



Terms and Conditions

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SAB Invest Saudi Quant ETF

Open-Ended Public ETF

Fund Manager: SAB Invest Company

Acknowledgements and explanatory statement:

- ◆ “The Fund’s Terms and Conditions has been reviewed and approved by the Fund’s Board of Directors. The Fund Manager and the members of the Fund’s Board of Directors collectively and individually bear full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the Fund board directors and the Fund manager confirm the validity and completeness of the information in the Terms and Conditions, and further confirm that the information and data maintained in the Terms and Conditions are not misleading.”
- ◆ The Capital Market Authority has approved the offering of units in the Investment Fund. The Capital Market Authority does not, however, take any responsibility for the contents of the Fund’s Terms and Conditions, nor does it make any representation as to its accuracy or completeness. The Capital Market Authority does not make any recommendation as to the soundness or otherwise of investing in the Investment Fund, and the approval of offering the Fund does not mean that CMA recommends to invest in the Fund, and CMA emphasizes that the decision to invest in the Fund is up to the investor or its representative.”
- ◆ The Fund has been certified as being Shariah compliant by the Shariah Supervisory Committee appointed for the Investment Fund”.
- ◆ The Fund’s Terms and Conditions and all other documentation comply with the Investment Funds Regulations and contain are complete, clear, accurate, and not misleading information on the Investment Fund and shall be updated and amended.
- ◆ All potential investors shall carefully read the terms and conditions and other documents in their entirety, and obtain their own professional counseling on legal aspects, zakat and financial matters, compliance with Islamic law, and other counseling, before deciding to invest.
- ◆ Unitholders shall be deemed to have accepted and signed the Fund’s Terms and Conditions, upon subscribing in any listed unit of the Fund (where applicable).
- ◆ The Fund’s performance can be viewed by investors in its periodic reports.
- ◆ Investors are advised to read and understand the Fund’s Terms and Conditions. If in doubt, please consult a professional adviser.
- ◆ On 25 September 2011, these Terms and Conditions were issued, and on 20/04/2025, they were updated and submitted to CMA.

Fund summary:

#	Item	
1	Name of the investment Fund	SAB Invest Saudi Quant ETF
2	Class/type of the Fund	Open-ended public ETF
3	Name of the Fund Manager	SAB Invest Company
4	Purpose of the Fund	The Fund aims to achieve long term capital appreciation by investing in an investment portfolio that includes equities of companies listed on Saudi Capital Market (Tadawul) according to the Standard & Poor's Saudi Arabia Domestic Shariah Index.
5	Risks level	The fund is a high-risk investment fund
6	Minimum amount for subscription and redemption	The value of a single unit package or any other size as determined by the Board from time to time.
7	Days of dealing/ valuation	Dealing: The day on which the capital market (Tadawul) is open for business in the KSA. Valuation: Every dealing day
8	Announcement Days	10:45 AM at every dealing day.
9	Date for paying redemption amount	15 minutes before the end of trading hours
10	Unit price at initial offer (nominal value)	SAR 20 per share
11	Currency of the Fund	Saudi Riyal (SAR)
12	Period of the Investment Fund and its maturity date (where applicable)	The Fund's life is indefinite and open-ended
13	Date of the Fund's launch	The Fund began to receive subscription application on 20/11/2011.
14	Date of issuing the Terms and Conditions and its latest update (if any)	The Fund's Terms and Conditions were issued on 25/09/2011 and were updated on 20/04/2025.
15	Early redemption fees (if any)	N/A
16	Benchmark	S&P Saudi Arabia Domestic Shariah Index. (total return index)
17	Name of the Fund operator	SAB Invest Company
18	Name of the custodian	AlBilad Capital.
19	Name of the auditor	Ernst & Young and Partners.
20	Fund management fees	0.75% per annum, of Fund's net assets
21	Subscription and redemption fees	There are no subscription nor redemption fees.
22	Custodian fees	The Fund will pay them according to the actual costs and to be disclosed in the Fund's annual report
23	Dealing expenses	The Fund will pay them according to the actual costs and to be disclosed in the Fund's annual report
24	Other fees and expenses	The Fund will pay them according to the actual costs up to 0.10% of the net asset value of the Fund.
25	Performance fees	N/A.

1. Investment Fund:

A. Name of the Investment Fund, its type and class.	SAB Invest Saudi Quant ETF Class/ type of the Fund: Open-ended public ETF complying with Shariah standards.
B. b. Date of issuing the Terms and Conditions of the Investment Fund, and the last update.	Issue date: 25 September 2011 Update date 21 April 2025
C. Date of CMA's approval on the offering of the Fund's units.	The CMA approved to continue the Fund offering on 20 November 2011.
D. The duration of the investment Fund and maturity date.	Not applicable because it is an open-ended public ETF that is not limited by a period of time, and the fund manager has the right to terminate the fund according to the terms and conditions.

2. Governing Laws:

These Terms and Conditions, investment Fund and Fund Manager are subject to the Capital Market Law, the investment Funds regulations and other implementing regulations issued by CMA and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

3. Investment Policies and Practices:

A- The Investment objectives of the Investment Fund.

The Fund is an open-ended public ETF and aims to achieve long-term capital appreciation. It is intended to attain a performance level that is consistent with S&P Saudi Arabia Domestic Shariah Index (total return index), with a tracking error of up to a maximum of 3.00%.

In order to achieve the investment objectives, the Fund will invest in the securities included in the index by applying multi-factor models. Determining the basket of stocks that make up the fund depends on the use of quantitative methods and mathematical algorithms that determine the optimal distribution of the weights of the companies that make up the index that the Fund tracks, and the basket is rebalanced on a monthly basis. Below is a set of controls that are used to determine the components of the basket:

Item	Details	Notes:
Factors used to determine the stocks that make up the basket and to determine their weights in the Fund	A. Value-related factors B. Momentum-related factors	A multi-factors to which a quantitative methods model is applied are used to determine optimal components and weights. A set of value factors are applied, for example (1) price to book value (2) price to return (3) price to expected return (4) price to operating cash flows and other factors. Various momentum-related factors are also applied, for example risk-adjusted momentum for different periods such as 12 months and 6 months. The Fund manager may adjust the weights of the basket based on the multi-factor model upon rebalancing, with a maximum difference of 10% absolute from the components of the basket based on the model, in a manner that does not conflict with the controls below.
Investable Universe	Defined by the stocks that make up the index.	The Fund exclusively makes investments in Shariah-compliant stocks that are part of S&P Saudi Arabia Domestic Shariah Index. Additionally, the Fund seeks to invest in a basket of at least 70 companies in all situations, with an average of 70 to 110 companies that comprise the benchmark index.
Average percentage of additional exposure for a particular sector	+/- 3.00%	The average additional exposure for a particular sector is set not to exceed 3.00% above or below the benchmark index.
Additional exposure ratio per share	20 times the weight of the stock in the benchmark, or 0.50% (whichever is lower), when the Fund is rebalanced.	Additional exposure to a single equity will not exceed the lower of 20 times its index weight or 0.50% excess of its index weight.

Percentage of additional exposure versus the benchmark.	15% - 20%	The percentage of additional exposure against the benchmark will not exceed 20% in all cases, and this percentage represents the sum of the absolute differences between the weights in the Fund and the weights in the index divided by 2. Moreover, the "additional exposure ratio per share" mentioned above contributes to achieving the additional exposure ratio against the aforementioned benchmark.
Tracking Error Ratio	3.00%	A percentage of the difference between the performance of the fund and the benchmark. If the tracking error rate exceeds the maximum (3%), the fund manager will take the necessary action to correct the excess. To be clear, the Fund Manager will monitor the tracking error rate every week and remedy any excess than this ratio within 30 calendar days or at the next rebalancing date, whichever comes first.

All securities which the Fund invests in shall be listed in Tadawul. Investments may also be in SAB stock, its affiliates, sister company, or owner companies of the Fund Manager. The Fund is an accumulated income Fund, where the income will be reinvested and won't be distributed among the Unitholders. The reinvestment of the Fund's income will be reflected on the unit value.

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

The Fund mainly makes investments in Shariah-compliant Saudi stocks.

C- Concentrated investment policy for specific securities, an industry, group of sectors, in a specific country or geographic region, provided that it includes the minimum and maximum for such securities.

The Fund invests in the components of S&P Saudi Arabia Domestic Shariah Index, and it may invest its available money in the short-term money market instruments, such as Murabaha transactions according to the Fund Manager's discretion as a part of the investment Fund objectives framework.

d) Table showing the percentage of investment in each investment field, with its minimum and maximum limits.

Minimum amount for subscription and redemption	The value of a single unit package or any other size as determined by the Board from time to time.
Number of units per unit package	10,000

D- Security markets in which the Investment Fund intends to invest in.

The investment will be in the Saudi Capital Market and Money market

E- Disclose if the Fund Manager intends to invest in the Investment Fund:

The Fund Manager is entitled to invest in the Fund whenever they desire to do so at own discretion.

F- Specific techniques and instruments that the Fund Manager can use to make investment decisions for the Investment Fund.

- The Fund will follow an investment strategy that applies a multi-factor quantitative methods model. In addition to maintaining a sufficient amount of liquidity to account for the fund's expenses and liabilities. The Fund also maintains that the tracking error rate does not exceed 3.00% (under Clause A (3), a detailed explanation of the strategy).
- The fund's asset weights will be reviewed on a monthly basis.

- The CMA can cease listing of the share(s) in which the fund invests. In such a case, the Fund shall suspend the issuance or redemption of Fund units until the issue of listing the share(s) is resolved.
- The fund units are listed on Tadawul to be available for investors to trade during daily trading hours. The Fund Manager signed an agreement with market makers to provide liquidity in the market to reduce liquidity risks to purchase individual units through Tadawul.
- Market makers pricing units in a trade so that the margin between the buy and sell price does not exceed.% 2.
- The market maker faces pricing risks while issuing and redeeming the fund's market-traded units. To mitigate the impact of these risks, the Fund Manager provides the market maker with the ability to issue and redeem immediate units of the Fund. The Fund Manager will identify and spin off the Fund's securities and other assets from the Fund Manager's securities and assets, and will be held by the Custodian, a well-known and reputable institution as determined by the Fund Manager.

G- Types of securities that cannot be included in the fund's investments.

The Fund Manager may not invest the Fund's assets in financial derivatives.

H- Any other restriction on the type(s) of securities or other assets the Fund can invest in.

The Fund adheres to the investment restrictions required in Investment Funds Regulations issued by the CMA.

