

Al-Badr Murabaha Fund in US Dollar

Open-End Shariah-Compliant Money
Market Investment Fund.

This is the amended version of the documents for Al-Badr Murabaha Fund in US Dollar that reflects the following changes:

- Update the names of the Board of Directors members with and type of membership

According to our letter sent to the Capital Market Authority on Rajab 19, 1442 AH, corresponding to March 03, 2021 AD.

Contents: Terms and Conditions, Information Memorandum, Summary of Information



Terms and Conditions

Al-Badr Murabaha Fund – US Dollars

Open-End Shariah-Compliant Money Market Investment Fund

Fund Manager: Saudi Fransi Capital

Al-Badr Murabaha Fund - US Dollars has been certified as being Shairah compliant by the Shariah Board appointed for the Investment Fund.

The Terms and Conditions of Al-Badr Murabaha Fund - US Dollars and all other documentation comply with the Investment Funds Regulations and contain complete, clear, accurate, and non-misleading information on the Investment Fund.

Potential investors must thoroughly read the Terms and Conditions, the Information Memorandum and other relevant documentation before making any investment decision regarding the Fund. In the event of lack of clarity, financial advice should be sought from a licensed financial adviser by the Capital Market Authority to explain the following:

- The suitability of investing in the fund to achieve the investment objectives
- The ability of the potential investor to assume any of the risks associated with investing in the fund

Based on the foregoing, the investor bears full responsibility as a result of its investment decision regarding the fund.

By signing these terms and conditions, the unitholders acknowledge their agreement to it upon their participation in any of the Al-Badr Murabaha Fund - US Dollars units.

The terms and conditions of the fund were issued on 14 Rabee' Thani 1418 AH corresponding to 18 August 1997, and the last update was made on the Rajab 19, 1442 AH, corresponding to March 03, 2021 AD.

The Authority's approval to continue trading the fund's units was obtained on 08 Safar 1430 AH corresponding to February 3, 2009.

Fund Facts

Currency	USD
Risk Level	Low
Structure	Open-End Shariah-Compliant
Investment Objectives	Liquidity and Capital Preservation
Cash dividends	None
Benchmark	1 Week LIBOR rate 20 bps
Minimum Initial Investment	USD 1,000.00 (one thousand US dollars)
Minimum Additional Investment	USD 500.00 (five hundred US dollars)
Minimum Redemption	USD 500.00 (five hundred US dollars)
Dealing Days	Each business day in the Kingdom of Saudi Arabia
Subscription/Redemption Notification Deadline	Before 12:00 noon KSA.
Unit Price Announcement	Business day following dealing day
Redemption Settlement Cycle	Four business days following dealing day
Subscription Fee	None
Redemption Fee	None
Early Redemption Fee	None
Management Fee	A maximum of 0.50% per annum of the fund net assets value. This applies to all unit holders as they will be treated equally.
Initial Offering Price	USD 1.00

Fund Organization

Fund Manager	Saudi Fransi Capital Commercial Registration 1010231217 Capital Market Authority License 37/11153 Head Office: PO Box 23454, Riyadh 11426, Saudi Arabia Phone: +966.11.282.6666 Website: www.sfc.sa
Auditor	Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global Prince Muhammad bin Abdulaziz Road - P.O Box 11, Riyadh 10504, Saudi Arabia Phone: +966.11.217.5000 - Fax: +966.11.217.5000 Website: www.crowe.com/sa
Custodian	HSBC Saudi Arabia Limited Head Office: Olaya - Al-Mrooj 7267 P.O. Box: 2255 Riyadh 12283, Saudi Arabia Phone: +966.92000.5920 – Fax: +966.11.299.2385 Website: www.hsbcSaudi.com Email: saudiarabia@hsbc.com

Definitions

The Fund	Al-Badr Murabaha Fund - US Dollars
Fund Manager	A person that is responsible for the management of the assets of an investment fund and the business of the investment fund, and offering of units of the investment fund.
Custodian	A person who is authorized under the Authorized Persons Regulations to conduct activities regarding the custody of securities.
Fund Currency	The currency in which the fund unit price is evaluated.
The Kingdom	Saudi Arabia
The Authority	Is the Capital Market Authority, inclusive of - wherever the text allows - any committee, sub-committee, employee or deputy delegated to perform any task required by the authority.
Investment Funds Regulations	The regulations issued by the Board of the Capital Market Authority.
Investment Fund	A joint investment portfolio that aims to provide an opportunity for its investors to participate collectively in the profits of the portfolio. It is managed by the Fund Manager for a fee.
Subscriber or Unitholder	The person who owns units in the investment fund.
Unit	Units owned by the subscriber in the fund.
Benchmark	The indicator against which the fund's performance is compared, which is the average deposit rate among Saudi banks.
Fund Board	The Board of Directors of the Fund.



The Shariah Board / Shariah Committee	A group of Shariah scholars appointed by the Fund Manager to provide advice on investment products compatible with the provisions of Islamic Shariah.
Business day	The official business day, when the financial markets are open for business in the Kingdom.
Dealing day	A day when the subscription and redemption requests for investment fund units are executed.
Announcement Day	The days when unit prices are announced.
Valuation Point	The point in time on which the net asset value is calculated per unit, and it's usually at the close of trading for the day prior to it, provided that this day is a business day in the respective markets.
Last registration period	The last date to submit subscription and redemption instructions.
Unit Price	The fund unit value, which is calculated by dividing the net assets of the fund by the total number of existing units.
Subscription Fee	Fees that are paid in advance when buying fund units.
Management Fees	Compensation, expenses and fees related to consulting services to be paid to the Fund Manager.
Minimum subscription fee	The minimum financial amount required to subscribe in the fund.
Shariah standards	Shariah standards approved by the Fund's Shariah Committee which determine the companies eligible to invest in.
Duration	The average number of years by which the extent to which asset prices are affected by proportional changes is measured.
Murabaha	It is the sale at the cost price plus a set known profit and a delayed payment on an agreed-upon date.
Mudarabah	It is a partnership agreement between the Mudareb (the First Party) or more, and a financial institution where the Mudareb authorized the Second Party to invest its money for the purpose of making a profit.
Sukuk	Refers to Sukuk in which the fund invests, and they are bonds of equal value that represents a common undivided share in the ownership of real assets or their benefits or concession rights or in the ownership of an asset for a specific project that meets the legal requirements and the consequent financial rights.
Repurchase Agreement	An agreement to sell securities or assets such as Sukuk with a specified price, while pledging to buy them from the buyer on a specific date at an agreed-upon price between the two parties.
Reverse Repurchase Agreement	An agreement to buy securities or assets such as Sukuk at a specified price, while pledging to sell them to the buyer on a specified date at an agreed-upon price between the two parties.
Derivative contracts	It is a financial instrument or a contract that derives its value from the value of other real or financial assets (bonds, foreign currencies, and commodities). These financial contracts have a specified period of time in addition to a specific price and terms that are specified when the contract is concluded between the seller and the buyer, Among these contracts are futures contracts (an agreement between Two parties to sell a specific commodity in the future in exchange for a price that is determined at the time of the contract and is listed on the stock exchange where it acts as an intermediary between the two parties, Options Contracts (which is an agreement between two parties to sell a specific commodity in the future in exchange for a price determined at the time of the contract giving the right to one of the parties to sell or Buying the asset from the other party at an agreed price in advance, and listing it on the stock exchange), forward contracts (which is an agreement between two parties to sell a specific commodity in the future for a price that is set at the time of the contract), SWAPs (these are agreements on a future exchange of cash flows or For a specific asset owned by one of the parties in return for an outflow or an asset owned by the other party according to a previously arranged formula), and any other derivative contracts, provided that they are in compliance with the Fund's Shari'a standards.
VAT	It is the value-added tax applied according to the provisions of the value-added tax system issued by Royal Decree No. M / 113 dated 2/11/1438H and its executive statutes.

1. GENERAL INFORMATION

a. Name of Fund Manager and Authorisation Number

Saudi Fransi Capital, Capital Market Authority License 11153-37.



b. Address of the Head Office of the Fund Manager

Head Office: PO Box 23454, Riyadh 11426, Kingdom of Saudi Arabia
Phone +966 11 282 6666 – Fax: +966 11 282 6725

c. Web Address of the Fund Manager

Website: www.sfc.sa

d. Name of the Custodian and Authorisation Number

HSBC Saudi Arabia Limited, Capital Market Authority License 05008-37.

e. Web Address of the Custodian

www.HSBCSaudi.com

2. GOVERNING LAW

- a.** Al-Badr Murabaha Fund - US Dollars is subject to the Capital Market Law and its Implementing Regulations as well as other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

3. OBJECTIVES OF THE FUND

a. Objectives of the Investment Fund

Al-Badr Murabaha Fund - USD is an open-end money market fund aimed at achieving returns by investing in financial instruments that are subject to the provisions of Islamic Shariah while preserving capital and providing liquidity.

b. Investment Policies and Practices

The Fund Manager seeks, upon its own discretion, to achieve the Fund objectives through providing liquidity and maintenance of capital through the following strategies and controls:

- Invest in financing activities that comply with Islamic law, including but not limited to, Murabaha and Mudarabah deals.
- Invest with various financial institutions in global markets, including Banque Saudi Fransi.
- The Fund's investments may be in different currencies other than the fund currency, the US Dollar, in accordance with the investment strategies.
- The Fund Manager reserves the right to evaluate and purchase the Sukuk, provided that it does not exceed 35% of the Fund's net assets value at the purchase time.
- Invest in units of similar public investment funds that are subject to Shariah standards and licensed by the Capital Market Authority or a similar supervisory body outside the Kingdom with similar risk levels at a rate not exceeding 20% of the Fund's assets.
- Invest in repurchase and reverse repurchase agreements.
- Benchmark for the fund is 1-Week LIBOR rate-20bps, which is the average one-week rate for deposits in US dollar less 0.2% as expenses of Murabaha operations.

4. DURATION OF THE FUND

Al-Badr Murabaha Fund - US Dollars is an open-ended public investment fund.

5. INVESTMENT RESTRICTIONS AND LIMITATIONS

- The Fund will not invest in any securities that do not comply with the Shariah standards approved by the fund's Shariah Committee.
- The Fund is entitled to obtain financing that is compatible with Islamic Shariah, provided that the borrowing exposure does not exceed 10% of its net asset value, according to the absolute discretion of the Fund Manager except for borrowing from the Fund Manager or any of its subsidiaries to cover the redeemed amounts.



- The Fund Manager reserves the right to evaluate and purchase the Sukuk, provided that it does not exceed 35% of the Fund's net assets value at the purchase time.
- The Fund reserves the right to invest in units of similar public investment funds that comply with Shariah standards and licensed by the Capital Market Authority or a similar oversight body outside the Kingdom with similar risk levels at a rate not exceeding 20% of the Fund's net assets value.

The Fund Manager shall, during its administration of the Al-Bader Murabaha Fund - US Dollars, adhere to the restrictions and limits imposed by the Investment Funds Regulations, the Fund's Terms and Conditions and the Information Memorandum.

6. CURRENCY

The Fund is denominated in USD. If the subscription amount is received in a foreign currency, the Fund Manager will convert it to the fund's currency according to the prevailing exchange rates available with the Fund Manager.

7. FEES, CHARGES AND EXPENSES

a. Disclosure of Payments from the Fund's Assets

Custody Fees	0.02% annually, calculated daily and deducted monthly on the basis of the net asset value of the fund on the last business day of each month, in addition to a processing fee of SAR 112.50 (one hundred and twelve Saudi riyals and fifty halala).
Management Fee	The Fund Manager shall receive a maximum of 0.50% annually of the net asset value of the Fund, as an accrued management fee, calculated cumulatively on a daily basis and deducted on a monthly basis.
Auditing Fee	A maximum of SAR 32,000.00 (thirty-two thousand Saudi riyals) per year. This fee is calculated on a daily basis and deducted on a biannual basis.
Registration Fee (Tadawul)	SAR 5,000.00 (five thousand Saudi riyals) annually. This fee is calculated on a daily basis and deducted on an annual basis.
Funding Fees	According to the prevailing financing rates. If incurred, it will be disclosed in the annual financial disclosure summary.
Trading Fees	The Fund is responsible for meeting any regulatory fees or expenses related to investment operations. If incurred, it will be disclosed in the annual financial disclosure summary.
Shariah Committee Fees	Not Available.
Distribution Expenses	Not Available.
Service Fees related to the Unitholder Register	Not Available.
Holding Fund Expenses	Not Applicable.
Benchmark Fees	Not Available.
Regulatory Fee	SAR 7,500.00 (seven thousand and five hundred Saudi riyals) annually. This fee is calculated on a daily basis and is deducted on an annual basis.



Fund's Board of Director's Fees	<p>These fees include all the public funds of Saudi Fransi Capital. Note that these fees will change annually, as these fees will be allocated pro-rata based on the size of the assets in each fund. They are calculated cumulatively on each calendar day and deducted on an annual basis.</p> <p>The maximum annual remuneration of the Funds' board members of all Saudi Fransi Capital funds is estimated at SAR 60,000.00 (sixty thousand Saudi riyals). The Fund's annual share of these fees is estimated at SAR 1,963.86 (one thousand nine hundred sixty three riyals and eighty six halala). The Fund's share of these fees will change annually according to the Fund's assets under management (more or less). It is worth noting that each independent member (two members) will receive an amount of SAR 15,000.00 (fifteen thousand Saudi riyals) per meeting for a maximum of two meetings per year, which is the minimum number of meetings annually, and this is applicable for all of the public funds of Saudi Fransi Capital.</p>
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- All of the aforementioned fees, charges, and expenses borne by the Fund do not include the value-added tax that the Fund pays to the Fund Manager separately according to the rates stipulated by the value-added tax system, nor does it include any of the taxes imposed or to be imposed in the future in the Kingdom of Saudi Arabia, and will be paid any taxes due, in addition to the fees, expenses, and fees due and deducted from the fund's assets.
- In all cases, only actual fees and charges will be deducted.

b. Subscription or Redemption Charges and Calculation Method

- There are no fees charged for subscription, redemption or early redemption.
- Transfer fees are due on the unitholders, as follows: Transfer between the funds of Saudi Fransi Capital shall be processed as if it were a request for a refund from the Fund and a request for subscription to another fund while adhering to these Terms and Conditions and the terms and conditions of the funds transferred to in which the subscriber intends to invest in. Also, any expenses relating to participation in the transferred fund are deducted, if any, in addition to the taxes imposed, if there is a difference in the currency between the funds between which the transfer occurred, the manager transfers the proceeds according to the prevailing exchange rate at that time.

c. Any Special Commission Concluded by the Fund Manager

The fund manager may enter into special commission arrangements if the following conditions are met:

- If the person responsible for executing the transaction provides execution services on the most favorable terms to the fund manager.
- If the goods or services reasonably received by the fund manager may be considered for the benefit of the fund manager's clients.
- If the amount of any fees or commission paid to the provider of goods or services is reasonable in the circumstances.

