

SNB Capital Asia Pacific Index Fund

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Key Fact Sheet

SNB Capital Asia Pacific Index Fund

An open-ended public index investment fund

Fund Manager

SNB Capital Company



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Key Fact Sheet:

1) Key Information

A. Fund Name

SNB Capital Asia Pacific Index Fund, a Sharia compliant an open-ended index investment fund.

B. Fund Objectives

SNB Capital Asia Pacific Index Fund is an open-ended index investment fund which aims to achieve capital growth over the long term. The Fund seeks to replicate as closely as possible, before expenses, the performance of the MSCI Pacific Islamic M-Series (Net Total Return USD).

C. Fund Investment Policy and Practices

- The Fund Primarily Invests in the stocks of large-medium cap segment listed companies.
- The Fund's Investments will be concentrated in the stocks of companies listed on Developed Asia and Pacific Markets.
- The Fund will invest in Shariah compliant financial instruments. The Fund's Investments will be as defined below:

Asset class	Minimum	Maximum
Listed Equity	90%	100%
Cash, Murabaha transactions and Money Market Funds	0%	10%
Investment funds following similar Index	0%	10%

D. Risks Associated with investments in the Fund

- 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, or that the value of the Fund's underlying investments and the income derived from them may go down. SNB Capital gives no assurance that the Fund's investment objectives will be achieved.
- The past performance of the Fund or the Benchmark is not an indication of the Fund's performance.
- 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.
- 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.
- The value of the Units and their returns are subject to fluctuations. Investors may not be able to recover some or all of their investments; people are advised to invest in the Fund only if they are able to afford the loss, which can sometimes be substantial.
- 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:



Equity Market Risk: Investing in public equity are associated with increased volatility; the risk inherent in equity investing is higher than Murabaha and money market investments or other types of short-term investment instruments.

Concentration Risk: The risk of the Fund investments being concentrated in some asset class, market sectors, or in companies and funds which are Shariah complaint, which may adversely impact the Fund's performance due to the sale of non-Sharia investments.

Issuer Specific Risk: This includes changes in the performance of the issuer or counterparty due to changes in management or financial conditions of, or changes in political and economic environment, which may cause certain share price to decline or affect issuers. Securities affected by the status of the issuer, which may lead to a decline in the value of its shares and thus affect Fund performance and unit price negatively.

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 adverse impact on the Fund's performance.

Economic Risk: This is the risk of changes in the economic conditions such as recession, inflation, and decrease in oil prices, which may have adverse effect on the Fund's performance.

Currency Risk: The difference in the exchange rate can lead to losses when the Fund invests in a currency different from the currency of the Fund. Clients subscribing in a currency different from the currency of the Fund may result in different exchange rates at the time of redemption from the Fund.

Interest Rate Risk: The Fund's Investments may affected due to changes in return rates including interest rates as well as returns on investments and securities marked to market may be affected negatively leading to a decline in the unit price.

Liquidity Risk: The risk of investment in illiquid shares of companies which may difficult at certain times to monetize. Reduced market liquidity may adversely affect the market price of the Fund's investments and the Fund's ability to dispose of particular investments to meet its liquidity requirements. If total redemption from the Fund reached 10% or more of the total value of the Fund's assets, the Fund Manager may postpone the redemption to the next Dealing Day. Deferred redemption requests will be treated proportionately. The Fund may suffer losses as a result of heavy redemption and, as a result, may difficulty in liquidating securities issued on a small scale, and securities issued under a private placement and traded OTC.

Borrowing risks: In case the Fund Manager borrows 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, which may result in late payment penalty or cause the Fund Manager to sell some of the Fund investments, which could affect the Fund's assets, which will negatively impact the unit prices.

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.

Risk of Suspension of Trading: Non-compliance by companies listed with the relevant Law and its implementing regulations may lead to suspension of trading of the shares of such companies, which may adversely affect the value of the Fund's assets and consequently on unit price.



Risk of Heavy Redemptions: This is the risk of large and sometime continuance redemptions by Unitholders which may cause the Fund Manager to liquidate assets of the Fund at less favorable prices, which leads to reducing the value of the fund's assets and lower unit price.

Shariah Compliant Investment Risk: The Shariah Committee of the Fund will determine whether the Fund and its investments are in line with Islamic Shariah principles. However, the Shariah Committee may decide that some Investments are prohibited, which may entail liquidation of such Investments or loss of returns which may cause the Unit price to decline.

Risks of dependence on the Fund Manager's Personnel: The Fund's performance depends largely on the capabilities and skills of the Fund Manager's employees, which may significantly affect the Fund's performance in the event of resignation or absence of any one of them and failure to secure a suitable alternative.

Conflict of Interest Risk: This risk arises in situations that affect the objectivity and independence of the Fund Manager's investment decisions due to a personal interest. This may adversely impact the Fund's performance and Unit price.

Natural Disaster Risk: These include volcanoes, earthquakes, hurricanes, floods and natural phenomena which are beyond the control of the Fund Manager, and cause considerable damage to property and assets. Natural disasters may adversely affect the various economic and investment sectors, which may lead to decline in the Fund's performance and the Unit price.

Benchmark Tracking Risk: The Fund may not achieve a return in conformity with the index given the commitment of the Fund Manager to regulatory requirements which may limit its ownership in some companies. The return on the securities and other investments selected by the investment adviser may not correlate precisely with the return on the Index. The Fund incurs operating expenses are not taken to account in the performance of the index bearing the sale and purchase of securities costs. The Fund may keep excess cash as cash or cash equivalent to meet redemption requests. In addition, increase subscription and / or redemption of the Fund's ability to accurately track the index.

E. Fund Historical Performance

- Percentage of total return of the Fund compared to the Benchmark for one year, three years, five years, and ten years:

Period	1 year	3 years	5 years	10 years
Fund Return	27.54	12.07	13.66	7.53
Benchmark	28.32	12.62	15.77	9.91

- Percentage of total annual return for the past ten years compared to the Benchmark:

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund	-10.81	16.25	6.55	4.56	-5.71	4.36	29.12	-11.29	24.43	27.54
Benchmark	-8.69	22.48	8.29	8.08	-5.51	12.09	29.89	-10.94	25.00	28.32

- Percentage of total annual return for the past ten years compared to the Benchmark:



2) Service Fees, Charges and Expenses

Subscription Fees: The Fund Manager will deduct up to 2% of the subscription amount upon each subscription transaction in the Fund, after which the balance will be invested 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 separately pay to SNB Capital, at rates prescribed by the VAT Law and its implementing regulations.

Management Fees: The Fund Manager will charge an annual management fee of 0.30% of the Net Asset Value of the Fund calculated proportionally on each Valuation Day and deducted monthly. If the Fund invests in other funds managed by SNB Capital, the management fees will be rebated or waived to avoid double charges. The investment management fee is subject to VAT, the Fund will separately pay it to the Fund Manager at rates prescribed by the VAT Law and its implementing regulations.

Shariah Compliant Financing charges: If applicable, 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 local 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 volume 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, audit fees, remuneration of independent directors of the Fund Board, Shariah audit and advisory fee, regulatory fees, Tadawul fees, as well as administrative and operational expenses. The other fees and expenses will be reviewed by the Fund Manager on quarterly basis (every three months) and will not exceed 0.5% of the average value of the Fund's assets during the financial year, and they are as follows:

Custody and Accounting Fees: The annual custody fee ranges from (0.15 to 60) bps from the total Fund assets under custody. In addition, a transaction fee will be charged for each transaction ranging from (5 to 190) USD, depending on the market in which the Fund invests in. The Fund is charged with accounting fees of (1.5) bps if the Fund size is USD 100 million or less. If the Fund size exceeds one USD 100 million, the Fund will be charged 1.25 basis points. The custody fees and accounting fees calculated on each valuation day and deducted monthly from the Fund.

Fund Board Remuneration: Each independent member of the Fund Board receives USD 37,333.33 annually, divided by the number of open-ended funds managed by the Fund Manager and supervised by the Board.

Audit Fees: USD 8,684.80 annually, calculated on each Valuation Day and deducted monthly.

Shariah Audit Fee: USD 7,200 annually, calculated on each Valuation Day and deducted monthly.

Capital Market Authority Fees: USD 2,000 annually, calculated on each Valuation Day and deducted monthly.



Publishing the Fund's information on the Tadawul's website: USD 1,333 annually, calculated on each Valuation Day and deducted monthly.

Administrative and operational expenses: charged to the Fund based on the percentage of the Fund's assets over all public funds assets under management.

All fees, charges, commissions and expenses payable to SNB Capital and other service providers will be exclusive of VAT, which the Fund shall separately pay to the Fund Manager according to rates set by the VAT law and its implementing regulations.

3) Additional Information and Documents

Information regarding the Fund and its documents is available on the Fund Manager's website www.alahlicapital.com and the Tadawul's website www.Tadawul.com.sa.

4) Fund Manager

SNB Capital Company
King Saud Road, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.
Tel: +966 920000232
Fax: +966 114060049
Website: www.alahlicapital.com

5) Custodian

The Northern Trust Company of Saudi Arabia
Nakheel Tower, P.O Box 10175
Riyadh 11433, Saudi Arabia
Phone: +966 11 418 8694
Website: www.northerntrust.com

Information Memorandum

SNB Capital Asia Pacific Index Fund

An open-ended public index investment fund

Fund Manager

SNB Capital Company

Custodian

The Northern Trust Company of Saudi Arabia

The Information Memorandum was issued on 25 March 2018, The CMA was notified of its update on 10 Rabi Al-Thani 1443H, corresponding to November 15, 2021G.

The contents of this Information Memorandum for SNB Capital Asia Pacific Index Fund are governed by the Investment Funds Regulations issued by the Capital Market Authority Board.

Investors are advised to read and understand the contents of the Information Memorandum. If in doubt, please consult a professional advisor licensed by the Capital Market Authority.



Disclaimer

- This Information Memorandum has been reviewed and approved by the Board. The Fund Manager and the Board collectively and individually accept full responsibility for the accuracy of the information presented herein. Having made all responsible enquiries, the Board and the Fund Manager confirm that there are no false or misleading statements, or omission of other facts which would make any statement in the Information Memorandum false or misleading.
- The CMA has approved the establishment of SNB Capital Asia Pacific Index Fund and the offering of its Units. The CMA does not, however, take any responsibility for the contents of this Information Memorandum, nor does it make any representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. The CMA does not make any recommendation as to the soundness or otherwise of investing in the Investment Fund, and the approval of establishing the Fund does not mean that the CMA recommends to invest in the Fund nor confirm the authenticity of the information contained in the Terms and Conditions and the Information Memorandum, and the CMA emphasizes that the decision to invest in the Fund is up to the Investor or his or her representative.
- SNB Capital Asia Pacific Index Fund has been certified as being Shariah compliant by the Shariah Committee appointed for the Investment Fund.



Disclaimer from MSCI

- This Fund is not supported, sold, or promoted by MSCI Inc. (hereinafter referred to as "MSCI"), its affiliated companies, information provider, and other third parties who were involved or related in edit, calculation, or creation of MSCI index (hereinafter referred to as "MSCI related companies"). MSCI index is an exclusive property of MSCI. Name of MSCI and MSCI index is a service mark of MSCI and its affiliated companies, and Nikko Asset Management Co., Ltd. has been licensed to use it for a specific purpose. MSCI related companies make no representation or warranty, expressed or implied, to the owners or issuing company of the Fund or any other members or organizations regarding the suitability of investing in funds generally or in the Fund particularly or the ability of MSCI index to track return of the corresponding stock markets. MSCI or its related companies are licensors of MSCI index which were determined, edited, calculated by MSCI regardless of specific trademarks, service marks or names, and the Fund or issuing company, owner and other members or organizations of the Fund. MSCI related companies are not responsible for considering the requests of issuing company or owner of the Fund, or other members or organizations when determining, editing and calculating MSCI index. MSCI related companies are not responsible for or have participated in the determination of the timing of, price at, or amount of the Fund to be issued or in the determination or calculation of the equation by which the Fund is to be converted into cash. MSCI related companies are not under any obligation to or take responsibility for the issuing company or owner of the Fund, or other members or organizations regarding management, marketing, or subscription of the Fund.
- MSCI obtains information required for calculation and use of MSCI index from sources they think are reliable. MSCI related companies do not guarantee of the originality, accuracy or completeness of MSCI index or its data included. MSCI related companies do not guarantee, expressed or implied, the result obtained by the use of MSCI index or its data included by the issuing company or owner of the Fund or other members or organizations. MSCI related companies are not responsible for error, omission or discontinuation of MSCI index or its data included. MSCI related companies do not guarantee, expressed or implied the accuracy of MSCI index and its data included. MSCI related companies expressly disclaim all the warranty regarding the suitability of market characteristics or special purpose concerned. Without limiting any of the foregoing, MSCI related companies are not responsible for any direct, indirect, special, punitive, or consequential damages, and all other damages (including lost gains), even if notified of the possibility of such damages.
- No purchasers, distributors or owner or other members or organizations of the Securities, the Product, or the Fund can use or mention MSCI's name, trademark or service mark for the purpose of sponsor, endorsement, sales, or sales promotion of the Securities without asking MSCI beforehand whether MSCI's approval is required. Members or organizations cannot mention the relationship with MSCI without obtaining written approval from MSCI's beforehand.



