if it appoints any party (including its affiliates) to carry out any of its stated responsibilities.

(F) Tasks delegated by the custodian to a third party in relation to the investment fund

No sub-custodian has been appointed; however, the custodian may appoint one or more third parties or any of its affiliates as sub-custodians for the fund. The custodian must pay any fees and expenses relating to the sub-custodian. The custodian shall remain responsible if it appoints any party (including its affiliates) to carry out any of its stated responsibilities.

(G) Statement of the provisions governing the removal or replacement of the custodian

The Capital Market Authority shall have the power to remove the custodian and take any other measures it deems necessary, as appropriate, in the following cases:

- The custodian ceases to carry on custody activities without notifying the Capital Market Authority pursuant to the Market Institutions Regulations;
- The Capital Market Authority cancels, withdraws, or suspends the custodian's license required for it to continue carrying on custody activities;
- The custodian requests the Capital Market Authority to cancel its license required to carry on custody activities;
- If the Capital Market Authority considers that the custodian has failed, in any manner the Authority considers material, to comply with the Capital Market Law or its Implementing Regulations;
- Any other event that the Capital Market Authority considers, on reasonable grounds, to be of sufficient importance.

If the Capital Market Authority exercises its power based on the foregoing, the relevant fund manager must appoint a replacement custodian in accordance with the instructions of the Capital Market Authority, and the fund manager and the removed custodian must cooperate fully to help facilitate the smooth transfer of its responsibilities to the replacement custodian during the first sixty (60) days after the appointment of the replacement custodian. The custodian must transfer all contracts relating to the fund to which it is a party to the replacement custodian if the Capital Market Authority determines that this is necessary.

24) Fund Board of Directors

The Fund Manager appoints a board of directors for the Fund to oversee certain activities carried out by the Fund and act in the best interests of the Fund and its unitholders. The Fund's board of directors works with the Fund Manager to ensure the Fund's success.

(A) Names of the Board members, indicating the type of membership

The Fund's board of directors shall consist of five members appointed by the Fund Manager, including two independent members. Unitholders shall be notified of any change in the composition of the Fund's board of directors through publication on the Fund Manager's website and the Saudi Exchange website. The table below sets out the names of the Fund's board members and their membership capacity:

#	Member Name	Membership Capacity
1	**Mr. Ammar Ahmed Saleh Shatta**	Chairman of the Board - Non-Independent
2	**Mr. Ahmed Saud Hamza Gouth**	Board Member - Non-Independent
3	**Mr. Hisham Omar Ali Baroom**	Board Member - Non-Independent
4	**Mr. Farouq Fouad Ahmed Ghulam**	Board Member - Independent
5	**Mr. Ahmed Abdulilah Maghrabi**	Board Member - Independent

(B) Summary of the qualifications of the Fund Board members

Member Name	**Mr. Ammar Ahmed Saleh Shatta.**
Membership Capacity	Chairman of the Fund Board - Non-Independent.
Current Position	Mr. Ammar is the founder and Chairman of the Board of Alkhabeer Capital.
Academic Qualifications	● He holds a Master's degree in Economic Planning and a Bachelor's degree in Electrical Engineering from the University of Southern California, United States. ● He also holds the Chartered Financial Analyst ("CFA") designation from the CFA Institute, United States.
Professional Experience	He has over 22 years of experience in the areas of corporate finance, syndicated finance, asset management, development of Islamic financial products, and investment and Islamic banking services.

Member Name	**Mr. Ahmed Saud Hamza Gouth.**
Membership Capacity	Board Member of the Fund - Non-Independent.
Current Position	Mr. Ahmed is a Board Member and the Chief Executive Officer of Alkhabeer Capital.
Academic qualifications	He holds a Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals in Dhahran, Kingdom of Saudi Arabia.
Professional experience	● He has over 21 years of experience in corporate banking, Islamic finance, asset management, and private equity. He currently serves on the boards of directors of several real estate investment funds, private equity funds, and funds listed on the financial market. ● During his previous work at Saudi National Bank, he gained comprehensive experience in managing loan portfolios and structuring Islamic loans. Through his supervisory responsibilities over asset management at Alkhabeer Capital, he also gained further diverse experience in real estate development funds, income-generating funds, and equity funds.

Member name	**Mr. Hisham Omar Ali Baroom**
Membership status	Fund Board Member – Non-Independent
Current position	Mr. Hisham is the Chief Executive Vice President of Alkhabeer Capital.
Academic qualifications	He holds a Bachelor's degree in Accounting from King Abdulaziz University in the Kingdom of Saudi Arabia, and a Diploma in Investment Portfolio Management and Financial Markets from the Arab Academy for Banking and Financial Sciences.
Professional experience	● He has over 21 years of experience in managing financial institutions, investment management, and business development. ● Before joining Alkhabeer Capital, he held the position of Chief Executive Vice President at Elaf Group, where he was responsible for planning and executing strategies. He began his professional career working with the Asset Management Group at Saudi National Bank, where he held various positions over a period of nine years.

Member name	**Mr. Farouk Fouad Ahmed Ghulam.**
Membership status	Fund Board Member – Independent.
Current position	Mr. Farouk is the Vice Chairman of Rasd International Holding Group and advisor to its Chairman, and he participates in managing the group's local and international companies. In addition, he participates in making decisions related to the group's investment and risk matters.
Academic qualifications	He holds a Master's degree in International Legal Studies, specialized in business and global commercial transactions, from Washington College of Law in the United States of America, and a degree in Law from King Abdulaziz University in Jeddah, Kingdom of Saudi Arabia.
Professional experience	● He has over 21 years of experience in legal affairs, Islamic finance, investment, and financial structuring. ● He was the Executive Partner and Head of Asset Management at Alkhabeer Capital (from August 2006 to August 2009). Prior to that, he was the Head of Product Development and Operational Risk at National Commercial Bank, where he was responsible for launching and organizing investment funds.