Special commission arrangements mean the arrangements whereby the fund manager receives goods or services in return for a commission to be paid in exchange for the service directed through the service provider.

8. VALUATION AND PRICING

a. Valuation Method of Underlying Assets

On each dealing day, the valuation is done on a currency basis, and the valuation is determined on the basis of all assets included in the portfolio, minus the dues of the Fund at that time. The valuation method depends on the type of the asset as follows:

- The value of the Fund's assets that are invested in the money market (Murabaha) placements are determined on the basis of the nominal value in addition to the accumulated profits until the valuation day.
- Unlisted sukuk are valued using the book value in addition to the accumulated profits.
- As for the purposes of evaluating the sukuk listed or traded in any organized financial market or through an automatic pricing system, the price of the last transaction that was made in that market or system will be used. If the circumstances of that market or that system do not allow the use of this method, the valuation may be made using the book value in addition to the accumulated profits.



- If the Fund invests in another investment Fund, it will use the last announced unit price.
- As for any other investment, the Fund Manager relies on the fair value that he determines based on the methods and rules approved by the Custodian and after verified by the Auditor.

b. Frequency and Number of Valuation Points

The Fund assets are valued every business day in the Kingdom of Saudi Arabia, five times a week.

c. Actions to be Taken in Case of Mis-Valuation or Mis-Pricing

If the Fund assets are valued incorrectly or the unit price is calculated incorrectly, the Fund Manager will do the following:

- Document the error in the valuation or pricing status.
- Compensate all affected unitholders (including former unitholders) for all valuation or pricing errors without delay.
- Inform the Authority immediately of any error in the valuation or pricing that constitutes 0.5% or more of the unit price.
- Immediately disclose the status of the error in valuation or pricing on its website, the market website and in the general fund reports.

d. Method of Calculating the Unit Price

The unit price at subscription or unit price on redemption is the net asset value per unit, where the unit value is calculated for subscription or redemption purposes by deducting all the amounts required on Al-Badr Murabaha Fund – US Dollars (the Fund's obligations) including but not limited to, specific fees. In paragraph (5) of this memorandum, the total value of the assets and the unit price is determined by dividing the resulting number from this process by the total number of existing fund units on the date of the relevant transaction day, and it should be noted that no circumstances may change from the mentioned pricing method.

e. Publications of Unit Prices Time, Place and Frequency

The Fund Manager will publish the unit price every day of the announcement (five times a week) on the Saudi Stock Exchange Company website (Tadawul) and the official Fund Manager's website.

9. DEALINGS

a. Responsibilities of the Fund Manager in Relation to Subscription and Redemption Requests

- Executing the subscription and redemption requests that meet the requirements, and received before the last valuation point period at 12:00 p.m. KSA time on each dealing day based on the calculated unit price of the Fund on the relevant dealing day.
- Subscription and redemption requests shall be executed in adherence to all provisions encompassed in the Investment Funds Regulations, the Fund's Terms and Conditions or the Information Memorandum.
- To redeem the unitholders ownership before the end of the business day on the fourth day following the day of the deal in which the redemption price was set, at most.

b. Maximum Period between Receipt of a Redemption Request and Payment of Proceeds

If the receipt of the redemption request is completed before 12:00 p.m. KSA time on a dealing day, it will be effective on the relevant business day. If the request is received after the specified time, it will be processed in the next business day.

The Fund Manager is also obligated to pay the redemption interests to the unitholders before the end of the business day on the fourth day following the day of the deal in which the redemption price was set, at most.

c. Restrictions on Dealing in Units of the Fund

The Fund Manager shall, during its management of Al-Badr Murabaha Fund - US Dollar, adhere to the restrictions and limits imposed by the Investment Funds Regulations and the Fund's Terms and Conditions and the Information Memorandum.

The table below shows the minimum value of units that the unitholder must own, subscribe or redeem.



Minimum Initial Investment	USD 1,000.00 (one thousand US dollars)
Minimum Additional Investment	USD 500.00 (five hundred US dollars)
Minimum Redemption	USD 500.00 (five hundred US Dollars)

d. Circumstances in which Dealing in Units May be Deferred or Suspended

The Fund Manager has the right to refuse any subscription if it believes that this subscription may lead to a violation of the regulations of the Capital Market Authority or a violation of the fund terms and conditions.

The Fund Manager may postpone the fulfilment of any redemption request from an open-end fund until the next business day, in any of the following cases:

- On any business day, if the value of redemption requests, including transferring units to another fund, exceeds 10% of the Fund's net asset value, the Fund Manager can, at its absolute discretion, defer any redemption requests and/or transfer units to another fund on a pro-rata basis, so that the total value of the requests does not exceed 10% of the net value of the Fund's assets. Redemption and transfer requests that were postponed on the day of the subsequent transaction will be executed directly and will always be subject to 10% of the net asset value.
- If trading is suspended in the main market in which securities or other assets owned by the Fund are dealt with, either in general or in relation to the Fund's assets that the Fund Manager reasonably believes are important in relation to the net value of the Fund's assets.
- If the subscriber's investment in the Fund falls below the minimum investment mentioned in the Terms and Conditions due to its redemption, then the Fund Manager reserves the right to return the remainder of the investment value to the subscriber.
- The Fund Manager has the right to postpone the implementation of the redemption requests in the event that the Fund is unable to sell/liquidate its assets for any reason.

The Fund Manager has the right to suspend subscription and redemption in the event of force majeure outside its control that prevents it from fulfilling these requests, such as power outages or malfunctions in technical systems, wars, political problems or natural disasters, provided that this suspension is lifted as soon as the event that led to the suspension of subscription or redemption.

e. Procedures for Deferring Redemption Requests

Where applicable, the Fund Manager will postpone any redemption requests and/or transfer of units to another fund with the Fund Manager on a pro-rata basis so that the total value of the requests does not exceed 10% of the net value of the Fund's assets and the deferred redemption and transfer requests will be executed on the day of the next transaction directly and will always be subject to 10% of the net asset value.

f. Provisions Governing the Transfer of Units to Other Investors

Regulatory provisions are the provisions of the Saudi Capital Market Authority laws and its implementing regulations and other related regulations and bylaws applied in the Kingdom of Saudi Arabia, according to the unit price on that day, and it should be noted that the Fund Manager will not transfer ownership of the units to other investors at special prices.

g. The Fund Manager's Intent to Invest in the Investment Fund

The Fund Manager and its affiliates may invest in the Fund for its account, provided that it or any of the affiliates does not exercise their voting rights associated with the units they own. The Fund Manager will disclose the details of its investments in the Fund's units, by the end of every quarter on the Fund Manager's website and the website of the Saudi Stock Exchange (Tadawul) as well as in the periodic reports issued by the Fund Manager and in the financial statements, and this investment will be processed under the same protocol applied to all subscribers of the Fund.

h. Date and Deadlines for Submission of Subscription and Redemption Requests

The deadline for receiving subscription and redemption requests is before 12:00 p.m. KSA time on each dealing day. It is worth noting that the trading days are every business day of the Saudi Stock Market.



i. Procedures for Submitting Instructions to Subscribe or Redeem Units

- **Subscription Procedures** – Investors can subscribe to the fund by submitting a completed and signed application form to the Fund Manager in addition to any other documents that the fund manager may request, or through the electronic channels of the fund manager, and the subscription request will be accepted upon receipt of the investment amount. All the completed subscription requests will be executed adequately if received before the last registration period based on the unit price of the fund calculated on the relevant trading day.
- **Redemption Procedures** – The subscriber may request a complete or partial refund of its units by completing and signing the redemption form and submitting it to the Fund Manager, or through the electronic channels of the Fund Manager. The specified registration period is the deadline for receiving redemption requests which are every trading day before 12:00 noon In KSA time, all adequate redemption requests received before the registration period deadline are executed based on the fund unit price on the relevant trading day. The unit price is announced on the business day following the day of the concerned transaction, and the subscriber may request the transfer of its investment or part of it from one fund to another and the transfer request is processed in such case as a separate request for redemption from the first fund and a subscription to the second fund.

j. Minimum Number or Value of Units that a Unitholder must Subscribe or Transfer or Redeem

Minimum Initial Investment	USD 1,000.00 (one thousand US dollars)
Minimum Additional Investment	USD 500.00 (five hundred US dollars)
Minimum Redemption	USD 500.00 (five hundred US Dollars)

k. Entitlement of the Fund Manager to Defer or Suspend Subscription or Redemption Requests

Not applicable, as Al-Badr Murabaha Fund - USD is an existing fund.

l. The Necessary Corrective Measures to Ensure the Fulfilment of the Requirement of Maintaining 10 million Saudi riyals or its Equivalent as a Minimum Net Asset Value of the Fund

The Fund Manager will comply with the Capital Market Authority regulations and guidelines in case any corrective action where requested.

10. DISTRIBUTION POLICY

a. Policy of Distribution of Income and Gains

The profits of the Fund units will not be distributed to the investors, as the profits generated by the Fund will be reinvested, and therefore the reinvestment will positively reflect on the value and price of the units.

b. Approximate Date of Distribution

Not applicable.

c. Dividends Payment Method

Not applicable.

11. REPORTING TO UNITHOLDERS

a. Relevant Information on Accounting and Financial Reporting

- The Fund Manager will prepare the annual reports and submit them to the unitholders within a period not exceeding (70) days from the end of the reporting period.
- The Fund Manager will prepare the initial reports of the unitholders within a period not exceeding (35) days from the end of the reporting period.
- The Fund Manager will send an annual statement to the unitholders (including any person who owned any units during the year in which the statement is prepared) explaining a summary of the unitholder's deals in the Fund units throughout the fiscal year.
- The Fund Manager will provide each unitholder with data on the net asset value of the units it owns and record its deals in the Fund units within (15) days of every transaction it makes.



b. Information on the Locations and Means of Making Available Fund Reports

- Fund unitholders and prospective unitholders will be briefed on annual and the summary of the annual and initial reports free of charge by posting them on the Fund Manager's website and the Market's website.
- The annual statement, summary of deals and quarterly reports for each unitholder will be sent to the last address the unitholder provided to the Fund Manager.

c. Means of Providing the Annual Statement to Unitholders

The Fund Manager shall prepare the annual financial statements included in the annual reports on the Fund Manager's website and the Saudi Stock Market's website.

12. UNITHOLDERS' REGISTER

- The Fund Manager prepares and maintains a record of unitholders in the Kingdom.
- The unitholder record is conclusive evidence of ownership of the units thereof.
- The Fund Manager registers the information of the unitholders in the record and is obligated to update it immediately when any change occurs to the data registered in it.
- The unitholders record is available for inspection by the Authority upon request, and the Fund Manager shall provide a summary of the unitholder record to any unitholder for free upon request (provided that this summary shows all information related to the concerned unitholder only).
- Without prejudice to the provisions of the relevant regulations, the record of unitholders shall contain, at least, the following data:
 - Name of the unitholder, its nationality and address.
 - National ID number or equivalent identification, such as residency number, passport number, commercial registration number, or any other identification method determined by the Authority according to the category of the unitholder.
 - The registration date of each unitholder in the record.
 - Details of all transactions related to the fund units made by each unitholder.
 - The current balance of the number of units owned by each unitholder.
 - Any restriction or dues on the units owned by each unitholder.

13. MEETING OF UNITHOLDERS

a. Circumstances in which a Meeting of Unitholders is Called

- **The circumstances in which a meeting of unitholders is called**
 - The Fund Manager may call a meeting of unitholders on its own initiative.
 - The Fund Manager must call the unitholders meeting within (10) days of receiving a written request from the Custodian.
 - The Fund Manager must call the unitholders meeting within (10) days of receiving a written request from one or more unitholders who own or collectively own at least 25% of the Fund's value.

b. Procedures for Calling a Meeting of Unitholders

- The invitation to the unitholders meeting will be posted on the website of the Fund Manager and the website of the market, in addition to sending a notice to the unitholders and the Custodian at least (10) days prior to the meeting with a period not exceeding (21) days before the meeting, provided that the announcement and notification shall specify the date of the meeting, its location and time and the proposed items.
- The meeting is deemed in session and in quorum when the number of unitholders who collectively own a minimum of 25% of the fund's units value, and in the event that the quorum was not reached, the Fund Manager will call for a second meeting and announce it on its website and the market's website and send a written notice to the unitholders and Custodian, at least 5 days before the date of the second meeting, and the second meeting is considered valid regardless of the percentage of the fund units represented at the meeting.
- Meetings of unitholders may take place, participate in its deliberations, and vote on its decisions by means of modern technology, in accordance with the regulations set by the Authority.



c. Manner in which Unitholders' Cast their Votes and their Voting Rights

- Each unitholder has the right to appoint an agent to represent it at the unitholders meeting.
- Each unitholder has the right to cast one vote for every unit he owns in the Fund.
- In the case of holding meetings by means of modern technology, voting will be conducted accordingly and in accordance with the regulations set by the Authority.

