



Terms and Conditions

SNB Capital Arab Markets Equity Fund

An open-ended public equity investment fund

Fund Manager
SNB Capital Company

"The Fund's Terms and Conditions has been reviewed and approved by the Fund's Board of Directors. The Fund Manager and the members of the Fund's Board of Directors collectively and individually bear full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the fund board directors and the fund manager confirm the validity and completeness of the information in the Terms and Conditions, and further confirm that the information and data maintained in the Terms and Conditions are not misleading".

"The Capital Market Authority has approved the offering of units in the SNB Capital Arab Markets Equity Fund. The Capital Market Authority does not, however, take any responsibility for the contents of the Fund's Terms and Conditions, nor does it make any representation as to its accuracy or completeness. The Capital Market Authority does not make any recommendation as to the soundness or otherwise of investing in the investment fund, and the approval of offering the fund does not mean that the Authority recommends to invest in the fund, and the Authority emphasizes that the decision to invest in the fund is up to the investor or his representative."

The Fund's Terms and Conditions and all other documentation comply with the Investment Funds Regulations and contain are complete, clear, accurate, and not misleading information on the investment fund and shall be updated and amended.

Investors should read the Fund's Terms and Conditions in conjunction with the other documentation.

The performance of the fund can be viewed within the fund's reports.

"Investors are advised to read and understand the Fund's Terms and Conditions. If in doubt, please consult a professional adviser."



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Fund Directory:

Regulator	Capital Market Authority P.O. Box 87171 - Riyadh 11642 Kingdom of Saudi Arabia Tel.: +966112053000 Website: www.cma.org.sa	هيئة السوق المالية Capital Market Authority 
Fund Manager/ Fund Operator	SNB Capital Company (SNB Capital) P.O Box 22216 - Riyadh 11495 Kingdom of Saudi Arabia Tel.: +966920000232 Website : www.alahlicapital.com	
Custodian	HSBC Saudi Arabia (HSBC) P.O. Box 2255 - Riyadh 12283 Kingdom of Saudi Arabia. Tel: +966920005920 Website: www.hsbcSaudi.com	
Auditor	KPMG Professional Services P.O Box 92876 - Riyadh 11663 Kingdom of Saudi Arabia Tel.: +966118748500 Website: www.kpmg.com/sa	



Definitions:

Affiliate	A person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Auditor	KPMG Professional Services.
Capital Market Institutions Regulations	the Capital Market Institutions Regulations issued by the Board of the CMA.
Authority or CMA	The Saudi Arabian Capital Market Authority specified in the Capital Market law promulgated by Royal Decree No. (M/30) dated 02/06/1424H, a government authority having financial and administrative autonomy and reporting directly to the Prime Minister. The CMA oversees the regulation and development of the Capital Market, and issues regulations, rules and instructions as necessary to implement the Capital Market Law and regulations.
Board	The board of directors of the Fund.
Business Day	The day on which Saudi banks are open for business in the Kingdom, and this does not include public holidays.
Capital Market Law	The Capital Market Law issued pursuant to Royal Decree Royal Decree No. (M/30) dated 02/06/1424H and its Implementing Regulations.
Control	The ability to influence the actions or decisions of another person through, whether directly or indirectly, alone or with a Relative or Affiliate (a) holding 30% or more of the voting rights in a company, or (b) having the right to appoint 30% or more of the members of the governing body; "controller" shall be construed accordingly.
CRSD	The Committee for the Resolution of Securities Disputes.
Custodian	HSBC Saudi Arabia.
Dealing Days	The days on which subscription and redemption requests are processed.
Fund	SNB Capital Arab Markets Equity Fund.
Fund Manager	SNB Capital, is a closed joint stock company established and carries out its activities according to the Laws of the Kingdom of Saudi Arabia under Commercial Registration No. (1010231474) issued in Riyadh dated 29/03/1428H (corresponding to 17/04/2007G). It is authorized by the Capital Market Authority of the Kingdom of Saudi Arabia under license number (06046-37) dated 10/06/1428H (corresponding to 25/06/2007G). SNB Capital Company's Head Office is at King Saud Road, SNB Regional Building P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.
Group	In relation to a person, means that person and each of its Affiliates.
Independent Fund Director	<p>An independent fund director who enjoys complete independence by way of example, the following shall constitute an infringement of such independence:</p> <ol style="list-style-type: none">1) he is an employee of the fund manager or any of its affiliates, or any sub manager or custodian for a fund or have a material business, or contractual relationship with the fund manager or any sub-manager or custodian for such fund.2) he, during the preceding two years, has been a senior executive of the fund manager or any of its affiliates.3) he is a first-degree relative of any board member or any senior executives of the fund manager or of any its affiliates.



	4) he is a controlling shareholder of the fund manager or any of its affiliates, during the preceding two years.
Index	S&P Pan Arab Composite (TR).
Investment Funds Regulations	Investment Funds Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 1-219-2006 Dated 03/12/1427H corresponding to 24/12/2006G based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and the amendments that may occur from time to time.
Investor or Unitholder	Each investor in or owner of Units in the Fund.
Arab Stock Markets	It includes the following Arab countries: Jordan - United Arab Emirates - Bahrain - Saudi Arabia - Kuwait - Morocco - Tunisia - Oman - Qatar - Egypt; and any other Arab stock market that may join the index.
Issuer	A person that issues securities or intends to do so.
Kingdom	The Kingdom of Saudi Arabia.
Money Market Instruments	Short-term deposits and securities, trade finance contracts and other similar investments.
NAV	Net asset value of the Fund less liabilities including the Fund's fees and expenses.
Non-Independent Fund Director	A member of the board who is not an independent fund director.
Normal Market Conditions	The normal circumstances of financial markets and economies as determined by the Fund Manager.
Real Estate Investment Traded Fund (REIT)	A real estate investment fund, the units of which are traded on the Main Market or the Parallel Market, and its primary investment objectives are: to invest in constructionally developed real estates, able to generate periodical and rental income, and distribute a specified percentage of the fund's net profit in cash to the unitholders during its operational period, and its distribution should at least be in an annual basis.
Relative	Husband, wife and minor children.
Markets	Means the Arab stock markets subject to the supervision of official bodies in the Arab countries that apply standards and regulatory requirements at least similar to those applied by the Authority or the Central Bank.
SAR	Saudi Arabian Riyals.
Stock Exchange or Tadawul	The Saudi Arabian Stock Exchange.
Terms and Conditions	The terms and conditions of the Fund as constituted by this document and signed between the Fund Manager and the Unitholder.
Unit	The share of unitholders in the fund consisting of units or a part of it. Each



	unit shall be treated as a common share in the net assets of the Fund.
Valuation Days	The days on which the Unit price of the fund is valued.
Value Added Tax (VAT)	Means the value added tax applied pursuant to the Value Added Tax (VAT) Law.
Value Added Tax (VAT) Law	Means the Value Added Tax (VAT) Law issued pursuant to Royal Decree No. (M/113) dated 2/11/1438H corresponding to 25/07/2017G, and its implementing regulations, and any subsequent amendments.
Individual Savings Program (ISP)	A program provided by the fund manager, in which fixed amounts are deducted monthly (minimum SAR 100) and invested in the investment funds available at the client's choice.



Fund Summary:

Name of the Investment Fund	SNB Capital Arab Markets Equity Fund.
Class/type of the Fund	An open-ended public equity Investment Fund.
Name of the Fund Manager	SNB Capital Company.
Fund's Objective	The Fund aims to achieve long-term capital growth, through investing in securities in the Arab markets that have good opportunities for growth in terms of profits and cash flows.
Risks level	High Risk.
Minimum amount for subscription	SAR 5,000
Minimum additional amount for subscription	SAR 2,000
The Minimum Subscription and the Additional Subscription through the Individual Savings Program (ISP)	SAR 100.
Minimum amount for redemption	SAR 2,000
Valuation days	Every Business day in Kingdom.
Dealing days	Every Business day in Kingdom.
Announcement days	The unit price is announced and published the day following the relevant Dealing Day.
Paying redemption amount days	Redemption proceeds shall be available to the unitholder by no later than the fifth day following the valuation point at which the redemption price is determined.
Unit price at initial offer (nominal value)	SAR 10
Currency of the Fund	Saudi Riyal.
Period of the investment fund and its maturity date	The Fund is an open-ended fund, with no maturity date.
Date of commencing the fund	The CMA's approval was obtained for the continuation of the offering of the Fund's units on 04/04/2009, and the Fund's units were issued on 15/12/2003.



Date of issuing the Terms and Conditions, and latest update of it	The terms and conditions of the Fund were issued on 15/12/2003, and the CMA was notified of its amendment on 23/10/2023.
Benchmark	S&P Pan Arab Composite (TR).
Name of the Fund Operator	SNB Capital Company.
Name of the Custodian	HSBC Saudi Arabia.
Name of the Auditor	KPMG Professional Services.
Tax Advisor	KPMG Professional Services.
Fund Management fees	1.95% per annum of the Fund's net assets.
Subscription fees	Up to 2% of the amount paid by the investor.
Redemption fees	None.
Custodian fees	0.080% per annum of the total assets held by the Custodian. Transaction fees (SAR): SAR 160 per transaction.
Dealing fees	Brokerage fees or any other trading fees will be paid by the Fund directly at levels determined by regulations or the dealing broker in the markets in which the Fund purchases or sells. These amounts will vary depending on the turnover of the Fund's assets and the size of transactions.
Other fees and expenses	The Fund Manager reserves the right to charge the Fund any other actual fees and expenses, allowed to be charged by regulations, such as custody fees, auditor fees, Tax Advisor fees and any other tax-related fees, remuneration of independent directors of the Fund Board, CMA fees, Tadawul fees, as well as data processing and operations expenses for the Fund, expenses relating to unitholder meetings, report printing expenses, out of pocket expenses and others. The other fees and expenses will be reviewed by the Fund Manager on quarterly basis (every three months) and will not exceed in total 1.5% of the total value of the Fund's assets



Terms and Conditions:

1) Investment Fund

a. Name of the investment fund, its type and class

SNB Capital Arab Markets Equity Fund is an open-ended public equity investment fund.

b. Date of issuing the Terms and Conditions and the last update

The terms and conditions of the Fund were issued on 15/12/2003, and the CMA was notified of its amendment on 23/10/2023.

c. Date of the Authority's approval on the offering of the fund's units

The CMA's approval was obtained for the continuation of the offering of the Fund's units on 04/04/2009, and the Fund's units were issued on 15/12/2003.

d. The duration of the investment fund and maturity date

The Fund is an open-ended fund, with no maturity date.

2) Governing Laws

- The Fund and the Fund Manager are regulated by the CMA and subject to the Capital Market Law and the Investment Funds Regulations, as well as other relevant laws and regulations applicable in the Kingdom.
- Any disputes arising between the Fund Manager and any Unitholders in relation to, or in connection with these Terms and Conditions shall be referred to the CRSD or any successor authority.
- The Unitholders represent and agree that the sale or purchase of the Fund assets, investments and properties shall be governed by the laws and regulations applicable in the relevant jurisdiction.
- The Fund Manager may take any measure or action deemed necessary to guarantee compliance with any applicable laws and regulations issued by any competent authority. Fund Manager shall not hold responsibility towards the Investor or any other party when taking such measures and actions.