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**Definitions:**

The Fund or Investment Fund	SNB Capital Asia Pacific Index Fund.
Fund Manager or Company or SNB Capital	SNB Capital Company (Commercial Registration No. 1010231474), with its registered address at King Saud Road, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.
Board	The Board of Directors of the Fund.
CMA	The Capital Market Authority of Saudi Arabia.
Shariah Committee	Shariah Committee of the Saudi National Bank.
Shariah Guidelines	The Shariah guidelines set by the Shariah Committee for investing in securities.
CML	Capital Market Law of Saudi Arabia, which was issued by Royal Decree No. (M/30) dated 16th June, 2003.
Regulations– Investment Funds Regulations (“IFR”)	The Investment Funds Regulations issued by the Board of the Capital Market Authority pursuant to its decision number 1-219-1006 and dated 24 December 2006, as amended by the Board of the Capital Market Authority’s resolution number 1-61-2016 dated 23 May 2016.
Authorized Persons Regulations	The Authorized Persons Regulations issued by the Board of the Capital Market Authority.
Anti-Money Laundering Regulation	The Saudi Anti Money Laundering Regulation
Terms and Conditions	Means these Terms and Conditions specific to the Fund
Information Memorandum	Means these Information Memorandum specific to the Fund.
Benchmark	MSCI Pacific Islamic M-Series (Net Total Return USD).
US Dollar/USD	United States Dollar.
Saudi Business Day	Means a day on which banks and authorized persons are normally open for business in Saudi Arabia; this does not include any official holiday in Saudi Arabia.
US Business Day	Means a day on which banks are normally open for business in the United States, this does not include any official holiday in the United States.
Dealing Day	Any day on which the Units of the Investment Fund can be subscribed or redeemed.
Business Day for Sub-Manager	Means a day on which the sub-manager are normally open for business, this does not include any official holiday for the sub-manager.
Valuation Day	Any day on which the Units in the Fund are valued.



Redemption Form	Form used to redeem Units
Subscription Fee	Fees charged for subscribing in the Fund
Subscription Form	Form used for subscription in the Fund
Subscription Monies	The gross amount paid by the Investor to the Fund Manager to invest in the Fund
Switch Form	Form used for switching between certain open-ended mutual funds managed by SNB Capital
Regular Investment Service (RIS)	A service that allows investors to subscribe a fixed amount to the Fund on a monthly basis
Units	The interest of unitholders in an investment fund consisting of units, including fractions of a unit. Each unit shall be treated as representing one undivided interest in the assets of an investment fund
Custodian	Means a person who is authorized under the Authorized Persons Regulations to conduct the securities custody activity.
Financial Year	Means the financial year of the Fund
Investor/ Unitholder	An investor in the Fund or person applying to invest in the Fund.
Investments	Means the cash, shares, and Units in other mutual fund and related assets held by the Fund.
Investment Account	The Investment Fund account held by Investors with SNB Capital.
Net Asset Value	Means the monetary value of the assets of the investment fund minus its liabilities.
Register	Means the register of Unitholders held by the Fund Manager or any party appointed by the Fund Manager to hold such register
Murabaha	Selling a commodity as per the purchasing price with a defined and agreed profit mark-up. This mark-up may be a percentage of the selling price or a lump sum. This transaction may be concluded either without a prior promise to buy, in which case it is called an ordinary Murabaha, or with a prior promise to buy, in which case it is called "banking Murabaha" i.e. Murabaha to the purchase order.
Money Market Investments	Deposits aiming to preserve capital and provide return through investing in relatively low risk short-term deposits such as Murabaha.

**Fund Facts:**

Currency	US Dollar / USD
Risk Level	High Risk
Benchmark	MSCI Pacific Islamic M-Series (Net Total Return USD)
Investment Objectives	Achieve a total return equivalent to the MSCI Pacific Islamic M-Series (Net Total Return USD)
Minimum Investment	USD 2,000
Minimum Subsequent Subscription	USD 1,000
Minimum Subscription through Regular Investment Service (RIS)	USD 26.67 (SAR 100)
Minimum Redemption	USD 1,000
Valuation Days	Any day from Monday to Friday that is a business day for the sub-manager and a business day in the market/s in which the Fund substantially invests.
Dealing Days	Any day from Monday to Thursday that is a Saudi business day, Business Day in the United States, a Business Day for Sub-Manager and a business day in the market/s in which the Fund substantially invests.
Days on which Subscription/ Redemption Requests are processed	Every Dealing Day
Subscription / Redemption Request Cut-off time	Before or at 12:30 PM local time in Saudi Arabia on the Saudi Business Day prior to the target Dealing Day
Subscription Fee	Up to 2% of the amount paid by the Investor
Management Fee	0.30% of the Net Asset Value of the Fund
Redemption Proceeds	Made available to Investor within four Business Days after the relevant Dealing Day
Inception Date	25 May 2000
Initial Unit Price	1 USD



Information Memorandum

1) Investment Fund

A. Fund Name

SNB Capital Asia Pacific Index Fund

B. Terms and Conditions date of issuance

The Fund's terms and conditions were issued on in May 2000, and the Authority was notified of its amendment on 25 March 2018, The CMA was notified of its update on 10 Rabi Al-Thani 1443H, corresponding to November 15, 2021G.

C. CMA approval for the establishment of the Fund

The Fund was originally approved by the Saudi Arabian Monetary Agency (SAMA) in May 2000 and the CMA approval was obtained for the continued offering of the Fund's Units on December 16, 2008.

D. Fund Duration

SNB Capital Asia Pacific Index Fund is an open-ended index fund, with no maturity date.

E. Fund Currency

The Fund currency is the US Dollar. In the case of subscription in a currency other than the US Dollar, the exchange rate used will be subject to the prevailing exchange rates, and the Unitholders will bear any exchange rate fluctuation.

2) Investment Policies and Practices

A. Investment Fund Objectives

SNB Capital Asia Pacific Index Fund is a Shariah compliant open-ended index investment fund, which aims to achieve long-term capital growth by seeking to replicate as closely as possible, the performance of the MSCI Pacific Islamic M-Series (Net Total Return USD).

B. Securities in which the Fund will invest

- The Fund Primarily Invests in the stocks of large-medium cap listed companies.
- The Fund's Investments will be concentrated in the stocks of companies listed on developed Asia and Pacific Markets.



C. Fund Investment Concentration Policy

The Fund invests in Shariah compliant financial instruments. The limits of the Fund's Investments will be as a percentage of Net Asset Value as shown in the following table:

Asset class	Minimum as % of NAV	Maximum as % of NAV
Listed Equity	90%	100%
Cash, Murabaha transactions and Money Market Funds	0%	10%
Investment funds track similar Index	0%	10%

D. Financial Markets in which the Fund is likely to buy and sell its Investments

The Fund invests in Asia and Pacific Markets.

E. Types of transactions and methods used for investment decisions purposes

The Fund is managed pursuant to an index-linked passive strategy that is designed to track the performance of MSCI Pacific Islamic M-Series (Net Total Return USD). The Fund aims to achieve a performance similar to that of the index through investing all or most of its assets in the stocks included in the index, with the investment weight in each share that is approximately equal to its weight in the index or by using a representative sample, provided that the Fund's Investments in the securities of a single issuer shall not exceed 20 % of Fund's net assets value, and that the Fund shall not hold more than 20% of its net asset value in any class of securities issued by one single issuer. In addition, the Fund Manager will rebalance based on the changes that may occur in the index components.

Excess cash balance may be held in cash or in Sharia complaint money market funds that invest in money market and Murabaha and/or invested in Murabaha transactions without charging Unitholders an extra fee.

F. Securities that will not be included in the Fund's Investments

The Fund will not invest in asset classes other than those mentioned in paragraph (2) of subparagraph (c) of the Fund's Information Memorandum.

G. Investment restrictions

The Fund will comply with the applicable restrictions set out in Article (41) of the Investment Funds Regulations ("Investment Restrictions"), and will comply with Shariah Guidelines set by Shariah Committee.

H. Investment of the Fund's assets in Investment Fund Units managed by the Fund Manager or other fund managers

The Fund may invest in investment funds having the same strategy and tracking the same index and / or in money market funds approved to be publicly offered by CMA or licensed by other authorities provided that such funds are subject to jurisdiction that employs regulatory standards and requirements at least equivalent to those applied to investment funds domiciled in Saudi Arabia.



I. Borrowing rights

The Fund may obtain Shariah compliant finance for investment purposes provided that such financing shall not exceed 10% of its asset value and the term shall not exceed one year, except for Sharia compliant financing to meet redemption requests. The Fund will not pledge any of its assets.

J. Maximum Limit for dealing with any counterparty

The maximum limit of the Fund's dealings with the counterparty for Sharia compliant Money Market Transactions is 10% of its Net Asset Value.

K. 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 set out in the Fund's Terms and Conditions and the Information Memorandum, including the following:

- Meet any expected redemption request from the Investment Fund.
- The Fund's Investments are based on cautious risk allocation without breaching the investment objectives, policies and Terms and Conditions of the Fund.
- Provide the Fund Board with periodic reports on the Fund's operational risk, and risk of violating investment restrictions.

L. The Benchmark

MSCI Pacific Islamic M-Series (Net Total Return USD) index based on the average free float adjusted weighted market capitalization to measure the performance of Shariah compliant large and medium cap segment companies listed across developed markets in Asia and the Pacific region.

M. Derivatives

The Fund will not invest in derivatives of securities.

N. Investment Restriction Exemptions approved by the Capital Market Authority.

This paragraph does not apply to the Fund.

3) Principal investment risks

- 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, or that the value of the Fund's underlying investments and the income derived from them may go down. SNB Capital gives no assurance that the Fund's investment objectives will be achieved.
- The past performance of the Fund or the Benchmark is not an indication of the Fund's performance.
- 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.
- 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.



- The value of the Units and their returns are subject to fluctuations. Investors may not be able to recover some or all of their investments; people are advised to invest in the Fund only if they are able to afford the loss, which can sometimes be substantial.
- 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:

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Concentration Risk: The risk of the Fund investments being concentrated in some asset class, market sectors, or in companies and funds which are Shariah complaint, which may adversely impact the Fund's performance due to the sale of non-Sharia investments.

Issuer Specific Risk: This includes changes in the performance of the issuer or counterparty due to changes in management or financial conditions of, or changes in political and economic environment, which may cause certain share price to decline or affect issuers. Securities affected by the status of the issuer, which may lead to a decline in the value of its shares and thus affect Fund performance and unit price negatively.

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 adverse impact on the Fund's performance.

Economic Risk: This is the risk of changes in the economic conditions such as recession, inflation, and decrease in oil prices, which may have adverse effect on the Fund's performance.

Currency Risk: The difference in the exchange rate can lead to losses when the Fund invests in a currency different from the currency of the Fund. Clients subscribing in a currency different from the currency of the Fund may result in different exchange rates at the time of redemption from the Fund.

Interest Rate Risk: The Fund's Investments may affected due to changes in return rates including interest rates as well as returns on investments and securities marked to market may be affected negatively leading to a decline in the unit price.

Liquidity Risk: The risk of investment in illiquid shares of companies which may difficult at certain times to monetize. Reduced market liquidity may adversely affect the market price of the Fund's investments and the Fund's ability to dispose of particular investments to meet its liquidity requirements. If total redemption from the Fund reached 10% or more of the total value of the Fund's assets, the Fund Manager may postpone the redemption to the next Dealing Day. Deferred redemption requests will be treated proportionately. The Fund may suffer losses as a result of heavy redemption and, as a result, may difficulty in liquidating securities issued on a small scale, and securities issued under a private placement and traded OTC.

Borrowing risks: In case the Fund Manager borrows 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, which may result in late payment penalty or cause the Fund Manager to sell some of the Fund investments, which could affect the Fund's assets, which will negatively impact the unit prices.



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.

Risk of Suspension of Trading: Non-compliance by companies listed with the relevant Law and its implementing regulations may lead to suspension of trading of the shares of such companies, which may adversely affect the value of the Fund's assets and consequently on unit price.

Risk of Heavy Redemptions: This is the risk of large and sometime continuance redemptions by Unitholders which may cause the Fund Manager to liquidate assets of the Fund at less favorable prices, which leads to reducing the value of the fund's assets and lower unit price.

Shariah Compliant Investment Risk: The Shariah Committee of the Fund will determine whether the Fund and its investments are in line with Islamic Shariah principles. However, the Shariah Committee may decide that some Investments are prohibited, which may entail liquidation of such Investments or loss of returns which may cause the Unit price to decline.

Risks of dependence on the Fund Manager's Personnel: The Fund's performance depends largely on the capabilities and skills of the Fund Manager's employees, which may significantly affect the Fund's performance in the event of resignation or absence of any one of them and failure to secure a suitable alternative.

Conflict of Interest Risk: This risk arises in situations that affect the objectivity and independence of the Fund Manager's investment decisions due to a personal interest. This may adversely impact the Fund's performance and Unit price.

Natural Disaster Risk: These include volcanoes, earthquakes, hurricanes, floods and natural phenomena which are beyond the control of the Fund Manager, and cause considerable damage to property and assets. Natural disasters may adversely affect the various economic and investment sectors, which may lead to decline in the Fund's performance and the Unit price.