Member name	**Mr. Ahmed Abdulilah Maghrabi.**
Membership status	Fund Board Member – Independent.
Current position	Mr. Ahmed is a Co-Founder and Vice Chairman of Abdulilah Mohammed Ali Maghrabi Trading Establishment. He works in managing the group's equipment and transportation sectors. In addition, he also develops the group's policies, strategies, and operational plans.
Academic qualifications	He holds a Bachelor's degree in Management Information Systems from Whittier College, California, United States of America, and a Diploma in Hotel Management from the United States of America.
Professional experience	● He has over 19 years of experience in heavy equipment, transportation, and real estate development. ● He previously held the position of Purchasing Manager at Mohammed Ali Maghrabi & Sons, where he was responsible for supervising the construction of Le Méridien Jeddah Hotel. ● Mr. Ahmed is a member of the Project Management Institute and is a certified Project Management Professional.

Members' qualifications

The Fund Manager acknowledges that all members of the Fund's Board of Directors:

- Not subject to any bankruptcy or liquidation proceedings; and
- They have never committed any fraudulent acts or acts involving dishonor or breach of trust; and
- They possess the necessary skills and experience that qualify them to be members of the Fund's Board of Directors.

The Fund Manager acknowledges that each of the two independent members meets the definition of an "independent member" set out in the glossary of terms used in the Capital Market Authority's regulations and rules.

(C) Description of the roles and responsibilities of the Fund's Board of Directors

The members of the Fund's Board of Directors shall undertake the following responsibilities:

- Approving all material contracts, resolutions, and reports to which the Fund is a party, including - by way of example and not limitation - approving contracts for the provision of fund management services and custody services, but excluding contracts entered into pursuant to investment decisions regarding any investments made or to be made by the Fund in the future.
- Adopting a written policy regarding voting rights relating to the Fund's assets.
- Overseeing and, where appropriate, approving or ratifying any conflict of interest disclosed by the Fund Manager.
- Meeting at least twice annually with the compliance and commitment officer of the Fund Manager to review the Fund's compliance with all relevant laws and regulations, including - by way of example and not limitation - the requirements stipulated in the Investment Funds Regulations.
- Approving all Fundamental and Non-Fundamental Changes stipulated in Articles (62) and (63) of the Investment Funds Regulations before the Fund Manager obtains the approval of, or notifies, the unitholders and the Authority.

- Ensuring the completeness and accuracy of the Terms and Conditions and any other document, whether a contract or otherwise, containing disclosures relating to the Fund and/or the Fund Manager and its management of the Fund, in addition to ensuring that the foregoing complies with the provisions of the Investment Funds Regulations.
- Ensuring that the Fund Manager carries out its responsibilities in a manner that serves the interests of the unitholders in accordance with the provisions of the Investment Funds Regulations, the Terms and Conditions, and the Sharia Committee's resolutions.
- Reviewing the report containing the assessment of the performance and quality of services provided by the parties concerned with providing material services to the Fund referred to in paragraph (l) of Article (9) of the Investment Funds Regulations, in order to ensure that the Fund Manager carries out its responsibilities in a manner that serves the interests of the unitholders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Assessing the mechanism by which the Fund Manager deals with risks related to the Fund's assets in accordance with the Fund Manager's policies and procedures for monitoring risks related to the Fund and how to address them.
- Acting honestly, in good faith, and with attention, skill, care, diligence, and prudence in a manner that serves the interests of the unitholders.
- Recording minutes of meetings showing all meeting proceedings and the resolutions adopted by the Board.
- Reviewing the report containing all complaints and the actions taken in respect thereof referred to in paragraph (m) of Article (9) of the Investment Funds Regulations, in order to ensure that the Fund Manager carries out its responsibilities in a manner that serves the interests of the unitholders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Ratifying the appointment of the Fund's auditor nominated by the Fund Manager.

The Fund Manager shall provide all necessary information relating to the Fund's affairs to all members of the Fund's Board of Directors to enable them to perform their duties. No member of the Fund's Board of Directors shall be liable to any of the unitholders for any damages, losses, costs, expenses, or other liabilities incurred by the unitholder or the Fund's assets, unless such is caused by their willful misconduct, bad faith, or gross negligence.

(D) Details of the remuneration of the members of the Fund's Board of Directors

The Fund shall pay 5,000 Saudi Riyals annually to each independent member, in addition to an attendance allowance of 4,000 Saudi Riyals for each meeting. Two independent members have been appointed for the Fund; accordingly, the total fees payable to the two members shall be a fixed annual fee of 10,000 Saudi Riyals per year for both members, in addition to an attendance allowance of 4,000 Saudi Riyals for each meeting attended by each member. It is expected that a minimum of two meetings will be held during the year (and a maximum of four meetings during the year); accordingly, the total expected attendance allowance for the two members will be 16,000 Saudi Riyals at a minimum (32,000 Saudi Riyals at a maximum). Accordingly, the total fees expected to be paid during the year to the independent Board members will be 26,000 Saudi Riyals at a minimum (42,000 Saudi Riyals at a maximum).

Any actual or potential conflict between the interests of a member of the Fund's Board of Directors and the interests of the Fund

In the event of any conflict of interest arising, the Fund Manager must at all times adhere to its duties toward the Fund (including the duties imposed on it pursuant to the Investment Funds Regulations issued by the Capital Market Authority). In the event of a conflict of interest arising, the Fund Manager will deal with all Unitholders fairly and will not favor any of them over another. The Fund Board will seek to reach a fair settlement of any disputes between the Fund and other collective investment schemes involving related parties. Transactions with related parties, if any, must be carried out on a purely commercial basis. The procedures for dealing with conflict of interest situations will be made available to Unitholders upon a written request addressed to the Fund Manager. The policies and procedures that will be followed to address conflicts of interest and any potential and/or actual conflicts of interest will be provided upon request free of charge.