14. UNITHOLDERS' RIGHTS

List of Unitholders' Rights

- Own the subscribed units in the Fund.
- Exercise the rights related to the units owned according to the Terms and Conditions, Information Memorandum, and the Investment Funds Regulations, including but not limited to voting rights in unitholders' meetings.
- Obtain the annual unit register statement for any financial investment in the Fund's units.
- Approval of the basic changes to the Fund's terms and conditions.
- Announce any change in the Fund's Terms and Conditions, Information Memorandum, and obtain a summary of such change before it takes effect in accordance with these Terms and Conditions in a manner that does not conflict with the provisions of the Investment Funds Regulations.
- Redemption of units before any change in the Terms and Conditions takes effect without imposing any redemption fees - if any.
- Obtain an updated copy of the Terms and Conditions and the Information Memorandum in Arabic at no charge.
- Obtain the audited financial statements of the Fund, free of charge, upon request.
- Notification of the Fund Manager's desire to terminate the Investment Fund in accordance with the Terms and Conditions and Information Memorandum in a manner that does not conflict with the provisions of the Investment Funds Regulations.

15. UNITHOLDER'S LIABILITIES

Other than losing its investment in the Fund or part of it, the unitholder shall not be liable for the debts and obligations of the Fund.

16. UNITS CHARACTERISTICS

Various Classes of Units

- The Fund is divided into units of equal value and with the same privileges and rights, provided that the total value of the units issued constitutes the total value of the Fund.
- The Fund Manager will not issue ownership certificates to investors in the Fund's units, but will rather keep a record of all unitholders in the Fund.

17. CHANGES TO THE FUND'S TERMS AND CONDITIONS

a. Provisions Governing Changes to the Fund's Terms and Conditions

- Changing the Terms and Conditions of the Fund is subject to the provisions of the Investment Funds Regulations issued by the Capital Market Authority, whereby the Fund Manager may, at his discretion, only amend these Terms and Conditions at any time based on the condition of obtaining the approval of the unitholders and the Authority on the proposed fundamental changes, or notify the Authority and the unitholders of the important changes.
- A copy of these Terms and Conditions will be provided on the Fund Manager's website and the Saudi Stock Exchange website (Tadawul).

b. Procedures to be Employed on Notifying Changes to the Fund's Terms and Conditions

In a manner that does not conflict with the provisions of the Investment Funds Regulations, the Authority and the unitholders will be notified of the changes in Terms and Conditions according to the following mechanism:



- The Fund Manager will obtain the approval of the authority after obtaining the approval of the unitholders for any proposed fundamental change in the Fund, after that the Fund Manager will notify the unitholders about the details of these changes through advertising on the websites of the Fund Manager and the Saudi Stock Exchange before (10) days after the change takes effect.
- The Fund Manager will notify the Authority and the unitholders in writing of the important changes in the Fund's documents, not less than (21) days before they become effective.
- The Fund Manager will notify the Authority and the unitholders in writing of any changes worth noting, 8 days before they become effective.

18. TERMINATION OF THE INVESTMENT FUND

Events which will Result in the Termination of the Fund and its Procedures

- The Fund Manager reserves the right to terminate the Fund, provided that the Authority and the unitholders are notified in writing with its desire to do so no less than (21) days prior to the date of the fund termination.
- When any event occurs, the fund must be determined, the Fund Manager will immediately terminate the Fund and notify the Authority and the unitholders within (5) business days of the occurrence of the event that mandated the termination of the fund.
- In the event that none of the requirements of the investment funds regulation or any other requirements of the Capital Market Authority under which the Fund may be terminated are fulfilled, the Fund Manager will terminate the Fund and notify the Authority and the unitholders accordingly.
- The Fund Manager will announce on its website and the Saudi Stock Exchange website the end of the public fund period and the liquidation period.

19. FUND MANAGER

a. Functions, Duties and Responsibilities of the Fund Manager

The Fund Manager is responsible for complying with the provisions of the Investment Funds Regulations and all related regulations and bylaws, whether it performs its responsibilities and duties directly or has been assigned to it by an external authority in accordance with the provisions of the Investment Funds Regulations and the list of authorized persons.

Since the Fund Manager works for the benefit of the unitholders in accordance with the provisions of the Investment Funds Regulations, the Authorized Persons Regulations and the provisions of both, the Terms and Conditions and Information Memorandum, and adheres to the duties of the secretariat towards the unitholders that guarantees work and exerting the efforts for reasonable care to achieve their interests, and is responsible for rendering the following:

- Fund management
- Managing the Fund's operations, including the administrative services of the fund
- Offering the Fund units
- Ensure that the Fund Terms and Conditions and Information Memorandum are accurate, complete, clear, correct, not misleading and updated.
- Establishing policies and procedures to monitor the risks affecting the Fund's investments, and to ensure prompt handling of such risks.
- Implementing the conformity and compliance program of the Fund, and providing the Authority with the results of the application upon request.
- Compliance with requests for approval and notifications submitted to the Authority in accordance with the provisions of the regulations and bylaws issued by the Capital Market Authority, if applicable

b. Right of the Fund Manager to Appoint a Sub-Manager

The Fund Manager may assign a third party or more or any of its affiliates to work as sub-fund manager, provided that the Fund Manager incurs the fees and expenses of any sub-manager.

c. Provisions Governing the Removal/Replacement of the Fund Manager



- The Fund Manager has the right to voluntarily withdraw from the Fund management as required by the interest of the unitholders, provided that he arranges for the appointment of a replacement Fund Manager and that is subject to the provisions and regulations of the Capital Market Authority.
- The Authority has the right to dismiss the Fund Manager and take any action it deems appropriate to appoint another Fund Manager or to take any other measure it deems appropriate, in the event of any of the following cases:
 - The Fund Manager has ceased to exercise management activity without notifying the Authority according to the list of authorized persons.
 - Cancellation, withdrawal or suspension of the Fund Manager's license to practice management activity by the Authority.
 - If the Fund Manager submitted a request to the Authority to cease the practice of management activity.
 - If the Authority deems that the Fund Manager has violated - in a manner deemed essential by the Authority - compliance with the implementing regulations or bylaws.
 - The death of the Investment Portfolio Manager who manages the fund, its deficit or resignation, with no other person registered with the Fund Manager able to manage the fund's assets.
 - Any other case that the Capital Market Authority deems on reasonable grounds that it is of fundamental importance.
- If the Authority exercises any of their powers in accordance with the preceding paragraph, the Fund Manager must fully cooperate to facilitate the smooth handover of responsibilities to the alternative Fund Manager. The Fund Custodian must transfer - whenever necessary and appropriate and to the sole discretion of the Authority - to the alternative Fund Manager all contracts related to the Fund in line with the provisions of the Investment Funds Regulation.

20. CUSTODIAN

a. Functions, Duties and Responsibilities of the Custodian

- The Custodian is responsible for its obligations in accordance with the provisions of the Investment Funds Regulations, whether it fulfils its responsibilities directly or assigns it to a third party under the provisions of the Investment Funds Regulations or the list of authorized persons.
- The Custodian is liable towards the Fund Manager and unitholders for the losses of the Fund resulting from its fraud, shortcoming, misbehavior or deliberate negligence.
- The Custodian is responsible for preserving and protecting the Fund's assets for the benefit of unitholders, and it is also responsible for taking all necessary administrative measures in relation to preserving the Fund's assets.

b. Right of Custodian to Appoint a Sub-Custodian

The Custodian may assign a third party or more or any of its affiliates to work as sub-Custodian of the Fund, provided that the Custodian incurs the fees and expenses of any sub-Custodian.

c. Provisions Governing the Removal or Replacement of Custodian

- The Capital Market Authority has the right to dismiss and replace the custodian and take any action it deems appropriate in the event of any of the following cases:
 - The custodian ceases to practice the reserving activity without notifying the Authority according to the list of authorized persons.
 - Cancellation, withdrawal or suspension of the custodian's license to practice management activity by the Authority.
 - Presenting a request to the Authority by the Fund Manager to revoke its license to practice preservation activity.
 - If the Authority deems that the Fund Manager has violated - in a manner deemed essential in the commitment of the law or its implementing regulations.
 - Any other case that the Capital Market Authority deems on reasonable grounds that it is of fundamental importance.
- The Fund Manager has the right to dismiss the custodian and replace it in the following cases:



- The Fund Manager may dismiss the Custodian pursuant to a written notification if he reasonably believes that the dismissal of the Custodian is in the best interest of the unitholders.
- If the Authority or the Fund Manager exercise any of their powers as in the previous paragraph, the Fund Manager must appoint an alternative Custodian according to the provisions of the Investment Funds Regulations issued by the Capital Market Authority, and the Fund Manager and the dismissed custodian must cooperate fully to facilitate the smooth handover of responsibilities to the alternative Custodian. The dismissed Custodian must handover - when necessary and appropriate - to the alternative Custodian, all contracts related to the Fund.

21. AUDITOR

a. Name of the Auditor of the Fund

Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global
 Prince Muhammad bin Abdulaziz Road - Riyadh
 P.O Box 11, Riyadh 10504
 Phone number: +966112175000 - Fax: +966112175000
 Website: www.crowe.com/sa

b. Functions, Duties and Responsibilities of the Auditor

The Auditor prepares, submits and reviews the interim and annual financial statements and approves the annual statements in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.

c. The provisions regulating the replacement of the Auditor for the investment fund.

The Fund Manager has the right to replace the Auditor after obtaining the approval of the Fund's Board in the following cases:

- In the event of existing and important allegations about the professional misconduct of the Auditor in the performance of its duties.
- If the auditor is no longer independent.
- If the fund's board of directors decides that the auditor does not have sufficient qualifications and experience to perform the audit duties satisfactorily.
- If the Authority requests, at its sole discretion, the auditor appointed for the fund to be changed.

22. FUND'S ASSETS

- The assets of the Al-Badr Murabaha Fund - US Dollars are held by a Custodian on behalf of the Fund and the unitholders. These assets are not the property of the Custodian who has no right to dispose of them except in accordance with the Fund's Terms and Conditions and its Information Memorandum.
- The Custodian must separate the assets of each Fund from its assets and the assets of its other clients, and those assets must be identified independently by registering the securities and other assets of each investment fund in the name of the Custodian for the benefit of that Fund, and that it maintains all necessary records and other documents that support the performance of its contractual obligations.
- The assets of Al-Badr Murabaha Fund - US Dollars are collectively owned by unitholders of communal ownership. It is not permissible for the Fund Manager, the Sub-Manager, the Custodian, the Sub-Custodian, the Advisor or the Distributor to have any interest in the Fund's assets or a claim with respect to those assets, unless the Fund Manager, the Sub-Manager or the Custodian or The Sub-Custodian, Advisor, or Distributor owns the units of the Fund, within the limits of its ownership, or these claims were permitted under the provisions of the Investment Funds Regulations and disclosed in these Terms and Conditions or the Information Memorandum.

23. UNITHOLDER DECLARATION

I/we have read the Terms and Conditions, the Information Memorandum, the Summary of Key Information and the appendices of Al-Badr Murabaha Fund - US Dollars, and understand what was stated in them and agree to them, and



acknowledge to review the properties of units that were subscribed to in the Fund, and a copy of this agreement was received and signed.

Subscriber name / names	
Current Account No.	
Date	
Location or branch	
Signature	

For use by Saudi Fransi Capital and its employees only.	
Employee Name	
Date	



ANNEX 1: FINANCIAL STATEMENT SUMMARY

1. Audited numbers for the year 2019 (including VAT where applicable).

	Amount in USD
Auditor Fees	8,960.00
Regulatory Fees	2,000.00
Custodian Fees	5,931.46
Transaction Fees	1,575.00
Remuneration of the Board of Directors	312.53
Management Fees	118,624.38
Tadawul Fees	1,400.00
Index calculation fee	-
Others	1,250.51

2. A hypothetical example that shows all fees, expenses, and charges for transactions that are paid out of the Fund's assets or by the unitholder on the basis of the Fund's currency.

Fees	%	USD
Investment amount		2,000.00
Registration fee trading	0.0054%	0.1078
Regulatory Fees	0.0077%	0.1540
Auditor fee	0.0345%	0.6899
Remuneration of the Board of Directors	0.0012%	0.0241
Index calculation fee	0.0000%	0
Transaction fees	0.0061%	0.1213
Funding fees	0.0000%	0
Other	0.0048%	0.0963
Custodian fee	0.0210%	0.4198
Management Fee	0.4197%	8.3932
Total Fees		10.0063



ANNEX 2: PAST PERFORMANCE

Total Annualized Return for 1 Year, 3 Years, 5 Years, and Since Inception

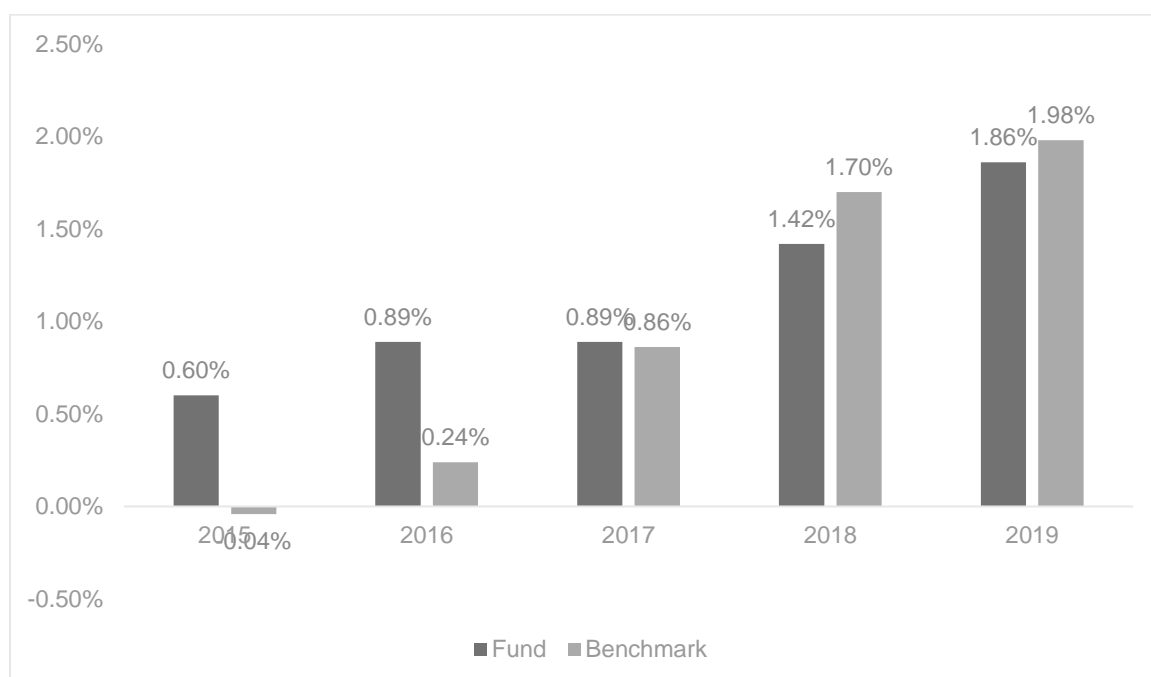
Period	1 Year	3 Years	5 Years	Since Inception
Total Return	1.86%	1.43%	1.16%	2.22%

Total Annual Returns for Each of the Past 10 Years or Since Inception

Period	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total return	1.86%	1.43%	0.95%	0.82%	0.60%	0.69%	0.76%	0.75%	0.37%	0.31%

Total Annual Return over the Past Five Years Compared to the Benchmark

Period	2019	2018	2017	2016	2015
Fund	1.86%	1.43%	0.95%	0.82%	0.60%
Benchmark	1.98%	1.70%	0.88%	0.24%	-0.04%



Information Memorandum
Al-Badr Murabaha Fund – US Dollars
Open-End Shariah-Compliant Money Market Investment Fund
Fund Manager: Saudi Fransi Capital
Custodian: HSBC Saudi Arabia

The Information Memorandum was issued on the 15 Rajab 1439H corresponding to 1 April 2018G. The CMA was notified of its update on Rajab 19, 1442 AH, corresponding to March 03, 2021 AD.