Benchmark Tracking Risk: The Fund may not achieve a return in conformity with the index given the commitment of the Fund Manager to regulatory requirements which may limit its ownership in some companies. The return on the securities and other investments selected by the investment adviser may not correlate precisely with the return on the Index. The Fund incurs operating expenses are not taken to account in the performance of the index bearing the sale and purchase of securities costs. The Fund may keep excess cash as cash or cash equivalent to meet redemption requests. In addition, increase subscription and / or redemption of the Fund's ability to accurately track the index.

4) General Information

A. Target group of investors

The Fund targets investors, who seek an index-linked passive strategy that is designed to track the performance MSCI Pacific Islamic M-Series (Net Total Return USD).

B. Profit Distribution Policy

The Fund does not distribute any periodic profits to Unitholders.



C. Fund Historical Performance

- Percentage of total return of the fund compared to the Benchmark for one year, three years, five years, and ten years:

Period	1 year	3 years	5 years	10 years
Fund Return	27.54	12.07	13.66	7.53
Benchmark	28.32	12.62	15.77	9.91

- Percentage of total annual return for the each of the past ten years compared to the Benchmark:

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund	-10.81	16.25	6.55	4.56	-5.71	4.36	29.12	-11.29	24.43	27.54
Benchmark	-8.69	22.48	8.29	8.08	-5.51	12.09	29.89	-10.94	25.00	28.32

- Fund reports are available through the Fund Manager's website www.alahlicapital.com.

D. Unitholders' Rights

- Receive an updated copy of the Information Memorandum and the Terms and Conditions of the Fund in Arabic free of charge.
- Receive the Fund's reports and statements in accordance with paragraph (11) of the Fund's Terms and Conditions and in accordance with Article (71) of the Investment Funds Regulations, "Reporting to Unitholders".
- Notify the Unitholders of any significant changes, or notifiable changes, in the Terms and Conditions of the Fund and the Information Memorandum and send a summary of these changes before they become effective, depending on their type, and the period specified in the Investment Funds Regulations.
- Obtain the Unitholders consent through an Ordinary Fund Resolution on any fundamental changes to the Terms and Conditions and the Information Memorandum.
- Managing the Fund's assets to the best interest of the Unitholder in accordance with the Terms and Conditions of the Fund and the Investment Funds Regulations.
- Develop the decision-making procedures to implement the administrative aspects of the Fund.
- Managing the Fund's business and the Investments of its participants 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 regulatory purposes. The Unitholders' information will not be shared except when necessary to open the Investor's account, execute its operations, and comply with the applicable policies with the competent regulatory authorities or if the sharing of such information is in the interests of the Unitholder.
- Receive an updated version of the Fund's Terms and Conditions and the Information Memorandum annually showing the actual fees, commissions and performance information of the Fund upon request.



- Notifying the Unitholders in writing if the Fund Manager wishes to terminate the Fund not less than (21) days from the date on which the Fund is to be terminated without violating the terms and conditions of the Fund.
- Payment of redemption proceeds within the period specified in the Terms and Conditions of the Fund and in the Investment Funds Regulations.
- Unitholders have the right to redeem their Units before any significant change occurs without imposing redemption fees.
- Any other relevant rights imposed by the CMA laws and its implementing regulations and instructions applicable in the Kingdom of Saudi Arabia

E. Unitholders' Liability

The Unitholders acknowledge and agree to the following:

- The Fund Manager does not make any undertakings or guarantees relating to the performance or profitability of any Investment managed in the Fund, and the Fund Manager will have no legal or consequential liability for any decline in the value of the managed Investments or the Fund's assets except those resulting from negligence, infringement or omission.
- Except for the loss of the Unitholder's investment or part of it, the Unitholder will not be liable for the debts and obligations of the Fund.
- In the event that the Unitholders do not provide the Fund Manager with the correct postal and / or electronic address 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 Unitholders with the statement of account, notices or any 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 subject to such laws without any obligation on the Fund or the Fund Manager.

F. Fund Termination

Circumstances that requires Fund termination:

- The Fund Manager's desire to discontinue and terminate the Fund;
- The Fund's Net Asset Value falls below the minimum limit specified in the regulations and circulars issued by the CMA.

Procedures to terminate the Fund under article (37) of the Investment Funds Regulations:

- If the Fund Manager wishes to terminate the public Fund, he shall notify the CMA and the Unitholders in writing of his desire to do so not less than (21) days prior to the date on which the Fund is to be terminated, without violating the terms and conditions of the Fund.



- The Fund Manager will pay the Fund's outstanding liabilities from the Fund's assets and distribute the remaining amounts to the Unitholders registered on the date of liquidation on a pro rata basis, in proportion to their respective holdings.
- The Fund Manager announces on its website and on the Tadawul website the expiry of the public fund period and its liquidation.

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

5) Service Fees, Charges and Expenses

A. Payments from the Fund's assets

Management Fees: The Fund Manager will charge an annual management fee of 0.30% of the Net Asset Value of the Fund calculated proportionally on each Valuation Day and deducted monthly. If the Fund invests in other funds managed by SNB Capital, the management fees will be rebated or waived to avoid double charges. The investment management fee is subject to VAT, the Fund will separately pay it to the Fund Manager at rates prescribed by the VAT Law and its implementing regulations.

Shariah Compliant Financing charges: If applicable, 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 local 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 volume 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, audit fees, remuneration of independent directors of the Fund Board, Shariah audit fee and advisory, regulatory fees, Tadawul fees, as well as administrative and operational expenses. The other fees and expenses will be reviewed by the Fund Manager on quarterly basis (every three months) and will not exceed 0.5% of the average value of the Fund's assets during the financial year, and they are as follows:

Custody and Accounting Fees: The annual custody fee ranges from (0.15 to 60) bps from the total Fund assets under custody. In addition, a transaction fee will be charged for each transaction ranging from (5 to 190) USD, depending on the market in which the Fund invests in. The Fund is charged with accounting fees of (1.5) bps if the Fund size is USD 100 million or less. If the Fund size exceeds one USD 100 million, the Fund will be charged 1.25 basis points. The custody fees and accounting fees calculated on each valuation day and deducted monthly from the Fund.

Fund Board Remuneration: Each independent member of the Fund Board receives USD 37,333.33 annually, divided by the number of open-ended funds managed by the Fund Manager and supervised by the Board.

Audit Fees: USD 8,684.80 annually, calculated on each Valuation Day and deducted monthly.

Shariah Audit Fee: USD 7,200 annually, calculated on each Valuation Day and deducted monthly.



Capital Market Authority Fees: USD 2,000 annually, calculated on each Valuation Day and deducted monthly.

Publishing the Fund's information on the Tadawul's website: USD 1,333 annually, calculated on each Valuation Day and deducted monthly.

Administrative and operational expenses: charged to the Fund based on the percentage of the Fund's assets over all public funds assets under management.

All fees, charges, commissions and expenses payable to SNB Capital and other service providers will be exclusive of VAT, which the Fund shall separately pay to the Fund Manager according to rates set by the VAT law and its implementing regulations.

B. The following table shows all the fees and expenses of the Fund

Type of Fees/Expenses	Percentage/Amount	Calculation Method	Deduction
Subscription Fees	2%	Calculated from the total amount of Subscription	Payable upon each subscription to the Fund
Management Fees	0.30%	Calculated on each Valuation Day	Deducted Monthly
Shariah Compliant Financing Charges	Based on the prevailing market rates and the requirements of the financier.		
Dealing (Brokerage) Fees	Based on the turnover of the Fund's assets and the volume of operations.		
Other Expenses*			
Custody Fees	0.0015% to 0.60%	Calculated on each Valuation Day from the Fund’s assets.	Deducted Monthly
Accounting Fees	0.015% to 0.0125%	Calculated on each Valuation Day from the Fund’s assets.	Deducted Monthly
Audit Fees	8,684.80	Calculated on each Valuation Day from the Fund’s assets.	Deducted Monthly
Remuneration of each member of the Fund's annual independent Board of Directors	37,333.33	Calculated on each Valuation Day from the Fund’s assets and divided by the number of open-ended public	Deducted Monthly



		investment funds	
Shariah Audit Fee	7,200	Calculated on each Valuation Day from the Fund's assets.	Deducted Monthly
Capital Market Authority Annual Fees	2,000	Calculated on each Valuation Day from the Fund's assets.	Deducted Monthly
Fees relating to publishing the Fund's information on Tadawul website	1,333.33	Calculated on each Valuation Day from the Fund's assets.	Deducted Monthly
Administrative 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 Expenses will not exceed 0.50 % of the annual average value of the Fund's assets, and 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. Transaction Fees

Subscription Fees: The Fund Manager will deduct up to 2% of the subscription amount upon each subscription transaction in the Fund, after which the balance will be invested 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 separately pay to SNB Capital, at rates prescribed by the VAT Law and its implementing regulations.

D. Special commissions

The Fund Manager may enter into special commission arrangements that are limited to goods and services, which the Fund Manager may obtain, provided that they are related to the execution of transactions on behalf of the Fund, or to the provision of research in favor of the Fund, in accordance with the Authorized Persons Regulations.



E. Hypothetical example illustrating all fees, charges paid from the fund's assets

The following table shows a hypothetical investment of a Unitholder assuming an investment of USD 10,000:

Description	Estimated Amount in US Dollars
Hypothetical Unitholder investment	10,000
Subscription	210
Other expenses (0.5%)	48.95
Management fees (0.3%)	29.22
VAT (5% of fees and charges)	3.91
Net value of investor units	9,707.92

6) Valuation and pricing

A. Valuation of Fund Assets

The total value of the Fund's assets is calculated based on the last closing prices of the underlying securities owned by the Fund on the Valuation Day, in addition to any accrued profits. Investments in unlisted securities will be valued based on the investment cost in addition to any accrued profits for the period up to the valuation date. Moreover, Investments in other investment funds will be valued based on the latest unit price declared by the investee Fund.

B. Valuation Points Frequency

The value of the Fund's assets shall be valued at the end of each day (from Monday to Friday) provided that they are Business Day for the Sub-Manager, on the basis of the latest closing stock prices available on that day, unless the markets are closed on that day, in which case the valuation shall be held on the next Valuation Day, and the Unit price shall be announced on next Business Day in the kingdom following the Valuation Day except Fridays, where the unit price for Friday will be announced on Monday provided it is a working day in Saudi Arabia.

C. Actions to be taken in the event of valuation or pricing error

In the event of incorrect valuation or mispricing of any asset of the Fund or the Unit price, the Fund Manager shall:

- Document any incorrect valuation or pricing of an asset or Unit price
- Compensate all affected Unitholders, including former Unitholders, for all valuation or pricing errors immediately.
- Notify the CMA immediately of any valuation errors or mispricing of 0.5% or more of the Unit price and disclose it immediately on the website of the Fund Manager and Tadawul's website and in the Fund's reports prepared by the Fund Manager in accordance with Article (71) of the Investment Funds Regulations "Reporting to Unitholders".



- The Fund Manager shall provide a summary of all valuation and pricing errors (if any) to the CMA in accordance with Article (72) of the Investment Funds Regulations "Reporting to the CMA".

D. Calculation of Unit price

The unit price will be calculated using the total value of the Fund's assets mentioned in paragraph (6) Sub-paragraph (A), including the profits due, profits to be collected and the reinvested dividends of the Fund, and deducting management fees after deduction of all expenses and fixed obligations and any expenses due; then, divide the result by the total number of Units that exist at that time. In exceptional or contingency cases in which the Fund Manager reasonably determines that a significant portion of the Fund's assets cannot be assessed reliably, the valuation of the Fund's assets may be delayed until such interim action is subsequently reviewed by the Fund Manager.

The Net Asset Value of the Fund is calculated as follows:

- (a) All expenses, fixed charges and operating expenses are calculated on a daily basis of the total assets.
- (b) Management fees are calculated and deducted from the output of the previous step and the result is the Net Asset Value of the Fund.

The two previous steps can be summarized in the following equation:

Net Asset Value of Fund = (Total Assets- Fees and Operating Expenses) - (Management Fees)

E. Publication of Unit price

Unit prices will be announced on the Business Day following the Valuation Day on the Fund Manager's website: www.alahlicapital.com and Tadawul's website: www.Tadawul.com.sa.

7) Dealing

A. Initial Public offering and unit price

The Fund's Units were launched in May 2000 and the unit price at the beginning of the offering was one US Dollar.

B. Submission of Subscriptions and Redemptions Requests

Days of Sale and Redemption of Fund Units: Subscription and redemption requests are accepted on every Dealing Day.

Subscription requests: All subscriptions payable in US Dollar must be made at or before 12:30 PM local time in Saudi Arabia on the Saudi Business Day prior to the target Dealing Day in order to commence participation in the Fund from the Dealing Day. Applications received after 12:30 PM local time in Saudi Arabia or if the intended subscription day falls on a formal holiday for banks or authorized persons, will be processed on the second Dealing Day after the subscription. Subscriptions, redemptions or transfers requests can be made through alternative distribution points (the Fund Manager's phone or website). Subscriptions made through other forms of payment, such as checks and transfers, may require additional time to settle and collect them, and they will be invested in the Fund as of the Dealing Day following the collection date.