(E) All fund boards on which the relevant Fund Board member serves

The Fund Board members named below also serve on the boards of other funds managed by the Fund Manager:

Fund Name	Fund Type	Members				
		Ammar Shatta	Ahmed Gouth	Hisham Baroum	Farouq Ghulam	Ahmed Maghribi
Alkhabeer Residential Real Estate Development Fund 2	Private Placement	Chairman	Member			
Alkhabeer Real Estate Investment Opportunities Fund 1	Private Placement	Chairman	Member		Member	
Alkhabeer Real Estate Investment Opportunities Fund 2	Private Placement		Chairman	Member		
Alkhabeer Education Private Equity Fund 1	Private Placement	Chairman	Member			
Alkhabeer Education Private Equity Fund 2	Private Placement		Chairman	Member		Member
Alkhabeer Education Private Equity Fund 3	Private Placement		Chairman	Member		Member
Alkhabeer Education Private Equity Fund 4	Private Placement		Chairman	Member		Member
Alkhabeer Educational Private Equity Fund 5	Private Offering		Chairman	Member		Member
Alkhabeer Educational Private Equity Fund 6	Private Offering		Chairman	Member		Member
Alkhabeer Educational Private Equity Fund 7	Private Offering		Chairman	Member		Member
Alkhabeer Hospitality Fund 1	Private Offering		Chairman	Member		Member
Alkhabeer REIT Fund	Public Offering	Chairman	Member	Member	Member	
Alkhabeer Endowment Fund 1	Public Offering	Chairman	Member		Member	
Alkhabeer Diversified Income Traded Fund	Public Offering	Chairman	Member	Member	Member	Member
Alkhabeer Private Equity Fund for Car Leasing	Private Placement		Chairman	Member		
Alkhabeer Murabaha Fund in Saudi Riyal	Private Placement		Chairman	Member		Member
Alkhabeer Gulf Investment Opportunities Company Limited	Private Placement	Chairman	Member	Member		
Alkhabeer Industrial Private Equity Fund 4	Private Placement		Chairman	Member		Member
Alkhabeer Saudi Private Equity Fund 1	Private Placement		Chairman	Member		Member
Alkhabeer Multi-Asset Income Private Fund 1	Private Placement		Chairman	Member		
Alkhabeer Diversified Income 2030 Traded Fund	Public Offering		Chairman	Member	Member	Member

25) Sharia Supervisory Committee

(A) Names of the Sharia Supervisory Committee members and their qualifications

Shariyah Review Bureau W.L.L. has been appointed as the Fund's Sharia advisor (the "Sharia Supervisory Committee"). Shariyah Review Bureau is a leading company in the field of Sharia consultancy and supervision and is licensed by the Central Bank of Bahrain. It provides its services to various business sectors, acting as a Sharia supervisor and advisor to many companies across 12 different countries in the United States, Europe, Africa, Asia, and the GCC countries.

The Bureau is associated with a distinguished group of Sharia scholars in a number of different countries around the world, making it one of the few Sharia advisory bodies that can meet the needs of clients and businesses on an international scale. Apart from its clients in the United Kingdom, Canada, France, Australia, Hong Kong, Switzerland, and the GCC countries, the Bureau provides its services to many business sectors, most notably the insurance and investment sectors, where it acts as a Sharia supervisor and advisor to 21% of insurance companies and 13% of investment companies listed on the Saudi market.

Shariyah Review Bureau W.L.L. is distinguished by providing its services with high professionalism through reviewing and approving products, in addition to Sharia consultancy, Sharia audit, and screening shares listed on trading markets.

The Sharia Supervisory Board appointed for the purpose of reviewing and approving the Fund's documents and activities consists of:

Sheikh Dr. Salah Al-Shalhoob

Sheikh Dr. Salah is a Sharia advisor holding a PhD in Islamic Finance from the University of Edinburgh in the United Kingdom and a master's degree from Imam University in the Kingdom of Saudi Arabia. He has participated in reviewing and approving numerous products for companies in the United States of America, Europe, and the GCC countries, with a focus on investment banking products, real estate transactions, insurance products, listed securities, and private funds. His experience also extends to sukuk, ijara, SME financing, and asset management products.

He is currently a faculty member at the Saudi Electronic University, Riyadh, and previously served as a faculty member and Director of the Center for Islamic Banking and Finance at King Fahd University of Petroleum and Minerals in Dhahran. He has written numerous research papers and articles related to the Islamic banking sector, published in various newspapers.

Sheikh Faraz Adam

Sheikh Faraz Adam spent nearly a decade studying the Sharia board. He completed the Alimiyyah program after six years in the United Kingdom and then went on to complete the Ifta course in South Africa. Sheikh Faraz holds a master's degree in Islamic Finance, Banking, and Management from Newman University in the United Kingdom in 2017. In addition, he has obtained numerous qualifications in the field of Islamic finance.

Mufti Faraz has been active in Sharia advisory for several years and has written more than 5,000 answers, a large proportion of which relate to Islamic finance. In 2016, he joined the National Zakat Foundation in the United Kingdom, where he currently serves as a full-time zakat advisor and researcher. In 2017, he launched Amanah Sharia Consultants. Sheikh Faraz Adam currently serves as Sharia advisor to numerous financial institutions around the world.

Roles and responsibilities of the Sharia Supervisory Committee

The Sharia Board conducts annual reviews of the Fund in order to obtain reasonable assurance that the Fund's operations and investments are in line with the standards of the Sharia Supervisory Committee of the Fund Manager, as set out in paragraph (d) below.

(B) Sharia Supervisory Committee fees

The Fund pays the Sharia Board annual fees of SAR 15,000. The Fund must also pay the Sharia advisor a one-time fixed fee equal to SAR 20,000 for reviewing the terms and conditions and the Fund structure.