The content of this Information Memorandum for Al-Badr Murabaha Fund - US Dollars are governed by the provisions of the Investment Funds Regulations and encompass complete, clear, correct, non-misleading, updated and amended information.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER LICENSED BY THE CAPITAL MARKET AUTHORITY TO EXPLAIN THE FOLLOWING:

- The suitability of investing in the Fund to achieve the investment objectives
- The ability of the potential investor to assume any of the risks associated with investing in the Fund

Disclaimer

This Information Memorandum has been reviewed and approved by the Fund Board. The Fund Manager and the Fund Board of Directors collectively and individually accept full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the Fund Board of Directors and the Fund Manager confirms to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Information Memorandum false or misleading.

The Capital Market Authority has approved the establishment of and the offering of units in the Investment Fund. The Capital Market Authority does not, however, take any responsibility for the contents of this Information Memorandum, nor does it make any representation as to its accuracy or completeness (complete, clear, accurate, and not misleading), and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. 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 establishing the Fund does not mean that the Authority recommends to invest in the Fund nor confirm the authenticity of the information contained in the terms and conditions and the information memorandum, and the Authority emphasizes that the decision to invest in the Fund is up to the investor or its representative.

Al-Badr Murabaha Fund – US Dollars has been certified as being Shariah-compliant by the Shariah Board appointed for the Investment Fund.



Fund Facts

Currency	USD
Risk Level	Low
Structure	Open-End Shariah-Compliant
Investment Objectives	Liquidity and Capital Preservation
Cash dividends	None
Benchmark	1 Week LIBOR rate 20 bps
Minimum Initial Investment	USD 1,000.00 (one thousand US dollars)
Minimum Additional Investment	USD 500.00 (five hundred US dollars)
Minimum Redemption	USD 500.00 (five hundred US dollars)
Dealing Days	Each business day in the Kingdom of Saudi Arabia
Subscription/Redemption Notification Deadline	The business day before dealing day at 12:00pm KSA time
Unit Price Announcement	Business day following dealing day
Redemption Settlement Cycle	Four business days following dealing day
Subscription Fee	None
Redemption Fee	None
Early Redemption Fee	None
Management Fee	A maximum of 0.50% per annum of the Fund net asset value
Initial Offering Price	USD 1.00

Fund Organization

Fund Manager	Saudi Fransi Capital Commercial Registration 1010231217 Capital Market Authority License 37/11153 Head Office: PO Box 23454, Riyadh 11426, Saudi Arabia Phone: +966.11.282.6666 Website: www.sfc.sa
Auditor	Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global Prince Muhammad bin Abdulaziz Road - P.O Box 11, Riyadh 10504, Saudi Arabia Phone: +966.11.217.5000 - Fax: +966.11.217.5000 Website: www.crowe.com/sa
Custodian	HSBC Saudi Arabia Limited Head Office: Olaya - Al-Mrooj 7267 P.O. Box: 2255 Riyadh 12283, Saudi Arabia Phone: +966.92000.5920 – Fax: +966.11.299.2385 Website: www.hsbcSaudi.com Email: saudiarabia@hsbc.com

Definitions

The Fund	Al-Badr Murabaha Fund - US Dollars
Fund Manager	A person that is responsible for the management of the assets of an investment fund and the business of the investment fund, and offering of units of the investment fund.
Custodian	A person who is authorized under the Authorized Persons Regulations to conduct activities regarding the custody of securities.
Fund Currency	The currency in which the fund unit price is evaluated.
The Kingdom	Saudi Arabia
The Authority	Is the Capital Market Authority, inclusive of - wherever the text allows - any committee, sub-committee, employee or deputy delegated to perform any task required by the authority.
Investment Funds Regulations	The regulations issued by the Board of the Capital Market Authority.
Investment Fund	A joint investment portfolio that aims to provide an opportunity for its investors to participate collectively in the profits of the portfolio. It is managed by the Fund Manager for a fee.
Subscriber or Unitholder	The person who owns units in the investment fund.
Unit	Units owned by the subscriber in the fund.
Benchmark	The indicator against which the fund's performance is compared, which is the average deposit rate among Saudi banks.
Fund Board	The Board of Directors of the Fund.
The Shariah Board / Shariah Committee	A group of Shariah scholars appointed by the Fund Manager to provide advice on investment products compatible with the provisions of Islamic Shariah.



Business day	The official business day, when the financial markets are open for business in the Kingdom.
Dealing day	A day when the subscription and redemption requests for investment fund units are executed.
Announcement Day	The days when unit prices are announced.
Valuation Point	The point in time on which the net asset value is calculated per unit, and it's usually at the close of trading for the day prior to it, provided that this day is a business day in the respective markets.
Last registration period	The last date to submit subscription and redemption instructions.
Unit Price	The fund unit value, which is calculated by dividing the net assets of the fund by the total number of existing units.
Subscription Fee	Fees that are paid in advance when buying fund units.
Management Fees	Compensation, expenses and fees related to consulting services to be paid to the Fund Manager.
Minimum subscription fee	The minimum financial amount required to subscribe in the fund.
Shariah standards	Shariah standards approved by the Fund's Shariah Committee which determine the companies eligible to invest in.
Duration	The average number of years by which the extent to which asset prices are affected by proportional changes is measured.
Murabaha	It is the sale at the cost price plus a set known profit and a delayed payment on an agreed-upon date.
Mudarabah	It is a partnership agreement between the Mudareb (the First Party) or more, and a financial institution where the Mudareb authorized the Second Party to invest its money for the purpose of making a profit.
Sukuk	Refers to Sukuk in which the fund invests, and they are bonds of equal value that represents a common undivided share in the ownership of real assets or their benefits or concession rights or in the ownership of an asset for a specific project that meets the legal requirements and the consequent financial rights.
Repurchase Agreement	An agreement to sell securities or assets such as Sukuk with a specified price, while pledging to buy them from the buyer on a specific date at an agreed-upon price between the two parties.
Reverse Repurchase Agreement	An agreement to buy securities or assets such as Sukuk at a specified price, while pledging to sell them to the buyer on a specified date at an agreed-upon price between the two parties.
Derivative contracts	It is a financial instrument or a contract that derives its value from the value of other real or financial assets (bonds, foreign currencies, and commodities). These financial contracts have a specified period of time in addition to a specific price and terms that are specified when the contract is concluded between the seller and the buyer, Among these contracts are futures contracts (an agreement between Two parties to sell a specific commodity in the future in exchange for a price that is determined at the time of the contract and is listed on the stock exchange where it acts as an intermediary between the two parties, Options Contracts (which is an agreement between two parties to sell a specific commodity in the future in exchange for a price determined at the time of the contract giving the right to one of the parties to sell or Buying the asset from the other party at an agreed price in advance, and listing it on the stock exchange), forward contracts (which is an agreement between two parties to sell a specific commodity in the future for a price that is set at the time of the contract), SWAPs (these are agreements on a future exchange of cash flows or For a specific asset owned by one of the parties in return for an outflow or an asset owned by the other party according to a previously arranged formula), and any other derivative contracts, provided that they are in compliance with the Fund's Shari'a standards.
VAT	It is the value-added tax applied according to the provisions of the value-added tax system issued by Royal Decree No. M / 113 dated 2/11/1438H and its executive statutes.



1. THE INVESTMENT FUND

a. Name of Fund

Al-Badr Murabaha Fund - US Dollars

b. Issue Date of Terms and Conditions

The Terms and Conditions of the Fund were issued on 14 Rabi` Al-Thani 1418H corresponding to 18 August 1997G, and the last update was made on Rajab 19, 1442 AH, corresponding to March 03, 2021 AD.

c. Date of the Authority's Approval for the Establishment and Offering of Units in the Fund

The Authority's approval to continue in the Fund's units was obtained on 8 Safar 1430H corresponding to 3 February 2009G.

d. Duration and Maturity Date of the Fund

Al-Badr Murabaha Fund – US Dollars is an open-end investment fund.

e. Currency of the Fund

The Fund is denominated in USD. If the subscription amount is received in a foreign currency, the Fund Manager will convert it to the fund's currency according to the prevailing exchange rates available with the Fund Manager.

2. INVESTMENT POLICIES AND PRACTICES

a. Investment Objectives

Al-Badr Murabaha Fund - USD is an open-end money market fund aimed at achieving returns by investing in financial instruments that are subject to the provisions of Islamic Shariah while preserving capital and providing liquidity.

b. Type of Securities in which the Fund will Invest in Primarily

- Shariah-compliant financing operations, investment of its assets in Shariah-compliant financing operations, for example, but not limited to, Murabaha and Mudaraba deals.
- Various financial institutions in global markets, including Banque Saudi Fransi.
- Different currencies other than the Fund's currency (US Dollar), in accordance with investment strategies.
- The Fund Manager reserves the right to evaluate and purchase the Sukuk, provided that it does not exceed 35% of the Fund's net assets value at the time of purchase.
- Units of similar public investment funds that are compliant with Shariah standards and licensed by the Capital Market Authority or a similar supervisory body outside the Kingdom with similar risk levels at a rate not exceeding 20% of the Fund's assets.
- Repurchase and reverse repurchase agreements.

c. Investment Concentration or Specialization Policies and Practices

- The Fund's investments are concentrated in financing operations or investments of financing operations that comply with the provisions of Islamic Shariah, including but not limited to, Murabaha and Mudaraba deals. The Fund also reserves the right to invest with various financial institutions in global markets, including Banque Saudi Fransi.
- The Fund's investments may be in different currencies other than the Fund's currency (USD) in accordance with investment strategies.

d. Markets in which the Fund Intends to Invest In

International Money Market and fixed income, including the Saudi market.

e. Techniques and Instruments that may be used in the Management of the Fund

The Fund Manager studies and analyzes the recipients of cash and Islamic deposits, as it focuses on credit rating and senior landlords in addition to a number of accounting ratios that give more value to one investment side over the other.



f. Types of Securities that cannot be Included in the Fund's Investments

All securities that do not fall within the Fund's investment universe as stipulated in Paragraph (B) of this Article.

g. Investment Limits and Restrictions

- The Fund will not invest in any securities that do not comply with the Shariah standards approved by the fund's Shariah Committee.
- The Fund is entitled to obtain financing that is compatible with Islamic Shariah, provided that the borrowing exposure does not exceed 10% of its net asset value, according to the absolute discretion of the Fund Manager except for borrowing from the Fund Manager or any of its subsidiaries to cover the redeemed amounts.
- The Fund Manager reserves the right to evaluate and purchase the Sukuk, provided that it does not exceed 35% of the Fund's net assets value at the purchase time.
- The Fund reserves the right to invest in units of similar public investment funds that comply with Shariah standards and licensed by the Capital Market Authority or a similar oversight body outside the Kingdom with similar risk levels at a rate not exceeding 20% of the Fund's net assets value.

The Fund Manager shall, during its administration of the Al-Bader Murabaha Fund - US Dollars, adhere to the restrictions and limits imposed by the Investment Funds Regulations, the Fund's Terms and Conditions and the Information Memorandum.

h. Extent of Investment in Other Investment Funds

The Fund invests in units of similar public investment funds that are compatible with Shariah standards and licensed by the Capital Market Authority or a similar supervisory Authority outside the Kingdom with similar risk levels up to 20% of the fund's net assets value.

i. Borrowing Rights and Pledging Assets Policy

The Fund is entitled to obtain financing that is compatible with Islamic Shariah, provided that the borrowing exposure does not exceed 10% of its net asset value, according to the absolute discretion of the Fund Manager except for borrowing from the Fund Manager or any of its subsidiaries to cover the redeemed amounts.

j. The Maximum Limit to Deal with any Counterparty

None.

k. Risk Management Policy

The Fund manages its investment portfolio and other assets by monitoring the return on net assets and making adjustments to them in the light of changes in market conditions in accordance with the Terms and Conditions. The capital structure depends on the issuance and redemption of units.