3) Investment Policies and Practices

a. The Investment objectives of the investment fund

SNB Capital Arab Markets Equity Fund is an open-ended public equity fund which aims to achieve long-term capital growth, through investing in securities in the Arab markets that have good opportunities for growth in terms of profits and cash flows.

b. Types of securities in which the fund will invest in primarily

1. The Fund invests primarily in the shares of companies listed on the Arab stock markets, including initial offerings (IPOs), rights issues, and Exchange Traded Funds (ETFs) licensed by the Capital Market Authority and/or official bodies in the Arab countries.
2. In addition, the Fund may invest in real estate investment traded funds and shares of companies listed on the Saudi Parallel Market (Nomu), including initial offerings and rights issues. The Fund may also invest in investment funds that invest in Arab countries.
3. The Fund may invest in Sukuk, bonds, money market transactions, money market funds, Sukuk funds and bond funds (including funds managed by the Fund Manager).

c. Investment concentration policy

- The Fund shall concentrate its investments, under normal circumstances, in the shares of companies listed on the Arab stock exchanges, and the Fund may, in exceptional circumstances, sell all or part of the assets and retain it in form of cash, money market funds, and/or money market transactions.
- If the Fund invests in money market instruments subject to and licensed by the Central Bank or subject to a supervisory body similar to the Saudi Central Bank outside the Kingdom.



- The minimum credit rating for the securities invested in (including money market instruments, sukuk and bonds) and counterparties will be as determined by one of the international credit rating agencies with a minimum rating as follows: Standard & Poor's - BBB / Moody's Baa3 / Fitch - BBB. In the absence of a credit rating for the investments of the Fund or its counterparties, the Fund Manager will refrain from investing in them.

d. A table shows the percentage of investment in each investment field

Asset Class	Minimum Limit	Maximum Limit
Shares of companies listed on the Arab stock markets (including IPOs and rights issues), real estate investment traded funds and ETFs	60%	100%
Shares of Companies Listed on the Parallel Market (Nomu)	0%	10%
Cash, Money Market Funds, Money Market Transactions, Sukuk, Bonds, Sukuk Funds and Bond Funds	0%	40%
Other investment funds investing in Arab stock markets	0%	40%

e. The markets in which the investment fund intends to invest in

The Fund invests in the shares of companies listed in Arab countries. The fund manager has the right to invest the fund's assets in securities issued by the fund manager or any of his affiliates.

f. Investment of the Fund Manager in Fund's units

The Fund Manager and/or his affiliates may, at his sole discretion, participate in the Fund as an investor upon the establishment of the Fund or after the launch of the Fund, and the Fund Manager reserves the right to reduce his participation partially or fully whenever he deems appropriate. The total value of these investments, if any, will be disclosed on a quarterly basis, and the fund manager will be dealt with if he invests in the fund without discrimination from any other investor, considering the requirements of Article (15) "Fund's Subscriptions" of the Investment Funds Regulations.

g. Specific techniques and instruments that the fund manager can use to make investment decisions for the investment fund

The fund manager manages the portfolio in an active manner, and investments in the fund are subject to the fund manager's investment procedures which include quantitative examination, company analysis and careful review, where the asset management team conducts the company's fundamental analysis, assessing the quality of management, the level of risk, and the company's future plans. The selection of investments in shares will be determined on a basic bottom-up analysis focusing on long-term value and companies with growth potential. The Fund Manager will evaluate companies and study their profits, asset value, and cash flows of the relevant company as well as their profit multiplier, profit margin and liquidation value of the company. The Fund Manager will also conduct site visits of companies nominated for the Fund's investments to the extent the investment decisions therein require further information on the company. With regard to the valuation of the Fund's investments in REITs, the Fund Manager reviews all documents related to the targeted REITs, to assess the value of the underlying assets and the financial performance of the respective REITs in order to arrive at an informed assessment on whether to invest or continue to invest in REITs. In addition, The Fund Manager may also rely on other factors in its investment assessment such as, but not limited to, the economic growth, government policies, publicly available information and other information. The Fund Manager may invest the Fund's assets in securities issued by the Fund Manager or any of its Affiliates.



h. Securities that will not be included in the fund's investments

The Fund Manager will not invest in asset classes other than those mentioned in paragraph (3) "Investment Policies and Practices" of these Terms and Conditions.

i. Investment limitations

The Fund's investments will be subject to the restrictions set out in the Investment Funds Regulations and the Fund's Terms and Conditions.

j. Investment of the fund's assets in investment fund units managed by the Fund Manager or other fund managers

The Fund has the right to invest up to 40% of the Fund's net assets in investment funds approved for public offering by the Capital Market Authority and/or official authorities in the Arab countries that apply regulatory standards and requirements at least similar to those applied by the Authority or the Central Bank, provided that it invests in shares listed on the stock markets in the Arab countries or money market transactions in proportion to the returns and risks of the Fund. The Fund will comply with the restrictions contained in the Investment Funds Regulations when investing in other investment funds.

k. Financing powers

The Fund may seek financing, provided that any financing amount shall not exceed 15% of the Fund NAV and that the period of such financing shall not exceed one year, except financing from the Fund Manager or any of its affiliates to cover redemptions. The Fund has the right to lend its assets up to a maximum of 30% of the Fund's net assets, in accordance with the requirements of the Investment Funds Regulations. The Listed Securities Lending Regulations and the relevant procedures and regulations. The Fund Manager shall not pledge any of the Fund's assets against such amounts.

l. Maximum limit for dealing with any counterparty

Subject to the provisions of paragraph (c) of Article (40) of the Investment Funds Regulations, and with the exception of investment in investment funds, the total investments of the Fund in different entities belonging to the same group may not exceed (25%) of the net asset value of the Fund.

m. Risk Management Policy

The investment decisions taken by the Fund Manager shall be consistent with prudent investment practices that meet the Fund's Investment Objectives which are set out in the Fund's Terms and Conditions, including the following:

- The Fund's investments are based on a prudent spread of risk in a cautious and prudent manner, without prejudice to the investment objectives, policies and terms and conditions of the Fund.
- Maintain liquidity to meet any expected Redemption Request from the Investment Fund.
- Sell all or part of the assets and hold their value in cash, money market funds, and/or money market transactions.
- The Risk Management Department provides the Fund Board with periodic reports on the performance of the Fund, discussing operational risks, credit risks, and risks of violating the investment limitations. Accordingly, these risks are assessed, and necessary actions are taken in the interest of the Unitholders in line with applicable laws and regulations.

n. The benchmark

The benchmark index is S&P Pan Arab Composite (TR).

• Calculation of the benchmark:

It depends on the market value of shares listed in Arab countries with liquidity.

Investors can follow the performance of the index on the company's website www.alahlicapital. The index service is provided by Standard & Poor's (S&P) Financial Services S&P Pan Arab Composite (Total Return) (SEMGPTD).



More information on this index and the SP principles and methodology for its calculation can be found on the website of the index provider, S&P Global. The purpose of this index is to provide unitholders with an indicator of the Fund's performance compared to the indicative index.

o. Derivatives

The Fund may invest in derivatives for the purpose of hedging, provided that the Fund's investment in these instruments does not exceed 15% of the value of its net assets.

p. Waivers approved by Capital Market Authority for any investment limits and restrictions

The Fund has not obtained any waivers from the CMA in respect of the investment restrictions that would otherwise apply to the Fund pursuant to the Investment Funds Regulations.

4) The Main Risks of Investing in the Fund

- a. The Fund is considered to be of high risk, and SNB Capital gives no assurance that any appreciation in the value of the Fund's Investments will occur. The value of the Fund's underlying investments and the income derived from them may go down or get exposure to high volatility. SNB Capital gives no assurance that the Fund's investment objectives will be achieved.
- b. The past performance of the fund or the past performance of the index is not an indicator of the fund's future performance, because the fund's performance is subject to fluctuations according to financial market conditions, so it is possible that the value of the units decreases or the unitholders lose some or all of the capital they invested. There is no guarantee that the previous fund's performance will be repeated or that the performance of the indicator is representative of the expected performance of the fund
- c. The Fund does not guarantee that its absolute performance or its performance relative to the Benchmark will be repeated or similar to any past performance.
- d. Investment in the Fund is not a deposit with any local bank that promotes or sells securities or affiliated with the Investment Fund or the Fund Manager. Therefore, Unitholders might lose some or all of their investments.
- e. Investors may not be able to recover some or all of their investment amounts and should only invest in the fund if they are able to afford the loss, which can sometimes be significant.
- f. The following is a list of the main potential risks associated with investing in the Fund, the risks exposed to the Fund and any circumstances likely to affect the Net Asset Value and returns of the Fund, noting that the mentioned risks below might not represent all risk factors related to investing in the Fund:
 1. **Equity Market Risk:** Investment in stocks is associated with high market volatility. The value of shares may unexpectedly decline sharply, and a portion of the capital may be lost, which will impact the Unit price. Thus, the risk inherent in equity investing is higher than Murabaha and money market investments or other types of short-term investment instruments.
 2. **Parallel Market Investment Risks:** If a fund invests in the shares of companies listed on the Parallel Market, such companies may be less liquid than companies listed on the Main Market, as participation in the Parallel Market is allowed for a certain category of investors. Moreover, companies listed on the Parallel Market are more volatile as the volatility range ratio is higher than in the Main Market. Companies listed on the Parallel Market may be newly established or have a short operational history with limited human and financial resources. In addition, the disclosure requirements for companies listed on this market are relatively lower than companies listed on the Main Market. This may affect the accuracy of the Fund Manager's assessment of a company's performance and price, which may in turn adversely affect the performance of the Fund and the Unit price.
 3. **Risk of Investment in Real Estate Investment Traded Funds (REIT):** The Fund may invest in Units of REITs, which may face low levels of liquidity and tradability. Unit prices of such funds may also fluctuate due to market movements in general and Real Estate markets in particular. In addition, there is no guarantee that REITs will distribute income to investors on an annual basis as required by regulations, as distributions depend on the performance of the underlying real assets. Distribution of income, if any, depends on the fund's ability to meet its obligations. Additionally, investment in these



funds is associated with the risk of Real Estate assets, the value or valuation of which may be adversely affected by business factors such as lower rental or occupancy rates, lessees' financial position, poor infrastructure, etc.