(C) Details of the applicable standards for determining the Sharia compliance of assets intended for investment, the periodic review of those assets, and the procedures followed in the event of non-compliance with Sharia standards

The Sharia Supervisory Committee considers investment in fixed-income instruments permissible in accordance with the following controls:

- The financing of investment transactions must comply with the standards of the Sharia Supervisory Committee of the Fund Manager.
- Cash/liquidity must be invested in instruments that comply with the standards of the Sharia Supervisory Committee of the Fund Manager.
- All contracts and agreements entered into must comply with the standards of the Sharia Supervisory Committee of the Fund Manager.
- The Fund Manager may not enter into any contract that results in the payment or accrual of usurious interest; however, it may take legal action to recover its receivables arising from interest.

26) Investment Advisor

None.

27) Distributor

None.

28) Auditor

(A) Name of the auditor

Crowe Solutions for Professional Consulting Company - Member of Crowe Global

(B) Registered address and business address of the auditor

Crowe Solutions for Professional Consulting Company - Member of Crowe Global
P.O. Box: 21499
Jeddah 40097
Kingdom of Saudi Arabia
https://www.crowe.com/sa

(C) Core roles and responsibilities of the auditor

The auditor reviews the Fund's financial statements and expresses an opinion thereon, including its assessment of the accounting principles applied in accordance with the International Financial Reporting Standards.

(D) Statement of the provisions governing the replacement of the auditor of the investment fund

The Fund's Board of Directors rejects the appointment of the auditor, or the Board issues instructions to the Fund Manager to replace the appointed certified public accountant, in any of the following cases:

- The existence of strong allegations of professional misconduct by the auditor in relation to the performance of its duties;
- If the Fund's auditor ceases to be independent;
- If the Fund's Board of Directors determines that the auditor no longer has sufficient qualifications and experience to perform audit and review functions in an acceptable manner, or that changing the auditor would serve the interests of the unitholders;
- If the Capital Market Authority, at its discretion, requests the change of the Fund's appointed auditor;
- If the auditor is no longer registered with the Authority.

A notice must be sent to all unitholders and the Capital Market Authority upon the replacement of the auditor.

29) Fund Assets

(A) The Fund's assets are held by the Custodian for the benefit of the Fund.

(B) The Custodian must segregate the Fund's assets from its own assets and from the assets of its other clients.

(C) The Fund's assets are collectively owned by the Unitholders (undivided common ownership). The Fund Manager, Sub-Fund Manager, Fund Operator, Custodian, Sub-Custodian, advisor, or distributor may not have any interest in the Fund's assets or claim in relation to those assets, except where the Fund Manager, Sub-Fund Manager, Fund Operator, Custodian, Sub-Custodian, advisor, or distributor is a holder of the Fund's units, to the extent of its ownership, or where such claims are permitted under the provisions of the Investment Funds Regulations and disclosed in these Terms and Conditions.

30) Complaints Handling

If any of the Unitholders has any questions or complaints relating to the Fund during the Fund Term, the relevant Unitholder shall contact the Compliance Control and Anti-Money Laundering Department at Alkhabeer Capital on:

Compliance Control Department
Alkhabeer Capital
Madinah Road
P.O. Box: 128289
Jeddah 21362
Kingdom of Saudi Arabia
Phone: +966 12 658 8888
Email: compliance@alkhabeer.com

Alkhabeer Capital adopts a documented complaints management policy that it uses with its existing clients. The Fund Manager intends to use and apply this policy to the Unitholders of this Fund. Investors and prospective Unitholders wishing to obtain a copy of this policy (free of charge) may contact the Compliance Control and Anti-Money Laundering Reporting Department at Alkhabeer Capital at the address stated above. If a settlement cannot be reached or no response is received within (60) business days, the subscriber is entitled to file his complaint with the Capital Market Authority - Investor Protection Department. The subscriber is also entitled to file the complaint with the Committee for the Resolution of Securities Disputes after the lapse of (90) calendar days from the date of filing the complaint with the Authority, unless the Authority notifies the complainant that it may be filed with the Committee before the expiry of such period.

31) Other Information

(A) The policies and procedures that will be followed to address conflicts of interest and any potential and/or actual conflicts of interest will be provided upon request free of charge.

(B) The Committee for the Resolution of Securities Disputes is the competent judicial authority to hear any dispute arising from or in connection with investment in investment funds.

(C) List of documents available to Unitholders:

1. The Fund's Terms and Conditions.
2. The contracts referred to in the Terms and Conditions.
3. The financial statements of the Fund Manager.

(D) Any other information known, or that the Fund Manager or the Board should reasonably know, and which current or prospective Unitholders or their professional advisors may reasonably request, or that would be expected to be included in the Fund's Terms and Conditions on the basis of which the investment decision will be made.

(E) Exemptions approved by the Capital Market Authority: Not applicable.

32) Additional information requirements for certain types of funds:

Not applicable.

33) Acknowledgment by Unitholders

The Unitholder acknowledges that he has reviewed the Fund's Terms and Conditions and also acknowledges his approval of the characteristics of the units in which he has subscribed.