The Fund holds investments in various financial instruments in accordance with its investment policy. The investments are classified as held for sale at amortized cost and available-for-sale investments, i.e. Sukuk and deposits in accordance with Islamic Shariah. The Fund is exposed to special commission rate risk, credit risk, liquidity and currency risk, and its management policy is as follows:

- **Special Commission Rate Risk** - The Fund is exposed to commission rate risk on its commission bearing assets, including Sukuk held at amortized cost and Shariah-compliant deposits. To reduce these risks, the Fund Manager monitors changes in commission rates regularly.
- **Credit Risk** - The Fund is exposed to credit risk on bank balances and investments held at amortized cost, Shariah-compliant deposits and other receivables. The Fund Manager seeks to limit credit risk by dealing with parties with good credit rating, monitoring exposure and setting limits for individual investments. The Fund Manager has not identified any significant concentration of credit risk arising from investments, and the carrying amount is the maximum credit risk related to the financial assets.

l. Information about the Benchmark, its Provider, and Calculation Methodology

The benchmark for the Fund is 1 week (LIBOR rate-20bps*), which is the average one-week deposit rate for the US dollar, from which 0.2% will be deducted for the expenses of Murabaha operations. It is a general indicator, obtained by the Fund Manager from the Bloomberg website.



m. Purpose of Using Derivatives

The Fund Manager may use derivative contracts to achieve investment objectives and hedge the risk of price volatility.

n. Waivers Approved by the CMA for any Investment Limit and Restriction

None.

3. INVESTMENT RISKS

- a. The Fund may be exposed to fluctuations in the value of its units due to the formation of its investments that are concentrated in the money market instruments.
- b. The previous performance of the Al-Badr Murabaha Fund – US Dollars and the previous performance of the benchmark index of the Fund is not an indication of the Fund's future performance.
- c. There is no guarantee for unitholders that the Fund's absolute performance or performance compared to the index will repeat or match previous performance.
- d. The Fund Manager warns investors that investing in Al-Badr Murabaha Fund – US Dollars is not a deposit with any bank, as the Fund's assets are inherently subject to fluctuations, both high and low.
- e. The Fund Manager warns investors of the risk of losing money when investing in the fund.
- f. The list of potential risks associated with investing in the Fund, the risk exposure to the Fund, and any conditions likely to affect the net value of the Fund's assets and revenues.
 - **Credit and Counterparty Risk** – Risk of non-payment by the parties to the financial institutions through which the Fund deals with. Accordingly, the Fund is exposed to credit risk in its investment portfolio and returns.
 - The Fund Manager seeks to reduce credit risk by monitoring the distribution of credit and setting limits for investments with the financial institutions that the Fund deals with.
 - **Commodity Risk** – Fluctuations in commodity prices may affect the Fund's value and profits.
 - **Currency Risk** – The value of securities may fluctuate as a result of a change in the foreign exchange rate. The Fund's primary currency is the Saudi riyal and other currencies. The Fund Manager, at its discretion, uses financial instruments that contribute to protection from fluctuations in prices.
 - **Liquidity Risk** – The risk that the Fund may be exposed to in providing the necessary liquidity to fulfill financial obligations.
 - **Economic Risk** – The Kingdom of Saudi Arabia has a strong economy, which is subject to the conditions of the global market and the growth of the global economy. The Saudi economy may be affected by many factors such as fluctuation of oil prices, profit rates, inflation, liquidity, capital flows, and other factors that may have positive or negative effects on the value of the Fund's securities.
 - **Risks of investing in foreign markets** – Foreign securities and securities issued by companies and financial institutions that have business abroad may involve risks related to political, economic and regulatory conditions in these countries, and these risks include the risk of change in economic conditions such as economic downturn and inflation rates or political such as uncertainties resulting from global, regional or systemic political changes. The collapse of the financial system of these countries, as well as changes in the regulatory environment, legislation, accounting systems, and local and governmental regulations, which negatively affect the performance of the fund and the unit price.
 - **Risk Related to Specific Events** – The subscriber accepts that the value of the Fund's assets may be affected by various but unlimited factors, including political and economic factors and other related factors to legislation and regulations. The subscriber understands and agrees that the value of the Fund units is subject to ups and downs. The Fund Manager will not be obligated to accept a request to redeem units at offering value. Given that investing in the Fund is not the same as a deposit with a local bank, the unitholder is responsible for any financial loss that may result from investing in the fund.
 - **Risk of Force Majeure** – The risk resulting from force majeure conditions, including but not limited to, government decisions, wars, civil unrest, civil disobedience, natural disasters, economic blockade, commercial boycott, market decisions, suspension of trading, or inability to communicate with the market for any reason or a breakdown of the computer system, or any reason that is not under the control of the Fund Manager or the funds he invests in. In the event of any force majeure, any obligation on the Fund will be deferred as required by the force majeure event. The Fund Manager will also announce the force majeure event and it will be binding on all investors in the Fund. It should be noted that the Fund Manager will not be



liable to unitholders for any temporary or permanent loss of their investment, either directly or indirectly due to any force majeure.

- **Risk of Unitholder Death** – If the subscriber is an individual, the terms and conditions of the Fund and all other documents will be binding on the heirs, executors of the will, estate managers, personal representatives, custodians and successors of the subscriber, and the approval of the unitholder on these Fund documents will not be canceled automatically upon the death or incapacity of the subscriber. If the subscriber is a legal entity, this agreement will not be automatically cancelled upon the death, bankruptcy or dissolution of any partner or shareholder therein. Regardless of these conditions, the Fund Manager is entitled, according to its absolute discretion, to suspend any transactions related to this agreement until the Fund Manager receives an order from the court, a power of attorney or any other evidence that is satisfactory of the authority vested in the heirs, executors of the will, directors of the estate, personal representatives, trustees or successors to allow the implementation of these transactions.
- **Interest Rate Risk** – The risk arising from the fluctuation of the value of the financial instruments as a result of the change in the interest rate, which may adversely affect the performance of the Fund and the unit price.
- **Risk of Shariah-Compliant Investments** – The risk of Shariah-compliant investments is represented in the event that one of the investments deviates from the Fund's legal criteria, which leads to the disposal of these investments at prices that may be inappropriate and may adversely affect the Fund's performance and the unit price.
- **Risk of Investment in Other Funds** – The Fund will only invest in funds similar to it in the strategy and level of risk, but risks may arise due to fluctuations in the unit price of the invested fund, which may negatively affect the performance of the Fund and the unit price.

4. GENERAL INFORMATION

a. Profile of Investors Most Suited to Invest in the Fund

The Fund targets all appropriate categories of individuals and companies according to the Fund's objectives and the risks associated with it.

b. Distribution Policy

The profits of the Fund units will not be distributed to the investors, as the profits generated by the Fund will be reinvested, and therefore the reinvestment will positively reflect on the value and price of the units.

c. Historical Performance

	1 Year	3 Years	5 Years	Since Inception
Average Annual Total Returns	1.86%	1.43%	1.16%	2.22%

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Annual Total Returns	1.86%	1.43%	0.95%	0.82%	0.60%	0.69%	0.76%	0.75%	0.37%	0.31%

Annual Total Returns	2019	2018	2017	2016	2015
Fund	1.86%	1.43%	0.95%	0.82%	0.60%
Benchmark	1.98%	1.70%	0.88%	0.24%	-0.04%

- The Fund did not distribute dividends in the past 3 years.
- All Fund reports are available for all to view through the Fund Manager's website.

d. Rights and Liabilities of Unitholder

- Own the subscribed units in the Fund.



- Exercise the rights related to the units owned according to the Terms and Conditions, Information Memorandum, and the Investment Funds Regulations, including but not limited to voting rights in unitholders' meetings.
- Obtain the annual unit register statement for any financial investment in the Fund's units.
- Approval of the basic changes to the Fund's terms and conditions.
- Announce any change in the Fund's Terms and Conditions, Information Memorandum, and obtain a summary of such change before it takes effect in accordance with these Terms and Conditions in a manner that does not conflict with the provisions of the Investment Funds Regulations.
- Redemption of units before any change in the Terms and Conditions takes effect without imposing any redemption fees - if any.
- Obtain an updated copy of the Terms and Conditions and the Information Memorandum in Arabic at no charge.
- Obtain the audited financial statements of the Fund, free of charge, upon request.
- Notification of the Fund Manager's desire to terminate the Investment Fund in accordance with the Terms and Conditions and Information Memorandum in a manner that does not conflict with the provisions of the Investment Funds Regulations.
- Except for the loss of the unitholder for its investment in the Fund or part of it, the unitholder is not responsible for the Fund's debts and obligations.

e. Circumstances in which the Fund may be Terminated and Procedures for Termination

- The Fund Manager reserves the right to terminate the Fund, provided that the Authority and the unitholders are notified in writing with its desire to do so no less than (21) days prior to the date of the fund termination.
- When any event occurs, the fund must be determined, the Fund Manager will immediately terminate the Fund and notify the Authority and the unitholders within (5) business days of the occurrence of the event that mandated the termination of the fund.
- In the event that none of the requirements of the investment funds regulation or any other requirements of the Capital Market Authority under which the Fund may be terminated are fulfilled, the Fund Manager will terminate the Fund and notify the Authority and the unitholders accordingly.
- The Fund Manager will announce on its website and the Saudi Stock Exchange website the end of the public fund period and the liquidation period.

f. The Fund Manager acknowledges the existence of an internal mechanism to evaluate risks associated with the Fund's assets.

5. FEES, CHARGES AND EXPENSES

a. Disclosure of Payments from the Fund's Assets

Custody Fees	0.02% annually, calculated daily and deducted monthly on the basis of the net asset value of the fund on the last business day of each month, in addition to a processing fee of SAR 112.50 (one hundred and twelve Saudi riyals and fifty halala).
Management Fee	The Fund Manager shall receive a maximum of 0.50% annually of the net asset value of the Fund, as an accrued management fee, calculated cumulatively on a daily basis and deducted on a monthly basis.
Auditing Fee	A maximum of SAR 32,000.00 (thirty-two thousand Saudi riyals) per year. This fee is calculated on a daily basis and deducted on a biannual basis.
Registration Fee (Tadawul)	SAR 5,000.00 (five thousand Saudi riyals) annually. This fee is calculated on a daily basis and deducted on an annual basis.
Funding Fees	According to the prevailing financing rates. If incurred, it will be disclosed in the annual financial disclosure summary.
Trading Fees	The Fund is responsible for meeting any regulatory fees or expenses related to investment operations. If incurred, it will be disclosed in the annual financial disclosure summary.



Shariah Committee Fees	Not Available.
Distribution Expenses	Not Available.
Service Fees related to the Unitholder Register	Not Available.
Holding Fund Expenses	Not Applicable.
Benchmark Fees	Not Available.
Regulatory Fee	SAR 7,500.00 (seven thousand and five hundred Saudi riyals) annually. This fee is calculated on a daily basis and is deducted on an annual basis.
Fund's Board of Director's Fees	<p>These fees include all the public funds of Saudi Fransi Capital. Note that these fees will change annually, as these fees will be allocated pro-rata based on the size of the assets in each fund. They are calculated cumulatively on each calendar day and deducted on an annual basis.</p> <p>The maximum annual remuneration of the Funds' board members of all Saudi Fransi Capital funds is estimated at SAR 60,000.00 (sixty thousand Saudi riyals). The Fund's annual share of these fees is estimated at SAR 1,963.86 (one thousand nine hundred sixty three riyals and eighty six halala). The Fund's share of these fees will change annually according to the Fund's assets under management (more or less). It is worth noting that each independent member (two members) will receive an amount of SAR 15,000.00 (fifteen thousand Saudi riyals) per meeting for a maximum of two meetings per year, which is the minimum number of meetings annually, and this is applicable for all of the public funds of Saudi Fransi Capital.</p>

- All of the aforementioned fees, charges, and expenses borne by the Fund do not include the value-added tax that the Fund pays to the Fund Manager separately according to the rates stipulated by the value-added tax system, nor does it include any of the taxes imposed or to be imposed in the future in the Kingdom of Saudi Arabia, and will be paid any taxes due, in addition to the fees, expenses, and fees due and deducted from the fund's assets.
- In all cases, only actual fees and charges will be deducted.

b. Fees, Charges and Expenses Calculations and Payment Schedule

Fees/Expense	Percentage/Assigned Amount	Calculation Method	Schedule
Custody Fee	0.02% annually	Calculated daily.	Payable monthly on the basis of the fund's net asset value on the last business day of each month.
Transaction Fee	SAR 112.50	A lump sum paid to the custodian for each transaction.	Pay - if any - at the end of each month.
Management Fee	0.50% p.a. - maximum	Calculated cumulatively on a daily basis.	Monthly payment.
Audit Fee	Maximum SAR 32,000.00 per year	Calculated cumulatively on a daily basis.	Paid on a biannual basis.
Registration Fee (Tadawul)	SAR 5,000.00	Calculated cumulatively on a daily basis.	Paid on annual basis.
Funding Fees	According to the prevailing financing rates, and it will be disclosed if it occurs in the annual financial disclosure summary.		