Redemption Requests: Redemption may be made on any Dealing Day provided that a written notice or completed redemption form is received through branches at or before



12:30 PM local time in Saudi Arabia on the Saudi Business Day prior to the target Dealing Day. If Redemption applications received on Saudi Business Day after 12:30 PM, or if the intended redemption day falls on a formal holiday for banks or authorized persons, redemption will be processed on the second Dealing Day after the subscription.

C. Subscription and Redemption Procedures

Subscription procedure: 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 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 commercial registration, in addition to other documents required by the Fund Manager depending on the type of company or institution.

Redemption Procedure: 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 Fund Manager's phone or website). 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 day without any liability to the Fund Manager. The Investor then must file a new redemption request to be executed on the next Dealing Day.

Transfers between two funds: Transfers between two public open-ended SNB Capital funds is a single transaction consisting of two parts: redemption and subscription. Based on this, the redemption process is carried out in accordance with the above "Redemption Requests" section, and 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.

Minimum Ownership:

Minimum subscription: USD 2,000

Minimum Additional Subscription: USD 1,000

Minimum Redemption: USD 1,000

Minimum Ownership of Fund Units: USD 1,000

Redemption proceeds: Redemptions proceeds shall be paid to Unitholders no later than the close of business on the fourth (4) day following the valuation point at which the redemption price was set.

D. Unitholders Register

The Fund Manager is responsible for preparing an updated Unitholders register, in accordance with the requirements of the Investment Funds Regulations, kept in the Kingdom and treated with utmost confidentiality. The Unitholders register represents conclusive proof of ownership of the Units.



E. There is no minimum size for the assets of the Fund to start investment. The minimum size of the Fund is subject to the Investment Funds Regulations and the CMA's regulations.

F. Corrective actions necessary to ensure that the required (SAR 10 million) or its equivalent is met as a minimum Net Asset Value of the Fund

The Fund Manager shall follow the requirements of the Investment Funds Regulations and Circulars issued by the CMA in respect of the minimum required amount to be met from the Net Asset Value of the Fund. If in any case the Fund's Net Asset Value falls below the required SAR 10 million threshold, the Fund Manager shall:

- Notify the Fund Board;
- Continually monitor Fund's performance for six months.
- In case the six-month period is over without any correction, the Fund Manager will terminate the Fund in accordance with termination procedure set out in paragraph (4) Sub-paragraph (F) of this Information Memorandum.

According to the CMA's circular issued on 21/3/1440H corresponding to 29/11/2018G, fund managers are exempt from this requirement until 31/12/2020G.

G. Deferring or suspension of dealing in Units

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 trading day equals or exceeds 10% of the Fund's Net Asset Value. Deferred Redemption Requests will be processed on a pro-rata basis on the nearest Dealing Day. The Fund Manager will also follow procedures based on fair and unbiased standards in the selection of redemption requests to be deferred, noting that the standard used will be based on the proportion of requests submitted prior to the deadline for submission of redemption requests. The Fund Manager, acting in good faith, will pay the redemption proceeds to the Unitholders at the earliest practicable opportunity.

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

- If requested by the CMA to suspend the Funds' subscription and redemption.
- If the Fund Manager reasonably believes that suspension is in the interest of the Unitholders.
- If dealing is suspended in the main market in which securities or other assets are held by the Fund, whether in whole or in respect of assets of the Fund that the Fund Manager reasonably considers to be material to the Fund's Net Asset Value.

Rejection of subscription requests:

The Fund Manager may reject any request to subscribe in the Fund if such subscription would violate CMA 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 current Unitholders.



Redemptions by Fund Manager:

The Fund Manager reserves the right to redeem Units sold to any Investor in full or in part, with notice to the Investor later if he believes that such subscription may result in a violation of CMA regulations and / or other applicable regulations and / or Terms and Conditions of the Fund without holding the Fund Manager liable.

H. 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 (61) of the Investment Funds Regulations, "Deferring Redemption"

8) Units Characteristics

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

9) Accounting and Reporting

A. Information Relating to Financial Reports

- The Fund Manager will prepare the interim financial reports and present the latter to the public by publishing them within (35) days from the end of the reporting period in the means specified in the Fund's Terms and Conditions and the Information Memorandum on the Fund Manager's website and Tadawul's website.
- The Fund Manager will prepare the annual reports, including the audited annual reports, annual reports summary, and the interim reports in accordance with annex (5) of the Investment Funds Regulations, and make them available to Unitholders upon request without charge. The reports will be made public within (70) days from the end of the reporting period.
- The Fund Manager will provide each Unitholder with the Net Asset Value of their Units and the record of their transactions within (15) days of each transaction carried out by the Unitholder.
- The Fund Manager will send an annual statement to the Unitholder summarizing the transactions of the Fund's Units during the financial year within (30) days from the end of the financial year. This statement includes any profit distributions and the total expenses, charges and fees deducted from the Unitholders and mentioned in the Fund's Terms and Conditions and Information Memorandum, in addition to any violations of investment restrictions provided for in the Investment Funds Regulations or in the Funds' Terms and Conditions and the Information Memorandum.

B. Place and means of making the Fund's reports prepared by the Fund Manager

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



C. The Fund Manager will provide the annual audited financial statements at the end of each financial year.

D. The Fund Manager will provide the annual audited financial statements of the Fund free of charge upon request by the Unitholders.

10) Fund Board

A. Board members and memberships

The board member's term will start following the approval by the Board of the CMA and the members will serve for a term of three (3) years (renewable). The Fund Board consists of the following members:

- Naif Abduljalil Al-Saif (Chairman of the Board of Directors of the Fund, non-independent)
- Wisam Sami Fasihaldin (Non-Independent Member)
- Dr. Asem Khaled Al Homaidi (Independent Member)
- Mohammed Omar Al Aloyaidi (Independent Member)

B. Board of Directors Qualifications

Naif Abduljalil Al-Saif (Chairman of the Fund)

He is currently the Head of Principal Investments in SNB Capital. Naif joined Samba in February 2006. He has 15 years of experience. In Samba, Naif has managed the fixed income portfolio of more than SAR 60 billion and managed the public budget of SAR 225 billion. He is also the Chief Operating Officer in Samba London. Moreover, he is a member in Samba's Asset and Liability Committee. He has taken part in several strategic projects in developing the Saudi banking sector. Prior to joining Samba, he worked for Saudi Hollandi Bank, Derivatives Department, Treasury Section. Naif holds a bachelor's degree with Honors in Finance and Economics from King Fahd University of Petroleum and Minerals and MBA from Prince Sultan University.

Wisam Sami Fasihaldin (Non-Independent Member)

Wisam Fasihaldin is the Chief Financial Officer at SNB Capital. He joined SNB Capital in 2014G. Prior to that he held multiple roles at Saudi National Bank. He has more than 20 years of experience in financial sector. He received an MBA degree - specialized in Finance University of Business & Technology (former CBA). He holds a Bachelor degree - specialized in Business Administration from King Abdulaziz University.

Dr. Asem Khaled Al Homaidi (Independent Member)

Dr Asem, assistant professor of Finance and Investment. He received PhD in Finance from the University of New Orleans in United States of America, a Master in Financial Economics from University of New Orleans in United States of America, a Master of Finance from University of Tampa, FL and Bachelor's degree from King Saud University in Business Administration (major in Finance) Excellent grade with First Class Honor.

Mohammed Omar Al Oyaidi (Independent Member)

Aloyaidi, the founder of OCPAs, has more than 15 years of experience in the area of capital markets, accounting, auditing and risk management. He has also worked in some international companies and agencies such as KPMG, Ernst & Young, the World Bank



Group and the Saudi Capital Market Authority. He received a Master of Business Administration from Oklahoma City University and a Bachelor's degree in Accounting from King Saud University. He was awarded CPA Fellowship as well as SOCPA Fellowship. Aloyaidi is Business Valuer certified by Saudi Authority for Accredited Valuers (TAQEEM).

C. Roles and responsibilities of the Board of Directors of the Fund

The Fund Board's duties include, but are not limited to, the following:

- Approving all of the Funds' material contracts, reports and decisions.
- Overseeing, and where appropriate, ratifying any conflict of interest the Fund Manager identifies in accordance with the Investment Funds Regulations.
- Meeting at least twice a year with the Fund Manager's compliance officer (compliance committee).
- Approving any recommendations made by a liquidator in the event one is appointed.
- Ensuring the completeness, accuracy and compliance with the Fund's Terms and Conditions, Information Memorandum and any other documents relating to the Investment Funds Regulations.
- Ensuring the Fund Manager carries out his obligation in the best interest of the Unitholders, in accordance with the Terms and Conditions of the Fund and with the Investment Funds Regulations.
- Acting for the benefit of the Fund and its Unitholders.
- Approving the appointment of the external Auditor nominated by the Fund Manager.
- Documenting the meetings minutes that reflect all the proceedings of the meetings and decisions taken by the Board.

D. Details of the Board of Directors remuneration

Each member of the Fund's independent Board of Directors receives USD 37,333.33 annually, divided by the number of open-ended public investment funds managed by the Fund Manager and supervised by the Fund Board.

E. Conflict of interest between the Board members and the Fund

Members of the Fund Board may be members of other funds that may seek investment objectives similar to those of the Fund. Therefore, in the exercise of its business, a member of the Fund Board may find himself in a situation of potential conflict of duties or interests with one or more funds. However, in such cases, the member shall take into account his obligations to act in the best interests of the Unitholders to the maximum practicable extent and not to overlook his obligations to his other clients when he considers any investment that may involve a potential conflict of interest, and in situations requiring voting, that Member shall refrain from doing so. To the date of issuing the Information Memorandum, there is no significant business or other interest to the members of the Fund Board, which is likely to conflict with the interests of the Fund.



F. Fund Boards in which the relevant members of this Fund Board participates

All Fund Board members are also directors in the following Funds:

Fund/Board Member	Naif Al-Saif	Wisam Fasihaldin	Dr. Asem Al Homaidi	Mohammed Al Oyaidi
SNB Capital GCC Growth and Income Fund	√	√	√	√
SNB Capital Global REITs Fund	√	√	√	√
SNB Capital Fund of REITs Fund	√	√	√	√
SNB Capital Freestyle Saudi Equity Fund	√	√	√	√
SNB Capital Saudi Small and Mid-Cap Equity Fund	√	√	√	√
SNB Capital Global Health Care Fund	√	√	√	√
SNB Capital GCC Trading Equity Fund	√	√	√	√
SNB Capital Saudi Trading Equity Fund	√	√	√	√
SNB Capital Asia Pacific Index Fund	√	√	√	√
SNB Capital Emerging Markets Index Fund	√	√	√	√
SNB Capital North America Index Fund	√	√	√	√
SNB Capital Europe Index Fund	√	√	√	√
AlAhli SEDCO Residential Development Fund			√	√
AlAhli REIT Fund (1)				√
SNB Capital Sovereign Sukuk Fund	√			

11) Shariah Committee

A. Shariah Committee Members and Qualification

(1) Sheikh Abdullah Bin Suleiman Al-Maniya (Chairman)

Member of the Senior Council of Scholars and an advisor to the Royal Court in the Kingdom of Saudi Arabia. He is also a member of the Shariah Committee for preparing the judicial code of the Kingdom. He is a member of the Islamic Fiqh Academy of the Organization of Islamic Conference, and Fiqh Academy of the Muslim World League. He has also been a member of the Supreme Judiciary Committee of the Kingdom since its inception in 1391H and was formerly Deputy President of the Makkah Al-Mukarramah Courts and a former Judge of the Court of Cassation in Makkah Al Mukarramah. Sheikh Abdullah Almaniya is a member of several supervisory committees supervising banks in the Kingdom, and a member of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He also authored several books on Islamic finance and



Fiqh. He holds a master's degree from the Higher Judicial Institute of Imam Muhammad bin Saud Islamic University.

(2) Sheikh Dr. Abdullah bin Abdulaziz Al Musleh (Member)

Sheikh Al Musleh is a well-known Shariah Scholar. He is the General Director of the Panel of Scientific Miracles in the Quran and Sunnah. He established a branch of Al Imam Muhammad bin Saud Islamic University in Abha and was its rector from the year 1396H until 1415H. He has also served as the Dean of Shariah and Principles of Religion at the Imam Muhammad bin Saud Islamic University. Sheikh Al Musleh is also a member of many Shariah supervisory committees supervising banks in the Kingdom and is a frequent speaker on TV Islamic programs. He is also an author of several books in Islamic finance and Fiqh.

(3) Sheikh Dr. Abdullah bin Mohammed Al Mutlaq (Member)

Sheikh Dr. Abdulla Bin Mohammed Al Mutlaq is a member of the Senior Scholars Board and the Dar Al-Ifta Committee, both in Saudi Arabia. He is also an advisor of the Royal Court of Saudi Arabia and a former Dean of the Comparative Fiqh Department at Imam Muhammad bin Saud Islamic University in Riyadh. Sheikh Dr. Al Mutlaq is a member of Shariah Committees of several Islamic banks and financial institutions.

(4) Sheikh Dr. Saad ibn Nasser Al-Shithri (Member)

Advisor to the Royal Court. A member of the senior scholar council – KSA. And, a Professor at many Universities. And, has a lot of studies and publications related to Islamic banking industry and other Sharia aspects.