4. **Risks Associated with Credit and Counterparty:** Risks involving change in the financial position of the contracting parties as a result of changes in management, demand for products and services, may result in failure of these parties to fulfil agreed obligations or deliver contracts, and may consequently cause a decline in the Unit prices.
5. **Rating Downgrade Risk:** Any change relating to a credit rating downgrade, by a rating agency, of a security/issuer/counterparty may adversely affect the value of the investments. The Fund's net asset value and unit prices can also decrease as a result of the depreciation of those investment instruments owned by the Fund that have had their credit rating downgraded.
6. **Risk of Reliance on Internal Rating of Counterparties:** Unitholders are subject to the risks associated with the Fund's investment in unrated counterparties, where such investments are based first on research and analysis, then on the internal valuation and rating carried out by the Fund Manager. Any deterioration in the financial position of counterparties may result in a devaluation of the Fund's Net Asset Value, which may adversely affect the Fund's Unit price.
7. **Issuer Specific Risk:** This includes changes in the performance of the issuer due to changes in management or financial conditions of, or demand on the products or services offered by the issuer, which may cause its share price to decline, and consequently adversely affect the Fund performance and Unit price.
8. **Concentration Risk:** The risk of the Fund investments being concentrated in some companies and market sectors, which may render the Fund's performance vulnerable to high volatility due to changes in the conditions of the companies and sectors invested in, which may adversely impact the Fund's performance.
9. **Geopolitical Risk:** This is the risk of changes in political conditions and applicable laws in the countries in which markets the Fund is investing or in neighboring countries, which may have an adverse impact on the Fund's performance.
10. **Regulatory Risk:** This is the risk of changes in the regulatory environment and legislation, accounting and local government regulations, which may adversely affect the Fund Manager's ability to manage the Fund or cause the value of investee shares to decline, which may have an adverse impact on the Fund's performance and Unit value.
11. **Economic Risk:** This is the risk of changes in the economic conditions such as recession, inflation, oil prices, which may negatively affect the value of the shares invested in, thus adversely impacting the Fund's performance and Unit value.
12. **Interest Rate Risk:** This is the risk that the value of financial instruments will fluctuate due to changes in interest rates. Thus, the value of securities and companies' equity may be unfavorably affected by fluctuations in interest rates.
13. **Liquidity Risk:** This is the risk of investment in shares of companies which may be difficult at certain times to monetize at favorable prices to meet the Fund's liquidity requirements, which may have an adverse impact on the Fund's performance in case of sale. Liquidity of investments may be low in some periods, which may cause the liquidation of the Fund's investments to become more difficult. Reduced market liquidity may adversely affect the market price of the Fund's investments and the Fund's ability to sell particular investments to meet its liquidity requirements.
14. **Natural Disasters Risk:** These include volcanoes, earthquakes, hurricanes, floods, which are beyond control, and cause considerable damage to property and assets. Natural disasters may adversely affect the performance of all sectors, including economic and investment sectors, and adversely affect the Unit price.
15. **Conflict of Interest Risk:** This risk arises in situations that affect the objectivity and independence of the Fund Manager's investment decisions because of a personal interest. This may adversely affect the Fund's performance.
16. **Risks of Dependence on The Fund Manager's Employees:** The Fund's performance depends largely on the capabilities and skills of the Fund Manager's employees. The Fund's performance may be



significantly affected in the event of a resignation or absence of one of them, and failure of securing a suitable replacement.

- 17. Emerging Markets Risk:** The Saudi market is one of the emerging markets in which investment may involve risks such as failure or delay to complete transaction settlements and listing and custody of securities. Moreover, investment in such markets poses average and higher than average risks. The market value of securities invested in that are traded in emerging markets is relatively limited as the majority of market capitalization and trading volumes are concentrated in a limited number of companies. Therefore, the Fund's assets and investments in an emerging market may experience greater price volatility and significantly lower liquidity as compared to investment in more developed markets.
- 18. Currency Risk:** A difference in the exchange rate can lead to losses when investing in a currency other than that of the Fund, since the exchange rate may fluctuate at times of redemption and subscription to the Fund.
- 19. IPO Investment Risk:** This is the risk of investing in green field companies which have no operating history that would allow the Fund Manager to properly assess the company's performance. Moreover, the companies that offer their securities may represent new sectors or be in an early stage of operation. This could reflect negatively on the Fund's performance and the Unit price.
- 20. Risk of Delayed Listing:** In case of subscription by the Fund in the IPOs of other companies', the listing of companies' shares subscribed in the exchange may be delayed, which means locking off the amount of the subscription and limiting the investment opportunities available to the Fund. This could adversely affect the Fund's performance and the Unit price.
- 21. Borrowing Risk:** In case of borrowing by the Fund Manager for the purpose of investment, the Fund may not be able to repay the amounts borrowed on time for reasons beyond the control of the Fund Manager. This may result in late payment fees or cause the Fund Manager to sell some of the Fund investments, which could affect the Fund's assets and negatively impact the Unit prices.
- 22. Risks of Investment in Other Funds:** The other investment funds in which the Fund invests may be exposed to risks similar to those set out in this Paragraph, which may adversely affect the Fund's performance and the Unit price.
- 23. Securities Lending Risks:** The Fund can lend its assets from securities listed on the Saudi Market, as regulated by the relevant laws and regulations, in which case the Fund may face the risk of the borrower defaulting on returning the borrowed assets to the lender (the Fund), which may negatively affect the performance of the Fund and the unit price.
- 24. Risk of the Suspension of Trading:** Non-compliance by companies listed on Tadawul with Saudi Capital Market Law and its implementing regulations, including the Listing Rules, may lead to suspension of trading of the shares of such companies, which may adversely affect the value of the Fund's assets and Unit price.
- 25. Risk of Large Redemptions:** This is the risk of large redemptions by Unitholders, which may cause the Fund Manager to liquidate assets of the Fund at less favorable prices. This may lead to a reduction in the value of the Fund's assets and a lower Unit price.
- 26. Credit Risk:** This is the risk relating to the possibility of failure by the counterparties to fulfil their contractual obligations with the Fund Manager under the contracts or agreements. These risks apply to the Fund in the event of investing in Murabaha funds which engage in transactions with third parties, the default of which would adversely affect the Fund's investments and Unit price.
- 27. Results Allocation Risk:** This is the risk of a reduced opportunity for the Fund to be allocated a sufficient number of shares due to the high number of companies and funds participating in the book building process and consequently in the Fund. In addition, the Fund may not guarantee the right to participate in any IPO, or that the CMA will continue with an IPO through the book building process. This may reduce earnings of the Fund and have a negative impact on the Unit price.
- 28. Risks of Investing in Small Companies' Shares:** Investing in small companies' shares carries more risks than other investments, including the possibility, for example, that these companies will not achieve expected performance and profits, in addition to high fluctuation in their performance, due to the limited human and financial resources sometimes for these companies, which may negatively affect the performance of the fund and the unit price.



- 29. Systemic and Legal Risks:** The Fund may be exposed to risks due to changes in applicable regulatory, legal, and tax rules or any government actions related to the Fund's investments, which may adversely affect the Fund's performance.
- 30. Technology Risks:** The fund manager relies on the use of technology in managing the fund's operations and preserving its assets, but his information systems may be exposed to hacks, viruses, or partial or total disruption despite the high security precautions available to him, which may limit the fund's manager's ability to manage the fund's investments effectively and this can negatively affect the fund's performance.
- 31. Investing in Rights Issue Risk:** The Fund's investment in rights issues or owning shares in a rights issue company may result in the Fund's performance and unit price being negatively affected by the decrease in the value of its net assets, as the volatility of rights issue prices exceeds the maximum and minimum prices of shares listed on the Saudi Stock Exchange, which is 10%.
- 32. Zakat and Tax Risk:** Investing in the Fund may result in tax liabilities including Zakat. These taxes may apply to the Fund, its investments or the unitholder. The Zakat, Tax and Customs Authority of Saudi Arabia or any other entities may impose taxes on investment funds which may lead to a decrease in the net asset value of the fund and the unit price.
- 33. Inflation risk:** It is the risk associated with the possibility that inflation will lead to a decrease in the value of assets or investment returns, which negatively affects the performance of the fund and unit prices.

5) Mechanism for Assessing Risks

The fund manager acknowledges the existence of an internal risk assessment mechanism for the Fund's assets.

6) Targeted Class of the Fund Investors

The Fund targets qualified clients, institutional and/or retail clients who wish to achieve capital growth and is willing to accept high risks with returns on a long-term basis.

7) Investment Restrictions / Limitations

The Fund Manager shall abide by the limits and restrictions of the Investment Fund Regulations, and the Fund's Terms and Conditions.

8) Currency

The currency of the Fund is Saudi Riyal (SAR). If payment for the Units is made in another currency, it shall be converted to SAR by the Fund Manager on the basis of prevailing market exchange rates available to the Fund Manager, and the purchase of the Units shall be effective as from the date the relevant amount in SAR is received by the Fund Manager. The Investor assumes currency conversion expenses.

9) Fees, Charges and Expenses

a. Details on all payments from the assets of the investment fund, and the method for calculating them

- **Management Fees:** The Fund Manager shall receive from the Fund an annual management fee of 1.95% per annum of the Fund's net asset value, calculated on each valuation day and deducted on a monthly basis. In the event of investing in investment funds managed by SNB Capital, the management fees for those funds will be waived or repaid to avoid double charges, and these fees are subject to VAT and charged to the fund separately in accordance with the rates stipulated in the VAT Law and its Implementing Regulations.
- **Financing Charges:** It will be charged to the Fund at the prevailing market rates, and calculated on each Valuation Day and paid according to the requirements of the financier.



- **Dealing (Brokerage) fees and charges:** Brokerage fees or any other trading fees will be paid by the Fund directly at levels determined by regulations, the dealing broker or the custodians in the markets in which the Fund purchases or sells. These amounts will vary depending on the turnover of the Fund's assets and the size of transactions.
- **Other Fees and Expenses:** The Fund Manager shall have the right to charge to the Fund any other legally permissible expenses such as: custody fees, auditor fees, Tax Advisor fees and any other tax-related fees, remuneration of independent directors of the Fund Board, CMA fees, Tadawul fees, as well as administrative, data processing and operational expenses, expenses relating to unitholder meetings, report printing expenses, out of pocket expenses and others. Other Fees and Expenses will not exceed in total 1.5% of the average value of the Fund's assets. Such expenses include:
 - **Custody Fees:** 0.080% per annum of the total assets held by the Custodian. And the transaction fees SAR 160 per transaction. These fees will be subject to VAT in accordance with VAT Regulations.
 - **Auditor's Fees:** SAR 23,000 annually. Deducted semi-annual according to the concluded contract. These fees will be subject to VAT in accordance with VAT Regulations.
 - **Capital Market Authority Fees:** SAR 7,500 annually.
 - **Publishing Fund's Information on Tadawul Website Fees:** SAR 5,000 annually.
 - **Remuneration of the Independent Fund's Board Members:** Independent Board members collectively receive SAR 80,000 per annum divided by the number of conventional open-ended public funds managed by the Fund Manager and supervised by the Fund's Board of Directors.
 - **Administrative, Data Processing and Operational Expenses:** It includes expenses for the administrative affairs of the Fund and the programs used in data processing. It is charged to the fund on a daily basis based on the size of the NAV for all funds. The fund manager reviews these expenses on a quarterly basis, and any differences are adjusted and reflected in the estimation of the next quarter's expenses.
 - Expenses relating to unitholder meetings, report printing expenses, out of pocket expenses and others.