Dealing Fees	The Fund is responsible for meeting any regulatory fees or expenses related to investment operations, and this will be disclosed if it occurs in the annual financial disclosure summary.		
Shariah Committee Fee	Not Available.		
Distribution Expenses	Not Available.		
Services Fees related to the Unitholder Register	Not Available.		
Holding Fund Expenses	Not Applicable.		
Benchmark Fees	Not Available.		
Regulatory Fees	7,500 Saudi riyals annually.	Calculated cumulatively on a daily basis.	Paid on annual basis.
Fund's Board of Director's Fees	<ul style="list-style-type: none"> - The Fund's share is estimated at SAR 1,963.86 annually, which is an estimated share that may change annually according to the fund's assets. - In addition to SAR 15,000.00 for each independent member (two members) for each meeting (with a maximum of two meetings per year, which is the minimum number of meetings of the Fund's Board of Directors). 	Calculated cumulatively every calendar day.	Paid on annual basis.

c. Subscription or Redemption Charges and Calculation Method

- There are no fees charged for subscription, redemption or early redemption.
- Transfer fees are due on the unitholders, as follows: Transfer between the funds of Saudi Fransi Capital shall be processed as if it were a request for a refund from the Fund and a request for subscription to another fund while adhering to these Terms and Conditions and the terms and conditions of the funds transferred to in which the subscriber intends to invest in. Also, any expenses relating to participation in the transferred fund are deducted, if any, in addition to the taxes imposed, if there is a difference in the currency between the funds between which the transfer occurred, the manager transfers the proceeds according to the prevailing exchange rate at that time.

d. Any Special Commission Entered into by the Fund Manager

The Fund Manager may cancel or grant discounts, in a form of a cash refund, on fund management fees for unitholders whenever he deems it appropriate, and the Fund Manager may also enter into special commission arrangements from service providers in the interest of unitholders.

e. Example that Illustrates all Fees, Charges and Expenses Paid from the Fund's Assets or Unitholders

Fees	%	USD
Investment amount		2,000.00
Registration fee trading	0.0054%	0.1078
Regulatory Fees	0.0077%	0.1540
Auditor fee	0.0345%	0.6899
Remuneration of the Board of Directors	0.0012%	0.0241
Index calculation fee	0.0000%	0



Transaction fees	0.0061%	0.1213
Funding fees	0.0000%	0
Other	0.0048%	0.0963
Custodian fee	0.0210%	0.4198
Management Fee	0.4197%	8.3932
Total Fees		10.0063

6. VALUATION AND PRICING

a. Details on how each Asset Held by the Fund is Valued

On each dealing day, the valuation is done on a currency basis, and the valuation is determined on the basis of all assets included in the portfolio, minus the dues of the Fund at that time. The valuation method depends on the type of the asset as follows:

- The value of the Fund's assets that are invested in the money market (Murabaha) placements are determined on the basis of the nominal value in addition to the accumulated profits until the valuation day.
- Unlisted sukuk are valued using the book value in addition to the accumulated profits.
- As for the purposes of evaluating the sukuk listed or traded in any organized financial market or through an automatic pricing system, the price of the last transaction that was made in that market or system will be used. If the circumstances of that market or that system do not allow the use of this method, the valuation may be made using the book value in addition to the accumulated profits.
- If the Fund invests in another investment Fund, it will use the last announced unit price.
- As for any other investment, the Fund Manager relies on the fair value that he determines based on the methods and rules approved by the Custodian and after verified by the Auditor.

b. Frequency and Time of Valuation

The Fund assets are valued every business day in the Kingdom of Saudi Arabia, five times a week.

c. Actions to be Taken in Case of Mis-Valuation or Mis-Pricing

If the Fund assets are valued incorrectly or the unit price is calculated incorrectly, the Fund Manager will do the following:

- Document the error in the valuation or pricing status.
- Compensate all affected unitholders (including former unitholders) for all valuation or pricing errors without delay.
- Inform the Authority immediately of any error in the valuation or pricing that constitutes 0.5% or more of the unit price.
- Immediately disclose the status of the error in valuation or pricing on its website, the market website and in the general fund reports.

d. Method of Calculating the Unit Price for Dealing Purposes

The unit price at subscription or unit price on redemption is the net asset value per unit, where the unit value is calculated for subscription or redemption purposes by deducting all the amounts required on Al-Badr Murabaha Fund – US Dollars (the Fund's obligations) including but not limited to, specific fees. In paragraph (5) of this memorandum, the total value of the assets and the unit price is determined by dividing the resulting number from this process by the total number of existing fund units on the date of the relevant transaction day, and it should be noted that no circumstances may change from the mentioned pricing method.

e. Details on Publications of Unit Prices

The Fund Manager will publish the unit price every day of the announcement (five times a week) on the Saudi Stock Exchange Company website (Tadawul) and the official Fund Manager's website.

7. DEALING

a. Details of the Initial Offering



Start Date	14 Rabi' Al-Thani 1418H corresponding to 18 August 1997G
Offering Period	The offering period ended in 1418H corresponding to 1997G
Initial Offering Price	USD 1.00

b. Date and Deadlines for Submitting Subscription and Redemption Requests

The deadline for receiving subscription and redemption requests is before 12:00 p.m. KSA time on each dealing day. It is worth noting that the trading days are every business day of the Saudi Stock Market.

c. Subscription and Redemption Procedures

- **Subscription Procedures** – Investors can subscribe to the Fund by submitting a completed and signed application form to the Fund Manager in addition to any other documents that the Fund Manager may request, or through the electronic channels of the Fund Manager, and the subscription request will be accepted upon receipt of the investment amount. All the completed subscription requests will be executed adequately if received before the last registration period at 12:00 p.m. KSA time of each dealing day - based on the unit price of the fund calculated on the relevant trading day.
- **Redemption Procedures** – The subscriber may request a complete or partial refund of its units by completing and signing the redemption form and submitting it to the Fund Manager, or through the electronic channels of the Fund Manager. The specified registration period is the deadline for receiving redemption requests which are every trading day before 12:00 noon In KSA time, all adequate redemption requests received before the registration period deadline are executed based on the fund unit price on the relevant trading day. The unit price is announced on the business day following the day of the concerned transaction, and the subscriber may request the transfer of its investment or part of it from one fund to another and the transfer request is processed in such case as a separate request for redemption from the first fund and a subscription to the second fund.

- The table below shows the minimum value of units that the unitholder must own, subscribe or redeem.

Minimum Initial Investment	USD 1,000.00 (one thousand US dollars)
Minimum Additional Investment	USD 500.00 (five hundred US dollars)
Minimum Redemption	USD 500.00 (five hundred US Dollars)

- **The provisions governing the transfer of unit ownership to other investors** – Regulatory provisions are the provisions of the Saudi Capital Market Authority laws and its implementing regulations and other related regulations and bylaws applied in the Kingdom of Saudi Arabia, according to the unit price on that day, and it should be noted that the Fund Manager will not transfer ownership of the units to other investors at special prices.

d. Information on Unitholders' Register

- The Fund Manager prepares and maintains a record of unitholders in the Kingdom.
- The unitholder record is conclusive evidence of ownership of the units thereof.
- The Fund Manager registers the information of the unitholders in the record and is obligated to update it immediately when any change occurs to the data registered in it.
- The unitholders record is available for inspection by the Authority upon request, and the Fund Manager shall provide a summary of the unitholder record to any unitholder for free upon request (provided that this summary shows all information related to the concerned unitholder only).
- Without prejudice to the provisions of the relevant regulations, the record of unitholders shall contain, at least, the following data:
 - Name of the unitholder, its nationality and address.
 - National ID number or equivalent identification, such as residency number, passport number, commercial registration number, or any other identification method determined by the Authority according to the category of the unitholder.
 - The registration date of each unitholder in the record.
 - Details of all transactions related to the fund units made by each unitholder.
 - The current balance of the number of units owned by each unitholder.
 - Any restriction or dues on the units owned by each unitholder.



e. Subscription Monies to be Invested

Not applicable, as Al-Badr Murabaha Fund - USD is an existing fund.

f. Minimum amount that must be Raised through Investors' Contributions before Launching the Fund

Not applicable, as Al-Badr Murabaha Fund - USD is an existing fund.

g. Necessary Corrective Measures to ensure that Fund Meets the Requirement of 10 Million Saudi riyals or its Equivalent as a Minimum Net Asset Value

The Fund Manager will comply with the Capital Market Authority regulations and guidelines in case any corrective action where requested.

h. Circumstances in which Dealing in Units may be Deferred or Suspended

The Fund Manager has the right to refuse any subscription if it believes that this subscription may lead to a violation of the regulations of the Capital Market Authority or a violation of the fund terms and conditions.

The Fund Manager may postpone the fulfilment of any redemption request from an open-end fund until the next business day, in any of the following cases:

- On any business day, if the value of redemption requests, including transferring units to another fund, exceeds 10% of the Fund's net asset value, the Fund Manager can, at its absolute discretion, defer any redemption requests and/or transfer units to another fund on a pro-rata basis, so that the total value of the requests does not exceed 10% of the net value of the Fund's assets. Redemption and transfer requests that were postponed on the day of the subsequent transaction will be executed directly and will always be subject to 10% of the net asset value.
- If trading is suspended in the main market in which securities or other assets owned by the Fund are dealt with, either in general or in relation to the fund's assets that the Fund Manager reasonably believes are important in relation to the net value of the Fund's assets.
- If the subscriber's investment in the Fund falls below the minimum investment mentioned in the Terms and Conditions due to its redemption, then the Fund Manager reserves the right to return the remainder of the investment value to the subscriber.
- The Fund Manager has the right to postpone the implementation of the redemption requests in the event that the Fund is unable to sell/liquidate its assets for any reason.

The Fund Manager has the right to suspend subscription and redemption in the event of force majeure outside its control that prevents it from fulfilling these requests, such as power outages or malfunctions in technical systems, wars, political problems or natural disasters, provided that this suspension is lifted as soon as the event that led to the suspension of subscription or redemption.

i. Procedures under which the Selection of Redemption Requests would be Delayed

Where applicable, the Fund Manager will postpone any redemption requests and/or transfer of units to another fund with the Fund Manager on a pro-rata basis so that the total value of the requests does not exceed 10% of the net value of the Fund's assets and the deferred redemption and transfer requests will be executed on the day of the next transaction directly and will always be subject to 10% of the net asset value.

8. UNIT CHARACTERISTICS

The Fund is divided into units of equal value and with the same privileges and rights, provided that the total value of the units issued constitutes the total value of the Fund.

The Fund Manager will not issue ownership certificates to investors in the Fund's units, but will rather keep a record of all unitholders in the Fund.

9. ACCOUNTING AND REPORTING



a. Relevant Information on Accounting and Reporting

The Fund Manager will prepare annual reports, a summary of the annual reports and initial reports (including the annual financial statements for the period of each report) in accordance with the Investment Funds Regulations and present them to unitholders upon request without any charge.

b. Information on the Locations and Means of Making Available Fund Reports

- Fund unitholders and prospective unitholders will be briefed on annual and the summary of the annual and initial reports free of charge by posting them on the Fund Manager's website and the Market's website.
- The annual statement, summary of deals and quarterly reports for each unitholder will be sent to the last address the unitholder provided to the Fund Manager.

c. Declaration Stating the Availability of the First Audited Financial Statement

Not applicable, as Al-Badr Murabaha Fund - USD is an existing fund.

d. The Fund Manager acknowledges providing the annual audited financial statements for unitholders free of charge upon request.

10. FUND BOARD

a. Names of Fund Board Members

Member Name	Member Classification
Mr. Ehab Talib Ahmed Farhan	Chairman, Non-Independent
Mr. Abdullah Sulaiman Abdulaziz Al-Oraini	Vice-Chairman, Non-Independent
Mr. Muhammad Fathallah Abdul-Khaleq Al-Bukhari	Member, Independent
Mr. Hani Ibrahim Ahmed Obaid	Member, Independent

b. A Brief about the Fund Board Members' Qualifications

- **Mr. Ehab Talib Ahmed Farhan** – Head of the Private Banking at the Banque Saudi Fransi, Wealth Management at Saudi Fransi Capital, with 13 years of experience in consulting services with the National Bank in the field of the global stock exchange and investment products. He joined Banque Saudi Fransi in 2005 as Head of the Investment Department of the Jeddah City Department. He was appointed as the Head of Wealth Management in charge at the Saudi Fransi Capital in May 2015, then joined the Saudi Fransi Capital as Head of Wealth Management until May of 2018, holder of a Bachelor's degree in Business Administration, class 1995, and a qualified financial planner certificate from the Arab Monetary Agency - Banking Institute in the year 2004.
- **Mr. Abdullah Sulaiman Abdulaziz Al-Oraini** – The Head of Brokerage at the Saudi Fransi Capital Company, with 14 years of experience in the banking sector in the Kingdom, Mr. Abdullah became the Head of Brokerage in the Saudi Fransi Capital Company in 2011. He was appointed as the Head of Brokerage in 2014 at Saudi Fransi Capital. Holds a Bachelor's degree in International Business Administration from King Saud University, class of 1999.
- **Mr. Muhammad Fathallah Abdul-Khaleq Al-Bukhari** – With more than 25 years of experience in the banking and investment sector inside and outside the Kingdom, holding a Bachelor's degree in English Literature from King Saud University in 1972. Mr. Mohamed is currently retired, and his last position was Director of Conformity and Compliance at the Arab National Investment Company in 2011.
- **Mr. Hani Ibrahim Ahmed Obaid** – A partner in Invest Corp., with 11 years of experience in the banking and investment sector inside the Kingdom. Mr. Hani became the Fund Manager at Banque Saudi Fransi in 2004. He joined Morgan Stanley in 2008 as Vice President of Private Wealth Management, and in 2012 he became a partner in Invest Corp. Holds a Bachelor's degree in Technology Management from Wentworth University of Technology.

c. Description of the roles and responsibilities of the Fund Board

- Approve all contracts, decisions, and substantial reports to which the fund is a party.
- Adopt a written policy regarding voting rights related to the fund's assets.



- Supervise, and when appropriate, approve or ratify any conflicts of interest disclosed by the Fund Manager in accordance with the investment funds regulations.
- Meeting at least twice annually with the Compliance Officer with the Fund Manager and/or the Compliance Committee and the competent Anti-Money Laundering and Counter-Terrorism Financing Officer, to ensure that the Fund Manager complies with all applicable regulations and bylaws.
- Approval of any recommendation submitted by the liquidator, if appointed, according to the investment funds regulations.
- Ensure that the fund terms and conditions, the information memorandum, and any other document, whether it is a contract or otherwise, is complied with by the Investment Funds Regulations.
- Ensuring that the Fund Manager fulfils its responsibilities in the interest of the unitholders in accordance with the fund terms and conditions, and the provisions of the investment funds regulations
- Work with honesty, goodwill, interest, care and diligence in the interests of the Fund and its unitholders.
- Take minutes of the meetings that includes all the minutes of the meetings and the decisions made by the Board.

d. Details on the Remuneration of the Fund Board Members

The Fund's Board of Directors' remuneration encompass all the funds of Saudi Fransi Capital, which is supervised by the Board, knowing that these fees will be changed annually, as each share of these funds will be allocated based on the size and proportion of the asset on pro-rata basis, and they are calculated cumulatively on each calendar day and deducted on an annual basis.