(5) Sheikh Dr. Muhammad Ali Al Gari (Member)

Dr. Elgari was a former professor of Islamic Economics at King Abdulaziz University, Jeddah, Saudi Arabia and a former Director of the Center for Research in Islamic Economics, in the same university. He is a member of numerous Shariah Committees of several banks and financial institutions. He is a well-known expert in the field at the Islamic Jurisprudence Academy of the OIC, the Islamic World League and a Member of Shariah Supervisory Board. He is also a member of the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence, Journal of the Jurisprudence Academy, Journal of Islamic Economic Studies published by the Islamic Development Bank, Journal of Islamic Economics published by the International Association of Islamic Economists (IAIE), London, and the advisory board of Harvard Series in Islamic Law, Harvard Law School. Dr. Mohamed Ali Al Gari holds a Ph.D. in economics from the University of California and is a recipient of the Islamic Development Bank's International Prize in Islamic Banking and Finance for the year 2004. He has authored several books and articles on Islamic finance in Arabic and English and is a frequent speaker at Islamic Banking and Finance conferences around the world.

(6) Sheikh Dr. Khaled Al-Sayari (Member)

Dr. Khaled has a doctorate in comparative jurisprudence from the Higher Institute of Judiciary at Imam Muhammad bin Saud Islamic University in Riyadh. He also has practical experiences gained through his work in a number of specialized financial institutions and his participation in a number of seminars, conferences and discussion panels specialized in the jurisprudence of Islamic financial transactions and the Islamic banking industry, as he is a principal researcher participant in the Al-Baraka symposium on Islamic economics and the Future of Islamic Banking Symposium organized by the



Saudi National Bank and the conferences of the Accounting and Auditing Organization for Islamic financial institutions and others.

B. The roles and responsibilities of the Shariah Committee

- Reviewing the Fund's offering documents, including the Information Memorandum and the Terms and Conditions of the Fund, and approve any subsequent amendments.
- Preparing the Shariah Guidelines to be followed by the Fund's Investments.
- Meeting if necessary to discuss issues related to the Fund.
- Responding to inquiries from the Fund Manager regarding the Fund's Investments, activities or investment structure and compliance with Shariah rules and standards.
- Supervising and monitoring the activities of the Fund to ensure compliance with the Shariah guidelines or delegating it to another party.

C. Shariah Committee Remuneration

The Fund will bear the Shariah audit fees in an amount of USD 7,200 annually. The Shariah advisory fees, if any, will be charged separately.

D. Shariah Guidelines

The fund manager is required to ensure that all the investments and investment strategies meet the Shariah guidelines issued by the Shariah Committee. If the fund manager wishes to enter into a transaction that is not permissible by the Shariah guidelines issued by the Shariah Committee, he is required to obtain an approval in a dependent decision from the Shariah Committee.

The Shariah Committee is of the position that joint stock companies are not allowed to buy and sell their shares for the following purposes:

- Conducting financial activities that don't meet the Shariah guidelines such as banks which deal with interests or with financial instruments that contradict with the Shariah Committee's Regulations (insurance companies except for companies approved by the Committee).
- Manufacture and distribution of alcohol or tobacco products and whatever deemed so.
- Manufacture and distribution of pork or its productions.
- Manufacture and distribution of meat products not slaughtered according to Islamic Law.
- Operating gambling casinos or manufacturing the gambling machines and equipment.
- Operating cinemas and the creation, publication and distribution of pornography.
- Operating hotels and restaurants that are engaged in any of the prohibited industries mentioned above.

It is not permissible to invest in shares of companies which their total Riba deposits exceeding 33% of the Company's market value or the total assets of the company in its books, whichever is higher.

It is not permissible to invest in shares of companies; based on their balance sheet, with Riba-based loans exceeding 33% of the Company's market value or the total assets of the company in its books, whichever is higher.

It is not permissible to deal in shares of companies which their Shariah Non-Compliant income from difference sources exceeds 5% of its total income whether from Riba interests or from Shariah Non-Compliant sources.

The following standards shall be applied in case the fund invests in real estate investment trusts (REITs):

- It is not permissible to invest in shares of companies which their total Riba deposits exceed 33% of their total assets.
- It is not permissible to invest in shares of companies which their Riba Loans exceeds 33% of their total assets. The market value of the company's assets; based on an assessment by a third



independent party, determines the company's total assets or the total book value of such assets when the market value isn't available.

- It is not permissible to deal in shares of companies which their Shariah Non-Compliant income from difference sources exceeds (5%) of its total income whether from Riba interests or from Shariah Non-Compliant sources.
- Upon request, the fund manager will provide the investors in the fund with the adopted method to calculate the market value of the companies' share and the Shariah Non-Compliant income without imposing any fees.
- Regarding investments in REITs, the fund will invest in the funds according to IdealRatings Global REITs Islamic Index.

Investment criteria for money market funds:

- Murabaha, Mudarabah, Musharakah transactions in addition to others which their structures are approved by the Shariah Committee or its representative.
- Sukuk investments approved by the related Supervisory Committee after being approved by the Shariah Committee or its representative.
- Trade finance transactions which their structures were approved by the Shariah Committee or its representative.
- The fund manager is required to determine the Shariah Non-Compliant income and deposit in a separate account to be spent on charities. The purification process is conducted on a quarterly basis according to the approved regulations by the Shariah Committee.

Investment tools and methods:

It is not permissible to buy and sell shares in any the following investment instruments:

- futures
- options
- swap
- preferred stocks contracts.
- Short Selling contracts

The fund may invest in Sukuk, Murabaha transactions, financial certificates and investment funds invested in accordance with Shariah Regulations.

Periodic review:

The joint stock companies' compliance with Shariah guidelines will be under review on a quarterly basis, and if any of the companies owned by the fund fails to comply with the Shariah guidelines, it will be sold within a period not exceeding (90) days from the date of the review.

12) Fund Manager

A. Fund Manager

SNB Capital Company

B. License Number issued by the Capital Market Authority

SNB Capital Company is licensed under the Capital Market Authority (CMA) License No. 06046-37.

C. Fund Manager's address

SNB Capital Company
King Saud Road, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.
Tel: +966 118747106
Fax: +966 114060049
Website: www.alahlicapital.com



D. Date of license issuance by the Capital Market Authority

3 Dhu al-Hijja 1427H, corresponding to 24 December 2006.

E. Paid up capital by the Fund Manager

SNB Capital is a Saudi joint stock company with a paid-up capital of SAR 1 billion.

F. Summary of financial disclosure, income and profits for the previous financial year (in thousand Saudi Riyals)

Item	For the Year 2020
Total Operating Income	1,142,232
Total Operating Expenses	(321,861)
Total non-Operating Income	(5,582)
Zakat for the year	(62,400)
Net Profit	752,389



G. Fund Manager's Board members, and the main activities of each member (other than those related to the Fund Manager)

Name	Title	Other Board Memberships
Ammar Alkhudairy	Fund Manager's Chairman (Non-executive member)	<ul style="list-style-type: none"> - Saudi National Bank. - Amwal Capital Partners. - Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO). - Real Estate Development Fund. - Almarai Company.
Faisal AlSaggaf	Fund Manager Vice Chairman (Non-executive member)	<ul style="list-style-type: none"> - Farouk & Maamoun Mohammed Said Tamer Industries Holding Co. Ltd.
Rashed Ibrahim Sharif	Fund Manager's CEO (Executive member)	<ul style="list-style-type: none"> - Saudi National Bank. - Saudi Telecom Company. - Accor Invest Group. - NEOM Tech & Digital Company.
Ahmed Alrabiah	Independent member	<ul style="list-style-type: none"> - Al Rabiah Financial Consulting Firm. – ARMAALY - Eastern Region Amana Company. – Under Formation
Mohammad Al-Ashaikh	Non-executive member	<ul style="list-style-type: none"> - Saudi Credit Bureau (SIMAH). - Riyadh Economic Forum.
Abdullah Alabduljabar	Independent member	<ul style="list-style-type: none"> - Saudi Arabian Investments Company. "Sanabil Investments". - SNB Capital Company. - Saudi Digital Payments Company. "STC Pay" - Caffeine Inc. - Richard Attias & Associates. - Caffeine Inc. - Performance 54 Group Limited.

H. Roles, responsibilities and duties of the Fund Manager regarding the Fund

- Comply with all the laws and implementing regulations issued by the CMA and the applicable instructions in the Kingdom of Saudi Arabia related to the Fund's operations, including the requirements of the Investment Funds Regulations and the Authorized Persons Regulations, which includes acting to the best interest of the Unitholders and with reasonable care.
- Manage the Fund's assets to the best interest of the Unitholders in accordance with the Terms and Conditions of the Fund and the Information Memorandum and the performance of all its functions in respect to the Register of Unitholders.
- Develop the decision-making procedures to be followed to implement the Fund's administrative aspects, offering of Funds Units and the Fund operations.
- Ensure that the Terms and Conditions of the Fund and the Information Memorandum are accurate, complete, correct and not misleading.
- The Fund Manager shall be responsible for complying with the provisions of the Investment Funds Regulations, whether those requirements and duties have been



performed directly by the Fund Manager or indirectly through assigning it to a third party under the provisions of the Investment Funds Regulations and the Authorized Persons Regulations.

- The Fund Manager is liable to the Unitholders for any losses resulting from fraud, negligence, malpractice or intentional failure to meet obligations.
- The Fund Manager will prepare policies and procedures to monitor the risks affecting the Fund's Investments. Such policies and procedures will include risk assessment at least annually.
- Implement the Fund's compliance monitoring program, and provide the CMA with the results of such implementation upon request.

I. Tasks assigned to a third party by the Fund Manager in respect of the Fund

The Fund deals with a third party in order to carry out the following functions:

- External auditor to carry out auditing task.
- The Shariah Committee to supervise the activities of the Fund to ensure compliance with Shariah guidelines.
- Sub-manager to manage the Fund's assets in accordance with its policies and the Shariah Guidelines.

J. Other business activity or interests of the Fund Manager that are of significance or could potentially conflict with those of the Fund

The Fund Manager and other SNB Capital affiliates may from time to time act as fund managers, fund advisors or other sub-funds seeking similar investment objectives for the Fund. Therefore, in the exercise of its business, the Fund Manager may find himself in a position of potential conflict of interest or duties with one or more funds. In such cases, the Fund Manager will take into account its obligations to act in the best interests of the Unitholders to the fullest extent practicable and not to overlook its obligations to its other clients when considering any investment that may involve potential conflicts of interest. Note that as of the date of issuing the Fund's Information Memorandum and Terms and Conditions, no other business activity or interest important to the Fund Manager is likely to conflict with the interests of the Fund.

K. Provisions governing the Removal or Replacement of the Fund Manager

The CMA may remove the Fund Manager in respect of any specific investment fund and take any action it deems appropriate to appoint an alternative fund manager for that Fund or to take any other measure it deems appropriate in case of any of the following cases:

- The Fund Manager ceases to carry on management activities without notifying the CMA under the Authorized Persons Regulations.
- Cancellation, withdrawal or suspension of the Fund Manager's license by the CMA to carry on management activities under the Authorized Persons Regulations.
- The Fund Manager sends a request to the CMA to cancel his license of carrying out management activities.
- If the CMA believes that the Fund Manager has committed material violations and failed to comply with the implementing regulations.



- The death, inability or resignation of the Fund Manager who manages the Fund's assets, with no other person registered with the Fund Manager capable of managing the assets of the Fund or the assets of the Funds managed by the Fund Manager.
- Any other case that the CMA considers - on reasonable grounds - to be sufficiently material.

13) Custodian

A. Name of the Custodian

The Northern Trust Company of Saudi Arabia

B. License Number Issued by CMA

License No. 12163-26

C. Address of the Custodian

The Northern Trust Company of Saudi Arabia
Nakheel Tower, P.O Box 10175
Riyadh 11433, Saudi Arabia
Phone: +966 11 418 8694
Website: www.northerntrust.com

D. The date of the license issued by the Capital Market Authority

22 Rabi' al-Thani 1434 corresponding to 04 March 2013.

E. Roles and responsibilities of the Custodian

- The Custodian shall be responsible for his obligations in accordance with the provisions of the Investment Funds Regulations, whether he performs his responsibilities directly or by assigning it to a third party under the provisions of the Investment Funds Regulations or the Authorized Persons Regulations.
- The Custodian shall be liable to the Fund Manager and the Unitholders for losses incurred by the Fund due to fraud, negligence, deliberate misconduct or intentional default.
- Protect the Fund's assets for the benefit of the Unitholders, and being responsible for taking all necessary administrative actions to protect the Fund's assets.

F. The tasks entrusted to a third party by a Custodian

The Custodian has the right to appoint a third party or more or any of its affiliates, licensed to carry out custody business, as sub-custodian.

G. Provisions governing the Removal or Replacement of the Custodian.

The CMA may remove the Custodian appointed by the Fund Manager or take any actions it deems appropriate in the event of any of the following cases:

- The Custodian ceases to provide custody services without notice to the CMA in accordance with the Authorized Persons Regulations.
- The Custodians' license to practice custody activity is canceled, revoked or suspended.



- The Custodian submits an application to the CMA to cancel its license to provide custody services.
- The Custodian is deemed by the CMA to have committed any material violation of the Capital Market Law or its implementing regulations.
- Any other cases that the CMA reasonably considers to be of significance.