All fees, commissions and expenses payable to SNB Capital and other service providers are exclusive of VAT, which the Fund will pay to SNB Capital separately, according to rates set by the VAT Law.

- b. A table showing all fees and expenses, how the fees, charges and expenses are calculated and when it is paid by the investment fund

Type of Fee/ Expense	Percentage/Assigned Amount in SAR	Calculation Method	Frequency of the Payment
Management Fees*	1.95% annually	Calculated on each Valuation Day from the Fund's net assets.	Deducted Monthly.
Financing Charges	Based on the prevailing market rates and the requirements of the financier.		
Dealing (Brokerage) Fees and Charges*	Based on the turnover of the Fund's assets and the size of operations.		
Other Fees and Expenses*			



Type of Fee/ Expense	Percentage/Assigned Amount in SAR	Calculation Method	Frequency of the Payment
Custody Fees*	0.080% per annum Transaction fees: SAR 160 per transaction	Calculated on each Valuation Day from the Fund's net assets.	Deducted Monthly.
Auditor's Fees*	SAR 23,000 annually	Calculated on each Valuation Day from the Fund's net assets.	Deducted Semi-annually as per the contract
Capital Market Authority Fees*	SAR 7,500 annually	Calculated on each Valuation Day from the Fund's net assets.	Deducted Annually
Publishing Fund's Information on Tadawul Website Fees*	SAR 5,000 annually	Calculated on each Valuation Day from the Fund's net assets.	Deducted Annually
Remuneration of the Independent Fund's Board Members*	SAR 80,000 annually	Calculated on each Valuation Day from the Fund's net assets and divided by the number of conventional open public funds supervised by the Board of Directors.	Deducted Annually
Administrative, Data Processing and Operational Expenses	Estimated and revised on a quarterly basis	Calculated on each Valuation Day from the value of all the public funds' assets under management.	Deducted Monthly
*Other Fees and Expenses will not exceed 1.5% annually of the total value of the Fund's assets. Other fees and expense may also include expenses relating to unitholder meetings, Tax Advisor fees and any other tax-related fees, report printing expenses, out of pocket expenses and others. The Fund Manager will carry out a quarterly review (every three months) of all the expenses charged to the Fund.			
The Fund Manager acknowledges that there are no fees or charges other than those mentioned above, and that the Fund Manager will be liable for any other fee not disclosed to the unitholders.			

- c. **Hypothetical table that shows the percentage of the fund expenses against the total fund asset value for the fund and the Unitholder throughout the lifespan of the fund. Such fund shall include percentage of recurring non-recurring expenses**

Assuming that the value of the unitholder's investment (single investor) is approximately (100) million Saudi riyals did not change throughout the year, and the size of the fund approximately in that period is (100) million Saudi riyals, with a hypothetical return of 5%, the following table shows

Percentage of recurring expenses to the total value of the Fund's assets	2.15%
Percentage of non-recurring expenses to the total value of the Fund's assets	0.00%
Percentage of the total Fees and expenses	2.15%



d. Details on charges imposed for subscription, redemption and ownership transfer

- **Subscription Fees:** The Fund Manager will deduct up to 2% of the subscription amount upon each subscription transaction in the Fund. The Fund Manager reserves the right to waive all or part of the Subscription Fee at its sole discretion. The net amount will be invested in the Fund after deducting the Subscription Fees. The Subscription Fee is subject to VAT. The Subscription Fee is exclusive of VAT, which the Investor shall pay to SNB Capital separately, at rates prescribed by the VAT Law and its implementing regulations.
- The Fund Manager will not charge any redemption or transfer transaction fees.

e. Fund Manager policy on rebates and special commissions

Subject to the Investment Funds Regulations and the Capital Market Institutions Regulations, the Fund Manager may enter into special commission arrangements. Any goods or services received by the Fund Manager under a special commission arrangement must be limited to such goods and services which are related to the execution of transactions on behalf of the Fund or the provision of research for the benefit of the Fund. The Fund Manager shall not accept any sums of money under a special commission arrangement or any other arrangements.

f. Information regarding Tax and/or Zakat

The Fund is subject to Zakat Collection Rules issued by the Zakat, Tax and Customs Authority. Value Added Tax ("VAT") is applied to the Fund in accordance with the relevant laws and regulations. The Fund does not pay Zakat on behalf of the unitholders.

g. Special commission concluded by the Fund Manager

Subject to the Investment Funds Regulations and the Capital Market Institutions Regulations, the Fund Manager may enter into special commission arrangements. Any goods or services received by the Fund Manager under a special commission arrangement must be limited to such goods and services which are related to the execution of transactions on behalf of the Fund or the provision of research for the benefit of the Fund. The Fund Manager is prohibited from obtaining direct cash under a special commission or any other arrangement.

h. Hypothetical example illustrating all fees, charges paid from The Fund's Assets or unitholders based on the currency of the fund

The following table shows a hypothetical investment of an investor who would make an investment of SAR (100) Million which has not changed throughout the year, and that the size of the fund at this period amounts is SAR (100) Million; with a 5% return on investment:

Description	Fees Percentage of the Total Assets	Fees Amounts as of a Percentage the Total Assets (Annually) in SAR
Hypothetical Investor Investment		102,300,000.00
Subscription Fees + VAT	2% + 15%	(2,300,000.00)
Net Investor Investment after deducting the subscription fees		100,000,000.00
Return + Units' Value of the Investor	5.00%	105,000,000.00
Management Fees	1.95%	(1,950,000.00)
Dealing (Brokerage) Fees and Charges	0.00%	(0.00)
Custody	0.080%	(80,000.00)
Remuneration of the Independent Fund's Board Members	0.08%	(80,000.00)
Auditor's Fees	0.02%	(23,000.00)
Capital Market Authority Fees	0.01%	(7,500.00)
Publishing Fund's Information on Tadawul Website Fees	0.01%	(5,000.00)



Administrative, Data Processing and Operational Expenses	0.03%	(29,000.00)
Total Fees and Expenses	2.15%	(2,164,500.00)
VAT on Total Fees and Expenses	15.00%	(324,675.00)
Net Unit's Value of the Investor		102,510,825.00

10) Valuation and Pricing

a. Valuation of Fund Assets

The Fund's assets and investments will be valued in accordance with the following:

1. if the assets are securities which are listed or traded on any regulated securities exchange or automated quotation system, the closing price may be used of such market or system.
2. Non-listed Bond and Sukuk, book value plus accrued interest or profit must be used.
3. Listed Bond and Sukuk, or traded on any organized securities market or through automatic pricing system, and market conditions does not allow the valuation of the bond, or sukuk, as stated in Subparagraph (1) referred to above, it may value those sukuk and bonds as stated in Subparagraph (2) provided that this is disclosed in the terms and conditions of the fund.
4. Investment Funds, last published Net Asset Value per unit.
5. Deposit, nominal value and accrued interest/profit.
6. Any other investment, fair value, as determined in good faith by the fund manager based on methods, which disclosed in the Fund's Terms and Conditions and have been verified by the auditor of the fund.
7. In the event that trading of securities listed on Tadawul or any stock exchange is suspended, the value of such securities will be determined based on its price prior to suspension, unless there is conclusive evidence to indicate that the value of such securities has dropped immediately prior to suspension.

b. Frequency of valuation and number of valuation points

Fund units are valued every business day. If Saudi banks are closed during any valuation day, the valuation day is the next day when Saudi banks operate.

c. Actions to be taken in case of mis-valuation or mis-pricing

In the event of incorrect valuation or mispricing of any asset of the Fund or in case of calculations errors to the unit price, the Fund Manager and Operator shall:

- The fund operator must record each instance where an asset of the public fund is valued incorrectly or the price of a unit is calculated incorrectly.
- The fund operator must compensate all harmed unitholders (including former unitholders) as soon as reasonably practicable for all valuation or pricing errors.
- The fund manager must immediately report to the Authority any valuation or pricing error of (0.5%) or more of the price of a unit and disclose it immediately on its website and any other website available to the public according to the controls set out by the Authority and in the public fund's reports prepared in accordance to articles (76) of Investment Funds Regulations.
- The fund manager, in its reports to the Authority pursuant to Article (77) of Investment Funds Regulations., must provide a summary of all valuation and pricing errors.

d. Method for calculating the unit price

The Fund Manager shall calculate the value of the Unit price for the purpose of processing requests to subscribe in, redeem and transfer Units from one fund to another and from the Unitholder to its Relative by subtracting liabilities due from the total assets value of the Fund, including, without limitation, the fees and expenses specified in these Terms and Conditions. The Unit price shall be determined by dividing the NAV



by the total number of Units outstanding on the relevant Dealing Day. The Unit price shall be expressed to include at least four decimal points.

e. The publication time and place of the unit price, and its frequency

The fund manager will publish the net asset value of each unit on next Business Day in the Kingdom following the relevant dealing Day on the Fund Manager's website: www.alahlicapital.com and on Tadawul website: www.Tadawul.com.sa and any other website available to the public according to the controls set out by the Authority.

11) Dealings

a. Details of the initial offer and unit price

The date of offering is 15/12/2003G, the initial unit price is SAR 10.

b. Date and deadline for submission of requests for subscription, redemption and the responsibilities of the fund manager and operator in relation to these requests

• Fund Manager and Operator responsibilities in relation to subscriptions and redemption requests:

- Subscription and redemption requests can be submitted on every business day in the Kingdom, and these requests are implemented every business day, provided that they are working days in the Kingdom, if they are submitted before the deadline for submitting subscription and redemption applications as described in these terms and conditions.
- The Fund Operator shall execute subscription and redemption requests and pay redemption proceeds in accordance with the terms and conditions of the Fund and in a manner that does not conflict with the Investment Funds Regulations.

• Subscriptions requests:

All subscriptions made in Saudi Riyals must be paid before or at 10:00AM on the dealing day in order to start participating in the Fund on the same dealing day in which they were subscribed, while applications submitted after 10:00AM or if the target subscription day falls on an official holiday for banks or capital market institutions in the Kingdom of Saudi Arabia, subscription requests will be executed on the next dealing day. The fund manager reserves the right to extend the subscription time until after 10:00AM on the dealing day.

• Redemption requests:

Redemption may be made on any dealing day, provided that a written notice of redemption is received or the redemption form is signed through the branches, and it can also be done through alternative channels (which are the website or phone provided by the fund manager) before or at 10:00AM on the dealing day, for applications submitted after 10:00AM or if the target redemption day falls on an official holiday for banks or capital market institutions in the Kingdom, the redemption requests will be executed on the next dealing day. The fund manager reserves the right to extend the redemption time until after 10:00AM on the dealing day.

c. Subscription, redemption and ownership transfer procedures and the period between request for redemption and payment of redemption proceeds

• Subscription procedures:

When subscribing to a Fund, the client signs the Subscription Form, and the Fund's Terms and Conditions through one of the branches. Subscriptions can also be made through alternative channels via website or phone provided by the Fund Manager, the subscription amount is then deducted from the client's account. Individual Investors must present a valid personal identification card such as the national identity card (for Saudis) or Iqama (for non-Saudis). Legal entities (companies and institutions) must provide a signed company letter as well as a copy of the company's valid commercial registration, in addition to other documents that may be required by the Fund Manager depending on the type of company or institution.