The annual maximum sum of the fees and expenses of members of the Board of Directors of all the funds of Saudi Fransi Capital is estimated at SAR 60,000.00 (sixty thousand Saudi Riyals). The Fund's share of this fee is estimated at SAR 1,963.86 (one thousand and nine hundred and sixty three Saudi riyals and eighty six halala).

It is also worth noting that the Fund's share of these fees will change annually according to the Fund's assets (increase or decrease), and that each independent member will receive an amount of SAR 15,000.00 (fifteen thousand Saudi riyals) per meeting with a maximum of two meetings per year which is the minimum number of Fund board meetings for all the funds of Saudi Fransi Capital.

e. Conflict of Potential Interest

There is no existing or potential conflict of interest between the interests of a Fund's Board member and the interests of the Fund.

f. Other Fund Boards Membership

The Fund's Board members participate in other fund boards under the management of Saudi Fransi Capital as follows:

Fund Name	Ehab Farhan	Abdullah Al-Oraini	Hani Obaid	Muhammad Bukhari
Al-Badr Murabaha Fund - US Dollars	Chairman	Member	Independent member	Independent member
US Dollar Money Market Fund	Chairman	Member	Independent member	Independent member
Al-Saffa Saudi Equity Trading Fund	Chairman	Member	Independent member	Independent member
Al Qasr GCC Real Estate and Construction Equity Trading Fund	Chairman	Member	Independent member	Independent member
Al-Badr Murabaha Fund - USD	Chairman	Member	Independent member	Independent member
Saudi Riyal Money Market Fund	Chairman	Member	Independent member	Independent member
Saudi Istithmar Equity Fund	Chairman	Member	Independent member	Independent member
Al-Danah GCC Equity Trading Fund	Chairman	Member	Independent member	Independent member



Saudi Fransi Capital Saudi Equity Income Fund	Chairman	Member	Independent member	Independent member
Saudi Fransi GCC IPO Fund	Chairman	Member	Independent member	Independent member
Taleem REIT	Member	-	Independent member	Independent member
Bonyan REIT	-	-	Independent member	-

11. SHARIAH BOARD

a. Identity of the Shariah Committee Members

The Fund has been approved by the Shariah Board of the Banque Saudi Fransi, which consists of:

- **Sheikh Abdullah bin Sulaiman al-Manea** – Member of the Council of Senior Religious Scholars, member of the Supreme Council of Endowments, head of the group of supervisory Authorities of financial institutions, member of the Islamic Jurisprudence Council of the Organization of Islamic States, and retired Chief Judge of a Court of Causation.
- **Dr. Muhammad Ali al-Qurri** – Professor of Islamic economics, member of the Shariah Council of the Accounting and Auditing Organization for Islamic Financial Institutions in the Kingdom of Bahrain, member of the Shariah Council for International Islamic Financial Markets, an expert in the International Islamic Jurisprudence Council, member of several Shariah boards of several banks.
- **Dr. Abdul Sattar Abu Ghodah** – PhD holder in Comparative Islamic Jurisprudence, Master of Islamic Law and Master of Law, Member of the International Islamic Jurisprudence Council and member of the Shariah Council of the Islamic Accounting Authority.

b. Roles and Responsibilities of the Shariah Board

The committee supervisory role is to outline Shariah-compliant standards and monitor the Fund's performance to ensure it's not violating the established standards.

c. Remuneration of the Shariah Board Members

Shariah Board remuneration will not be incurred by the Fund.

d. Standards Used to Determine Shariah-Compliant Investments, its Periodic Review and the Procedures in the Event of Non-Compliance with Shariah Standards

The standards applied to determine the legitimacy of the instruments in question are an investment in money market instruments and fixed income, with the exception of non-Islamic financial institutions.

The legitimacy of the Fund's assets is reviewed periodically, and in the event that the assets invested in it become non-compliant to the provisions of Islamic Shariah, the Fund is obliged to withdraw from these investments.

12. FUND MANAGER

a. Name of Fund Manager

Saudi Fransi Capital

b. Authority Authorization Number

Capital Market Authority License 11153/37
Commercial Register 1010231217

c. Registered Address

Head Office: PO Box 23454, Riyadh 11426, Kingdom of Saudi Arabia
Phone +966 11 282 6666 - Fax: +966 11 282 6725
Website: www.sfc.sa

d. Date of Authority Authorization



The license was obtained from the Capital Market Authority on 26 Safar 1432H corresponding to 30 January 2011G.

e. Paid-Up Capital

The paid-up capital of Saudi Fransi Capital is five hundred million (SAR 500,000,000.00) Saudi riyals.

f. Summary of Financial Information of the Fund Manager

	2019
Revenue	292,292,565
Profit	77,109,146

g. Names and Main Business Activities of Each Member of Saudi Fransi Capital Board of Director's

	Membership Classification	Main Business Activities
Mr. Talal Al-Maiman	Chairman	Vice-Chairman at Banque Saudi Fransi
Mr. Rayan Fayez	Vice-Chairman	Managing Director and Chief Executive Officer at Banque Saudi Fransi
Mr. Mazen Al-Tamimi	Director	None
Mr. Yousef Al-Yousefi	Director	None
Ms. Elizabeth Critchley	Director	None

* The quorum of the independent members of the company was not completed as there is a vacant seat on the date of this document, the documents of the Fund (Saudi Fransi Capital) will be updated for (independent member) of the Board of Directors.

h. Primary Roles, Responsibilities and Duties of the Fund Manager

The Fund Manager is responsible for complying with the provisions of the Investment Funds Regulations and all related regulations and bylaws, whether it performs its responsibilities and duties directly or has been assigned to it by an external authority in accordance with the provisions of the Investment Funds Regulations and the list of authorized persons.

Since the Fund Manager works for the benefit of the unitholders in accordance with the provisions of the Investment Funds Regulations, the Authorized Persons Regulations and the provisions of both, the Terms and Conditions and Information Memorandum, and adheres to the duties of the secretariat towards the unitholders that guarantees work and exerting the efforts for reasonable care to achieve their interests, and is responsible for rendering the following:

- Fund management
- Managing the Fund's operations, including the administrative services of the fund
- Offering the Fund units
- Ensure that the Fund Terms and Conditions and Information Memorandum are accurate, complete, clear, correct, not misleading and updated.
- Establishing policies and procedures to monitor the risks affecting the Fund's investments, and to ensure prompt handling of such risks.
- Implementing the conformity and compliance program of the Fund, and providing the Authority with the results of the application upon request.
- Compliance with requests for approval and notifications submitted to the Authority in accordance with the provisions of the regulations and bylaws issued by the Capital Market Authority, if applicable.

i. Functions that have been Delegated to a Third Party by the Fund Manager in Relation to the Fund

On behalf of the Fund, the Fund Manager assigned other parties to carry out work related to the Fund, as follows:



- The custodian, to perform the custody activity.
- The Auditor, to carry out auditing and reviewing tasks.
- The Fund's Board of Directors, to carry out the tasks of monitoring and following up on the Fund's performance and ensuring that the Fund Manager fulfils its due responsibilities to the interest of unitholders in accordance with the Fund Terms and Conditions, Information Memorandum, related documents and the provisions of applicable regulations and bylaws.

j. Any Other Business Activities or Interests of the Fund Manager that are of Significance or Could Potentially Conflict with those of the Fund

Not Available.

The Fund Manager acknowledges that there are no conflict of interest. In the event of any future conflict of interest arising or occurring, the Fund Manager will do the necessary in the interest of the unitholders and disclose that conflict in the fund's periodic reports.

k. Provisions Governing the Removal or Replacement of the Fund Manager

- The Fund Manager has the right to voluntarily withdraw from the Fund management as required by the interest of the unitholders, provided that he arranges for the appointment of a replacement Fund Manager and that is subject to the provisions and regulations of the Capital Market Authority.
- The Authority has the right to dismiss the Fund Manager and take any action it deems appropriate to appoint another Fund Manager or to take any other measure it deems appropriate, in the event of any of the following cases:
 - The Fund Manager has ceased to exercise management activity without notifying the Authority according to the list of authorized persons.
 - Cancellation, withdrawal or suspension of the Fund Manager's license to practice management activity by the Authority.
 - If the Fund Manager submitted a request to the Authority to cease the practice of management activity.
 - If the Authority deems that the Fund Manager has violated - in a manner deemed essential by the Authority - compliance with the implementing regulations or bylaws.
 - The death of the Investment Portfolio Manager who manages the fund, its deficit or resignation, with no other person registered with the Fund Manager able to manage the fund's assets.
 - Any other case that the Capital Market Authority deems on reasonable grounds that it is of fundamental importance.
- If the Authority exercises any of their powers in accordance with the preceding paragraph, the Fund Manager must fully cooperate to facilitate the smooth handover of responsibilities to the alternative Fund Manager. The Fund Custodian must transfer - whenever necessary and appropriate and to the sole discretion of the Authority - to the alternative Fund Manager all contracts related to the Fund in line with the provisions of the Investment Funds Regulation.

13. CUSTODIAN

a. Name of Custodian

HSBC Saudi Arabia Limited

b. Authority Authorization Number

Capital Market Authority License 37/05008

c. Registered Address

Head Office: Olaya - Al-Mrooj 7267
 P.O. Box: 2255 Riyadh 12283, Kingdom of Saudi Arabia
 Phone +966 92000 5920 - Fax +966 11 299 2385
 Website: www.hsbcSaudi.com
 Email: saudiArabia@hsbc.com

d. Date of Incorporation



The license was obtained from the Capital Market Authority on 5 Dhu'l-Hijjah 1426H corresponding to 5 January 2006G.

e. Primary Roles and Responsibilities of Custodian

- The Custodian is responsible for its obligations in accordance with the provisions of the Investment Funds Regulations, whether it fulfils its responsibilities directly or assigns it to a third party under the provisions of the Investment Funds Regulations or the list of authorized persons.
- The Custodian is liable towards the Fund Manager and unitholders for the losses of the Fund resulting from its fraud, shortcoming, misbehavior or deliberate negligence.
- The Custodian is responsible for preserving and protecting the Fund's assets for the benefit of unitholders, and it is also responsible for taking all necessary administrative measures in relation to preserving the Fund's assets.

f. Functions that have been Delegated to a Third Party by the Custodian

The custodian may assign a third party to act as custodian or any of its affiliates to act as sub-custodian.

g. Provisions Governing the Removal or Replacement of the Custodian

- The Capital Market Authority has the right to dismiss and replace the custodian and take any action it deems appropriate in the event of any of the following cases:
 - The custodian ceases to practice the reserving activity without notifying the Authority according to the list of authorized persons.
 - Cancellation, withdrawal or suspension of the custodian's license to practice management activity by the Authority.
 - Presenting a request to the Authority by the Fund Manager to revoke its license to practice preservation activity.
 - If the Authority deems that the Fund Manager has violated - in a manner deemed essential in the commitment of the law or its implementing regulations.
 - Any other case that the Capital Market Authority deems on reasonable grounds that it is of fundamental importance.
- The Fund Manager has the right to dismiss the custodian and replace it in the following cases:
 - The Fund Manager may dismiss the Custodian pursuant to a written notification if he reasonably believes that the dismissal of the Custodian is in the best interest of the unitholders.
 - If the Authority or the Fund Manager exercise any of their powers as in the previous paragraph, the Fund Manager must appoint an alternative Custodian according to the provisions of the Investment Funds Regulations issued by the Capital Market Authority, and the Fund Manager and the dismissed custodian must cooperate fully to facilitate the smooth handover of responsibilities to the alternative Custodian. The dismissed Custodian must handover - when necessary and appropriate - to the alternative Custodian, all contracts related to the Fund.

14. INVESTMENT ADVISOR

Not Available.

15. DISTRIBUTOR

Not Available.

16. AUDITOR

a. Name of Auditor

Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global

b. Registered Address

Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global
Prince Muhammad bin Abdulaziz Road - Riyadh
P.O Box 11, Riyadh 10504



c. Primary Roles and Responsibilities of Auditor

The Auditor prepares, submits and reviews the interim and annual financial statements and approves the annual statements in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.

17. OTHER INFORMATION

a. Disclosure of Conflict of Interest Policy and Any Potential and Actual Conflict of Interest

The policies and procedures that the Fund Manager will follow to address a conflict of interest and any potential and/or actual conflicts of interest will be presented to the unitholders when requested and free of charge.

b. Policy and Information on Rebates and Soft Commissions

The Fund Manager may cancel or grant discounts, in a form of a cash refund, on fund management fees for unitholders whenever he deems it appropriate, and the Fund Manager may also enter into special commission arrangements from service providers in the interest of unitholders.

c. Information on Tax and Zakat

The Fund is subject to the provisions and regulations of the General Authority of alms (Zakat) and Income, where applicable.

VAT also applies to the Fund in relation to management expenses and fees, other fees and expenses in accordance with the value-added system and its implementing regulations.

Responsibility for paying alms (Zakat) on the investment units owned by investors rests on the owners of those units, and the tax expenses applied to the Fund will be disclosed in the Fund's financial statements.

d. Information and Details of Meeting of Unitholders

■ The circumstances in which a meeting of unitholders is called

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

■ Procedures for calling a meeting of unitholders

- The invitation to the unitholders meeting will be posted on the website of the Fund Manager and the website of the market, in addition to sending a notice to the unitholders and the Custodian at least (10) days prior to the meeting with a period not exceeding (21) days before the meeting, provided that the announcement and notification shall specify the date of the meeting, its location and time and the proposed items.
- The meeting is deemed in session and in quorum when the number of unitholders who collectively own a minimum of 25% of the fund's units value, and in the event that the quorum was not reached, the Fund Manager will call for a second meeting and announce it on its website and the market's website and send a written notice to the unitholders and Custodian, at least 5 days before the date of the second meeting, and the second meeting is considered valid regardless of the percentage of the fund units represented at the meeting.
- Meetings of unitholders may take place, participate in its deliberations, and vote on its decisions by means of modern technology, in accordance with the regulations set by the Authority.

■ Method of voting for unitholders and voting rights in unitholders' meetings

- Each unitholder has the right to appoint an agent to represent it at the unitholders meeting.
- Each unitholder has the right to cast one vote for every unit he owns in the Fund.