I- Limit that investments of the Fund's assets can be in a unit of an Investment Fund or units of investment funds managed by that manager or by managers of other funds.

N/A

J- Investment Fund lending and borrowing powers, and Fund Manager policy on the exercise of the lending and borrowing powers, and Identification outlining Fund Manager policy with respect to pledging assets of the Fund.

The Fund is not allowed to give or take loans or to perform any transactions that can be considered as loan transactions.

K- Disclosure of the maximum limit to deal with any counterparty.

The Fund shall comply with the restrictions relating to dealing with a counterparty, in accordance with the dealing restrictions listed in Investment Funds Regulation issued by the Authority.

L- Fund Manager policy for the management of investment Fund risks

Monitoring procedures shall be established to ensure the Fund compliance with investment policies and regulatory requirements, and the Fund Manager shall perform periodic reviews to ensure these policies and requirements are consistently applied.

M- The benchmark, as well as information about the provider of the benchmark and the bases and the methodology used to calculate the benchmark.

The Fund uses S&P Saudi Arabia Domestic Shariah Index (total return index). The value of the benchmark shall be calculated based on the capitalization of free floating equities of the companies that make up the index. The index contains most of the companies listed in the Saudi Capital Market, as well as ETFs and REITs. Some companies are excluded based on several factors including, but are not limited to, the liquidity or the size of the equities of those companies. The benchmark is considered a total return index, i.e. in the index, the value of any distributions made in its value is calculated. Benchmark information is available on the service provider's website.

N- Where derivatives are used, there must be a prominent statement that states the purpose of using such instruments (e.g. efficient portfolio management, meeting investment objectives or merely for hedging purposes from the price volatility).

The Fund will not invest in derivatives contracts.

O- Any waivers approved by CMA for any investment limits and restrictions;

No waiver being obtained to the Fund.

4. The Main Risks of Investing in the Fund:

The Fund is a high risk investment fund due to the asset nature of its investments, thus, the unit prices may decrease at the redemption for a price that is lower than the price subscribed in the Fund. The achievement of any investment growth of the Fund is not guaranteed. The Fund's investments value are likely to decline and Unitholders shall recognize that redemption of the capital invested in the Fund is not guaranteed, besides there are no guarantees that the investment objectives of the Fund will be achieved.

The previous performance of the investment Fund or the past performance of an index does not constitute an index in relation to the future performance of the Investment Fund.

The Fund does not guarantee for Unitholders that the investment fund's absolute performance or its performance relative to the index will repeat or match past performance.

Investment in the Fund is not a deposit with any bank. Potential Unitholders shall be aware of the following risks when investing in the Fund.

Unitholders shall be aware of the risk of loss of money partially or completely invested in the investment Fund, given the nature of the Fund's operations and the risks associated with investment in it. The Unitholder acknowledges and accepts responsibility for any financial losses incurred arising from investing in the Fund, unless such losses arise from willful misconduct or intentional negligence by the Fund Manager.

In order to clarify such risks, a list of potential risks that may affect the unit price and certain potential risks associated with investing in an investment Fund, risk exposure to the investment Fund and any conditions likely to affect the net asset value of the Fund's assets and revenues are as follows:

- ◆ **Economic Risks:** The performance of any kind of investments may be affected by the general economic conditions and other factors, such as fluctuations in interest rates, inflation, capital flows, and other conditions that may have tangible effects, either positive or negative, on the value of investments in the Fund.
- ◆ **Securities Issuers Risks:** These risks arise from changes in the financial position of the issuer due to administrative changes or shifts in demand for products and services. Additionally, there are risks associated with legal liabilities arising from significant events that could lead to a decline in stock prices, which may adversely affect the Fund's investments and decrease the Fund's unit price.
- ◆ **Margin of deviation risks:** There are no guarantees to achieve the investment objectives of the Fund. The changes in the Fund's investments and rebalancing the index which the Fund follows may result in differences in dealings. Also, the total revenue of the investment in the Fund units may decrease due to some expenditure and costs which were not taken in consideration while calculating the index. **And in case of any temporary suspension or stopping of trading in the securities that comprise the index, or in case of the stoppage of the Exchange, there may no longer be a possibility to rebalance the Fund's investment portfolio in order to match the weights of the index's components.**
- ◆ **Changes in the Index's Components Risks:** The Fund's index was established by the index service provider according to its special standards. Since the index service provider usually preserves the estimation right of the design method of the index, there are no possible guarantees to be provided that the calculation of the index and publishing on the basis listed in the rules or the published method by the index service provider, or that the index will not undergo a significant change. Also, the components of the index may vary according to the index service provider's standards, and some shares can be deleted from the index's components in case of canceling its listing on the Exchange, which causes changes in the index.

- ◆ **Concentration Risks:** The Fund Manager follows certain investment policies and strategies that may depend on focusing on specific investments for the purpose of achieving the Fund's objectives, which may increase the Fund's risks compared to market risks.
- ◆ **Political and/or Regulatory Risk:** The fund is affected by conditions resulting from the international political developments, changing government policies, tax and foreign investment restrictions, currency conversion restrictions, and other developments in Laws and Regulations issued in KSA..
- ◆ **Suspension and Cancellation Risks:** CMA may suspend or cancel the listing security (securities) which the Fund invests in. This may result in the suspension of establishing and redeeming units in the Fund which can be continued until deciding to relist the basic securities.
- ◆ **Money Market Risks:** The investment in the Fund may be exposed to Risks connected with the investment in the ordinary share Funds which could involve market fluctuations risks, potential fluctuations in share prices as a result of supply and demand factors, inflation risks, liquidation risks, and other regular or irregular risks. Share prices may be reduced as a result of the economic conditions, predictions, or other factors related to the companies that the Fund invests in. For example, negative reports about the returns may cause the market to decrease. And some public share prices for some issuers may have faster responses regarding the Exchange. Also, the decrease in Exchange affects the share value that the Fund invests in. The Fund's portfolio may as well decrease in value as a result of the issuer failing to provide the predicted distributions as a result of the company's financial status.
- ◆ **Risks of reliance on the staff of the Fund Manager** The success of the investment of the Fund's assets depends to a large extent on the skills and experience of the professional staff working for the Fund manager, in addition to other factors, and no assurance can be given regarding the continuation of any of these staff members in their current position or working for the Fund manager, which may adversely affect the Fund's investments and decrease the Fund's unit price.
- ◆ **Technology Risks:** The Fund Manager relies in particular on technology in many aspects related to the Fund, such as its management and conduct of its business. Any partial or complete malfunction in the systems used by the Fund Manager or his service providers may expose the fund to many risks and may have a negative impact on the Fund's performance.
- ◆ **Legal risks of invested companies:** Investment funds are exposed to legal risks, as government regulatory, supervisory and controlling authorities may impose legal procedures on any company within the Fund's portfolio. Any impact resulting from lawsuits with third parties may affect the financial soundness of any of the invested companies, and thus may affect the value of the investments made by the Fund in such companies.

The investor shall be fully responsible for any financial loss resulting from its investment in the Fund, which may arise out of any of the abovementioned risks, without any guarantee on the Fund Manager, except in the event of deliberate negligence by the Fund Manager.

5. Mechanism for Assessing Risks

The Fund Manager shall acknowledge that there is an internal mechanism for assessing risks related to the Fund's assets.

6. Targeted class for investing in the fund

The Fund targets retail investors, legal persons and government entities desiring to invest in the Saudi market, provided that they meet the Fund's investment conditions.

7. Investment Restrictions/ Limitations

The Fund Manager shall comply with the restrictions and limitations imposed by the Investment Funds Regulation issued by the CMA, in addition to the restrictions mentioned herein.

8. Currency

The Saudi Riyal is the accepted currency of the Fund.

9. For Services, Commissions and Fees

A. Details regarding all types of payments from Fund assets and Fund Manager

Fees and expenses as a percentage of average assets volume during the fiscal year	Fees and expenses																				
0.75%	Fund management fees																				
The fees shall be paid by the Fund based on the actual costs, and it is disclosed in the Fund’s quarterly report.	Dealing expenses																				
The Fund will pay them according to the actual costs and to be disclosed in the Fund's annual report	Unitholders’ meeting costs																				
The Fund will pay annually to the Custodian 0.03% of the net value of the reserved assets due on each valuation day and deducted at the end of each month, in addition to the amount of SAR 30 for each transaction carried out by the Fund. Additional fees and charges may apply by the Securities Depository Centre and/ or clearing companies which will be deducted based on the actual cost.	Custodian fees																				
The Fund shall pay to the Managing Director, based on actual costs, administrative fees of up to 0.10% maximum per year of the Fund’s net asset value, in addition to an amount of SAR 18.750 per year for the costs of preparing the Fund annual and interim financial statements, due on each valuation day and deducted at the end of each month.	Administrative Service Fees																				
Other fees are calculated based on the actual cost of services provided each valuation day, and such fees includes, but not limited to, the following services among others: <table><tr><td>Fee details</td><td>“SAR”</td></tr><tr><td>Auditor fees</td><td>36,000</td></tr><tr><td>Supervisory fees</td><td>7,500</td></tr><tr><td>Saudi Stock Exchange (Tadawul) fees</td><td>5,000</td></tr><tr><td>Unitholder register administration (Edaa)</td><td>50,000</td></tr><tr><td>Board members’ remuneration</td><td>Up to 25,000</td></tr><tr><td>Benchmark index fees</td><td>10,000 as a maximum paid annually</td></tr><tr><td></td><td></td></tr><tr><td>Tax advisor</td><td>Up to 61,000</td></tr><tr><td>Other expenses</td><td>Based on the actual cost, up to a maximum of 0.10% of the net asset value of the Fund. The Fund Manager may also deduct any other expenses from the fund administration fees</td></tr></table>	Fee details	“SAR”	Auditor fees	36,000	Supervisory fees	7,500	Saudi Stock Exchange (Tadawul) fees	5,000	Unitholder register administration (Edaa)	50,000	Board members’ remuneration	Up to 25,000	Benchmark index fees	10,000 as a maximum paid annually			Tax advisor	Up to 61,000	Other expenses	Based on the actual cost, up to a maximum of 0.10% of the net asset value of the Fund. The Fund Manager may also deduct any other expenses from the fund administration fees	Operational expenses
Fee details	“SAR”																				
Auditor fees	36,000																				
Supervisory fees	7,500																				
Saudi Stock Exchange (Tadawul) fees	5,000																				
Unitholder register administration (Edaa)	50,000																				
Board members’ remuneration	Up to 25,000																				
Benchmark index fees	10,000 as a maximum paid annually																				
Tax advisor	Up to 61,000																				
Other expenses	Based on the actual cost, up to a maximum of 0.10% of the net asset value of the Fund. The Fund Manager may also deduct any other expenses from the fund administration fees																				
The Fund will pay them according to the actual costs and to be disclosed in the Fund's annual report	Taxes and VAT																				

◆ Taxes and VAT

The Unitholder shall accept that the Fund will be responsible for the collection of VAT and any other taxes and duties (as applicable) in respect of any of the services provided to the Fund, including but not limited to, all due amounts of the Fund Manager under this terms and Conditions, for example, subscription, management and other fees.