Appendix (1) - Financial Disclosure Summary

Type of Fees and Charges	Statement
Management Fees	The Fund Manager shall, in consideration for managing the Fund's assets, receive management fees ("Management Fees") at a rate of 0.80% per annum of the Net Asset Value. The Management Fees must be paid every half Gregorian year. The Fund shall bear the Management Fees, which are calculated on each Valuation Day and paid semi-annually starting from the Closing Date. The Management Fees shall be paid on a pro rata basis, taking into account the days elapsed in the period on the basis of which the fees are calculated.
Sub-Fund Manager Fees	The Sub-Fund Manager (if any) shall be compensated at the expense of the Fund Manager and paid semi-annually.
Subscription Fees	Up to 1.0% of the subscription amount.
Custody Fees	The Fund will pay the Custodian a fee of SAR 25,000 to establish a special purpose vehicle. The annual asset custody fees in the Saudi market as a percentage of the total value of the Fund's assets are as follows: **A- From SAR 0 to SAR 750 million: 0.06%** **b- From SAR 750 million to SAR 1 billion: 0.05%** **c- More than SAR 1 billion: 0.04%** The annual asset custody fees in global markets are as follows: **a- United States and United Kingdom: 0.04%** **b- France, Germany, Switzerland, and Japan: 0.07%** **c- China A-share market and China B-share market: 0.22%** Provided that the custodian's fees shall not be less than SAR 3,000 as a minimum monthly amount.
Fund Operator Fees	The Fund shall pay the Fund Operator annual fees equal to 0.15% per annum of the Fund's net asset value, payable semi-annually.
Auditor's Fees	The Fund shall pay the Auditor annual fees equal to SAR 60,000, payable semi-annually.
Zakat consultant expenses for submitting information returns to the Zakat, Tax and Customs Authority	The Fund Manager shall pay the zakat consultant expenses for submitting information returns to the Zakat, Tax and Customs Authority, amounting to annual fees equal to SAR 20,000, payable annually.
Sharia Supervisory Committee Fees	The Fund shall pay the Sharia advisor a one-time fixed fee equal to SAR 20,000 for reviewing the terms and conditions and the fund structure. The Fund shall also pay the Sharia advisor annual fees of SAR 15,000 for annual Sharia audit services.
Publication fees on the Saudi Exchange website	The Fund shall pay publication fees on the Saudi Exchange website in the amount of SAR 5,000 annually. Such fees shall be paid to the Saudi Exchange annually.
Regulatory fees	The Fund shall pay regulatory fees to the Capital Market Authority in the amount of SAR 7,500 annually. Such fees shall be paid annually.
Fees of independent Board members	The Fund shall pay SAR 5,000 annually to each independent member, in addition to an attendance allowance of SAR 4,000 for each meeting. Two independent members have been appointed for the Fund; accordingly, the total fees payable to the two members shall be a fixed annual fee of SAR 10,000 annually for both members, in addition to an attendance allowance of SAR 4,000 for each meeting attended by each member. It is expected that a minimum of two meetings will be held during the year (and a maximum of four meetings during the year); accordingly, the total expected attendance allowance for the two members shall be SAR 16,000 at a minimum (SAR 32,000 at a maximum). Therefore, the total fees expected to be paid during the year to the independent Board members shall be SAR 26,000 at a minimum (SAR 42,000 at a maximum). Non-independent Board members shall not receive any remuneration.
Transaction expenses and fees (brokerage)	Brokerage expenses (including broker fees) or any other trading fees shall be paid directly by the Fund at levels determined by the regulations or the broker in the markets in which the Fund trades. Such amounts vary based on the type of transactions, the nature of the investments, and the size of the operations for each transaction.
Expenses of Sharia-compliant financing in accordance with the standards of the Sharia Supervisory Committee of the Fund	These shall be charged to the Fund, if any, according to prevailing market prices, calculated on each valuation day, and paid in accordance with the requirements of the financing party.

Manager	
Other expenses	The Fund shall bear all other actual expenses related to the Fund's activities, the deployment of its investments, and the professional and operational services provided by third parties, including, without limitation, the costs of convening unitholders' meetings, other professional services provided to the Fund, in addition to income purification expenses (if any) and the expenses of the index service provider (Ideal Ratings). The Fund shall be responsible for any tax payable imposed in the future by regulatory authorities. These fees, charges, and expenses shall not exceed 0.50% of the Fund's net asset value annually, excluding fees, commissions, and taxes subject to governmental rules and regulations, noting that only the actual fees will be deducted.
Zakat	The Fund Manager shall comply with the "Rules for the Collection of Zakat from Investors in Investment Funds" and any amendments thereto from time to time. The Fund Manager has also registered the Fund with the Zakat, Tax and Customs Authority for zakat purposes and for submitting the necessary returns in accordance with the Rules and the regulations of the Capital Market Authority and any amendments thereto. It should be noted that the responsibility for calculating and paying zakat rests with the Fund's unitholders, and the Fund shall bear no responsibility in this regard. The Fund Manager also undertakes to provide the Zakat, Tax and Customs Authority with all required information returns within a period not exceeding (120) days from the end of the Fund's zakat year. The Fund Manager shall also provide unitholders with the information necessary to calculate their zakat base upon request in accordance with the Rules. Investors subject to the provisions of these Rules who own investment units in the Fund are required to calculate and pay zakat on these investments. The Fund Manager shall also notify the Zakat, Tax and Customs Authority of the termination of the Fund within (60) days from the date of termination. The Zakat Authority Rules may also be viewed through the website: https://zatca.gov.sa/ar/Pages/default.aspx.

Note: All payments referred to above are subject to value added tax, the rate of which may change from time to time.

Value Added Tax

All fees, charges, and expenses referred to in these Terms and Conditions are exclusive of value added tax, unless otherwise stated. To the extent that value added tax is payable in respect of any supply by any person to the Fund or to the Fund Manager in its capacity as manager of the Fund, the Fund Manager shall pay, out of the Fund's assets, additional consideration for such supply equal to the amount of the consideration exclusive of value added tax (or its market value exclusive of value added tax, where applicable) multiplied by the rate of value added tax due on that supply (provided that a tax invoice is issued and the Fund receives such invoice).