- **Redemption procedures:**

The Unitholder may submit a partial or full Redemption Request at any time by providing a written notice, or by filling out and delivering the Redemption Form, which can be obtained from certain branches, or through alternative channels. The Unitholder must present a valid national identification card or valid iqama card if he wishes to redeem through branches. The Unitholder must also determine whether he wishes to recover the value of his Units in full or in part. If the Unitholder submits a partial Redemption Request and the total value of its Units falls below the required partial redemption amount, the Fund Manager has the right to refuse the redemption on the targeted valuation day without any liability to the Fund Manager. The Investor then must file a new Redemption Request to be executed on the following valuation day.

- **The period between the redemption request and the payment of redemption proceeds:**

Redemption proceeds shall be available to the unitholder by no later than the fifth day following the valuation point at which the redemption price is determined.

- **Transfers between two funds:**

A transfer can be made between funds managed by SNB Capital which are public and open-ended, provided that they are publicly offered and with no maturity date. The transfer process between two SNB Capital funds is a single transaction consisting of two parts: redemption and subscription. Based on this, the redemption shall be carried out in accordance with the above clause "Redemption Requests" of subparagraph (b) of paragraph (11) "Dealing". Then, the subscription process is done according to the "Subscription Requests" form of the other Fund. Upon request of the transfer, the Investor must fill in the transfer form and submit it to the customer service representative in the branch accompanied by his/her personal identification, or transfer through alternative channels.

d. Restrictions on dealing in units of the fund

The Fund Manager and the operator shall comply with the provisions of the Investment Funds Regulations and with these Terms and Conditions.

e. Circumstances in which dealing in units may be deferred or suspended, and the procedures followed in those cases

- **Deferring redemption request:**

The Fund Manager may postpone the execution of any Redemption Request until the next Dealing Day if the total Unitholder Redemption Requests on any Dealing Day equal or exceed 10% of the Fund's Net Asset Value. In this case, the Fund Manager shall follow fair procedures when selecting the redemption requests to be deferred, and will execute deferred redemption requests nearest Dealing Day.

- **The Fund Manager suspends dealing in the fund's units in the following cases:**

- If the Fund Manager has been ordered by the CMA to suspend subscription and redemption of units.
- If the Fund Manager reasonably believes that such suspension is in the best interests of the Unitholders.
- If there has been suspension of dealing in the market in which the securities or other assets held by the Fund are dealt, either in general or in relation to assets of the Fund which the Fund Manager reasonably believes to be material to the Fund's NAV.

- **Procedures to be taken by the Fund Manager in case of suspension of dealing in the fund's units:**

- Ensure that any suspension continues only for as long as it is necessary and justified having regard to the best interests of the unitholders.
- Review the suspension on a regular basis and shall consult with the fund's board of directors, the custodian and the fund operator on a regular basis regarding that.
- Notify both the Authority and the unitholders immediately of any suspension, and give the reasons for the suspension, and shall similarly notify both the Authority and the unitholders as soon as the



- suspension ends and disclose it on its website and any other website available to the public according to the controls set out by the Authority.
- The Authority shall have the power to lift such suspension if the Authority believes that to do so is in the best interests of unitholders.
- **Rejection of Subscription Requests:**
The Fund Manager has the right to reject any request to subscribe in the Fund if such subscription would violate the CMA's regulations or the Anti-Money Laundering Regulations. The Fund Manager may also cease to accept subscription applications if the increase in subscriptions into the Fund would adversely affect the current Unitholders.
- f. **Procedures of selecting redemption requests to be deferred**
If redemptions are deferred, the Fund Manager will follow fair and unbiased procedures in selecting the redemption requests to be deferred in accordance with the requirements of Article (66) "Deferring Redemption" of the Investment Funds Regulations.
- g. **Provisions governing the transfer the ownership of units to other investors**
The transfer of Units to other investors is governed by the CML, its implementing regulation and related regulation in the Kingdom of Saudi Arabia.
- h. **Minimum ownership**
- Minimum Subscription: SAR 5,000.
 - Minimum Additional Subscription: SAR 2,000.
 - The Minimum Subscription and the Additional Subscription through the Individual Savings Program (ISP): SAR 100.
 - Minimum Redemption: SAR 2,000.
 - Minimum Ownership of Fund Units: SAR 2,000.
- i. **The minimum amount that the Fund Manager intends to raise, and the actions to be taken in case of not reaching that minimum**
There is no minimum size of the Fund's assets to initiate investment.

12) Distribution Policy

The Fund will not make any distributions to the Unitholders. Instead, capital gains and cash dividends distributed in the Fund will be reinvested. Reinvestment of income will be reflected in and improve the value of NAV and Unit price.

13) Reporting to Unitholders

a. Information related to the financial reports

- The fund manager must publish the quarter statement in accordance with the requirements of Annex (4) of the Investment Funds Regulations within a period not exceeding (10) days from the end of such quarter, in such locations and by such means as specified in the Fund's Terms and Conditions as well as on the fund manager's website and the Exchange's website or any other website available to the public according to the controls set out by the Authority. Also, it must be provided to unitholders on request and without charge.
- The interim financial statements must be prepared and made available to the public within a period not exceeding (30) days from the end of the period to which the statements relate in such locations and by such means as specified in the Terms and Conditions, as well as in the fund manager website and the Exchange's website or any other website available to the public according to the controls set out by the Authority.
- The fund manager must prepare the annual reports that include (audited annual financial statement) in accordance with the requirements of Annex (3) of the Investment Funds Regulations. Also, it must be



provided by the fund manager to unitholders on request and without charge. The annual reports must be made available to the public no later than (3) months from the end of the period to which the report relates in such locations and by such means as specified in the Terms and Conditions as well as on the fund manager's website and the Exchange's website or any other website available to the public according to the controls set out by the Authority.

- The fund manager must make available for inspection by unitholders the current net asset value of the public funds to which it is fund manager free of charge, and all historical net asset value figures at the registered offices of the fund manager.

b. Locations and means of making fund's reports available

Annual reports of the Fund, including the financial statements, will be available on the Fund Manager's website: www.alahlicapital.com and Tadawul's website: www.Tadawul.com.sa or on any other website available to the public according to the controls set out by the Authority. Other notices, if any, are sent to the postal address and/or e-mail and/or as a SMS and/or by fax as indicated in the records of the Fund Manager.

c. Means of making the fund's financial statement available

The fund's audited annual financial statements shall be available to the unitholders and the potential unitholders free of charge on the Fund Manager's website: www.alahlicapital.com and Tadawul's website: www.Tadawul.com.sa or on any other website available to the public according to the controls set out by the Authority.

d. The fund manager acknowledges providing the audited financial statements at the end of each financial year.

e. The fund's audited annual financial statement are available to the unitholders free of charge and upon request.

14) Unitholders Register

a. Statement regarding the maintenance of an up-to-date register of unitholders in the kingdom

The Fund Manager and Operator are responsible for preparing an updated unitholders Register in accordance with the requirements of the Investment Funds Regulations, and to be kept in the Kingdom of Saudi Arabia and treated with the utmost confidentiality. The unitholders Register of represents a conclusive evidence to proof the ownership of the units.

b. Statement of details on the unitholders register

The unitholder can obtain a summary of the register (which will include all the information only related to the unitholder) and in the means determined in Fund's Terms and Conditions.

15) Meeting of Unitholders

a. Circumstances in which a meeting of unitholders is called

The Fund Manager may call for a unitholders meeting in the following cases:

- Initiative by the Fund Manager.
- The fund manager must call for a meeting of unitholders within (10) days of receiving a written request from the custodian.
- The fund manager must call for a meeting of unitholders within (10) days of receiving a written request from the unitholder or unitholders own collectively or individually at least (25%) in value of the units in the fund.



b. Procedures for calling a meeting of unitholders

The Fund Manager abides by Article (75) "Meetings of Unitholders" of the Investment Funds Regulations. The fund manager shall call for a meeting of unitholders by announcing it on its website and any other website available to the public according to the controls set out by the Authority, and by sending a notice in writing to all unitholders and the custodian giving not less than (10) days' prior notice of the meeting and not more than (21) days' notice before the meeting. The announcement and notice must specify the date, place, time and agenda of the meeting and the resolutions proposed. The fund manager must at the same time as sending a notice to unitholders convening any meeting of unitholders also send a copy of any such notice to the Authority. The quorum required to conduct a meeting of the unitholders shall be a such number of unitholders own collectively at least (25%) in value of the units in the fund. If the quorum requirements are not met, the fund manager must call for a second meeting by announcing it on its website and any other website available to the public according to the controls set out by the Authority and shall send a notice in writing to all unitholders and the custodian giving not less than (5) days' notice of the second meeting. The second meeting is considered valid regardless of the percentage of units represented in the meeting.

c. The manner in which unitholders' cast their votes and their voting rights at meetings

- **Voting Method:** Every unitholder may be entitled to appoint a proxy to represent such unitholder at a meeting of the unitholders. Every unitholder may be entitled to exercise one vote at the meeting of the unitholders for each unit which the unitholder holds as at the time of the meeting. The Fund Manager may conduct the unitholders meetings and its deliberations and voting on decisions through modern technology.
- **Voting rights in the unitholders meeting:** Each unitholder is entitled to exercise all rights associated with their units, including obtaining their approval for any changes that require their approval in accordance with the Investment Funds Regulations.

16) Unitholders' Rights

a. A List of unitholders rights

- Obtain a subscription confirmation form upon subscribing to the Fund;
- Exercise its rights pertaining to the units held in the Fund, including but not limited to voting at the meeting of the Unitholders;
- Receive the Fund's reports and data in accordance with paragraph (13) of the Fund's Terms and Conditions and in accordance the Investment Funds Regulations;
- Inspect the NAV and all historical NAV figures at the registered offices of the Fund Manager, and receive details of NAV in respect of the Units owned by such Unitholder;
- Receive an updated copy of the Terms and Conditions of the Fund in Arabic free of charge;
- Request a meeting of the Unitholders;
- Receive invitation from the Fund Manager to attend Unitholders' meetings;
- Appoint a representative to attend the meeting of the Unitholders on his behalf;
- Receive the Fund's procedures for dealing with conflict of interest;
- Receive a copy of the complaints handling procedures upon request to the Fund Manager free of charge;
- Receive an extract of the Unitholders' register upon request free of charge;
- Remove a Fund Board member by way of a special fund resolution;
- Unitholders have the right to redeem their units before any fundamental or non-fundamental changes occur without imposing redemption fees;
- Receive notifications as required under the Investment Funds Regulations, and these Terms and Conditions;
- Obtain the Fund's annual audited financial statements, upon request to the Fund Manager;
- Notify the unitholders, in writing, of the Fund Manager desire to terminate the Fund at least (21) days prior to the intended date for terminating the fund, without prejudice to the Fund's Terms and Conditions;
- Payment of redemption proceeds within the period specified in the Terms and Conditions of the Fund and in the Investment Funds Regulations;



- Approve fundamental changes (as defined in the Investment Funds Regulations); and
- Any other relevant rights imposed by the CMA regulations and instructions applicable in the Kingdom of Saudi Arabia.

b. Fund Manager's policy regarding voting rights associated to any assets of the fund

The Fund Manager's policy regarding voting rights is available on the Fund Manager's website and the Tadawul website.