- In the case of holding meetings by means of modern technology, voting will be conducted accordingly and in accordance with the regulations set by the Authority.

e. Information on the Procedures to be Followed for the Termination or the Winding-Up of the Fund

- The Fund Manager reserves the right to terminate the Fund, provided that the Authority and the unitholders are notified in writing with its desire to do so no less than (21) days prior to the date of the Fund termination.
- When any event occurs, the fund must be determined, the Fund Manager will immediately terminate the fund and notify the Authority and the unitholders within (5) business days of the occurrence of the event that mandated the termination of the fund.
- In the event that none of the requirements of the Investment Funds Regulation or any other requirements of the Capital Market Authority under which the Fund may be terminated are fulfilled, the Fund Manager will terminate the Fund and notify the Authority and the unitholders accordingly.
- The Fund Manager will announce on its website and the Saudi Stock Exchange website the end of the Fund period and the liquidation period.

f. Complaints Procedures

The procedures for handling complaints related to the fund are available to unitholders and it will be presented to them upon request and free of charge.

Any of the unitholders can submit any complaint by sending a letter of complaint that includes the signature of the unitholder, phone number, fax number and postal address to one of the following:

- Visiting the customer service department in the head office of the Fund Manager.
- Contact the customer service of the Fund Manager on the toll-free number 8001243232.
- Send the complaint to the Fund Manager via fax 011-2826623.
- By emailing the Fund Manager at complaints@fransicapital.com.sa

The Fund Manager will settle the complaint and respond to it within 5 business days from its date.

g. The Jurisdiction of the Committee For The Resolution of Securities Disputes

The competent judicial authority to consider any dispute arising out of or from investing in the Fund is the Securities Dispute Resolution Committee.

h. The List of Documents Available for Unitholders

- Terms and conditions
- Key fact sheet
- Contracts mentioned in the Information Memorandum
- Periodic statements and reports
- Audited financial statements

i. The assets of Al-Badr Murabaha Fund - USD are owned collectively by the unitholders. The Fund Manager, the Fund Sub-Manager or the Custodian, Sub-Custodian or the Distributor or Investment Advisor, if any, shall not have any interest in or claims against the Fund's assets, other than when the Fund Manager, Fund Sub-Manager or Custodian is a unitholder, and for claims permitted under the Investment Funds Regulations and disclosed by way of statement in the Fund's Terms and Conditions or the Information Memorandum.

j. Any Other Information

There is no other known information, or it should be known to the Fund Manager or the Fund's Board of Directors and may be requested - reasonably - by the current or potential owners of the units or expected to be included in the Information Memorandum on which the investment decision will be decided upon.

k. Any exemption from investment regulations restrictions agreed to by the Capital Market Authority, except for those mentioned in investment policies and practices



The Fund is not subject to any exemption from any of the restrictions of the investment regulation, other than the general exemptions that were issued or may be issued in the future from the Capital Market Authority regarding all investment funds.

I. Voting Rights Policy

The Fund Manager is not obligated to vote, but in the event of participation in the voting, its vote shall be consistent with the recommendations of the company's management in general, either directly or indirectly by majority vote. Likewise, the Fund Manager may vote against the company's management recommendations if he believes that this best serves the interests of unit holders.

18. ADDITIONAL INFORMATION REQUIREMENTS FOR A MONEY MARKET FUND

- a. The subscription in a unit in Al-Badr Murabaha Fund - USD is not the same as placing cash on deposit with a local bank.**
- b. The Fund Manager has no obligation to redeem units at the subscription price, and the value of units and the income from them can go down as well as up.**
- c. The methodology that will be adopted by the Fund Manager for the classification of the Fund's investments and counterparties, which will deal with the Fund.** The Fund Manager will study and evaluate the financial institutions that he deals with periodically.
- d. The Fund Manager acknowledges that all sources of money market transactions that he deals with outside the Kingdom are subject to a similar regulatory Authority to the Saudi Arabian Monetary Authority.**
- e. When the Fund invests in derivative contracts for the purpose of hedging, The Fund Manager acknowledges that the issuer is subject to the Prudential Rules issued by the Authority or by an equivalent regulator.**



Key Fact Sheet

Al-Badr Murabaha Fund in US Dollar

Open-End Shariah-Compliant Money Market Investment Fund

a. KEY INFORMATION SUMMARY

1. Fund Summary

Fund Name	:	Al Badr Murabaha Fund in US Dollars
Offering Type	:	Public offering
Fund Classification	:	Money market investment fund
Fund Structure	:	Open-end

2. Investment Objectives

Al-Badr Murabaha Fund - USD is an open-end money market fund aimed at achieving returns by investing in financial instruments that are subject to the provisions of Islamic Shariah while preserving capital and providing liquidity.

3. Investment Policies and Practices

The Fund Manager seeks, upon its own discretion, to achieve the Fund objectives through providing liquidity and maintenance of capital through the following strategies and controls:

- Invest in financing activities that comply with Islamic law, including but not limited to, Murabaha and Mudarabah deals.
- Invest with various financial institutions in global markets, including Banque Saudi Fransi.
- The Fund's investments may be in different currencies other than the fund currency, the US Dollar, in accordance with the investment strategies.
- The Fund Manager reserves the right to evaluate and purchase the Sukuk, provided that it does not exceed 35% of the Fund's net assets value at the purchase time.
- Invest in units of similar public investment funds that are subject to Shariah standards and licensed by the Capital Market Authority or a similar supervisory body outside the Kingdom with similar risk levels at a rate not exceeding 20% of the Fund's assets.
- Invest in repurchase and reverse repurchase agreements.
- Benchmark for the fund is 1-Week LIBOR rate-20bps, which is the average one-week rate for deposits in US dollar less 0.2% as expenses of Murabaha operations.

4. Risks Associated with Investments in the Fund

- **Credit and Counterparty Risk** – Risks of non-payment by the parties to the financial institutions through which the Fund deals with. Accordingly, the Fund is exposed to credit risk in its investment portfolio and returns. The Fund Manager seeks to reduce credit risks by monitoring the distribution of credit and setting limits for investments with the financial institutions that the Fund deals with.
- **Commodity Risk** – Fluctuations in commodity prices may affect the Fund's value and profits.
- **Currency Risk** – The value of securities may fluctuate as a result of a change in the foreign exchange rate. The Fund's primary currency is the US Dollar and other currencies. The Fund Manager, at his discretion, uses financial instruments that contribute to protection from fluctuations in prices.
- **Liquidity Risk** – The risk that the Fund may be exposed to in providing the necessary liquidity to fulfill financial obligations.
- **Economic Risk** – The Kingdom of Saudi Arabia has a strong economy, which is subject to the conditions of the global market and the growth of the global economy. The Saudi economy may be affected by many factors such as fluctuation of oil prices, profit rates, inflation, liquidity, capital flows, and other factors that may have positive or negative effects on the value of the Fund's securities.
- **Risk Related to Specific Events** – The subscriber accepts that the value of the Fund's assets may be affected by various but unlimited factors, including political and economic factors and other related factors to legislation and regulations. The subscriber understands and agrees that the value of the Fund units is subject to ups and downs. The Fund Manager will not be obligated to accept a request to redeem units at offering value. Given that investing in the Fund is not the same as a deposit with a local bank, the unitholder is responsible for any financial loss that may result from investing in the fund.
- **Risk of Force Majeure** – The risk resulting from force majeure conditions, including but not limited to, government decisions, wars, civil unrest, civil disobedience, natural disasters, economic blockade, commercial boycott, market decisions, suspension of trading, or inability to communicate with the market for



any reason or a breakdown of the computer system, or any reason that is not under the control of the Fund Manager or the funds he invests in. In the event of any of the force majeure, any obligation on the fund will be deferred as required by the force majeure event. The Fund Manager will also announce the force majeure event and it will be binding on all investors in the Fund. It should be noted that the Fund Manager will not be liable to unitholders for any temporary or permanent loss of their investment, either directly or indirectly due to any force majeure.

- **Risk of Unitholder Death** – If the subscriber is an individual, the terms and conditions of the Fund and all other documents will be binding on the heirs, executors of the will, estate managers, personal representatives, custodians and successors of the subscriber, and the approval of the unitholder on these Fund documents will not be canceled automatically upon the death or incapacity of the subscriber. If the subscriber is a legal entity, this agreement will not be automatically cancelled upon the death, bankruptcy or dissolution of any partner or shareholder therein. Regardless of these conditions, the Fund Manager is entitled, according to his absolute discretion, to suspend any transactions related to this agreement until the Fund Manager receives an order from the court, a power of attorney or any other evidence that is satisfactory of the authority vested in the heirs, executors of the will, directors of the estate, personal representatives, trustees or successors to allow the implementation of these transactions.
- **Interest Rate Risk** – The risk arising from the fluctuation of the value of the financial instruments as a result of the change in the interest rate, which may adversely affect the performance of the Fund and the unit price.
- **Risk of Shariah-Compliant Investments** – The risk of Shariah-compliant investments is represented in the event that one of the investments deviates from the Fund's legal criteria, which leads to the disposal of these investments at prices that may be inappropriate and may adversely affect the Fund's performance and the unit price.
- **Risk of Investment in Other Funds** – The Fund will only invest in funds similar to it in the strategy and level of risk, but risks may arise due to fluctuations in the unit price of the invested fund, which may negatively affect the performance of the Fund and the unit price.

5. Historical Performance

Total Annualized Return for 1 Year, 3 Years, 5 Years, and Since Inception

Period	1 Year	3 Years	5 Years	Since Inception
Total Return	1.86%	1.43%	1.16%	2.22%

Total Annual Returns for Each of the Past 10 Years or Since Inception

Period	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total return	1.86%	1.43%	0.95%	0.82%	0.60%	0.69%	0.76%	0.75%	0.37%	0.31%

Total Annual Return over the Past Five Years Compared to the Benchmark

Period	2019	2018	2017	2016	2015
Fund	1.86%	1.43%	0.95%	0.82%	0.60%
Benchmark	1.98%	1.70%	0.88%	0.24%	-0.04%

*The Fund did not distribute dividends in the past 3 years.

b. FEES, CHARGES AND EXPENSES

Custody Fees	0.02% annually, calculated daily and deducted monthly on the basis of the net asset value of the fund on the last business day of each month, in addition to a processing fee of SAR 112.50 (one hundred and twelve Saudi riyals and fifty halala).
Management Fee	The Fund Manager shall receive a maximum of 0.50% annually of the net asset value of the Fund, as an accrued management fee, calculated cumulatively on a daily basis and deducted on a monthly basis.
Auditing Fee	A maximum of SAR 32,000.00 (thirty-two thousand Saudi riyals) per year. This fee is calculated on a daily basis and deducted on a biannual basis.



Registration Fee (Tadawul)	SAR 5,000.00 (five thousand Saudi riyals) annually. This fee is calculated on a daily basis and deducted on an annual basis.
Funding Fees	According to the prevailing financing rates for banks operating in the Kingdom of Saudi Arabia. If incurred, it will be disclosed in the annual financial disclosure summary.
Trading Fees	The Fund is responsible for meeting any regulatory fees or expenses related to investment operations. If incurred, it will be disclosed in the annual financial disclosure summary.
Shariah Committee Fee	Not Available.
Distribution Expenses	Not Available.
Service Fees related to the Unitholder Register	Not Available.
Holding Fund Expenses	Not Applicable.
Benchmark Fees	Not Available.
Regulatory Fee	SAR 7,500.00 (seven thousand and five hundred Saudi riyals) annually. This fee is calculated on a daily basis and is deducted on an annual basis.
Fund's Board of Director's Fees	<p>These fees include all the public funds of Saudi Fransi Capital. Note that these fees will change annually, as these fees will be allocated pro-rata based on the size of the assets in each fund. They are calculated cumulatively on each calendar day and deducted on an annual basis.</p> <p>The maximum annual remuneration of the Funds' board members of all Saudi Fransi Capital funds is estimated at SAR 60,000.00 (sixty thousand Saudi riyals). The Fund's annual share of these fees is estimated at SAR 1,963.86 (one thousand and nine hundred and sixty three Saudi riyals and eighty six halala). The Fund's share of these fees will change annually according to the Fund's assets under management (more or less). It is worth noting that each independent member (two members) will receive an amount of SAR 15,000.00 (fifteen thousand Saudi riyals) per meeting for a maximum of two meetings per year, which is the minimum number of meetings annually, and this is applicable for all of the public funds of Saudi Fransi Capital.</p>

* All of the aforementioned fees, charges, and expenses borne by the Fund do not include the value-added tax that the Fund pays to the Fund Manager separately according to the rates stipulated by the value-added tax system, nor does it include any of the taxes imposed or to be imposed in the future in the Kingdom of Saudi Arabia, and will be paid any taxes due, in addition to the fees, expenses, and fees due and deducted from the fund's assets.

* In all cases, only actual fees and charges will be deducted.

c. ADDITIONAL INFORMATION

For more information about the Al-Badr Murabaha Fund - US Dollar, please review the terms and conditions and the information memorandum of the Fund via the Fund Manager's website.

d. FUND MANAGER

- Name:** Saudi Fransi Capital
- Capital Market Authority License:** 37/11153
Commercial Registration: 1010231217
- Registered Address**
Head Office: P.O. Box 23454, Riyadh 11426, Kingdom of Saudi Arabia
Phone +966.11.282.6666 – Fax +966.11.282.6725
Website: www.sfc.sa



e. CUSTODIAN

- 1. Name:** HSBC Saudi Arabia Limited
- 2. Capital Market Authority License:** 37/05008
- 3. Registered Address**
Head Office: Olaya - Al-Mrooj 7267
P.O. Box: 2255 Riyadh 12283, Kingdom of Saudi Arabia
Phone +966 92000 5920 - Fax +966 11 299 2385
Website: www.HSBCSaudi.com
Email: saudiarabia@hsbc.com

f. DISTRIBUTOR INFORMATION

Not Applicable.

Salam Zaki AlKhunaizi
Chief Executive Officer

Nawaf Zaben Al-Otaibi
**Chief Compliance,
Governance and Legal**