Appendix (2) - Sharia Supervisory Committee Standards of the Fund Manager

Investment in fixed-income assets

Investment in fixed income shall be in accordance with the following controls:

- The financing of investment transactions must be compliant with the standards of the Sharia Supervisory Committee of the Fund Manager.
- Cash/liquidity must be invested in assets compliant with the standards of the Sharia Supervisory Committee of the Fund Manager.
- All investment contracts and agreements relating to the Fund must be submitted to the Sharia Supervisory Committee before signing.
- The Fund Manager may not enter into any contract that entails the payment or accrual of usurious interest, and it may take legal action to obtain its dues.

The following investment instruments and methods may be used:

- Sharia-compliant murabaha transactions, consisting of the purchase and sale of goods at a profit margin under pre-agreed deferred payment terms.
- Other Sharia-compliant murabaha funds managed by investment companies.
- Sukuk issued by companies that have Sharia supervisory boards acceptable to the Fund's own Sharia board, which represent undivided ownership rights in real assets or their usufruct and the profits generated from those assets, including - but not limited to - sukuk issued based on transaction contracts, whether ijara, musharaka, murabaha, or istisna'a.
- Other sukuk funds managed by investment companies that have Sharia supervisory boards acceptable to the Fund's own Sharia board.
- The Fund may not invest in or acquire conventional bonds, preferred shares, or interest rate-based financial instruments such as options, futures contracts, swaps, or similar financial instruments. The Fund is also not permitted to engage in margin sales of shares in investee companies, except where they are structured on Sharia-compliant bases and approved by the Fund's own Sharia board.
- The Fund Manager may invest in short-term deposits compliant with the standards of the Sharia Supervisory Committee of the Fund Manager or current accounts with Islamic banks in order to cover the Fund's expenses or to enter into other transactions and investment opportunities.

Sharia Audit:

A Sharia audit shall be conducted annually on the Fund's operations to ensure that its operations comply with the controls, standards, and resolutions approved by the advisor.

1. **The Fund may not invest in companies whose principal line of business is one or more of the following:**

   (A) Financial services institutions that are based on interest-bearing lending and usury or the distribution of products based on usury, including financial intermediaries such as conventional banks, conventional insurance, lending companies, and any other activity that deals in interest and usury (excluding dealings with the Islamic windows of these banks and companies that operate in accordance with Sharia controls and standards).

   (B) Production and distribution of alcohol or tobacco and the like.

   (C) Institutions and companies that focus on gambling and betting activities, such as casinos or manufacturers and providers of gambling machines.

   (D) Production and distribution of pork and its derivatives, non-slaughtered meats, alcoholic beverages, and all non-halal products.

   (E) Biotechnology companies involved in the manipulation of human genes and related modification or cloning, excluding companies concerned with medical research.

   (F) Entertainment tools not compliant with the standards of the Sharia Supervisory Committee of the Fund Manager, such as the production and publication of pornographic films, immoral books, magazines, indecent satellite channels and cinemas, the composition and publication of music, and radio stations not compliant with the standards of the Sharia Supervisory Committee of the Fund Manager.

   (G) Any other activity not compliant with the standards of the Sharia Supervisory Committee of the Fund Manager as determined by the Sharia advisor.

   Note: In the event of any doubt regarding an investment that falls within any of the categories mentioned above, the Sharia advisor must always be consulted for advice and further review in order for the final decision to be made by the Sharia advisor.

2. **Once it has been confirmed that the companies are free from investments not compliant with the Sharia standards mentioned above, a detailed analysis of their financial reports will be conducted (the latest audited financial report).**

3. **Once the identified companies pass the initial screening above, a detailed analysis of their financial statements will be conducted (the latest audited financial report), and accordingly, investment may not be made in companies with the following financial ratios:**
   (A) Total conventional debt divided by the company's total assets equals or exceeds 30%.
   (B) Total cash plus interest-bearing prohibited securities divided by total assets equals or exceeds 30%.
   (C) Income derived from investments not compliant with the standards of the Sharia Supervisory Committee of the Fund Manager equals or exceeds 5%.
4. **Purification-related standards:**

   Unlawful income must be set aside and deposited into a special account for disbursement to charitable works, and purification shall be carried out according to the following steps:
   (A) Determine the amount of unlawful income for each company invested in.
   (B) Divide the amount of the company's unlawful income by the total number of its shares to obtain the share's portion of unlawful income.
   (C) Multiply the quotient by the number of shares of the company invested in to calculate the total unlawful income resulting from the investment in the company.
   (D) Repeat the same steps for each company invested in.
   (E) Aggregate the unlawful income of all companies invested in and transfer it to the charitable works account.
5. **Investment instruments and methods:**

   Shares may not be bought and sold by any of the following investment instruments:
   - Futures contracts (Futures).
   - Option contracts (Option).
   - Swap contracts (Swap).
   - Preferred shares.
   - Derivatives (Derivatives).