The Fund Manager may also remove the Custodian by written notice if it reasonably considers removing it is in the interest of the Unitholders and the Fund Manager shall promptly notify the CMA and the Unitholders.

14) Distributer

The Fund Manager has assigned the following distributors to distribute the fund;

- Derayah Financial Corporation Co., Address: P.O. Box 286546, Riyadh, 11323, Saudi Arabia. Licensed by the Capital Market Authority (CMA) (08109 – 27).
- BIBD SECURITIES SDN BHD, Address: Ground Floor, Unit 9, 10, 11 Suria Kiulap, Kg Kiulap Negara Brunei Darussalam. And licensed by: Under the Companies Act Chapter 39
- All Funds Bank, Address: Estafera, 6, La Moraleja, Complejo Plaza de la Fuente, Alcobendas 28109-Madrid. Licensed by: Registre de commerce et des Societes Luxembourg.

15) Auditors

A. Chartered Accountant name

KPMG AL Fozan & Partners

B. Registered address and working address of the Chartered Accountant

Zahrán Business Center - Prince Sultan Street P.O. Box 55078, Jeddah 21534 Saudi Arabia,
Phone: +966 12 698 9595
Fax: +966 12 698 9494
Website: www.kpmg.com/sa

C. Roles and responsibility of the auditor

The auditor's responsibility is 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 taking appropriate actions to obtain sufficient evidence of the amounts and notes contained in the financial statements, in addition to assessing the efficiency of the accounting policies in place and the reasonableness of the accounting estimates used, and assessing the overall presentation of the financial statements.



16) Other Information

A. Policies and procedures used to address any conflict of interest and any potential and / or actual conflict of interest will be provided upon request free of charge.

B. Rebates and commissions

The Fund Manager may enter into commission arrangements that are limited to goods and services that the Fund Manager may receive, in relation to the execution of transactions on behalf of the Fund or to conduct research in favor of the Fund in accordance with the Authorized Persons Regulations.

C. Information regarding Zakat and /or Tax

The VAT is applied to the Fund in accordance with the VAT Law and its implementing regulations. The Fund Manager shall not pay Zakat on behalf of the Unitholders.

D. Unitholders Meeting

Circumstances in which Unitholders meeting shall be convened

- Initiative by the Fund Manager;
- A written request from the Custodian, and the Fund Manager shall convene the meeting of the Unitholders within (10) Business Days after receiving the request from the Custodian;
- A written request from one or more of the Unitholders who together or individually hold at least 25% of the value of the Fund's Units. The Fund Manager will convene the Unitholders' meeting within (10) Business Days after receiving the request from one or more Unitholders.

Procedures for convening a Unitholder's meeting:

The Fund Manager abides by article (70) of the Investment Funds Regulations concerning Unitholders' meetings. The call to the Unitholders' meeting will be announced through the Fund Manager's website and Tadawul's website, and by sending a notice to all Unitholders and the Custodian at least (10) days prior to the meeting, but not exceeding (21) days prior to the meeting. The notice shall specify the date, location, time and proposed resolutions. The Unitholders meeting is valid only if attended by a number of Unitholders who together hold at least 25% of the value of the Units of the Fund. And in case the 25% target is not met, the Fund Manager will call for a second meeting through an announcement on the Fund Manager's website and Tadawul's website, and by sending a written notice to all Unitholders and the Custodian at least (5) days prior to the meeting, and the second meeting shall be considered valid regardless of the percentage value owned by the attendees (Unitholders).

Voting method and rights:

Each Unitholder may appoint an agent to represent him at the Unitholders' meeting, and the Unitholder or his agent may make one vote at the Unitholders' meeting for each Unit owned at the time of the meeting. The Fund Manager may also hold Unitholders' meetings, participate in its deliberations and vote on its decisions by means of modern technology. The meeting documents and decisions resulting from the meeting may also be sent by means of modern technology.



Voting rights in the Unitholders meeting:

The Unitholder has the right to exercise all rights associated with the Units, including obtaining his consent on any changes that require approval in accordance with the Investment Funds Regulations.

E. Fund termination and liquidation procedures

If the Fund Manager wishes to terminate the public Fund, he will notify the CMA and the Unitholders in writing of his desire to do so not less than (21) days prior to the date on which the public fund is to be terminated without breaching the Terms and Conditions of the Fund and the Information Memorandum.

- Notice of Fund termination to the parties having a contractual relationship with it.
- Gradual sale of the Fund's assets.
- Payment of outstanding liabilities from the Funds' assets, and the distribution of the remaining amount to the registered Unitholders on the date of liquidation on a pro rata basis to the Unitholders, in proportion to their respective holdings.
- Remove the Fund's information from the Fund Manager's website and Tadawul's website.

F. Complaint Procedures

If the Unitholder has any complaint related to the Fund, he 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, the Unitholder may file his 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.

G. The Committee for the Resolution of Securities Disputes is competent to adjudicate disputes arising from investing in the Investment Fund.

H. List of documents available to Unitholders

The Documents include the following:

- Terms and Conditions
- Key Fact Sheet
- Contracts mentioned in the Information Memorandum, and the Terms and Conditions of the Fund.
- Financial statements of the Fund Manager.



I. Ownership of the Fund's Assets

The Investment Funds' assets are owned collectively by the Unitholders (undivided ownership). A Fund Manager, Sub-Fund Manager, Custodian, Sub-Custodian, Consultant or Distributor shall not have any interest in or claim against such assets, unless the Fund Manager, Sub-Fund Manager, Custodian, Sub-Custodian, Consultant or Distributor is a Unitholder - within the limits of their ownership- or unless permitted under the provisions of the Investment Funds Regulations and disclosed in the Fund's Terms and Conditions or Information Memorandum.

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

K. Confidentiality of the 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.

L. Death of Unitholders

The Investor's consent to these Terms and Conditions and Information Memorandum 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, and Information Memorandum 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.

M. Anti-money Laundering and Terrorist Financing Regulations:

The Fund Manager will comply with the Anti-Money Laundering and Terrorist Financing Regulations issued by the CMA Board under Resolution No. 1-39-2008 dated 3/12/1429H, corresponding to 1/12/2008G, as amended. 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.

N. Sharing of Information:

The information required to open and operate the investor's account and to comply with applicable regulations will be shared between the Fund Manager and other parties as determined by the Fund Manager. The Unitholder also agrees that such information may be shared with competent regulatory authorities.



O. Severability of Provisions:

Should any provision of this agreement be or become invalid or unenforceable, the remaining provisions shall remain in full force and effect.

P. Language:

Pursuant to paragraph (a) of Article (54) of the Investment Funds Regulations, the Terms and Conditions of the Fund shall be in Arabic and made available upon request free of charge. These Terms and Conditions may be issued in English. However, in case of any semantic difference between the Arabic and English versions, the Arabic text shall prevail.

17) Additional Information:

A. There is no guarantee to the unitholders that the performance or performance of the investment fund relative to the index will be repeated or similar to the previous performance.

B. Conditions that may lead to errors in tracking index performance:

The Fund may not achieve a return in conformity with the index given the commitment of the Fund Manager to regulatory requirements which may limit its ownership in some companies. The return on the securities and other Investments selected by the investment adviser may not correlate precisely with the return on the Index. The Fund incurs operating expenses are not taken to account in the performance of the index bearing the sale and purchase of securities costs. The Fund may keep excess cash as cash or cash equivalent to meet redemption requests. In addition, increase subscription and / or redemption of the Fund's ability to accurately track the index. The Fund Manager will try to minimize the tracking error.

C. The Benchmark:

MSCI Pacific Islamic M-Series (Net Total Return USD), which is an index based on the average free float adjusted market capitalization weighted index to measure the performance of Shariah compliant large and medium cap segment companies listed across developed markets countries in Asia and the Pacific region. Unitholders may see the performance of the Benchmark on the Fund Manager website www.alahlicapital.com. The index service provider is MSCI Inc.

D. Conditions may affect the accuracy and completeness of the calculation of the Index:

The Fund Manager or Index Provider MSCI Inc. shall not be liable for any delay or failure in the performance or calculation of the index due to external causes beyond their control, including but not limited to any circumstance arising from superior force, act by government or regulatory authority, Enemy action, malfunction in the computer or relate system, war, riot, fire, flood, civil unrest, disobedience, difficulty of working (including but not limited to, strikes, or economic slowdown), or bad weather.

E. Termination of Index by the Index Provider:

In the event the index provider (MSCI) terminates the index, and if circumstances permit, the index provider (MSCI) shall provide the Fund Manager a prior written notice of termination. The notification letter shall provide alternative indices. If the index provider (MSCI) provides an alternative index, the Fund Manager has the option to use that alternative index. In the absence of an alternative index, The Fund Manager has the right to be provided, in a confidential form, with the required information to enable him/her to calculate the value of the index internally.



F. Tracking error from the index:

The Fund Manager aims to minimize/reduce the tracking error from the index. The Fund Manager discloses the percentage of the tracking error in the Fund's Factsheet on a quarterly basis.



18) Summary of Financial Disclosure and Past Performance Schedule

Summary of the Fund's fees and expenses for the period ended December 2020 in thousands of USDs:

Type of expenses	Amount USD '000
Annual Fund Management Fee (0.30% of NAV)	160
VAT on Management Fee	19
Custody Fees *	31
Remuneration costs of all independent directors annually *	6
Audit Fees *	10
Sharia Audit Fees *	8
CMA Fees *	2
Tadawul Fees*	1
Fund Administration & Operation expenses	15
Dealing Fees	9
Total Fees & Expenses	261

*Other fees and expenses shall not exceed in total 0.50% of the average value of the Fund's assets. Other actual expenses reached around 0.14% of the average value of the Fund's assets. The Fund will review the expenses charged to the Fund on a quarterly basis (every three months). The Fund Manager reserves the right to rebate or waive the management fees, in case any fund managed by SNB Capital invests in that Fund.

Terms and Conditions

SNB Capital Asia Pacific Index Fund

An Open-ended public index investment fund

Fund Manager

SNB Capital Company

SNB Capital Asia Pacific Index Fund has been approved as being Shariah compliant by the Shariah Committee appointed for the investment fund

All of the contents of these Terms and Conditions and all other documents complies with the Investment Funds Regulations and contain complete, clear, accurate and non- misleading information on the investment fund



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Terms and Conditions

1) General Information

A. Fund Manager Name and License issued by the CMA

SNB Capital Company (SNB Capital) licensed under the CMA License No. 06046- 37 to provide management, custody, arrangement, advice, underwriting and dealing services, as principal and agent in securities.

B. Fund Manager's Address

SNB Capital Company
King Saud Road, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.
Tel: +966 92000 0232
Fax: +966 114060049
Website: www.alahlicapital.com

C. Fund Manager's Website

For more information regarding the Fund Manager or the Fund, please visit the following website www.alahlicapital.com

D. Custodian

The Northern Trust Company of Saudi Arabia.

E. Custodian's Website

www.northerntrust.com

2) Governing Laws

The Fund and the Fund Manager are subject to the Capital Market Law (CML), its implementing regulations and all other related regulations in the Kingdom of Saudi Arabia.

3) Investment Fund Objectives

A. Fund's type and objective

SNB Capital Asia Pacific Index Fund is an open-ended Shariah compliant fund is aimed at long-term capital growth by achieving a total return equivalent to the performance of the MSCI Pacific Islamic M-Series (Net Total Return USD).

B. Investment policies, practices and types of assets in which the fund will invest

- The Fund Primarily Invests in the stocks of large-medium cap segment. The Fund Primarily Invests in the stocks of large-medium cap listed across developed markets in Asia and the Pacific region.
- The Fund is managed pursuant to an index-linked passive strategy that is designed to track the performance of MSCI Pacific Islamic M-Series (Net Total Return USD). The Fund aims to achieve a performance similar to that of the index through investing all or most of its assets in the stocks included in the index, with the investment weight in each share that is approximately equal to its weight in the index or by using a representative sample, provided that the Fund's Investments in the securities of a single issuer shall not exceed 20 % of Fund's net assets value, and that the Fund shall not hold more than 20% of its net asset value in any class of securities issued by one single issuer. In addition, the



Fund Manager will rebalance based on the changes that may occur in the index components.

- The Fund will only invest in Shariah-compliant financial instruments. The Fund's Investments will be as shown in the following table:

Asset class	Minimum as % of NAV	Maximum as % of NAV
Listed Equity	90%	100%
Cash, Murabaha transactions and money market funds	0%	10%
Investment funds following similar Index	0%	10%

4) Duration of the investment Fund

SNB Capital Asia Pacific Index Fund is an open-ended fund with no fixed duration or maturity date.

5) Investment Restrictions/Limitations

The Fund will comply with the restrictions set out in Article 41 of the Investment Funds Regulations ("Investment Restrictions") applicable to the Fund, and standards set by the Shariah Committee.

6) Currency

The Fund currency is the US Dollar. In case of subscription in currencies other than the US Dollar, the exchange rate used will be subject to the prevailing exchange rates and the Unitholders will bear any exchange rate fluctuation.