B. Table of all fees and expenses showing how and when services, commissions and fees are calculated and paid by the Investment Fund.

There are no subscription fees	Subscription fees
There are no early redemption fees	Redemption fees
Not applicable, the Fund Manager does not offer a unit transfer service.	Ownership transfer fees

C. Hypothetical table showing the ratio of the Fund's costs to the total value of the Fund's assets at the Fund and unit owner level over the life of the Fund, including both recurring and non-recurring costs

Frequency	Value	Currency
Annually	0.75%	Fund management fees
When Fund operations are implemented	Based on actual costs	Dealing expenses
In case of holding a Unitholders meeting	Based on actual costs	Unitholders meeting costs
Due on each valuation day and deducted at the end of each month, in addition to the amount of SAR 30 for each transaction carried out by the Fund.	0.03%	Custodian fees
It shall be paid for each calendar day shall be deducted by the end of each month.	0.10% as a maximum	Administrative Service Fees
Annually	18,750	Prepare financial statements
Annually	36,000	Auditor fees
Annually	7,500	Supervisory fees
Annually	5,000	Saudi Stock Exchange (Tadawul) fees
Annually	0.08%	Unitholder register administration (Edaa)
Annually	25,000 as a maximum	Board members' remuneration
Annually	10,000 as a maximum	Benchmark index fees
Annually	61,000 as a maximum	Tax advisor
Annually	Maximum 0.10%	Other expenses

D. Details regarding transaction that may be charged in relation to subscription, redemption and property transfer fees paid by Unitholders and the method of calculation thereof

There are no subscription fees	Subscription fees
There are no early redemption fees	Redemption fees
Not applicable, the Fund Manager does not offer a unit transfer service.	Ownership transfer fees

E. Information related to special rebates and commissions and an explanation of the Fund Manager's policy regarding special rebates and commissions

The special commissions that the Fund Manager receives during the year will be mentioned and specified in the annual reports issued for the Fund, if any.

F. Information related to zakat and/ or tax (if any).

The Fund will be responsible for the collecting VAT, and any other taxes and duties (as applicable) in respect of any of the services provided to the Fund.

These taxes incurred by the Fund that may be rebated from the Fund, will reduce the value of the assets and thereby reduce the expected returns on investment. Investors should consult their own tax advisors regarding the tax implications of an investment before investing in the Fund.

G. Identification outlining any special commission concluded by the Fund Manager (if any).

The special commissions that the Fund Manager receives during the year will be mentioned and specified in the annual reports issued for the Fund, if any.

H. Hypothetical example showing all fees, expenses and transaction fees paid from the Fund's assets or by Unitholders during an investment year in the Fund's currency for a subscription amount of SAR 100,000 (The assumed fund size is 100 million Saudi riyals)

Discount frequency	Fund Net Assets (SAR)	Fees amount	Percentage ratio %	Fees and expenses
	100,000,000			Subscription amount
	100,000,000			Net subscription amount
Annually and deducted from the Fund's assets		750	0.75%	Fund management fees
According to the fund's dealings to be deducted directly from the Fund's assets		10	0.01%	Dealing expenses (default ratio)
When a meeting is necessary to be deducted directly from the Fund's assets		0	0.00%	Unitholders meeting costs (Hypothetical percentage)
due on each valuation day and deducted at the end of each month, in addition to the amount of SAR 30 for each transaction carried out by the Fund.		30	0.03%	Custodian fees
It shall be paid for each calendar day shall be deducted by the end of each month.		100	0.10%	Administrative Service Fees
Annually and deducted from the Fund's assets		18.75	0.01875%	Prepare financial statements
Annually and deducted from the Fund's assets		36	0.036%	Auditor fees

Annually and deducted from the Fund's assets	7.5	0.0075%	Supervisory fees
Annually and deducted from the Fund's assets	5	0.005%	Saudi Stock Exchange (Tadawul) fees
Annually and deducted from the Fund's assets	80	0.08%	Unitholder register administration (Edaa)
Annually and deducted from the Fund's assets	25	0.025%	Board members' remuneration
Annually and deducted from the Fund's assets	10	0.01%	Benchmark index fees
Annually and deducted from the Fund's assets	61	0.061%	Tax advisor
When necessary to be deducted directly from the Fund's assets	100	0.1%	Other expenses
	1,233.25	1.23%	Total Fund Expenses
	184.99	5.1%	VAT (from Total value of the services provided to the Fund)
	98,581.76		Net investment value after deducting total fees at the end of the year*

* Assuming that there's no Fund's profit or loss

10. Valuation and Pricing:

A. Identification outlining how to evaluate each asset owned by the Fund

The net asset value of the Fund's units is calculated by deducting the Fund's financial liabilities from the Fund's total assets, including, but not limited to, the fees specified in these Terms and Conditions. The unit price is determined by dividing the number resulting from this process by the total number of Fund units outstanding on that day's date. The Fund is valued on each valuation day as indicated in the Fund's summary, provided that the valuation day is a business day for Stock Exchange in KSA.

B. Identification of the number and frequency of valuation points

◆ The Fund has two (2) assessment points:

- Net Asset Value per Unit - The net asset value per unit is calculated at the end of each day by calculating the total value of the fund's assets based on the closure prices of the stocks, adding available cash and due distributions, deducting any fees due, and dividing the result by the number of outstanding traded units.
- Indicative Net Asset Value (INAV) – The indicative net asset value (INAV) of the unit is calculated at the time of trading.

INAV and NAV per unit will be announced on the Fund Manager website.

Accurate and up-to-date information of registered Unitholders will be maintained by Tadawul in accordance with its powers.

C. Actions to be taken in case of misevaluation or mispricing of the Fund's assets.

In evaluating the Fund's assets, the Fund Manager relies on a professional team and developed systems to ensure that the Fund's assets are valued and priced properly. In case of an unintentional error, the Fund Manager will correct the unit price stated on its website and other websites, and the Fund Manager will document this.

The Fund Manager will contact each member of the Fund regarding the wrong unit price and the difference between the correct price and the wrong one will be compensated/ deducted to each member who redeemed or subscribed at the wrong unit price.

If the error is 0.5% or higher of the unit price, the Fund Manager will inform CMA and disclose the error on its website, the website of the Saudi Exchange Company (Tadawul) and in the public Fund Reports prepared by the Fund Manager in accordance with the Investment Funds Regulations.

The Fund Manager will provide a summary of all valuation and pricing errors in his reports to CMA in accordance with the Investment Funds Regulations.

D. Identification of details regarding the method of calculating unit price for the purpose of fulfilling subscription and redemption requests.

◆ Net Asset Value per Unit - The net asset value per unit is calculated at the end of each day by calculating the total value of the fund's assets based on the closure prices of the stocks, adding available cash and due distributions, deducting any fees due, and dividing the result by the number of outstanding traded units.

◆ Indicative Net Asset Value (INAV) – (INAV) is calculated by taking the total value of the fund's assets based on the market prices of the shares and available cash, then deducting (adding) accrued expenses (distributions due) as at the end of the last business day, and the result is divided by the number of outstanding current units.

◆

E. Place and time of publishing the unit price and its frequency

◆ INAV of the unit is announced during the session and updated every 15 minutes.

◆ Net Asset Value of the unit is announced within two hours of the market closure time.

Unit prices will be available to investors free of charge on the website of the Saudi Stock Exchange (Tadawul) (www.saudiexchange.sa) and the website of Al-Awwal Investment Company (www.sabinvest.com).

11. Dealings:

a) Statement outlining details of the initial offering, such as start date, duration, and initial price.

The Fund began accepting subscriptions on 20 November 2011, at an initial price of SAR 20 per unit at that time.

b) B) Identification outlining the due date and deadlines for the submission of subscription and redemption applications on any dealing day and the responsibilities of the Fund Manager in relation to subscription and redemption applications. Before 15 minutes before the end of trading hours

c) Identification outlining subscription and redemption procedures including place of application submission and the period between redemption application and the payment of redemption proceeds or transfer of ownership (where applicable).

The traded Fund through initial market operations, on a unit package basis, on each dealing day (except for the period when the calculation of the net asset value of the share is suspended) "in kind", i.e. instead of receiving cash, the Fund Manager will receive the components of the basket of shares and the cash elements from the market maker. As for the securities related to the in-kind subscription requests, the securities must be of the type that the Fund may own according to the portfolio components file.

Mechanism of exchange in kind for the purposes of Fund unit package will be as follow:

- The fund manager will present details of unit package components (related shares and cash items on a daily basis prior to the commencement of trading operations). Each unit package is equivalent to 10,000 units of the ETF.
- The market maker shall submit a request to the fund manager in order to issue units.
- The market maker shall simultaneously deposit a basket of stocks with cash amounts in its account with the Custodian in proportion to the number of unit packages to be issued.
- Upon initial review, the Fund Manager shall approve the request of issuing unit packages.
- The Custodian shall ensure that the basket of stocks and cash items matches the number of required unit packages.
- The Custodian shall transfer the basket of stocks from the market maker's account to the Fund account.
- The Custodian shall coordinate with Tadawul to issue and list the unit packages (Tadawul shall issue and list the unit packages).
- Unit packages shall be deposited in market maker's account.
- The market maker shall record sale orders in the Exchange, otherwise it can maintain the new unit packages in its inventory.

- At the end of the day, Tadawul shall verify that the number of units issued corresponds to the number of stocks received.
- In case of any discrepancies between the number of units issued and the number of stocks, the Custodian shall process them as required.
- The cash component of the unit package shall be calculated by the Fund Manager at the end of the dealing day. Any cash shortfalls or excesses in unit packages created or canceled during the day should be settled by the Custodian with the market maker at the end of the day.

All requests for in-kind subscriptions shall be binding and irrevocable except when the calculation of the net asset value of the share is suspended, or if otherwise determined by the Fund Manager.