17) Unitholders' Liability

- Unitholders shall not be liable for the debts and obligations of the Fund and their liability shall be limited to the loss of all or part of their investment in the Fund.
- In the event that the unitholders does not provide the Fund Manager with the correct postal and/ or electronic mail and other contact information, the unitholders agree to withhold the Fund Manager and exempt him from any liability and waive all their rights and any claims from the Fund Manager arising directly or indirectly from the failure to provide the unitholder with the statement of account, notices or other information relating to the investments or those arising from the inability of the unitholders to respond or verify the information or correct any alleged errors in the statement of account or notice or any other information.
- If the unitholder is subject to the laws of an authority other than the Kingdom of Saudi Arabia, he/ she shall be subjected to such laws without any obligation on the Fund or the Fund Manager.

18) Units Characteristics

The Fund will have one class of units with equal rights and liabilities.

19) Changes to the Fund's Terms and Conditions

a. Provisions governing changes to the fund's terms and conditions, including any approvals and notification

The Fund Manager shall comply with the provisions of the Investment Funds Regulations related to changes to the terms and conditions of the public funds. Those changes are divided into two main changes, namely fundamental changes, and non-fundamental changes.

• Fundamental Changes:

- The fund manager must obtain the consent of the unitholders in the fund to the proposed fundamental change by way of an ordinary fund resolution.
- The fund manager must, after obtaining the approval of the unitholders, obtain the approval of the Authority on the proposed fundamental change of the fund.
- The fund manager must obtain the fund board approval before carrying out any fundamental change.

"Fundamental Change" means:

1. A change which significantly changes the purposes, nature or class of the fund.
2. A change which alters the risk profile of the public fund.
3. The voluntary withdrawal of the fund manager from its position as the fund manager.
4. Any other instances determined by the Authority from time to time and reported to the fund manager.

• Non-fundamental Changes:

- The fund manager must notify the Authority and unitholders, and disclose on its website and any other website available to the public according to the controls set out by the Authority regarding any non-fundamental changes in the fund (10) days before the change becomes effective.



- The fund manager must obtain the fund board approval before carrying out any non-fundamental change.

"Non-fundamental Change" means:

1. Any change, excluding Article (62) provisions of the Investment Fund Regulations.

b. Procedures to be employed on notifying changes to the fund's terms and conditions

- The fund manager must send a notification to the unitholders and disclose the details of the Fundamental Changes on its website and on any other website available to the public according to the controls set out by the Authority (10) days before the change becomes effective.
- The fund manager must send a notification to the CMA and unitholders and disclose the details of the Non-Fundamental Changes on its website and on any other website available to the public according to the controls set out by the Authority (10) days before the change becomes effective.
- Details of all Fundamental Changes and Non-Fundamental Changes must be included in the next fund report prepared by the fund manager pursuant to Article (76) of Investment Fund Regulations.
- The unitholders have the right to redeem their units before any fundamental or non-fundamental change takes effect without imposing any redemption fees (if any).

20) Termination of the Fund

a. Events of which will result in the termination of the investment fund

- The fund manager desires to discontinue and terminate the Fund.

b. Procedures to terminate the fund under the article (22) of the Investment Funds Regulations

- For the purpose of terminating a fund, the fund manager must prepare a plan and procedures for the termination of the fund consistent with the unitholders interests and must obtain the fund board of directors' approval on such plan and procedures prior to carrying out any procedure in this regard.
- The fund manager must notify the Authority and the unitholders, in writing, of the details of the plan and procedures for the fund termination at least (21) days prior to the intended date for terminating the fund, without prejudice to the Fund's Terms and Conditions.
- The fund manager must notify the Authority and unitholders, in writing, regarding the fund's termination within (10) days from the end of the fund term in accordance with the requirements in Paragraph (d) of Annex (10) of the Investment Funds Regulations.
- The fund manager must treat all unitholders equally during the fund termination process.
- The fund manager must immediately upon the end of fund term distribute the dues of the unitholders among them, without delay and in a manner that does not conflict with the interest of unitholders and the Fund's Terms and Conditions.
- Notify the parties contractually related to the fund of the termination of the fund.
- Remove the fund's information from the fund manager's website and the market's website (Tadawul).
- The fund manager must disclose, on its website and the Exchange's website or any other website available to the public according to the controls set out by the Authority, regarding end of term of the fund.
- The fund manager must provide the unitholders with the fund termination report, in accordance with the requirements of Annex (14) of the Investment Funds Regulations within a period not exceeding (70) days from the date of completion of its termination, including the final audited financial statements of the fund for the period subsequent to the last annual audited financial statements.

c. If the fund is terminated, the fund manager may not take any fees deducted from the fund's assets.



21) Fund Manager

a. Fund Manager's name, responsibilities and duties

- **Fund Manager name:**
SNB Capital Company (SNB Capital).
- **Responsibilities and duties of the Fund Manager:**
 - The fund manager shall comply with all bylaws and regulations issued by CMA Board in addition to the applicable instructions in the Kingdom in relation to the investment fund and in accordance with the requirements of Investment Funds Regulations and the Capital Market Institutions Regulations including the fiduciary duty towards unitholders, which includes the duty to act in the best interests of the unitholders and duty to exercise all reasonable care and skill.
 - The fund manager shall have the primary responsibility for compliance with the Investment Funds Regulations, whether it directly performs its responsibilities and duties or delegated them to an external party under the Investment Funds Regulations and the Capital Market Institutions Regulations.
 - The fund manager shall be responsible toward unitholders for losses incurred by the investment fund, which are caused by, fraud, negligence, misconduct or willful default of the fund manager.
 - The fund manager must develop policies and procedures that detect risks effecting the fund's investments and ensure treatment of these risks as soon as possible. These policies and procedures must include conducting risks assessment, at least, once a year.
 - The fund manager must implement a compliance monitoring program for every fund under its management. The fund manager must provide the Authority with the results of the implementation of the program upon its request.
 - The fund manager shall submit the information declaration to the Zakat, Tax and Customs Authority within (120) days from the end of the Fund's fiscal year.
 - The fund manager shall submit the fund's financial reports and financial statements to the Zakat, Tax and Customs Authority.
 - The fund manager shall submit the required data to the Zakat, Tax and Customs Authority according to their used mechanism.
 - The fund manager shall disclose the required information by the Zakat, Tax and Customs Authority to the unitholders in the fund's financial statements.
 - The fund manager is committed to provide the Zakat, Tax and Customs Authority with all reports and requirements regarding zakat declarations and any information requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the fund manager's declarations. The fund manager will also provide the unitholder (Tax payer) with zakat declarations upon request in accordance to the Zakat Collection Rules for Investing in Investment Funds which issued by the Zakat, Tax and Customs Authority. The investors (Tax payers) are subject to the provisions of that rules - who own investment units in the Fund - and they are required to calculate and pay Zakat on their investments. The Rules for Collecting Zakat from Investing in the Investment Funds which issued by the Zakat, Tax and Customs Authority, can be viewed through the Zakat, Tax and Customs Authority website.

b. Authority authorization number and date

License no. (06046-37) dated 10 Jumada al-Akhirah 1428 H corresponding to June 25, 2007 G.

c. Fund Manager's address

King Saudi Road, P.O Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.

Tel: +966920000232

Fax: +966114060049



- d. **The Fund Manager's website and any website, related to the Fund Manager, contain information on the fund**
- Fund Manager's Website: www.alahlicapital.com.
 - Tadawul Website: www.tadawul.com.sa.
- e. **Paid up capital to the Fund Manager:**
SNB Capital Company is a Saudi Joint Stock Closed Company with a paid up capital of SAR 1billion.
- f. **Summary of the Fund Manager's financial information in the preceding fiscal year (in thousands of Saudi Riyals)**

Item	fiscal year ended on December 2022
Total Operating Income	2,053,418
Total Operating Expenses	(483,808)
Total Operating Profit	1,569,610
Zakat	(151,000)
Net Profit	1,304,239

- g. **Primary roles, responsibilities and duties of the fund manager**
- The fund manager must act for the benefit of unitholders in accordance with the Investment Funds Regulations, the Capital Market Institutions Regulations and the Fund's Terms and Conditions.
 - With respect to the investment funds, fund manager's responsibilities shall include:
 1. Fund management for the benefit of unitholders in accordance with the Fund's Terms and Conditions.
 2. Offering of fund units.
 3. Ensuring the accuracy of the Fund's Terms and Conditions, and verify that the terms and conditions are complete, clear, accurate, and not misleading.
 - The fund manager must prepare an annual report that includes an assessment of the performance and quality of services provided by the parties involved in providing material services to the fund - including the custodian- and the fund manager must submit this report to the fund's board of directors.
 - The fund manager must prepare an annual report that includes all complaints and actions taken towards them. The fund manager must submit this report to the fund's board of directors.
- h. **Other business activities or interests of the Fund Manager that are of significance or could potentially conflict with those of the fund**
- The Fund Manager may manage other investment fund that have similar or even partially similar objective/strategies to the Fund. The Fund Manager may also invest through the Fund in companies which the Fund Manager may provide services to for its benefit.
- The Fund Manager shall avoid any type of conflict of interest between the interests of the Fund and the interests of the Unitholders, and shall not advance the interests of a certain group of Unitholders to the detriment of other Unitholders.
- The Fund Board shall be notified of any conflict of interest, and its approval shall be sought in respect of any conflict of interest that may arise during operation of the Fund.
- Any conflict of interest shall be immediately disclosed on the websites of the Fund Manager and Tadawul and in the Fund's annual report.
- i. **Right of the Fund Manager to appoint a Fund Sub-Manager**
- The Fund Manager may appoint one or more third parties or affiliates as sub-managers for the Fund. The Fund Manager shall pay the fees and expenses of any sub-fund manager from his own resources.