7) Fees, Charges and expenses

A. Details of all payments and method of calculation

Management Fees: The Fund Manager will charge an annual management fee of 0.30% of the Net Asset Value of the Fund calculated proportionally on each Valuation Day and deducted monthly. If the Fund invests in other funds managed by SNB Capital, the management fees will be rebated or waived to avoid double charges. The investment management fee is subject to VAT, the Fund will separately pay it to the Fund Manager at rates prescribed by the VAT Law and its implementing regulations.

Shariah Compliant Financing charges: If applicable, 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 local 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 volume 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, audit fees, remuneration of independent directors of the Fund Board, Shariah audit and advisory fee, regulatory fees, Tadawul fees, as well as administrative and operational



expenses. The other fees and expenses will be reviewed by the Fund Manager on quarterly basis (every three months) and will not exceed 0.5% of the average value of the Fund's assets during the financial year, and they are as follows:

Custody and Accounting Fees: The annual custody fee ranges from (0.15 to 60) bps from the total Fund assets under custody. In addition, a transaction fee will be charged for each transaction ranging from (5 to 190) USD, depending on the market in which the Fund invests in. The Fund is charged with accounting fees of (1.5) bps if the Fund size is USD 100 million or less. If the Fund size exceeds one USD 100 million, the Fund will be charged 1.25 basis points. The custody fees and accounting fees calculated on each valuation day and deducted monthly from the Fund.

Fund Board Remuneration: Each independent member of the Fund Board receives USD 37,333.33 annually, divided by the number of open-ended funds managed by the Fund Manager and supervised by the Board.

Audit Fees: USD 8,684.80 annually, calculated on each Valuation Day and deducted monthly.

Shariah Audit Fee: USD 7,200 annually, calculated on each Valuation Day and deducted monthly.

Capital Market Authority Fees: USD 2,000 annually, calculated on each Valuation Day and deducted monthly.

Publishing the Fund's information on the Tadawul's website: USD 1,333 annually, calculated on each Valuation Day and deducted monthly.

Administrative and operational expenses: charged to the Fund based on the percentage of the Fund's assets over all public funds assets under management.

All fees, charges, commissions and expenses payable to SNB Capital and other service providers will be exclusive of VAT, which the Fund shall separately pay to the Fund Manager according to rates set by the VAT law and its implementing regulations.

B. Transaction fees

Subscription Fees: The Fund Manager will deduct up to 2% of the subscription amount upon each subscription transaction in the Fund, after which the balance will be invested 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 separately pay to SNB Capital, at rates prescribed by the VAT Law and its implementing regulations.

C. Special commissions

The Fund Manager may enter into special commission arrangements that are limited to goods and services, which the Fund Manager may obtain provided that they are related to the execution of transactions or research services on behalf of the Fund in accordance with the Authorized Persons Regulations.



8) Valuation and Pricing

A. Valuation of Fund Assets:

The total value of the Fund's assets is calculated based on the last closing prices of the underlying securities owned by the Fund on the Valuation Day, in addition to any accrued profits. Investments in unlisted securities will be valued based on the investment cost in addition to any accrued profits for the period up to the valuation date. Moreover, Investments in other investment funds will be valued based on the latest unit price declared by the investee Fund.

B. Frequency of valuation points:

The value of the Fund's assets shall be valued at the end of each day (from Monday to Friday) provided that they are Business Day for the Sub-Manager, on the basis of the latest closing stock prices available on that day, unless the markets are closed on that day, in which case the valuation shall be held on the next Valuation Day, and the Unit price shall be announced on next Business Day in the kingdom following the Valuation Day except Fridays, where the unit price for Friday will be announced on Monday provided it is a working day in Saudi Arabia.

C. Action to be taken in case of valuation or pricing errors:

In the event of incorrect valuation or mispricing of any asset of the Fund or the Unit price, the Fund Manager shall:

- Document any incorrect valuation or pricing of an asset or Unit price.
- Compensate all affected Unitholders, including former Unitholders, for all valuation or pricing errors immediately.
- Notify the CMA immediately of any valuation errors or mispricing of 0.5% or more of the Unit price and disclose it immediately on the website of the Fund Manager and Tadawul's website and in the Fund's reports prepared by the Fund Manager in accordance with Article (71) of the Investment Funds Regulations.

The Fund Manager shall provide a summary of all valuation and pricing errors (if any) to the CMA in accordance with Article (72) of the Investment Funds Regulations.

D. Calculation of Unit price:

The Unit price will be calculated using the total value of the Fund's assets mentioned in paragraph (8) Sub-paragraph (A), including the profits due, profits to be collected and the reinvested dividends of the Fund, and deducting management fees after deduction of all expenses and fixed obligations and any expenses due; then, divide the result by the total number of Units that exist at that time. In exceptional or contingency cases in which the Fund Manager reasonably determines that a significant portion of the Fund's assets cannot be assessed reliably, the valuation of the Fund's assets may be delayed until such interim action is subsequently reviewed by the Fund Manager.

The Net Asset Value of the Fund is calculated as follows:

- (1) All expenses, fixed charges and operating expenses are calculated on a daily basis of the total assets and are deducted on the valuation date.



- (2) Management fees are calculated and deducted from the output of the previous step and the result is the Net Asset Value of the Fund.

The two previous steps can be summarized in the following equation:

Net Asset Value of Fund = (Total Asset size - Fixed Fees and Actual Operating Expenses) - (Management Fees)

E. Publication of unit price, and frequency

The Fund Manager will announce the Unit price on the Business Day following the Valuation Day on the Fund Manager's website www.alahlicapital.com and Tadawul's website www.Tadawul.com.sa.

9) Dealing

A. Fund's Manager responsibilities in relation to subscription and redemption requests

- Subscription and Redemption requests can be submitted on every Saudi Business Day. The request will be processed based on the Unit price of the nearest Dealing Day if the request was submitted prior to the deadline for subscription and redemption requests, as demonstrated in the Terms and Conditions and the Information Memorandum.
- The Fund Manager shall execute the Subscription and Redemption Orders and pay the redemption proceeds in accordance with the terms and conditions of the Fund and the Memorandum of Information, in a manner not inconsistent with the Investment Funds Regulations.

B. The period between the redemption request and the payment of redemption proceeds:

Redemptions proceeds shall be paid to Unitholders no later than the close of business on the fourth (4) day following the valuation point at which the redemption price was set.

C. Restrictions on dealing in Units of the Fund

The Fund Manager shall comply with the provisions of the Investment Funds Regulations, with Terms and Conditions, and the Information Memorandum when executing subscription and redemption requests.

D. Circumstances in which dealing in Units may be deferred or suspended

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 trading day equals or exceeds 10% of the Fund's Net Asset Value. Deferred Redemption Requests will be processed on pro-rata basis on the nearest Dealing Day. The Fund Manager, acting in good faith, will pay the redemption proceeds to the Unitholders at the earliest practicable opportunity.

The Fund Manager suspends dealing in the Fund's Units in the following cases:

- If requested by the CMA to suspend the Fund's subscription and redemption.
- If the Fund Manager reasonably believes that suspension is in the interest of the Unitholders.



- If dealing is suspended in the main market in which securities or other assets are held by the Fund, whether in whole or in respect of assets of the Fund that the Fund Manager reasonably considers to be material to the Fund's Net Asset Value.

Rejection of subscription requests:

The Fund Manager may reject any request to subscribe in the Fund if such subscription would violate CMA 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 current Unitholders.

Redemptions by Fund Manager:

The Fund Manager reserves the right to redeem Units sold to any Investor in full or in part, with notice to the Investor later if he believes that such subscription may result in a violation of CMA regulations and / or other applicable regulations and / or Terms and Conditions of the Fund without holding the Fund Manager liable.

E. 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 (61) of the Investment Funds Regulations, "Deferring Redemption".

F. Provisions governing the transfer 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.

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

The Fund Manager or any of its affiliates may, at their sole discretion, invest in the Fund, and reserve the right to reduce their participation partially or fully, as they deem fit. Total investments will be disclosed, if any, quarterly and the Fund Manager will be treated as a Unitholder without bias in accordance with Article (15) of the Investment Funds Regulations "Fund Manager's subscriptions in units in an investment fund".

H. Dates for submitting Subscription and Redemption Requests on any Dealing Day

Days of Sale and Redemption of Fund Units: Subscription and redemption requests are accepted on every Dealing Day.

Subscription requests: All subscriptions payable in US Dollar must be made at or before 12:30 PM local time in Saudi Arabia on the Saudi Business Day prior to the target Dealing Day in order to commence participation in the Fund from the Dealing Day. Applications received after 12:30 PM local time in Saudi Arabia or if the intended subscription day falls on a formal holiday for banks or authorized persons, will be processed on the second Dealing Day after the subscription. Subscriptions, redemptions or transfers requests can be made through alternative distribution points (the Fund Manager's phone or website). Subscriptions made through other forms of payment, such as checks and transfers, may require additional time to settle and collect them, and they will be invested in the Fund as of the Dealing Day following the collection date.

Redemption Requests: Redemption may be made on any Dealing Day provided that a written notice or completed redemption form is received through branches at or before 12:30 PM local time in Saudi Arabia on the Saudi Business Day prior to the target Dealing



Day. If Redemption applications received on Saudi Business Day after 12:30 PM, or if the intended redemption day falls on a formal holiday for banks or authorized persons, redemption will be processed on the second Dealing Day after the subscription.

I. Subscription and redemption procedures

Subscription procedure: 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 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 commercial registration, in addition to other documents required by the Fund Manager depending on the type of company or institution.

Redemption Procedure: 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 Fund Manager's phone or website). 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 day without any liability to the Fund Manager. The Investor then must file a new redemption request to be executed on the next Dealing Day.

Transfers between two funds: Transfers between two public open-ended SNB Capital funds is a single transaction consisting of two parts: redemption and subscription. Based on this, the redemption process is carried out in accordance with the above "Redemption Requests" section, and 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.

Minimum Ownership:

Minimum subscription: USD 2,000

Minimum Additional Subscription: USD 1,000

Minimum Redemption: USD 1,000

Minimum Ownership of Fund Units: USD 1,000

J. Minimum amount that the Fund Manager intends to collect, and impact of any failure on the Fund

There is no minimum amount that the Fund Manager intends to collect.

K. Corrective actions necessary to ensure that the required (SAR 10 million) or its equivalent is met as a minimum Net Asset Value of the Fund

The Fund Manager shall follow the requirements of the Investment Funds Regulations and Circulars issued by the CMA in respect of the minimum required amount to be met from the Net Asset Value of the Fund. If in any case the Fund's Net Asset Value falls below the required SAR 10 million threshold, the Fund Manager shall:



- Notify the Fund Board;
- Continually monitor Fund's performance for six months.
- In case the six-month period is over without any correction, the Fund Manager will terminate the Fund in accordance with termination procedure set out in paragraph (4) Sub-paragraph (F) of this Information Memorandum.

According to the CMA's circular issued on 21/3/1440H corresponding to 29/11/2018G, fund managers are exempt from this requirement until 31/12/2020G.

10) Distribution policy

The Fund does not distribute any periodic profits to Unitholders.

11) Reporting to Unitholders

A. Information Relating to Financial Reports, including initial and annual reports

- The Fund Manager will prepare the interim financial reports and present the latter to the public by publishing them within (35) days from the end of the reporting period in the means specified in the Fund's Terms and Conditions and the Information Memorandum, and available on the Fund Manager's website and Tadawul's website.
- The Fund Manager will prepare the annual reports, including the audited annual reports, annual reports summary, and the initial reports in accordance with annex (5) of the Investment Funds Regulations, and make them available to Unitholders upon request without charge. The reports will be made public within (70) days from the end of the reporting period.
- The Fund Manager will provide each Unitholder with the Net Asset Value of their Units and the record of their transactions within (15) days of each transaction carried out by the Unitholder.
- The Fund Manager will send an annual statement to the Unitholder summarizing the transactions of the Fund's units during the financial year within (30) days from the end of the financial year. This statement includes any profit distributions and the total expenses, charges and fees deducted from the Unitholders and mentioned in the Fund's Terms and Conditions and Information Memorandum. In addition to any violations of investment restrictions provided for in the Investment Funds Regulations or in the Fund's Terms and Conditions and the Information Memorandum.

B. Publication of the Funds' Reports

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

C. Means of providing the annual statement to Unitholders

The annual financial statements, including audited financial statements, shall be available with the annual report to Unitholders and Potential Investors free of charge in the Fund Manager website www.alahlicapital.com and Tadawul's website: www.Tadawul.com.sa



12) Unitholder Register

The Fund Manager is responsible for preparing an updated Unitholders Register, in accordance with the requirements of the Investment Funds Regulations, kept in the Kingdom and treated with utmost confidentiality. The register shall be conclusive evidence to entitled units entered on it.