◆ **Subscription price:**

The initial offering price of the Fund's units during its period is mentioned in the Fund Summary. The Net Asset Value is calculated by calculating the value of all the Fund's assets at the closure price plus any cash items available and distributions due less any accrued expenses calculated at the end of the business day, and the net asset value of the unit is calculated by dividing the result by the number of units outstanding at the time of valuation.

The minimum for initial market dealings, in-kind dealings with a market maker, is one unit package. In-kind subscription requests (to the market maker) shall be in whole numbers equal to one unit package or multiples thereof.

◆ **Posting of portfolio components file:**

Portfolio components file will be available through the website: www.sabinvest.com

◆ **Cash Items Posting:**

At the end of each dealing day, the Fund Manager will determine (and post) the size of the cash portion of a single package. The cash items per package will be calculated at the end of the day assuming that no units were created or amortized during the day. Cash items may be exchanged during the day based on the cash value of the previous business day and settlement will take place at the end of the day.

◆ **Redemption procedures of in-kind redemption transactions by market maker:**

In-kind redemption requests of issued units may be submitted to Fund manager by market maker at any time during trading hours in each dealing day.

◆ **Procedures for redeem ETF units:**

- The market maker should submit a request to Fund Manager in order to redeem unit packages.
- The market maker simultaneously deposits the redeemed unit packages into the market maker's account with the Custodian.
- Upon initial review, the Fund Manager shall approve the redemption request of unit packages.
- The Custodian shall ensure that the number of deposited unit packages matches the redemption request.
- The Custodian shall coordinate with Tadawul to implement the redemption of traded units (Tadawul should redeem the units and eliminate it from the trading record).
- The Custodian shall transfer the basket of shares from the Fund account to market maker account.
- At the end of the day, Tadawul shall verify that the number of redeemed units corresponds to the number of stocks received.
- In case of any discrepancies, the Custodian will settle them as required.
- The Fund Manager shall calculate the required cash at the end of the day according to the Fund policies. Any shortfall or excess in the redemption of Fund units shall be settled by the Custodian with the Market Maker at the end of the day. All requests for in-kind redeem will be binding and irrevocable except when the calculation of the net asset value of the share is suspended.

◆ **Purchase and sale in secondary market:**

The Fund Manager intends that the Fund, by listing its units in a trading system, to be an Exchange-Traded Fund (ETF). Upon listing process is completed, one or more participants authorized by CMA (market maker) will work to provide supply and demand prices at which units in the Fund may be purchased or sold respectively by investors. Accordingly, investors are able to purchase and sell units in the secondary Exchange (Tadawul) through a broker in small quantities.

The price of a unit in the Exchange (Tadawul) is not necessarily reflect the net asset value of the unit in the Fund, and may be subject to brokerage commissions associated with trading and settlement through the money market.

In cases where the investor accepts/ completes the purchase of the Fund's units in the Exchange, this action will be considered as an approval by the investor for Fund's terms and conditions.

d) Identification outlining any restrictions on dealing in the Fund's units

The minimum for initial market dealings, in-kind dealings with a market maker, is one unit package (number of units in each unit package is as shown in the attached appendix). In-kind subscription requests (to the market maker) shall be in whole numbers equal to one unit package or multiples thereof.

- e) E) Identification outlining the cases in which dealing in units is postponed or suspended, and the procedures followed in those cases.

◆ **The Fund Manager may postpone any redemption applications to the next dealing day in any of the following circumstances:**

- Trading should be suspended when the CMA stops listing one of the stocks that make up the basket, or rebalances the index and the basket.
- To suspend trading for other cases, prior approval must be obtained from the CMA.

◆ **The Fund Manager should suspend subscription or redemption units in any of the following cases:**

- If requested by CMA.
- If the Fund Manager reasonably believes that the suspension is in the best interests of the Fund's Unitholders
- If dealing is suspended in one of the main Markets in which securities or other assets owned by the Fund are dealt, either in general or in relation to Fund assets that Fund Manager reasonably considers to be essential to Fund's net asset value.
- For any political, economic or monetary event, communications failure, global funds transfer system failure, market closure, force majeure or any circumstances beyond its control and responsibility, the Fund Manager may suspend dealings in the Fund for a period not exceeding two business days from the deadline set for receipt of subscription and redemption applications.
- In case of suspension, the net asset value and all subscription/ redemption values will be calculated upon obtaining the Fund Board of Directors approval if the above-mentioned circumstances lead to possession, sale, or valuation of assets in the Fund being deemed impractical or impossible.

- f) Identification outlining procedures by which redemption applications to be postponed are selected.
N/A

- g) Description of the provisions regulating the transfer of ownership of units to other investors
N/A

- h) Identification outlining the minimum number or value of units that Unitholder should subscribe to, transfer or redemption.
N/A

- i) Detailed Identification for any minimum amount that the Fund Manager intends to collect, and the action to be taken if it doesn't reach the minimum amount in the Fund.
N/A

12. **Distribution Policy:**

A. Identification related dividend policy of income and profits including details of unclaimed distributions.
No profits will be distributed, but rather the income and profits from investments will be added to the Fund's assets, so that the income and profits from investments are reinvested and reflected in the value and the price of the unit.

B. Approximate due date of distribution (as applicable).
Not applicable, as the Fund will reinvest the income and profits generated from the Fund's investments.

C. Identification of payment method of dividends
Not applicable, as the Fund will reinvest the income and profits generated from the Fund's investments.

13. Reporting to Unitholders

- A.** Information related to annual reports, including quarterly statements, interim and annual financial statements.
- ◆ The Fund Manager will prepare annual reports (including annual audited financial statements) in accordance with the requirements of Annex no. (3) of the Investment Funds Regulations, which the Fund Manager shall provide to Unitholders upon request free of charge.
 - ◆ • Annual reports will be available to the public no later than three (3) months after the end of the reporting period as described in these Terms and Conditions.
 - ◆ The initial financial statements shall be prepared and be available to the public within (30) business days from the end of the reporting period at the places and by the means specified in these Terms and Conditions.
 - ◆ • The Fund Manager will publish the quarterly statement in accordance with the requirements of Annex 4 within a period not exceeding (10) days from the end of the relevant quarter.
- B.** Information on how and where Fund's reports prepared by Fund Manager will be available.

The reports will be available on the Fund Manager's website and the website of the Saudi Exchange "Tadawul". Any errors must be notified to the Fund Manager within (60) calendar days of the issuance of these reports, after which the reports issued by the Fund Manager will be final and conclusive. These reports will be also available on the Fund Manager's website (www.sabinvest.com) and the website of the Saudi Exchange "Tadawul" (www.saudiexchange.sa).

Unitholders have the right to obtain a copy of the Fund's annual audited financial statements free of charge upon request from the Fund Manager by visiting one of SAB Invest's investment centers and requesting it directly, or via the Fund Manager's website or the website of the Saudi Exchange "Tadawul".

- C.** Information on the means of providing Unitholders with annual financial statements.

Unitholders have the right to obtain a copy of the Fund's annual audited financial statements free of charge upon request from the Fund Manager by visiting one of SAB Invest's investment centers and requesting it directly, or via the Fund Manager's website or the website of the Saudi Exchange "Tadawul".

- D.** Acknowledgment stating the availability of the first audited financial statement at the end of the Fund's fiscal year, mentioning the end date of that year.

The Fund Manager acknowledges the availability of the Fund's audited financial statements for the fiscal year ending on December 31 for each fiscal year.

- E.** Acknowledgment of commitment to submit the audited annual financial statements to the Fund free of charge upon request.

The Fund Operator shall submit the audited annual financial statements to the Fund for free upon request, including all transactions that occurred in the units.

14. Unitholders Register:

- A.** Statement on preparing an updated register of Unitholders and keeping it in KSA.

The Unitholder may obtain register information regarding its investment in the Fund through one of the company's investment centers or the company's website, after logging in the client's private account on the website, that requires being registered in such service. The Fund Manager shall also keep information on the Unitholders' register in KSA.

- B.** Statement of information on the Unitholders' register (such as where the Unitholders can obtain the register).

The Fund Operator shall prepare an updated Unitholders' register and shall keep same in the Kingdom of Saudi Arabia. The register shall be made available for CMAs inspection upon request. Any Unitholder's register shall also be provided for free upon request.

15. Meeting of Unitholders:

- Identification outlining the circumstances when a Unitholders' meeting will be called.

The Fund Manager may call the Fund's Unitholders to a Unitholders' meeting if necessary.

- ◆ The Fund Manager shall call for a Unitholders' meeting within ten (10) days of receiving a written request from the Custodian.

- ◆ The Fund Manager shall call for a Unitholders' meeting within ten (10) days of receiving a written request from one or more the Unitholders who jointly or individually own at least 25% of the total value of the Fund's units.

Identification outlining procedures of calling for a Unitholders' meeting.

- ◆ If the meeting request fulfils one of the requirements in these terms and conditions, the Fund Manager shall call the Fund's Unitholders through an announcement on the website (www.sabinvest.com) and the website of the Saudi Exchange "Tadawul" (www.saudiexchange.sa). In addition to sending a written notification or by sending SMS or e-mail to the Unitholders and the Custodian at least ten (10) days before the meeting at no more than twenty-one (21) days before the meeting. The announcement and notification shall determine the date, place and time of the meeting and the proposed decisions. A copy of that notification shall be sent to CMA.
- ◆ The meeting shall be valid and shall have a quorum if the meeting is attended by all those who own at least 25% of the value of the Fund's units.
- ◆ If the quorum mentioned in this paragraph is not met, the Fund Manager shall have the right to hold a second meeting 5 days before the date of the meeting by an announcement on the website (www.sabinvest.com) and the website of the Saudi Exchange "Tadawul" (www.saudiexchange.sa).

Identification outlining the method of Unitholders' voting and voting rights at Unitholders' meetings

If the requirements in these terms and conditions are fulfilled, the Unitholders who attended in person or by proxy in an official capacity may vote and make decisions on behalf of the rest of the Fundholders, where same are entitled to vote as follows:

- ◆ Each Unitholder may cast one vote for each unit owned thereby in the Fund.
- ◆ Voting may be done either by attending in person, or by appointing a proxy to represent the Unitholder at the meeting.
- ◆ The Fund Manager shall accept, as same may deem legally appropriate, the authorization of one of the Unitholders for a proxy to attend and vote on its behalf in the meetings. Such authorization shall be in writing and shall be certified by one of the authorized official entities or by the Fund Manager.
- ◆ Holding Unitholders' meetings, participating in the deliberations thereof, and voting on the decisions thereof may be done by modern technology means according to the controls prescribed by CMA.