j. Provisions governing the removal/replacement of the Fund Manager

- a. The Authority shall have the power to remove a fund manager in relation to a particular investment fund and to take any action it deems appropriate to appoint a replacement fund manager for that investment fund or to take any other measures it deems necessary in the event of:
 1. The fund manager ceasing to carry out managing investments and operating funds activity or managing investments activity without notification to the Authority under the Capital Market Institutions Regulations;
 2. The cancellation, withdrawal or suspension by the Authority of the fund manager's authorization(s) to carry out managing investments and operating funds activity or managing investments activity under the Capital Market Institutions Regulations;
 3. A request by the fund manager to the Authority to cancel its relevant authorization to carry out managing investments and operating funds activity or managing investments activity;
 4. The Authority believing that the fund manager has failed, in a manner which the Authority considers material, to comply with the Capital Market Law or its Implementing Regulations;
 5. The death, incapacity or resignation of a portfolio manager who manages the assets of the investment fund, if no other registered person employed by the fund manager can manage the assets of the relevant investment fund or the assets of the funds managed by the portfolio manager;
 6. Any other event determined by the Authority on reasonable grounds to be of sufficient material.
- b. Notice of any event described in sub-paragraph (5) of paragraph (a) above must be provided by the fund manager to the Authority within (2) days from the date of its occurrence.
- c. Upon removal of the fund manager in accordance with the cases stipulated in sub-paragraphs (1-6) of paragraph (a) above, the Authority shall direct the removed fund manager to call for a unitholders meeting within (15) days from the date of the Authority's removal decision, in order to appoint the custodian or other party, through an ordinary fund resolution, to find and negotiate with a replacement fund manager and specify the time limit for finding and negotiation.
- d. The fund manager must notify the Authority of the results of the unitholders meeting mentioned in paragraph (c) above within (2) days of its convening date.
- e. The fund manager must cooperate and provide the custodian or the party assigned to find and negotiate any documents required by it for the purpose of appointing a replacement fund manager within (10) days from the date of the request, and both parties must maintain the confidentiality of the information.
- f. The fund manager must, upon approval of the replacement fund manager to manage the fund and transfer of the fund management to it, send a written consent of the replacement fund manager to the Authority as soon as it is received.
- g. If the Authority exercises any of its powers pursuant to paragraph (a) above, the relevant fund manager shall co-operate fully in order to help facilitate a smooth transfer of responsibilities to the replacement fund manager during the initial (60) days period after the appointment of the replacement fund manager. The fund manager shall where necessary and applicable and at the discretion of the Authority, novate all of the contracts relating to the relevant investment fund to which it is a party to the replacement fund manager.
- h. In case a replacement fund manager has not been appointed within the time limit for finding and negotiation with the replacement fund manager referred to in paragraphs (c) above, the unitholders are entitled to request the liquidation of the fund through a special fund resolution.



22) Fund Operator

a. Fund Operator's name

SNB Capital Company.

b. Authority authorization number and date

License no. (06046-37) dated 10 Jumada Al Akhirah 1428 H Corresponding to June 25, 2007 G.

c. Fund Operator's address

King Saudi Road, P.O Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.

Tel: +966920000232

Fax: +966114060049

d. Primary roles of the Fund Operator

- The fund operator shall be responsible for operating the fund.
- The fund operator must maintain the books and records related to the operation of the fund.
- The fund operator must establish and update a register of unitholders and must maintain it in the Kingdom in accordance with Investment Funds Regulations.
- The fund operator responsible for the dividend distribution, if any, in accordance with the distribution policy stipulated in these terms and conditions.
- The fund operator must process requests for subscriptions, redemption and transfer as stipulated in Fund's Terms and Conditions.
- The Fund Operator is responsible for fully and fairly valuing the Fund's assets and calculating the price of the Fund's units as stated in paragraph (10) of these Terms and Conditions.

e. The Fund Operator's right to appoint a Sub-Fund Operator

The fund operator may delegate one or more third parties or affiliates as a fund sub-operator.

f. Functions to which the Operator has delegated to a third party

The fund operator may delegate one or more third parties or affiliates as a fund sub-operator.

23) Custodian

a. Custodian's name

HSBC Saudi Arabia.

b. Authority authorization number and date

License no. (37-05008) dated 17 Shawal 1426H, corresponding to 19 November 2005 G.

c. Custodian's address

Olaya, P.O. Box 2255, Riyadh 11283, Kingdom of Saudi Arabia.

Tel: +966920005920

Website: www.hsbcSaudi.com

d. Primary roles and function of the Custodian

- Notwithstanding the delegation by a custodian to one or more third parties under the provisions of the Investment Funds Regulations or the Capital Market Institutions Regulations, the custodian shall remain fully responsible for compliance with its responsibilities in accordance to the provisions of Investment Funds Regulations.
- The custodian shall be held responsible to the fund manager and unitholders for any losses caused to the investment fund due to the custodian fraud, negligence, misconduct or willful default.



- The custodian shall be responsible for taking custody and protecting the fund's assets on behalf of unitholders, and taking all necessary administrative measures in relation to the custody of the fund's assets.

e. The Custodian's right to appoint a Sub-Custodian

The Custodian may appoint one or more third parties or affiliates as sub-custodian for the Fund provided that such third parties or affiliates are not the Fund Manager, the Fund sub-manger, or any of their affiliates. However, according to the custody agreement between the fund manager and the custodian. Delegated duties to the sub-custodian do not include direct custody services including the following services: establishment and maintenance of custody accounts, custody of assets, income collections, processing of corporate and voting procedures, issuance of certificates in respect of income, tax refunds, ordinary custody, electronic reporting and settlement of transactions.

f. Functions to which the Custodian has delegated to a third party

The Custodian may appoint one or more third parties or affiliates as sub-custodian for the Fund provided that such third parties or affiliates are not the Fund Manager, the Fund sub-manger, or any of their affiliates. However, according to the custody agreement between the fund manager and the custodian. Delegated duties to the sub-custodian do not include direct custody services including the following services: establishment and maintenance of custody accounts, custody of assets, income collections, processing of corporate and voting procedures, issuance of certificates in respect of income, tax refunds, ordinary custody, electronic reporting and settlement of transactions. The remuneration of the fund sub-custodian shall be paid by the custodian out of its own resources.

g. Provisions governing the removal/replacement of the Custodian

- The Authority shall have the power to remove the custodian which was appointed by the fund manager of an investment fund and take any other measures it deems necessary, as appropriate, in the event of:
 1. The custodian ceasing to carry out custody activity without notification to the Authority under the Capital Market Institutions Regulations.
 2. The cancellation or suspension by the Authority of the custodian's relevant authorization to carry out custody activity.
 3. A request by the custodian to the Authority to cancel its authorization to carry out custody activity.
 4. The Authority believing that the custodian has failed, in a manner which the Authority considers material, to comply with the Capital Market Law or its Implementing Regulations.
 5. Any other event determined by the Authority - based on reasonable grounds- to be of sufficient significance.
- If the CMA exercises its powers to remove the Custodian, the Fund Manager must appoint a replacement custodian to the Fund in accordance with the CMA's instructions, and in such case the Fund Manager as well as the removed Custodian shall co-operate fully in order to facilitate a smooth transfer of responsibilities to the replacement custodian during the first (60) days of appointing the replacement custodian. The Custodian must transfer, where the CMA determines it to be necessary and applicable in its absolute discretion, all contracts related to the Fund to the replacement custodian.
- The Fund Manager may remove the Custodian pursuant to a written notice, if the Fund Manager reasonably believes that the removal of the Custodian is in the best interests of the Unitholders. In such case, the Fund Manager will immediately inform the CMA and the Unitholders in writing. The Fund Manager shall appoint a replacement Custodian within (30) days of receiving the termination notice. The removed Custodian is required to fully cooperate with the Fund Manager to facilitate a smooth transfer of responsibilities to the replacement custodian. The Fund Manager will also immediately disclose the appointment of a replacement custodian to the Fund on its website and the Tadawul website.



24) Fund Board

a. Names of Fund Board members

The Fund Board consists of the following members:

- | | |
|-----------------|-----------------------------------|
| • Ali Al Hawas | Chairman - Non-Independent Member |
| • Feras Houhou | Non-Independent Member |
| • Ammar Bakheet | Independent Member |
| • Amr Shahwan | Independent Member |

b. A Brief about the Fund Board members' qualifications

- **Ali Al Hawas (Chairman - Non-Independent Member)**
Executive Vice President, and Head of Global Markets at Saudi National Bank. He joined Samba in 2008 and has over 24 years of Treasury business experience. He is member of Bank's Asset Liability Management Committee and responsible of managing the business under Samba Global Markets Ltd platform. He holds a diploma certificate from ACI University.
- **Feras Houhou (Non-Independent Member)**
General Legal Counsel at Savvy Electronic Gaming Group ("Savvy"), a leading company aiming to drive long-term growth in the global gaming and eSports sector. In his position as general legal counsel, he oversees many tasks and responsibilities related to five main departments: legal affairs, risk management, compliance, governance, and board affairs. Mr. Feras also held the position of head at SNB Capital's Legal and Governance Division and the Secretary of the Board. In March 2015, Feras joined the Legal Division besides his role as a Board Secretary. His expertise covers a wide range of tasks such as working on various Equity Capital Market and Debt Capital Market transactions and handling all litigations in which the Company is involved. He also has worked extensively in Merger & Acquisition and all sorts of investment funds locally and internationally. His role in these transactions included negotiations, drafting and execution of its relevant agreements, documents and structure. Prior to joining SNB Capital, Feras worked at the Legal Division in the Capital Market Authority where he participated in drafting many of the Capital Market Regulations and advised in many policy matters. Mr. Feras holds an LLM specialized in Securities and Financial Regulations from Georgetown Law School and a law degree from King Abdulaziz University. He was appointed in July 2021 as member of the Middle East & North Africa (MENA) advisory Board at Georgetown Law Centre.
- **Ammar Bakheet (Independent Member)**
He has more than 27 years of experience in the financial sector. Specialized in business establishment in the financial sector, strategy development, securing regulatory and legislative approvals, building of the operational infrastructure, and building the administrative teams to run such businesses. The founding partner and CEO of Mnasah Digital Platform a technical financial company specialized in operating and running of a digital platform specialized in financing of small and Medium-sized enterprises (SMEs) Kingdom of Saudi Arabia (2017-Present). Head of asset management & product development - Audi capital 2007-2017. Establishment of the Investment Division at RAKBank (Dubai) (2003 -2006). Working at Samba Capital as Saudi Equity Funds manager (1998-2002). And, Co-founding Bakheet Investment Company (1993- 1998).
- **Amr Shahwan (Independent Member)**
He's a Managing Director at Majd Arabia Management Consultant Co., Riyadh, Kingdom of Saudi Arabia. Amr holds a Bachelor's degree in Business Administration from The Amman Ahliya University. Has more than 25 years of experience in family office consulting, investment consulting, strategy, and business planning. He is Founder of Kartal Advisory Limited, UAE. During the span of his excellent



carrier, Mr. Shahwan has served the top ranked organizations (MASIC, SAMBA Financial Group, Al Majdouie Group, Arbah Investment Group, Baker Tilly KSA) in Saudi Arabia and Jordan on high level Key positions (CEO, Director, General Manager etc.).

c. Roles and responsibilities of the Fund Board members

Fund board of directors' responsibilities include, but are not limited to, the following:

1. Approving material contracts, decisions and reports involving the fund.
2. Approving a written policy in regards to the voting rights related to the fund's assets.
3. Overseeing and, where appropriate, approving or ratifying any conflicts of interest the fund manager has identified in accordance with the Investment Funds Regulations.
4. Meeting at least twice annually with the fund manager's compliance committee or its compliance officer to review the fund manager's compliance with all applicable rules, laws and regulations.
5. Approving all changes stipulated in Articles (62) and (63) of the Investment Funds Regulations before the fund manager obtains the approval or notification of the unitholders and the Authority (as applicable).
6. Confirming the completeness and accuracy (complete, clear, accurate, and not misleading), and compliance with the Investment Funds Regulations, of the Terms and Conditions and of any other document, contractual or otherwise, that includes disclosures relating to the fund and/or the fund manager and its conduct of the fund.
7. Ensuring that the fund manager carries out its obligations in the best interests of the unitholders, in accordance with the Investment Funds Regulations and the Fund's Terms and Conditions.
8. Reviewing the report that includes assessment of the performance and quality of services provided by the parties involved in providing significant services to the fund referred to in Paragraph (l) of Article (9) of the Investment Funds Regulations, in order to ensure that the fund manager fulfils his responsibilities in the interest of unitholders in accordance with the Fund's Terms and Conditions and the provisions stipulated in the Investment Funds Regulations.
9. Assessing the mechanism of the fund manager's handling of the risks related to the fund's assets in accordance with the fund manager's policies and procedures that detect the fund's risks and how to treat such risks.
10. Having a fiduciary duty to unitholders, including a duty to act in good faith, a duty to act in the best interests of the unitholders and a duty to exercise all reasonable care and skill.
11. Approving the appointment of the external Auditor nominated by the Fund Manager.
12. Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the fund's board of director.
13. Reviewing the report containing all complaints and the measures taken regarding them referred to in Paragraph (m) of Article (9) of the Investment Funds Regulations, in order to ensure that the fund manager carries out his responsibilities in a way that serves the interest of unitholders in accordance with the Fund's Terms and Conditions and what contained in the Investment Funds Regulation.

d. Remuneration of Fund Board members

Independent Board members shall be remunerated by the Fund Manager in the case of attending two meetings per year, being the minimum amount of Board meetings, such remuneration to be paid to each independent Board member from the Fund's assets. It should be noted that this remuneration is allocated from the total expenses paid to conventional funds managed by the fund manager and supervised by the fund's board of directors with a total amount of SAR (80,000) annually for all independent board members. The fees will be allocated based on the percentage of the Fund's NAV to the aggregate net asset value of these conventional funds. In addition, independent Board members are compensated for travel allowances up to a maximum of SAR 7,500 to be paid from the Fund's assets. Non-independent Board members shall not be entitled to any remuneration from the Fund Manager in consideration to their roles as Board members of the Fund. For further details on the Independent Board members' remuneration, please refer to paragraph (9) "Fees, Charges and Expenses" of these Terms and Conditions.



e. Conflict of interest or potential conflict between the Fund Board members and the fund

As of the date of the Terms and Conditions, the Fund Board is composed of certain employees of the Fund Manager. However, the Fund Board members have fiduciary duties to Unitholders and will use their best efforts to resolve all conflicts by exercising their good faith judgement. Furthermore, Board members may hold Units in the Fund, have a banking relationship with companies in which their shares are acquired, sold or maintained by the Fund or on its behalf, or with which the Fund has Murabaha transactions. However, if any conflict of interests arises, such conflict shall be communicated to the Fund Board for approval in which case the conflicted Board member shall not be entitled to vote on any resolution taken by the Fund Board in respect of which the conflicted Board member has any direct or indirect interest.

f. Table showing all the funds boards that the relevant Board member is participating in

Fund/Board Member	Ali Al Hawas	Feras Houhou	Ammar Bakheet	Amr Shahwan
SNB Capital Al Sunbullah USD	✓	✓	✓	✓
SNB Capital Al Sunbullah SAR	✓	✓	✓	✓
SNB Capital Al-Raed GCC Fund	✓	✓	✓	✓
SNB Capital Al Ataa GCC Equity Fund	✓	✓	✓	✓
SNB Capital Al Ataa Saudi Equity Fund	✓	✓	✓	✓
SNB Capital Al Jood GCC Equity Fund	✓	✓	✓	✓
SNB Capital Al Raed Saudi Equity Fund	✓	✓	✓	✓
SNB Capital Al Razeen USD Liquidity Fund	✓	✓	✓	✓
SNB Capital Al Razeen SAR Liquidity Fund	✓	✓	✓	✓
SNB Capital Al Musahem GCC Fund	✓	✓	✓	✓
SNB Capital China Equity Fund	✓	✓	✓	✓
SNB Capital Global Equity Fund	✓	✓	✓	✓
SNB Capital Al Musahem Saudi Equity Fund	✓	✓	✓	✓
SNB Capital Arab Markets Equity Fund	✓	✓	✓	✓
SNB Capital GCC Financial Sector Fund	✓	✓	✓	✓
SNB Capital Corporates Sukuk Fund	✓	✓	✓	✓
SNB Capital Sovereign Sukuk Fund	✓		✓	✓
SNB Capital Real Estate Fund			✓	
AlAhli REIT 1		✓		



25) Shariah Committee

Not applicable.

26) Investment Advisor

Not applicable.

27) Distributor

Not applicable.

28) Auditor

a. Auditor's name

KPMG Professional Services.

b. Auditor's address

Riyadh Front - Airport Road P.O. Box 92876, Riyadh 11663 Kingdom of Saudi Arabia.

Tel.+966118748500

Fax:+966118748600

Website: www.kpmg.com/sa

c. Primary roles and responsibilities of the Auditor

- It is the responsibility of the Auditor to give an opinion on the financial statements based on the audit performed in accordance with Generally Accepted Auditing Standards applicable in the Kingdom, which require the auditor to comply with ethical and professional standards and to plan and perform audit activities in order to have a reasonable degree of certainty that the financial statements have no material errors.
- The Auditor's responsibilities also include implementing procedures for obtaining evidence to support the amounts and notes set out in the financial statements.
- In addition, the Auditor evaluates the suitability of the adopted accounting policies and the reasonableness of the accounting estimates, as well as the overall presentation of the financial statements.
- The auditor, through reviewing the annual financial statements and based on the information provided to it, must include in its report what may come to its attention of violations to the provisions of the Investment Funds Regulations and the Fund's Terms and Conditions.

d. Provisions governing the replacement of the Auditor

The fund manager may replace the auditor and after obtaining the consent of the Fund Board in the following cases:

- There are any outstanding and material allegations of professional misconduct in relation to audit functions by the auditor;
- The auditor of the fund ceases to be an independent auditor;
- The auditor of the fund is no longer registered with the Authority;
- If the Fund Manager or the Fund's Board of Directors determines that the auditor does not have sufficient qualifications and experience to perform the audit duties satisfactorily or that changing the auditor is in the interest of the unitholders; or
- The Authority, in its absolute discretion, instructs the fund manager to replace the auditor appointed in relation to the fund.



29) Fund's Assets

- a. The assets of the Fund are held by the Custodian on behalf of the Fund.
- b. The Custodian must segregate the assets of the fund from its assets and from the assets of its other clients.
- c. The assets of the fund are owned collectively by the unitholders. A fund manager, fund sub manager, fund operator, custodian, sub custodian, distributor or investment advisor may not have any interest in or claims against such assets, other than when the fund manager, fund sub manager, fund operator, custodian, sub custodian, distributor or investment advisor is a unitholder, and for claims permitted under the Investment Funds Regulations and disclosed by way of statement in these Terms and Conditions.

30) Complaints Procedures

If the Unitholder has any complaint related to the Fund, he/she should send it to SNB Capital, through the Fund Manager's website at www.alahlicapital.com or by phone (920000232). The Fund Manager shall also provide a copy of the policies and procedures to address customer complaints upon request in writing free of charge. If the Fund Manager does not settle the complaint within 30 business days, the unitholder may file his/her complaint with the CMA - Investor Complaints Department. The unitholder may file a complaint with the Committee for the Resolution of Securities Disputes after (90) calendar days from the date of filing the complaint with the CMA. Unless the CMA has notified the complainant that it may be deposited with the Committee before the expiration of the period. Procedures to address complaints shall be provided free of charge, upon request.

31) Other Information

- a. **Policies and procedures to be followed in addressing conflicts of interests, and any potential and/or actual conflicts of interests will be made available upon request and free of charge.**
- b. **The "Committee for The Resolution of Securities Disputes" has the jurisdiction to adjudicate disputes arising from investing in the investment funds.**
- c. **A List of the available documents for unitholders**
The list shall include the followings:
 - The Fund's Terms and Conditions.
 - Contracts mentioned in the Fund's Terms and Conditions.
 - The Fund Manager's financial statements.
- d. **Up to the date of preparing this Terms and Conditions, there aren't any other information known to, or that ought reasonably to be known to the fund manager or the fund board, the current or potential unitholders and their professional advisors might reasonably require or expect to be included in the Fund's Terms and Conditions upon which an investment decision is to be made.**
- e. **Any waivers from limitations in the Investment Funds Regulations approved by the Capital Market Authority, except those stipulated in investment policies and practices**
The Fund has not obtained any waivers from the CMA in respect of the investment restrictions that would otherwise apply to the Fund pursuant to the Investment Funds Regulations.
- f. **Confidentiality of fund information**
The Fund's business and the Investments of its participants are managed with the highest degree of confidentiality at all times. This does not limit the right of the Fund's regulatory authority (CMA) to access the Fund's records for legal oversight purposes.



g. Death of unitholders

The Investor's consent to these Terms and Conditions shall not terminate automatically upon his/ her death or disability; these Terms and Conditions shall be binding to his/ her heirs, executors, administrators, personal representatives, trustees and successors if the Investor is an individual. If the Investor is a corporate entity, these Terms and Conditions shall not terminate upon the occurrence of any of the above to any partner or shareholder. Therefore, the Fund Manager shall have the right to suspend any transactions relating to the Terms and Conditions until the Fund Manager receives a court order, authorization, or such other sufficient evidence to prove the power of those mentioned above before allowing them to dispose of the units.

h. Anti-money Laundering and Terrorist Financing Regulations

The Fund Manager shall abide by the Anti-Money Laundering Law issued by Royal Decree No. M/20 dated 05/02/1439H corresponding to 26/10/2017G and its implementing regulations and related circulars and any changes thereto. The unitholder hereby confirms that the amounts used to subscribe to the Fund are not coming from any suspicious or illegal sources. If the Fund Manager is in doubt as to the legal source of funds used in the investment transactions initiated by the investor, the Fund Manager shall suspend or decline such transactions for investigation purposes and reporting to the Saudi competent anti-money laundering and terrorist financing bodies and to provide any information or document required by such bodies. However, according to the Saudi Law, the Fund Manager may not inform unitholders of any suspected transactions reported to competent official bodies.



32) Unitholder Declaration

I/We have read and understood SNB Capital Arab Markets Equity Fund Terms and Conditions, and approved the characteristics of the Units in which I/We have subscribed

INVESTOR'S CONSENT & APPROVAL

Investor's Name: _____

Signature: _____

Date: _____

For Corporate investors: _____

Authorised Signatory(is): _____

Company's Stamp: _____

Address(es): _____

Email: _____

Mobile: _____

Phone Number: _____

Fax Number: _____