13) Unitholders Meetings

A. Circumstances in which Unitholders meeting shall be convened

- Initiative by the Fund Manager;
- A written request from the Custodian, and the Fund Manager shall convene the meeting of the Unitholders within (10) Saudi Business Days after receiving the request from the Custodian;
- A written request from one or more of the Unitholders who together or individually hold at least 25% of the value of the Fund's Units. The Fund Manager will convene the Unitholders' meeting within (10) Saudi Business Days after receiving the request from one or more Unitholders

B. Procedures for convening a Unitholder's meeting:

The Fund Manager abides by article (70) of the Investment Funds Regulations concerning Unitholders' meetings. The call to the Unitholders' meeting will be announced through the Fund Manager's website and Tadawul's website, and by sending a notice to all Unitholders and the Custodian at least (10) days prior to the meeting, but not exceeding (21) days prior to the meeting. The notice shall specify the date, location, time and proposed resolutions. The Unitholders meeting is valid only if attended by a number of Unitholders who together hold at least 25% of the value of the Units of the Fund. And in case the 25% target is not met, the Fund Manager will call for a second meeting through an announcement on the Fund Manager website and Tadawul website, and by sending a written notice to all Unitholders and the Custodian at least (5) days prior to the meeting, and the second meeting shall be considered valid regardless of the percentage value owned by the attendees (Unitholders).

C. Voting method and voting rights

Each Unitholder may appoint an agent to represent him at the Unitholders' meeting, and the Unitholder or his agent may make one vote at the Unitholders' meeting for each Unit owned at the time of the meeting. The Fund Manager may also hold Unitholders' meetings, participate in its deliberations and vote on its decisions by means of modern technology. The meeting documents and decisions resulting from the meeting may also be sent by means of modern technology

Voting right in the Unitholders' meeting

- Notify all Unitholders in writing at least (10) days before the meeting, but not exceeding 21 days prior to the meeting.
- Appoint an agent to represent the Unitholders.
- Each Unitholder is entitled to exercise all rights associated with their Units, including obtaining their approval for any changes that requires their approval in accordance with the Investment Funds Regulations.



14) Unitholders' Rights

- Receive an updated copy of the Information Memorandum and the Terms and Conditions of the Fund in Arabic free of charge.
- Receive the Fund's reports and statements in accordance with paragraph (11) of the Fund's Terms and Conditions and in accordance with Article (71) of the Investment Funds Regulations, "Reporting to Unitholders".
- Notify the Unitholders of any important changes, or changes required to be notified, in the Terms and Conditions of the Fund and the Information Memorandum and send a summary of these changes before they become effective, depending on their type, and the period specified in the Investment Funds Regulations.
- Obtain the Unitholders consent through an Ordinary Fund Resolution on any fundamental changes to the Terms and Conditions and the Information Memorandum.
- Managing the Fund's assets to the best interest of the Unitholder in accordance with the Terms and Conditions of the Fund and the Investment Funds Regulations.
- Develop the decision-making procedures to implement the administrative aspects of the Fund.
- Managing the Fund's business and the Investments of its participants 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 regulatory purposes. The Unitholder's information will not be shared except when necessary to open the Investor's account, execute its operations, and comply with the applicable policies with the competent regulatory authorities or if the sharing of such information is in the interests of the Unitholders.
- Receive an updated version of the Fund's Terms and Conditions and the Information Memorandum annually showing the actual fees, commissions and performance information of the Fund upon request.
- Notify the Unitholders in writing if the Fund Manager wishes to terminate the Fund not less than (21) days from the date on which the Fund is to be terminated without violating the Terms and Conditions of the Fund.
- Payment of redemption proceeds within the period specified in the Terms and Conditions of the Fund and in the Investment Funds Regulations.
- Unitholders have the right to redeem their units before any significant change occurs without imposing redemption fees.
- Any other relevant rights imposed by the CMA regulations and instructions applicable in the Kingdom.

15) Unitholders' Liability

The Unitholders acknowledge and agree to the following:

- The Fund Manager does not make any guarantees relating to the performance or profitability of any Investment managed in the Fund, and the Fund Manager will have no legal or consequential liability for any decline in the value of the managed Investments or the Fund's assets except those resulting from negligence, infringement or omission.



- Except for the loss of the Unitholder's investment or part of it, the Unitholder will not be liable for the debts and obligations of 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, including notices and statements of account relating to their investments, 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, he / she shall be subject to such laws without any obligation on the Fund or the Fund Manager.

16) Units Characteristics

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

17) Changes to the Fund's Terms and Conditions

A. Provisions regulating the changes to the Terms and Conditions, approvals and notifications in accordance with the Investment Funds Regulations

The Fund Manager complies with the provisions of the Investment Funds Regulations regarding changes to the Terms and Conditions of public funds. These changes are divided into three categories, which are fundamental, significant and notifiable changes.

Fundamental Changes:

The Fund Manager shall obtain the Unitholders' approval on Fundamental Changes to the Fund through an Ordinary Fund Resolution. The Fund Manager shall, upon obtaining the approval of the Unitholders and the approval of the Shariah Committee, obtain the approval of the Capital Market Authority on the Fund's proposed fundamental changes. The Unitholders have the right to redeem their Units before any fundamental change takes effect without imposing any fees. The term "Fundamental Changes" is defined as follow:

- Significant change to the Fund's objectives or nature.
- A change that alters the risk profile of the Fund.
- Voluntary withdrawal of the Fund Manager from his position as the Fund Manager.
- Any other case that the CMA reasonably considers fundamental.

Significant changes:

The Fund Manager shall notify the CMA and the Unitholders in writing of any significant changes proposed to the Fund. The Unitholders have the right to redeem their units before any significant change takes effect without imposing any fees. The term "Significant Changes" is defined as follow:

- Usually leads the Unitholders to reconsider their participation in the Fund.
- Results in increasing the payments out of the Fund's assets to the Fund Manager or any member of the Board or an affiliate.



- Introduces a new type of payment out of the Fund's assets.
- Materially increases other types of payment out of the Fund's assets.
- Any other case that CMA reasonably considers significant, and inform the Fund Manager with.

Notifiable changes are:

“Notifiable Changes” is defined as any change that does not fall within the Fundamental or Significant Changes listed above.

B. Procedure for notifying changes to the Fund’s Terms and Conditions

- The Fund Manager shall send a notice to the Unitholders and disclose the details of the Fundamental Changes on its website and on Tadawul’s website (10) days prior to the effective date.
- The Fund Manager shall send a notice of the Significant Changes to the Unitholders and the CMA (21) days prior to the effective date. The Fund Manager shall disclose the details of the Significant Changes on its website and on Tadawul’s website in the manner determined by the CMA (10) days prior to the effective date.
- The Fund Manager shall send a notice of the Notifiable Changes to the Unitholders and the CMA (8) days prior to the effective date. The Fund Manager shall disclose the details of the Notifiable Changes on its website and on Tadawul’s website or in the manner determined by the CMA (21) days from the date of the change.
- The Fund Manager will disclose all changes to the Fund's Terms and Conditions in the Fund's annual reports, which are prepared in accordance with Article (71) of the Investment Funds Regulations.

18) Fund Termination

Circumstances that requires investment fund termination:

- The Fund Manager's desire to discontinue and terminate the Fund.
- The Fund's Net Asset Value falls below the minimum limit specified in the regulations, instructions and circulars issued by the Capital Market Authority.

Procedures to terminate the fund under article (37) of the Investment Funds Regulations:

- If the Fund Manager wishes to terminate the public fund, he shall notify the CMA and the Unitholders in writing of his desire to do so not less than (21) days prior to the date on which the Fund is to be terminated, without violating the Terms and Conditions of the Fund.
- The Fund Manager will pay the Fund’s outstanding liabilities from the Fund's assets and distribute the remaining amounts to the Unitholders registered on the date of liquidation on a pro rata basis, in proportion to their respective holdings.
- The Fund Manager announces on his website and on the Tadawul website the expiry of the public fund period and its liquidation.



19) Fund Manager

A. Fund Manager's Responsibilities

- Comply with all the laws and implementing regulations issued by the CMA and the applicable instructions in the Kingdom related to the Fund's operations, including the requirements of the Investment Funds Regulations and the Authorized Persons Regulations, which includes acting to the best interest of the Unitholders and with reasonable care.
- Manage the Fund's assets to the best interest of the Unitholders in accordance with the Terms and Conditions of the Fund and the Information Memorandum and the performance of all its functions in respect to the Register of Unitholders.
- Develop the decision-making procedures to be followed to implement the Fund's administrative aspects, offering of the Fund's Units and the Fund's operations.
- Ensure that the Terms and Conditions of the Fund and the Information Memorandum are accurate, complete, correct and not misleading.
- The Fund Manager shall be responsible for complying with the provisions of the Investment Funds Regulations, whether those requirements and duties have been performed directly by the Fund Manager or indirectly through assigning it to a third party under the provisions of the Investment Funds Regulations and the Authorized Persons Regulations.
- The Fund Manager is liable to the Unitholders for any losses resulting from fraud, negligence, malpractice or intentional failure to meet obligations.
- The Fund Manager will prepare policies and procedures to monitor the risks affecting the Fund's Investments. Such policies and procedures will include risk assessment at least annually.
- Implement the Fund's compliance monitoring program, and provide the CMA with the results of such implementation upon request.

B. Fund Manager's right to delegate its obligations

The Fund Manager has authorized AMUNDI GROUP as a sub-fund manager to manage the assets of the Fund in accordance with the Fund's investment policies and in accordance with Shariah standards, 90 Boulevard Pasteur, 75015 Paris, France

C. Provisions regulating the removal or replacement of the Fund Manager

The CMA may remove the Fund Manager in respect of any specific Investment fund and take any action it deems appropriate to appoint an alternative Fund Manager for that Fund or to take any other measure it deems appropriate in case of any of the following cases:

- The Fund Manager ceasing to carry on management activities without notifying the CMA under the Authorized Persons Regulations.
- Cancellation of the Fund Manager's license by the CMA to carry on management activities under the Authorized Persons Regulations.
- The Fund Manager sends a request to the CMA to cancel his license of carrying out management activities.



- If the CMA believes that the Fund Manager has committed material violations and failed to comply with the law and its implementing regulations.
- The death, inability or resignation of the Fund Manager who manages the fund's assets, with no other person registered with the Fund Manager capable of managing the assets of the Fund or the assets of the Funds managed by the Fund Manager.
- Any other case that the CMA considers - on reasonable grounds - to be sufficiently material.

20) Custodian

A. Roles and responsibilities of the Custodian

- The Custodian shall be responsible for his obligations in accordance with the provisions of the Investment Funds Regulations whether he performs his responsibilities directly or by assigning them to a third party under the provisions of the Investment Funds Regulations or the Authorized Persons Regulations.
- The Custodian shall be liable to the Fund Manager and the Unitholders for losses incurred by the Fund due to his fraud, negligence, deliberate misconduct or intentional default.
- Protect the Fund's assets for the benefit of the Unitholders, and he will be responsible for taking all necessary administrative actions to protect the Fund's assets.

B. Tasks entrusted to a third party by a Custodian

The Custodian has the right to appoint a third party or more or any of its affiliates, licensed to carry out custody business, as sub-custodian.

C. Provisions governing the Removal or Replacement of the Custodian.

The CMA may remove the Custodian appointed by the Fund Manager or take any actions it deems appropriate in the event of any of the following cases:

- The Custodian ceases to provide custody services without notice to the CMA in accordance with the Authorized Persons Regulations.
- The Custodians' license to practice custody activity is canceled, revoked or suspended.
- The Custodian submits an application to the CMA to cancel its license to provide custody services.
- The Custodian is deemed by the CMA to have committed any material violation of the Capital Market Law or its implementing regulations.
- Any other cases that the CMA reasonably considers to be of significance.

The Fund Manager may also remove the Custodian by written notice if it reasonably considers removing it is in the interest of the Unitholders and the Fund Manager shall promptly notify the CMA and the Unitholders.

21) Auditor

A. The Investment Fund's auditor

KPMG Al Fozan & Partners.



B. Functions, duties and responsibilities of the auditor

The auditor's responsibility is to give an opinion on the financial statements based on the audit performed in accordance with generally accepted auditing standards applicable in the KSA, which requires 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 taking appropriate actions to obtain sufficient evidence of the amounts and notes contained in the financial statements, in addition to assessing efficiency of the accounting policies in place and the reasonableness of the accounting estimates used, and assessing the overall presentation of the financial statements.

C. Provisions regulating the replacement of the auditor

The Fund Manager may replace the auditor in the following cases:

- The existing of significant allegations about professional misconduct of the auditor relating to the performance of is duties.
- If the auditor is no longer independent, or if his independence is affected.
- If the Fund Manager or the Fund Board determines that the appointed auditor does not have sufficient qualifications and experience to perform the function required satisfactorily, or that the replacement of the auditor will serve the interest of the Unitholder.
- Upon the request of the CMA at its sole discretion.

22) Fund's Assets

- The Fund's assets are held by the Custodian on behalf of the Investment Fund.
- The Custodian must separate the Fund's assets from his own assets and the assets of his other clients.
- The Investment Fund's assets are owned collectively by the Unitholders. A Fund Manager, Sub-Fund Manager, Custodian, Sub-Custodian, Advisor or Distributor shall not have any interest in, or claim against, such assets, unless the Fund Manager, Sub-Fund Manager, Custodian, Sub-Custodian, Advisor or Distributor are Unitholders - within the limits of their ownership - or unless permitted under the provisions of the Investment Funds Regulations and disclosed in the Fund's Terms and Conditions or Information Memorandum.



23) Unitholder Declaration

I/we have read the Terms and Conditions of the SNB Capital Asia Pacific Index Fund, the Information Memorandum and the Key Fact Sheet, and approved the characteristics of the Units in which I/we have subscribed.

Name: _____

Signature: _____

Date: _____