16. Unitholders' Rights:

A. List of Unitholders' Rights

Unitholders have the following rights:

- ◆ Obtaining the Fund subscription confirmation form.
- ◆ Obtaining a recent copy of the Fund's terms and conditions in Arabic free of charge.
- ◆ The subscribed units shall be owned by the Unitholder who is subscribed to the Fund.
- ◆ The Unitholder may exercise its relevant rights in the units, including but not limited to, voting rights at Unitholders' meetings.
- ◆ Viewing the net value of the Fund's units periodically and after each Fund valuation at the Fund Manager's branches or the website (knowing that it shall be available on the Fund Manager's website and the website of the Saudi Tadawul Company "Tadawul").
- ◆ Obtaining annual reports and preliminary financial statements prepared by the Fund Manager upon request (knowing that same shall be available on the Fund Manager's website and the Saudi Tadawul Company's website "Tadawul").
- ◆ Calling for a Unitholders' meeting.
- ◆ Updating the Fund's terms and conditions annually by the Fund Manager in order to reveal the actual fees and amended Fund performance information and make the same available to the Unitholder on the Fund Manager's website and the Saudi Tadawul Company's website "Tadawul".
- ◆ Obtaining reports as per the requirements of the Investment Funds Regulations.
- ◆ Paying redemption proceeds to the Unitholder by the Fund Manager at the specified times.
- ◆ Holders of one category of units shall have no rights that would prejudice the rights of holders of another category of units.

- ◆ Obtaining procedures for addressing complaints upon request from the Fund Manager.

B. Fund Manager's policy on voting rights related to any assets of the public fund managed thereby.

The Fund Manager's voting policy is available on its website and the website of the Saudi Exchange Company (Tadawul). The Unitholder grants the Fund Manager the authority to exercise all investor rights, including voting rights and attending the general assemblies of the companies in which the Fund invests.

17. **Unitholders' Liability:**

- ◆ Save as for investment loss, the Unitholder may not be responsible for any debts or obligations of the Fund.
- ◆ Nevertheless, Subscribers shall be responsible for providing the Fund Manager with their correct postal addresses at all times, in addition to contact information such as mobile number and e-mail, and for immediately informing the Fund Manager of any modification in addresses. In case that Subscribers do not provide the Fund Manager with the correct address or request the Manager not to send email, including statements and notifications regarding their investments in the Fund, subscribers shall hereby agree to protect the Fund Manager and exempt same of any responsibility and agree to waive the rights or claims thereof against the Fund Manager, that arise directly or indirectly from their non-provision with data, notifications or any other information regarding the investment, or that arise from the inability to respond or verify the accuracy of information or correct any errors or alleged errors in any disclosure, statement or any other information.

18. **Units Characteristics**

- ◆ The Fund Manager shall issue one type of units, and each unit shall represent an equal common share in the Fund.
- ◆ The total value of issued units shall represent the total net value of the Fund.

19. **Changes to the Fund's terms and conditions:**

A. Identification outlining the provisions governing the changes to the Fund's terms and conditions, the approvals, and notices specified under the Investment Funds Regulations.

The Manager may, at its own discretion, amend such terms and conditions at any time, provided that same shall obtain the approval of the Fund's Board of Directors and the Shariah Supervisory Committee (if necessary). Types of approvals required for such changes shall vary according to the type of amendment to the terms and conditions, as follows:

- ◆ If the amendment submitted by the Fund Manager is a fundamental amendment to the Fund's terms and conditions as per the definition of the Investment Funds Regulations for fundamental amendments issued by the CMA in Article (62) of the Regulations, the Fund Manager shall apply the requirements of the regulations for such change.
- ◆ If the amendment submitted by the Fund Manager is not a fundamental amendment to the Fund's terms and conditions as per the definition of the Investment Funds Regulations for non-fundamental amendments issued by the CMA in Article (63) of the Regulations, the Fund Manager shall apply the requirements of the Regulations for such a change.

B. Identification outlining the procedures for notification of any change to the Fund's terms and conditions

Changes shall be announced according to the classification of each change mentioned herein, and such changes shall be announced on Tadawul website and the Fund Manager's website prior to the effective date of the change as per the classification of each change.

20. **Termination and liquidation of the Investment Fund:**

Cases that require termination of the Investment Fund, and the relevant procedures under the provisions of the Investment Funds Regulations.

Provisions of the Investment Funds Regulations

- ◆ The Fund's Board of Directors shall, as per the recommendations of the Fund Manager, have the right to terminate the Fund by notifying CMA in writing of its desire for doing so and announce for such on the Fund Manager's website and Saudi Exchange "Tadawul" website no less than 21 days before the date intended to terminate the Fund, without prejudice to the Fund's terms and conditions.
- ◆ If the term of the Public Fund is specified, the Fund Manager shall terminate the Fund immediately upon expiration of that term and shall notify CMA in writing and announce for such on the Fund Manager's website and Saudi Exchange "Tadawul" website at least 21 days before the expiration of the Fund's term.

- ◆ If a certain event occurs, CMA shall be notified in writing and such event shall be announced on the Fund Manager's website and Saudi Exchange "Tadawul" website within (5) days from occurrence of the event that requires the Fund's termination.

Information on the procedures for the Investment Fund liquidation

The Fund Manager shall announce on the Fund's website and the website of the Saudi Exchange Company (Tadawul) the expiration of the Fund's term and the liquidation period thereof.

- ◆ If the Fund assets are liquidated, the Fund Manager shall announce the results of the Fund liquidation on the Fund Manager's website and the website of the Saudi Exchange (Tadawul).
 - ◆ The Fund's assets shall be liquidated, the liabilities thereof shall be fulfilled, and the remainder of such liquidation proceeds shall be Divided to the subscribers in accordance with the percentage that their units represent to the total units that the Manager proves were issued at that time.
 - ◆ Deleting any information about the Fund on the Fund Manager's website the Tadawul website.
 - ◆ Closing the Fund's bank and investment accounts.
 - ◆ The Fund Manager shall prepare the plan and procedures of the Fund's termination in the interest of the Unitholders, and the approval of the Fund's Board of Directors on such plan shall be obtained (where applicable) before taking any action in this regard.
 - ◆ The Fund Manager shall announce on the website thereof, and on the website of the Saudi Tadawul Company, as per the controls established by CMA (where applicable), the expiration of the Fund's term or the liquidation period thereof.
 - ◆ The Fund Manager shall provide the Unitholders with the Fund termination report as per the requirements of Appendix (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 final audited financial statements of the Fund for the period following the last audited annual financial statements.
- In the event of expiration of the Fund's term, the Fund Manager may not receive any fees deducted from the Fund's assets.

21. Fund Manager

A. Name, duties and responsibilities of the Fund Manager

Sab Invest Company

The Fund Manager shall be responsible for the compliance with the provisions of the Investment Funds Regulations, whether same directly performs the responsibilities and duties thereof or assigns them to an external party under the provisions of the Regulations and the Capital Market Institutions Regulations The Fund Manager shall be responsible towards the Unitholders for the Fund's losses resulting from fraud, negligence, misconduct or willful default thereof.

B. Number and date of the License issued by the CMA

License No. 37-07077 Dated: 08/07/1428 H., corresponding to 22/07/2007

C. Registered address and the address of the Fund Manager's main office, King Fahad Branch Road, Al Yasmin Building Number: 7383, Secondary Number: 2338 Postal Code: 13325, Riyadh, Kingdom of Saudi Arabia, Toll free: 8001242442, Website: www.sabinvest.com

D. Website of the Fund Manager and any website related to the Fund Manager that includes information on the Investment Fund (if any).

Website: www.sabinvest.com

E. Identification outlining the Fund Manager's paid capital

SAB Invest paid-up capital is eight hundred forty million Saudi riyals (SAR.840 million)

F. Summary of the Fund Manager's financial information, stating revenues and profits of the previous fiscal year.

The Company's total assets amounted 2,215,453,000 Saudi riyals compared to 2,064,801,000 Saudi riyals for the previous year. The Company's revenues amounted 411,007,000 Saudi riyals compared to 216,858,000 Saudi riyals for the previous year, and the net income for the year amounted 96,401,000 Saudi riyals compared to a net income of 34,476,000 Saudi riyals for the previous year.

G. Fund Manager Key roles and responsibilities with regard to the Investment Fund

The Fund Manager shall work for the interest of the Unitholders in accordance with the Investment Funds Regulations, the Capital Market Institutions Regulations and the Fund's terms and conditions.

The Fund Manager shall adhere to all the principles and duties set out in the Capital Market Institutions Regulations, including fiduciary duty to Unitholders to exercise all reasonable care to achieve the best interests of the Unitholders.

As for any investment fund, the Fund Manager shall be responsible for the following:

- ◆ Fund creation and inclusion.
- ◆ Monitoring performance and working to achieve the Fund goals
- ◆ Ensuring that these Fund components are rebalanced regularly.
- ◆ Appointing a market maker and continuously coordinating with the market maker regarding completing the creation and refunding of units.
- ◆ Appointing an index service provider.
- ◆ Appointing a Custodian and continuously coordinating with such regarding the creation and redeem of traded units.
- ◆ Determining and announcing the components of the shares baskets and cash elements, if any.
- ◆ Ensuring that market maker provide liquidity for the Fund units in the secondary market.
- ◆ Ensuring the accuracy of the net benchmark asset value of the unit and the net asset value of the unit.

H. Any business activities or other interests of the Fund Manager that are of substantial importance, or may be in conflict with the activities of the Investment Fund

There is no fundamental conflict of interests on the part of the Fund Manager that could affect the fulfill of the liabilities thereof towards the Fund. In case there is a conflict, the Fund Manager shall disclose the same to the Fund's Board of Directors in order to consider the measures taken to ensure that the interest of the Fund (Unitholders) is prioritized over the interest of the Fund Manager.

Moreover, the Fund manager or the Board members shall have no practical activities or interests that may conflict with their responsibilities or performance in the Fund. Such conflicts shall be disclosed if any.

I. Identification outlining Fund Manager's right to appoint a Fund Sub-Manager.

The Fund Manager may assign a third party, any of the affiliates thereof, or a Fund Sub-Manager for managing the Fund. If the Fund Manager activates such feature, it shall notify the Unitholders through the Saudi Stock Exchange Company (Tadawul) website and the Fund Manager's website, no less than 21 days before handing over the Fund's management.