Appendix (3) - Internal Mechanism for Risk Assessment and Management

Expected risks	Description of risks	Risk mitigation procedures
Credit risk	Credit risk is the probability of loss resulting from the counterparty's failure to pay or fulfill its contractual obligations.	All local and regional counterparties are assessed before investment, and exposure limits are established to ensure that there is no concentration with one counterparty over another. Each of these exposures will be monitored periodically to ensure that they remain within the approved limits.
Concentration risk	Concentration risk is the risk related to the degree of diversification in investments, whether geographically or sector-wise. Accordingly, any deterioration in the conditions affecting the above may have a negative impact on operations or financial results.	The Fund's investments will be diversified across multiple assets in order to prevent concentration of the Fund's investments in limited assets.
Risk of changes in financing cost	The possibility of an increase in interest rates affecting the cost of financing.	The Fund Manager will ensure, in the event that the Fund obtains financing, that its cost is proportionate to the targeted returns so that any negative impact from an increase in financing cost or a decrease in investment returns is minimized.
Sharia non-compliance risk and risk of disposal of non-Sharia-compliant income	These are the risks related to investment in non-Sharia-compliant securities, where part of their revenues may include income that does not comply with the standards of the Fund Manager's Sharia Supervisory Committee.	The Sharia stock and index purification and screening service provider will notify the Fund Manager of the revenue percentages that do not comply with the standards of the Fund Manager's Sharia Supervisory Committee for any security to which this applies, so that the Fund Manager may dispose of such revenue through the purification process by donating it to charities licensed by the relevant authorities within the Kingdom of Saudi Arabia.
Liquidity risk	The Fund's inability to liquidate investments or the lack of sufficient cash liquidity to meet its obligations.	It will be continuously ensured that the minimum liquidity is maintained in the Fund's portfolio to enable it to pay any required dues.
Governance and conflict of interest risks	Conflict of interest risks exist when the interests of decision-makers conflict with the interests of the Fund, such that the decision may be unduly influenced by other interests.	When forming the Fund Board, the Fund Manager took into account the necessary governance rules and standards, as the Board consists of five members (3 from the Fund Manager and 2 independent members). The Board will oversee any conflicts of interest and approve the mechanism for addressing them, in addition to approving a written policy regarding fund governance and the investment policy.
Risks of investment in other funds	The risks of the funds in which the Fund invests are represented by the loss of some or all of the money it invests in other funds, such that their value declines below the purchase price.	The performance and risks of each fund in which the Investment Fund Manager wishes to invest are measured, and the Fund Manager will also monitor the performance of those funds periodically and evaluate them based on the performance measurement criteria for each fund in which investment is made.
Trading suspension risk	The performance of a stock in which the Fund invests may be suspended due to unexpected trading halts.	One of the investment criteria applied by the Fund Manager is the diversification and variety of the Fund's investments, which would limit the impact of any trading suspension on any stock in which the Fund invests.
Currency exchange risk	It arises from a change in the price of one currency compared to another currency, and since the Fund's investments are made in different global markets, this may adversely affect the net asset value per unit.	Most of the Fund's investments will be made in US dollars and in the currencies of countries with major global economies, which may reduce the severity of related fluctuations when compared to investments made in currencies linked to less influential markets, such as the economies of emerging countries.
Risk of reliance on sub-fund managers	These risks arise in the event of reliance on fund managers with limited experience or who do not adhere to investment strategies, or due to weak governance mechanisms and relevant professional standards.	If a sub-fund manager is appointed, the Fund Manager will apply the required selection criteria to ensure that such a manager is capable of performing its duties with the required efficiency, including verification of the legal structure and governance mechanisms, in addition to the sub-fund manager's historical performance in the type of assets in which the Fund Manager

		intends to invest.
Delayed listing risk	Delayed listing risk refers to investment in initial public offerings listed on the market, and the risk lies in the timing of the offering.	Investment decisions are made by the Fund Manager after studying the available investment opportunities and the size of the investment, while ensuring that such investments (IPOs) do not affect the Fund's net assets by virtue of their size.

Annex (4) - Proxy Form

Appointment of Proxy

I, [____], of [___________________] nationality, holder of ID card / passport number [_____________________________], (in my capacity as the legal representative of [_______________________________________] (the "Unitholder"))[, as the registered and legal owner of [__________] units with a value of [__________] in Alkhabeer Growth & Income Fund (the "Fund"), hereby appoint [__________], of [__________] nationality, holder of ID card / passport number [__________], to act (on my behalf / on behalf of the Unitholder) and as proxy (for me / for him) with respect to the units in the Fund, and thereby to have the authority to attend and vote at all meetings of the unitholders from the date hereof until otherwise decided or (until I cease to be a unitholder in the Fund / until the Unitholder ceases to be a unitholder in the Fund).

IN WITNESS WHEREOF, this proxy has been signed and shall become effective on [__________].

Agent name:	
Email:	Mobile number:
Address:	
Agent's signature:	

Appendix (5) - Subscription / Redemption Request Form

Alkhabeer Capital
PO Box 128289, Jeddah 21362, Kingdom of Saudi Arabia
Tel: +966 12 658 8888, Fax: +966 12 658 6663
CR No: 4030177445, CMA License No: 07074-37
Tax Identification No: 300101594900003
www.alkhabeer.com

شركة الخبير المالية
ص.ب 128289, جدة 21362, المملكة العربية السعودية
هاتف 966126588888+, فاكس 966126586663+
رقم السجل التجاري 4030177445, الرخصة الصادرة عن هيئة السوق المالية 07074-37
الرقم الضريبي 300101594900003

Subscription Form نموذج طلب اشتراك

Product Name: اسم المنتج:

Date: التاريخ: Branch: الفرع:

For Individuals (First Applicant): للأفراد (مقدم الطلب الأول):

Name: الاسم:

Nationality: الجنسية: | ID/Passport No.: رقم الهوية/الجواز:

Address: العنوان:

P.O. Box: ص.ب: | City: المدينة: | Postal Code: الرمز البريدي:

Tel.: رقم الهاتف: | Fax: رقم الفاكس: | Mobile: رقم الجوال:

E-mail: البريد الالكتروني:

In case of Joint Application (Second Applicant): في حالة الحساب المشترك (مقدم الطلب الثاني):

Name: الاسم:

Nationality: الجنسية: | ID/Passport No.: رقم الهوية/الجواز:

Address: العنوان:

P.O. Box: ص.ب: | City: المدينة: | Postal Code: الرمز البريدي:

Tel.: رقم الهاتف: | Fax: رقم الفاكس: | Mobile: رقم الجوال:

E-mail: البريد الالكتروني:

For Institutions: للشركات والمؤسسات:

Name: الاسم:

Country of Incorporation: بلد المنشأ: | C.R. No.: رقم السجل التجاري:

Address: العنوان:

P.O. Box: ص.ب: | City: المدينة: | Postal Code: الرمز البريدي:

Tel.: رقم الهاتف: | Fax: رقم الفاكس: | Mobile: رقم الجوال:

Authorized Rep.: الشخص المفوض: | Nationality: الجنسية: | ID/Passport No.: رقم الهوية/الجواز:

E-mail: البريد الالكتروني:

Subscription Details: ☐ Subscription ☐ Capital Commitment التزام بالمشاركة ☐ اشتراك ☐ تفاصيل الاشتراك:

Brokerage Acc. Transfer: ☐ التحويل من محفظة التداول | Cheque: ☐ شيك | Wire Transfer (attach details): ☐ حوالة بنكية/إيداع (أرفق التفاصيل):

Currency: العملة:

Amount: المبلغ:

Fees: رسوم الاشتراك:

VAT (15% of the Subscription Fees): ضريبة القيمة المضافة (15%من رسوم الاشتراك):

Total: الاجمالي:

Total (in words): المبلغ الإجمالي (بالأحرف):

Valuation Date: تاريخ التقييم:

Bank details for the payment of dividends (if applicable): تفاصيل الحساب البنكي للأرباح (إن وجد):

Branch: الفرع: | Bank: البنك:

IBAN: أيبان:

Others: أخرى:

Upon signature below, I/we hereby undertake that I/we have received and accepted the respective Product's offering document (e.g. Private Placement Memorandum, Information Memorandum or Offering Memorandum) ("Offering Document") and the Representation and Warranties* contained herein.

بموجب توقيعي/توقيعنا أدناه فإنني أقر وأؤكد/أننا نقر ونؤكد بموجب هذا باستلام وقبول وثائق عرض المنتج (أي مذكرة الطرح الخاص، نشرة المعلومات أو مذكرة العرض) (وثائق العرض) كما أقر وأؤكد/أننا نقر ونؤكد باطلاعنا على كافة الشروط* الخاصة بهذا الطرح.

Signature: التوقيع:

For Internal Use Only: للاستعمال الداخلي فقط:

Processed: منفذ:	Verified: مدقق:	Reviewed: مراجع:	Received: مستلم:
Date: التاريخ:	Date: التاريخ:	Date: التاريخ:	Date: التاريخ:
Signature: التوقيع:	Signature: التوقيع:	Signature: التوقيع:	Signature: التوقيع:

Fund Manager:
Alkhabeer Capital
P.O. Box 128289 Jeddah 21362
Kingdom of Saudi Arabia
Tel. No.: +966 2 658 8888 Fax. No.: +966 2 658 6663
C.R. No.: 4030177445 / CMA License No.: 07074-37
www.alkhabeer.com

مدير الصندوق:
شركة الخبير المالية
ص.ب ١٢٨٢٨٩ جدة ٢١٣٦٢
المملكة العربية السعودية
هاتف: ٨٨٨٨ ٦٥٨ ٢ ٩٦٦+ فاكس: ٦٦٦٣ ٦٥٨ ٢ ٩٦٦+
سجل تجاري: ٤٠٣٠١٧٧٤٤٥ / ترخيص هيئة السوق المالية رقم ٠٧٠٧٤-٣٧
www.alkhabeer.com

Redemption Form طلب استرداد

Fund Name: اسم الصندوق:

Date: / / التاريخ: Branch: الفرع: Account No.: رقم الحساب:

For Individuals (First Applicant): للأفراد (مقدم الطلب الأول):

Name: الاسم:

Nationality: الجنسية: ID/Passport No.: رقم الهوية/الجواز:

Address: العنوان:

P.O. Box: ص.ب: City: المدينة: Postal Code: الرمز البريدي:

Tel.: رقم التليفون: Fax: رقم الفاكس: Mobile: رقم الجوال:

E-mail: البريد الالكتروني:

In case of Joint Application (Second Applicant): في حالة الحساب المشترك (مقدم الطلب الثاني):

Name: الاسم:

Nationality: الجنسية: ID/Passport No.: رقم الهوية/الجواز:

Address: العنوان:

P.O. Box: ص.ب: City: المدينة: Postal Code: الرمز البريدي:

Tel.: رقم التليفون: Fax: رقم الفاكس: Mobile: رقم الجوال:

E-mail: البريد الالكتروني:

For Institutions: للشركات والمؤسسات:

Name: الاسم:

Country of Incorporation: الجنسية: C.R. No.: رقم السجل التجاري:

Address: العنوان:

P.O. Box: ص.ب: City: المدينة: Postal Code: الرمز البريدي:

Tel.: رقم التليفون: Fax: رقم الفاكس: Mobile: رقم الجوال:

Authorized Rep.: شخص المفوض: Nationality: الجنسية: ID/Passport No.: رقم الهوية/الجواز:

E-mail: البريد الالكتروني:

Redemption details: تفاصيل الاسترداد:

Full ☐ كلي Partial ☐ جزئي

If partial, please select one of the following: في حالة الاسترداد الجزئي أختر:

☐ Number of Units (#): ☐ Amount (Net of Fees): ☐ المبلغ (بدون الرسوم): ☐ عدد الوحدات (#):

In words: بالأحرف:

Value Date: / / تاريخ التقييم:

Bank details for the payment of redemption proceeds: تفاصيل الحساب البنكي للاسترداد:

Branch: الفرع: Bank: البنك:

IBAN: أيبان:

Others: أخرى:

Signature	التوقيع

For Internal Use Only: للاستعمال الداخلي فقط:

Processed: منفذ:	Verified: مدقق:	Reviewed: مراجع:	Received: مستلم:
Date: التاريخ:	Date: التاريخ:	Date: التاريخ:	Date: التاريخ:
Signature: التوقيع:	Signature: التوقيع:	Signature: التوقيع:	Signature: التوقيع:


الخبير المالية
Alkhabeer Capital
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Tel: +966 9200 10707
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CR 4030177445