J. The provisions regulating the dismissal or replacement of the Fund Manager CMA may dismiss or replace the Fund Manager in the following cases:

- ◆ If the Fund Manager stops practicing the activity of managing investments and operating funds without notifying the CMA as per the Capital Market Institutions Regulations
- ◆ Cancellation, withdrawal or suspension of the Fund Manager's license for practicing the activity of managing investments and operating funds by the CMA.
- ◆ Submission of a request to CMA by the Fund Manager to cancel the license thereof for practicing the activity of managing investments and operating funds.
- ◆ If the CMA considers that the Fund Manager has violated, as it may deem essential, the abidance by Law or the executive regulations thereof.
- ◆ Death, incapacity or resignation of the Investment Portfolio Manager who manages the Fund, and absence of another person, registered with the Fund Manager, who can manage the Fund's assets.
- ◆ Any other case that the CMA may deem, on reasonable grounds, to be of substantial importance.

- ◆ In case of issuance of a decision by Unitholders to request CMA to dismiss the Fund Manager

22. Fund Operator

A. Name of the Fund operator

Sab Invest Company

B. Number and date of the License issued by the CMA

License No. 37-07077 Dated: 08/07/1428 H., corresponding to 22/07/2007

C. Registered address and business address of the Fund Operator

King Fahad Branch Road, Al Yasmin Building Number: 7383, Secondary Number: 2338 Postal Code: 13325, Riyadh, Kingdom of Saudi Arabia, Toll free: 8001242442, Website: www.sabinvest.com

D. Key roles and responsibilities of the Fund Operator with regard to the Investment Fund

- ◆ The Fund Operator shall be responsible for operating the Fund.
- ◆ The Fund Operator shall keep books and records relevant to the Fund's operation.
- ◆ The Fund Operator shall prepare, update, and keep a Unitholders register in the Kingdom as per the requirements of the Investment Funds Regulations.
- ◆ The Fund Operator shall be responsible for dividend, if any, in accordance with the dividend policy prescribed in these terms and conditions.
- ◆ The Fund Operator shall conduct subscription and redemption procedures as prescribed in these terms and conditions.
- ◆ The Fund Operator shall be responsible for valuing the Fund's assets fully and fairly and calculating the price of the Fund's units.

E. Identification outlining the Fund Operator's right to appoint a Fund Sub-Operator

- ◆ The Fund Operator may assign third party (parties) or any of the affiliates thereof as a Fund Sub-Operator for any investment Fund, whose assets are managed thereby, upon informing the Fund Manager. The Fund Operator shall bear the fees and expenses of any Fund Sub-Operator from its own resources.
- ◆ Until the date of preparing these terms and conditions, the Fund Operator has not assigned a third party to conduct any works related to the Fund.

F. Duties assigned by the Fund Operator to a third party with regard to the Investment Fund

The Fund Operator may assign third party (parties) or any of the affiliates thereof as a Fund Sub-Operator of any investment Fund, whose assets are managed thereby, upon informing the Fund Manager.

23. Custodian

A. Name of the custodian

AlBilad Capital.

B. Number and date of the License issued by the CMA

License No. 08100-37, issued on May 25th, 2008

C. Registered address and business address of the Custodian

The address of the Custodian is as follows:

Location: King Fahd Road, P.O. B. Box 140, Riyadh 11411, Kingdom of Saudi Arabia,

Phone: Unified number: 8001160002

From outside KSA: 9200 003636

E-mail: custody@albilad-capital.com

Website: www.albilad-capital.com

D. Statement of the Custodian's key roles and responsibilities with regard to the Investment Fund

- ◆ Preserving the Fund's assets
- ◆ Opening a Fund's special account in the name thereof in a local bank for the benefit of the Fund.
- ◆ Spin off Fund's assets and registering the Fund's securities in the name of the Custodian for the benefit of the Fund.
- ◆ Saving all necessary documents that support the performance of the contractual obligations thereof towards the Fund.
- ◆ Depositing the cash amounts that belong to the Fund into the Fund's account.
- ◆ Managing the Fund's cash operation by deducting the investment amounts and the Fund expenses as per the terms and conditions of the Fund.
- ◆ Custodian or Sub-custodian may not be a Fund Manager or affiliate to the Fund Sub-Manager.
- ◆ The Custodian shall be responsible for the obligations thereof, as per the provisions of the Investment Funds Regulations and these terms and conditions towards the Fund Manager and the Unitholders, regarding the Fund's losses resulting from the fraud, negligence, misconduct or wilful default thereof.
- ◆ The Custodian shall be responsible for preserving and protecting the Fund's assets for the benefit of the Unitholders.
- ◆ The Custodian shall be responsible for taking the necessary administrative measures with regard to the preservation of the Fund's assets.

E. Identification outlining Custodian's right to appoint a Sub-custodian

The Custodian may assign a third party as a Custodian or any of the affiliates thereof as a Sub-custodian. Same shall pay the expenses and fees of the Custodian from its own resources. The appointed Custodian or Sub-custodian shall be licensed by the CMA for practicing the custodial activity, as per the Kingdom's Capital Market Institutions Regulations.

F. Tasks assigned by the Custodian to a third party with regard to the Investment Fund.

The Custodian may assign one or more third parties or any of the affiliates thereof as a Sub-custodian of any investment Fund, whose assets are managed thereby, upon informing the Fund Manager. The Custodian shall incur the fees and expenses of any Sub-custodian from its own resources.

G. Identification outlining the provisions governing the removal/ replacement of custodian

CMA shall have the right to dismiss and replace the Custodian in the following cases:

- ◆ If the Custodian stops practicing the custodial activity without notifying CMA as per the Financial Market Institutions Regulations.
- ◆ Cancellation, withdrawal, or suspension of the Custodian's license for practicing the custodial activity by CMA.
- ◆ Submission of a request to the CMA by the Custodian to cancel the license thereof for practicing the custodial activity.
- ◆ If the CMA considers that the Custodian has violated, as it may deem essential, the abidance by Law or the executive regulations thereof.

The Fund Manager may dismiss and replace the custodian in the following cases:

- ◆ The Fund Manager may dismiss the custodian by written notice if it is reasonably deemed that the dismissal is in the interest of the Unitholders. CMA and the Unitholders shall be immediately notified of such by announcing on the Fund Manager's website and Saudi Stock Exchange Company (Tadawul) website.
- ◆ Disclose on the dismissal of the custodian and the appointment of the replacement custodian shall be made immediately on its website and on the website of the Saudi Exchange Company (Tadawul).
- ◆ If the custodian is dismissed by CMA or the Fund Manager, the Fund Manager must appoint a replacement within 30 days from the date the dismissed custodian receives the written notice.

24. Fund Board

A. Names of the Fund's Directors, indicating the type of membership.

The Fund shall be overseen by a Board of Directors composed of independent members and members affiliated with SAB Invest, who are as follows:

1. Khalid Nasser Al-Maammar – Independent Member (Chairman of the Funds' Board)
2. Ali Omar Al-Gudaihi – Non-Independent Member
3. Tariq Saad Al-Tuwaijri – Independent Member
4. Abdulaziz Mohammed Al-Qabbani – Independent Member

B. Overview of the qualifications of the Fund Board of Directors members.

1. Khalid bin Nasser bin Abdul Rahman Al Muammar - Independent Member (Chairman of the Funds Board of Directors)

Qualifications

- Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals.

Current jobs

- CEO of the King Abdullah Fund for Giftedness and Creativity. (September 2022 to date)

Memberships on the Board of Directors

- Member of the Board of Directors and Audit Committee of Advanced Company (2010)
- Member of the Board of Directors and Chairman of the Remuneration Committee of Takween Company (2016)
- Member of the Board of Directors and Chairman of the Remuneration Committee of the Saudi Cable Company (2018).
- Member of the Board of Directors of Al Jazirah Motors (2021)
- Member of the Board of Directors and Chairman of the Audit Committee of Riyal Investment Company (2022).
- Member of the Board of Directors of Ataa Educational Company (2023).

Previous Jobs

- Head of corporates and SME at SAB. (Since June 2019 till 2020)
- General Manager of the Enterprise Banking Group at SAB. (Since April 2018 till June 2019)
- CEO of SAB Investment Company. (Since 2012 till April 2018)
- General Manager of the Eastern Region at SAB Bank. (Since 2008 till 2012)
- Director of Corporate and Institutional Banking in the Eastern Province at SAB. (Since 2007 till 2008)
- Director of the Corporate Banking Department in the Eastern Region at SAB Bank. (Since 2005 till 2007)
- Client Relations Manager, Corporate Banking in Eastern Region at SAB Bank. (Since 2000 till 2005)
- Senior Internal Auditor at Arthur Andersen. (Since 1997 till 2000)
- Relationship Manager in Corporate Banking at Banque Saudi Fransi. . (Since 1995 till 1997)
- Former member of the Board of Directors of the Advanced Petrochemical Company. (2010)
- Former member of the Board of Directors of NADEC (2018)
- Former member of the Internal Audit Committee at Gulf Union Cooperative Insurance Company (2012).

2. Ali bin Omar bin Ali Al-Gudaihi - Non-Independent member

Qualifications

- Bachelor's degree in financial management from King Fahd University of Petroleum and Minerals.

Current jobs

- Director, Asset Management (Product Department), Member of the Funds Board of Directors, and Secretary of the Funds Board of Directors at SAB Invest Company. (Since 2022 till date).

Previous Jobs

- Head of Asset Management - at SAB Invest Company. (Since 2018 till 2022)
- Deputy-Head of Asset Management - SAB Invest Company. (Since 2013 till 2018)
- Senior Director of Asset Management - at SAB Invest Company. (Since 2009 till 2013)

- Senior Investment Fund Manager - at SAB Invest Company. (Since 2007 till 2009)
- Assistant Investment Fund Manager - at SAB Bank. (Since 2006 till 2007)

3. Tariq Saad Abdulaziz Al-Tuwaijri (Independent Member)

Qualifications

- Bachelor's degree in Business Administration from the Arab Open University

Current jobs

Chairman of the Nominations and Remuneration Committee, a non-independent member of the Board of Directors of Thob Al-Aseel Company, and a member of the Saudi Economic Association.

(Since 2018 till date)

Previous Jobs

- Director of Share Investments at Naseel Holding Company (2010)
- Executive Vice President of Brokerage at Wasatah Capital (2008).
- Senior Broker at Aljazira Capital (2004)
- Relationships Manager - Private Banking, Samba Financial Group (1998)

4. Abdulaziz Al-Qabbani (Independent Member)

Qualifications

- Master of Business Administration from the University of Miami
- Bachelor's degree in Business Administration from King Saud University

Current jobs

- CEO – Al-Doliaa Investment Company (Since August 2022 to date)

Previous Jobs

- Head of Real Estate Investment - Al-Istithmar Capital Company (Since April 2018 till July 2022)
- Director of Real Estate Asset Management - Swicorp Company (Since April 2017 till April 2018)
- Fund Manager - Al Rajhi Capital Company (Since October 2008 till March 2017)
- Financial Analyst - Royal Caribbean International, Miami, USA (Since May 2007 till October 2007)
- Product Manager - Al Faisaliah Group (Since December 2003 till January 2006)

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

The responsibilities of the members of the Fund's Board of Directors include, but are not limited to, the following:

- ◆ Approve all contracts, decisions and essential reports to which the Fund is a party.
- ◆ Adopt a written policy regarding voting rights related to the Fund's assets.
- ◆ Supervise and approve any conflict of interest disclosed by the Fund Manager in accordance with Article 13 of the Investment Funds Regulations (when appropriate).
- ◆ Hold Meetings at least twice annually with the Fund Manager's Compliance and Commitment Committee or its Compliance and Commitment Officer to review the Fund's compliance with all relevant laws and regulations.
- ◆ Approve of any recommendation made by the liquidator if he is appointed.
- ◆ Ensure the completeness and accuracy of the Fund terms and conditions and any other document that includes disclosures related to the Fund, the Fund Manager, and Fund its management according to the amended investment Funds regulations.
- ◆ Ensure that the Fund Manager fulfilling its responsibilities in a way that serves the interests of Unitholders in accordance with the terms and conditions of the Fund, and the provisions of the amended investment Funds regulations.
- ◆ Work with honesty, good faith, care, skill, diligence and concern in the interest of the Unitholders.

- ◆ Record minutes of meetings that indicate all the facts of the meetings and decisions made by the Board.
- ◆ Approve to delegate the powers and authorities of the Fund Manager to other financial institutions to act as an advisor, sub-manager, custodian, agent or broker after the CMA's approval.
- ◆ Approve appointment of an auditor.
- ◆ Approve services authorized by the Manager for bookkeeping entries, subscription, redemption, buying and selling, financial transfers, confirmation and information related to investments in response to subscriber inquiries.
- ◆ Carry out the duties of following up and monitoring the performance of the Fund and ensuring that the Fund Manager carries out its responsibilities in a way that achieves the interest of Unitholders in accordance with the terms and conditions of the Fund, relevant documents, and the provisions of the investment funds regulations.

D. Details of the remuneration of members of the Fund's Board of Directors

The remuneration of members of the Fund's Board shall be paid by the Fund

E. Identification outlining any actual or potential conflict between the interests of a member of the Fund's Board and the interests of the Fund

- ◆ There is no actual or potential conflict between the interests of any member of the Fund's Board of Directors and the interests of the Fund
- ◆ None of the Fund's board members serve on the boards of directors of other funds in KSA.

The Fund's Board of Directors shall supervise and resolve any conflict of interest, and they must exercise care and diligence towards Unitholders, in addition to making every effort possible to resolve the conflict of interest in good faith in the appropriate manner. The Fund Manager shall ensure that none of its subordinates engage in any work that entails a conflict of interest. In the event that any material conflict arises between the interests of the Fund Manager or the interests of the Fund sub-manager and the interests of any investment Fund managed by him or the account of another client, the Fund Manager shall fully disclose this to the Fund Board of Directors as soon as possible.

F. Identification outlining all Fund Boards in which the relevant Fund Board member participates.

Fund Board members are members of the boards of other funds managed by the Fund Manager as described below.

- | | |
|---|---|
| 1- SAB Invest Saudi Freestyle Equity Fund | 13- SAB Invest Multi Assets Balanced Fund |
| 2- SAB Invest Saudi Construction and Cement Companies Equity Fund | 14- SAB Invest Multi Assets Growth Fund |
| 3- SAB Invest Saudi Industrial Companies Equity Fund | 15- SAB Invest Sukuk Fund |
| 4- SAB Invest Saudi Financial Institutions Equity Fund | 16- SAB Invest US Dollar Murabaha Fund |
| 5- SAB Invest Saudi Companies Equity Fund | 17- SAB Invest Fund for Murabaha in SAR |
| 6- SAB Invest Saudi Equity Income Fund | 18- -- |
| 7- SAB Invest Saudi Equity Fund | 19- SAB Invest Sukuk and Murabaha Fund |
| 8- SAB Invest GCC Companies Equity Income Fund | 20- Al Yusr SAR Murabaha Fund |
| 9- SAB Invest GCC Equity Fund | 21- Saudi Riyal Money Market Fund |
| 10- SAB Invest China and India Equity Freestyle Fund | 22- SAB Invest Saudi Freestyle Conventional Equity Fund |
| 11- SAB Invest Global Equity Fund | 23- Al Yusr Saudi Equity Fund |
| 12- SAB Invest Multi Assets Defensive Fund | 24- Saudi Financial Institutions Equity Fund |
| | 25- SAB Invest GCC Conventional Equity Fund |

25. Shariah Supervisory Committee

a) Shariah Supervisory Committee Members' Names and Qualifications:

Sheikh Dr. Abdullah bin Mohammad Al-Mutlaq

Qualifications

- PhD in Comparative Fiqh (Islamic Jurisprudence) from Imam Mohammad bin Saud Islamic University
- Master's in Comparative Fiqh (Islamic Jurisprudence) from Imam Mohammad bin Saud Islamic University
- Bachelor's in Shariah from Imam Mohammad bin Saud Islamic University

Experience:

- Advisor at the Royal Court, Member of the Senior Scholars Council, and Member of the Permanent Committee for Scholarly Research and Ifta in KSA.
- Former Head of the Comparative Fiqh (Islamic Jurisprudence) Department at the Higher Judicial Institute
- Chair and member of several Shariah committees in Islamic financial institutions inside and outside Saudi Arabia. Member of the Sharia Board of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain.
- Supervised and discussed numerous doctoral and master's theses, and authored several books and research papers in the field of Islamic economics.

Sheikh Dr. Abdullah bin Isa Ayedhi

Qualifications

- PhD in Fiqh (Islamic Jurisprudence) from Imam Mohammad bin Saud Islamic University

Experience:

- Associate Professor in the Shariah Department at Imam Mohammad bin Saud Islamic University
- Member of several Shariah committees in Islamic financial institutions. Member of the Shariah Standards Committee of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain.
- Member of the Civil Transactions System Team in the Judicial Legislation Committee in Saudi Arabia
- Authored several books and research papers in the field of Islamic economics.

Sheikh Dr. Essam bin Khalaf Al-Anzi

Qualifications

- PhD in Comparative Fiqh (Islamic Jurisprudence) from the University of Jordan

Experience:

- Member of the Shariah Board at the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain.
- Member of several Shariah committees in Islamic financial institutions such as Boubyan Bank, Warba Bank, Ahli United Bank, Bank of London and The Middle East, and others.
- Authored several books and research papers in the field of Islamic economics.

B) Shariah Supervisory Committee roles and responsibilities

- 1- Supervising the periodic review of the assets invested by the Fund.
- 2- Supervising the periodic review of the Fund's transactions.
- 3- Issuing fatwas related to the Fund's ongoing compliance with Shariah standards.

ج) Details of the Shariah committee members' remuneration:

SAB Invest Company's funds shall participate in the payment of any fees or costs related to the Shariah services provided to the Shariah-compliant investment funds. The remuneration for members of the Shariah Supervisory Committee may be included among these services. In all cases, these costs will not exceed SAR 10,000 per year for each fund.

D) Details of the standards applied to determine the Shariah compliance of investment assets and the periodic review of those assets, as well as the procedures followed in case of non-compliance with Shariah standards:

- ◆ Advertise and promote for the prohibited products
- ◆ Alcoholic beverages
- ◆ Stem cell research and cloning

- ◆ Prohibited financial institutions
- ◆ Gambling
- ◆ Pork and related products
- ◆ Tobacco
- ◆ Pornography

Deferred trading in gold and silver as cash

The Fund excludes companies that do not meet the following financial standards:

- ◆ If the total debt divided by the average market value over a consecutive 36-month period is less than 33%.
- ◆ If accounts receivable divided by the average market value over a 36-month period is less than 49%.
- ◆ If the sum of cash and interest-bearing securities divided by the average market value over a 36-month period is less than 33%.
- ◆ If the share of income from non-compliant activities and impermissible loans (excluding interest income) divided by revenue is less than 5%.
- ◆ The Fund Manager may not be permitted to use the following investment instruments:
 - ◆ Futures contracts
 - ◆ Options contracts
 - ◆ Swaps contracts
 - ◆ Preference Equities

During the selection process, the latest financial statement of each company shall be reviewed to ensure that the company does not engage in any activities that conflict with Shariah standards, whether the statement is quarterly, semi-annual, or annual. If the latest statement is available for each of these periods, the annual statement shall be used as it is more likely to have been audited. Investments in companies that do not meet the Fund's Shariah standards are excluded or purified.

Procedure applicable in cases noncompliant with Shariah standards

- ◆ Income non-compliant with Shariah standards from Fund Shariah compliant investments shall be retained in an account dedicated for Shariah Purification to be transformed to charity account.
- ◆ In case a company is transformed from Shariah compliant to Shariah non-compliant, and Sharia Purification principle cannot be applicable to the income achieved by such company, the Fund Manager shall inform the Fund Shariah Supervisory Committee of the same and, then, upon the approval of the Shariah Supervisory Committee on the same, a plan for dissociate the investment shall be developed.

The Director shall fully comply with the directives issued by the Shariah Supervisory Committee described above.

26. Investment advisor (If any):

N/A

27. Distributor (If any):

N/A

28. Auditor

A. Name of the auditor.

EY (Ernst & Young) and partners.

B. Registered address and business address of the Auditor.

Al Faisaliah Tower – 14th Floor

King Fahd Road,
P.O. Box 2732 Riyadh 11461,
KSA
Phone: +966112159898

C. Key roles and responsibilities of the Auditor.

The Auditor's responsibility is to show its opinion in financial statements based on the audit it performs in accordance with audit standards endorsed in Saudi Arabia that require the Auditor's compliance with the its profession code of conduct and require that the auditor shall plan and perform audit activities to reasonably determine:

Ensure that the financial statements are free of material misrepresentations. The Audit's responsibility including, in addition, taking adequate procedures to obtain evidence supporting the sums and notes stated in the financial statements.

The appropriateness of accounting policies used and the reasonableness of accounting estimates applied.

The general presentation of financial statements.

D. Provisions governing the replacement of the Investment Fund's Auditor.

The Fund Manager shall, upon Fund Board approval, be entitled to replace the Auditor if:

- ◆ There are significant and existing allegations of professional misconduct by the Auditor regarding the performance of its duties.
- ◆ The Auditor is no longer independent.
- ◆ The Fund's Board of Directors decides that the Auditor does not have sufficient qualifications and experience to perform a satisfactory audit's duties.
- ◆ CMA, in its sole discretion, requests to replace the Auditor appointed for the Fund.

29. Fund's Assets

A. A declaration that the assets of the Investment Fund is in the custody of Custodian on behalf of the Investment Fund

◆ Custody of assets

The Custodian shall hold the Fund's assets under its custody for the benefit of the Fund Unitholders. Such assets may not be owned by the Custodian, who cannot dispose of them except in line with the Fund's terms and the Asset Conservation Agreement.

B. Identification outlining that the custodian must spin off the assets of each Investment Fund from its assets and from the assets of its other clients.

◆ Asset Spin-off

Spin off Fund's assets and registering the Fund's securities in the name of the Custodian for the benefit of the Fund.

C. Identification outlining the assets of an investment Fund are owned collectively by the Unitholders.

◆ Fund asset ownership

The Investment Fund assets are owned collectively by the Unitholders. A Fund Manager, Fund Sub Manager, custodian, sub custodian, distributor or investment advisor may not have any interest in or claims against such assets, other than when, to the extent of its property, the Fund Manager, Fund Sub Manager, custodian, sub custodian, distributor or investment advisor is a Unitholder, or for claims permitted under the Investment Funds Regulations and disclosed by way of statement in these Terms and Conditions.

30. Complaints Procedures

The Fund Manager shall provide complaints handling procedures upon request at no cost. If any subscriber has a complaint regarding any investment Fund, it shall first consult the investment center of the "investment manager". If it is not satisfied with the response made by such center, it can address the complaint directly to:

SAB Invest P.O. B. Box 1467 Riyadh 11431, Phone: 4163133 Ext: 5388

Toll free: 8001242442

or via the email designated for receiving complaints: aicustomercare@sabinvest.com

Website: www.sabinvest.com

If a settlement is not reached or a response is not received within 7 business days, the subscriber may submit its complaint to the CMA - Investor Complaints Department. It also may submit a complaint to the Committee for Settlement of Securities Disputes after 90 calendar days have passed from the date of submitting the complaint to the CMA, unless it is informed by the CMA of the possibility of submitting it to the Committee before the end of the period.

31. Other Information

- A.** A declaration must contain a statement that the policies and procedures to be followed in addressing conflicts of interests, and any potential and/or actual conflicts of interests will be made available upon request for no cost.

In the event of a conflict of interest is between the Fund Manager and the Fund, the matter will be submitted directly to the Fund's Board to make the appropriate decision. In all cases, the interest of the Fund, which represents the interest of the Unitholders, will have priority over the interest of the Fund Manager. Such points shall be documented and announced in the Fund Manager's annual reports, which are available at no cost on the company's website and Saudi Exchange "Tadawul" website.

The applicable policies and procedures to address any potential or actual conflicts of interest shall also be provided upon request at no cost.

- B.** The jurisdiction authority to hear any dispute arising out of or under investing in Investment Funds is the Committee for Resolution of Securities Disputes

The Committee for Resolution of Securities Disputes shall be the judicial authority competent to consider any dispute arising from investment in this Fund.

- C.** A list of documents available for Unitholders, which includes, the Fund's Terms and Conditions, each contract mentioned in the Terms and Conditions, and the financial statements of the Fund Manager.

The Fund investor may obtain the following documents before subscribing:

- ◆ Terms and conditions of the Fund
- ◆ Financial statements for the last financial period
- ◆ Contracts referred to in the terms and conditions (auditor contract, custodian contract)

- D.** Any other information known to, or that ought reasonably to be known to, the Fund Manager or the Fund Board and that Unitholders, potential Unitholders or their professional advisors might reasonably require or that is expected to be included in the Fund's Terms and Conditions upon which an investment decision is to be made.

1. Requirements of Zakat, Tax and Customs Authority (ZATCA)

The Fund shall fulfil the following requirements (and any additional requirements) related to Zakat collection from investors in investment funds:

- ◆ The Fund shall register with ZATCA.
- ◆ The Fund shall submit the necessary returns to ZATCA.
- ◆ The Fund shall provide Unitholders with the information needed to calculate the Zakat base for their investment in the Fund.

EY (Ernst & Young) and partners has been designated as the Fund's tax advisor. The responsibilities of the Fund's Tax Advisor shall include, but are not limited to:

1. Registering the Fund with ZATCA.
2. Submitting tax returns to ZATCA.
3. Submitting a withholding tax return.
4. Providing additional services, including but not limited to:
 - ◆ Reviewing the calculation of the Zakat base and disclosure in the financial statement notes.

- ◆ Reviewing amendments/ inquiries related to ZATCA.
- ◆ Performing other consulting services.

The Fund bears all expenses, which will be paid to the Tax advisor as stipulated in Article 9 of this document.

The Fund Manager undertakes to provide ZATCA with all reports and requirements regarding zakat returns and the information requested by ZATCA for the purposes of examining and reviewing the Fund Manager's returns. The Fund Manager will also provide the Unitholder, who is a zakat payer, with zakat returns upon request in accordance with the rules for zakat collecting from investment funds issued by ZATCA. It is applicable to investors who are deemed zakat payers and subject to the provisions of these rules who own investment units in the Fund and are required to calculate and pay the zakat on these investments. It is also possible to access the rules for zakat collecting from investment in investment funds issued by ZATCA through the website: <https://zatca.gov.sa/ar/Pages/default.aspx>

2. Rebates and special commissions and the Fund Manager's policy on rebates and special commissions

We would like to note that in the event of special commissions, we would announce the type of these special commissions received by the Fund Manager in the Fund's annual reports, which will be available on the company's website and the website of the Saudi Tadawul Company "Tadawul". As for trading fee rebates, the Fund Manager will deal with the broker who can provide appropriate services consistent with the Fund's needs. The Fund Manager will put the Fund's interests above its own personal interest in this case. Based on what mentioned above, the client acknowledges and agrees that the company may enter into special commission arrangements, whereby the company obtains goods and services from a broker in addition to deal execution services in exchange for the commission paid on deals directed through that broker.

- E.** Any waivers from limitations in the Investment Funds Regulations approved by the CMA, except those stipulated in investment policies and practices.

The Fund Manager does not obtain or request any waivers from the Investment Funds Regulations.

32. Additional Information Requirements for Certain Types of Funds

The Unitholders shall agree and acknowledge on the Fund terms and conditions and the other document thereof after purchasing the Fund units.

- A.** The Fund has two (2) assessment points:

- ◆ Net value of the unit assets - the net value of unit assets shall be calculated daily at the end of day through calculating the total value of the Fund assets based on the prices of closure shares, added thereto the available cash and the due dividends from which any due fees shall be deducted, and the result shall be divided to the number of the existing trading units. The net value of the assets of each unit shall be distributed to the Fund within 2 hours of the Market closure.
- ◆ Indicative net asset value (INAV) - INAV will be announced during the session, and is calculated every (15) seconds. The indicative net asset value (INAV) for a unit is calculated by calculating the total value of the Fund assets according to the market values of shares and cash available. Thus, the accrued expenses (due dividends) shall be deducted (added) at the end of the business day, then, the result shall be divided on the number of existing trading units.

B. Market maker

SAB Invest Company and/or any market maker that is assigned from time to time under CMA approval will be the market maker for the Fund.

Market Maker Duties:

- ◆ Establishing units and offering thereof in the market.
- ◆ Offering proposals for purchase and selling of the traded Fund units, and the margin between the purchase and selling prices shall not exceed (2%).
- ◆ Contributing in stability of the Fund prices in the secondary market.
- ◆ Adhering to its liabilities and responsibilities independently of the Fund Manager. Additionally, all the transactions shall be executed equally. Such transactions shall subject to an agreement to be signed by both of the Fund Manager and the Market Maker.
- ◆ Kindly, refer to the conflict of interest department of the terms and conditions in order to access the additional information on the statements and methods of mitigating the potential conflict in interests.

- ◆ The Fund Manager seeks maintain the margin of deviation low as possible compared to the index performance, considering the income factors, fees, and expenditure. Additionally, the Fund Manager shall review any deviation may occur and apply the necessary processes that may mitigate deviation decrease.

C. Special requirements regarding ETFs

- ◆ The Fund's performance compared to the Benchmark index is affected by several factors, including but not limited to the maximum tracking error of 3%, which does not guarantee the accuracy or conformity of the Fund's performance to the performance of the benchmark, and the Fund incurs additional costs that are mentioned in these terms and conditions, resulting in differences in performance compared to the benchmark that does not calculate these costs.
- ◆ The maximum tracking error is 3% and may arise mainly as a result of the Fund's policies and strategies. Moreover, the Fund Manager will take appropriate measures to correct any exceedance of the tracking error ratio while exceeding the maximum limit (3%). For clarity, the Fund Manager monitors the tracking error ratio on a weekly basis and if it is exceeded, it will correct this exceedance within 30 calendar days or at the next rebalancing date, whichever is sooner.
- ◆ The Fund uses Standard & Poor's local Saudi Shariah Index for complaint with Shariah standards (total return index). The value of the benchmark shall be calculated based on the capitalization of free floating equities of the companies that make up the index. The index contains most of the companies listed in the Saudi Capital Market, as well as ETFs and REITs. Some companies are excluded based on several factors including, but are not limited to, the liquidity or the size of the equities of those companies. The benchmark is considered a total return index, i.e. in the index, the value of any distributions made in its value is calculated. Benchmark information is available on the service provider's website. Stock basket components that comprise the Fund will be available on the Fund Manager's website and the Market website.
- ◆ Fund Manager will immediately select an alternative benchmark index if the index calculation is suspended by the service provider.

33. Aiming at achieving the investment objectives of the Fund, a maximum limit of (0.75%) was set for expenditure percentage, thus, the Fund Manager will attempt to limit and reduce deviation percentage. Additionally, the Fund Manager will review the deviation percentage periodically in order to limit it.

Unitholder Declaration

I/We have read the terms, conditions and appendices of the Fund, understood their contents, and agree to them. We declare that we have read units characteristics subscribed in the Fund.

The Unitholder signed the Fund terms and conditions and the information note and approved it upon purchasing any of the units of SAB Invest Saudi Quant ETF

