

## Terms and Conditions

### Yaqeen SAR Murabaha Fund

Yaqeen SAR Murabaha Fund is a money market open-end public Investment Fund, registered under the laws of the Kingdom of Saudi Arabia

Fund Manager

Yaqeen Capital



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

The Capital Market Authority has approved the offering of units in the investment fund.

The Capital Market Authority does not, however, take any responsibility for the contents of the Fund's Terms and Conditions, nor does it make any representation as to its accuracy or completeness. The Capital Market Authority does not make any recommendation as to the soundness or otherwise of investing in the investment fund, and the approval of offering the fund does not mean that the Authority recommends to invest in the fund, and the Authority

emphasizes that the decision to invest in the fund is up to the investor or his representative.

Yaqeen SAR Murabaha Fund is certified as being an open-end public Investment Fund that is compliant with the Shariah Guidelines permitted by the Investment Fund's Shariah Board.

The Fund Manager states that the Terms and Conditions of the Fund and all other documents are subject to the Investment Funds Regulations, and include complete, clear, true and non-misleading information about Yaqeen SAR Murabaha Fund, which is updated and amended.

Each investor shall read the Terms and Conditions of the Fund and all other documents of the fund.

The Fund Manager undertakes to register the Fund with the Zakat, Tax and Customs Authority within the statutory period. It also undertakes to submit the declaration of information and data requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the declarations during the statutory period and providing the unitholders in charge with the publishable information necessary for the calculation of the Zakat base. In short, the Zakat, Tax and Customs Authority will terminate the fund within the statutory period for that The regulations and rules related to investment funds issued by the Zakat, Tax and Customs Authority can also be viewed through the website: <https://zatca.gov.sa/ar/pages/default.aspx>

The Unit Holder shall sign and accept the fund's Terms and Conditions when subscribing to any of the fund's units.

The fund's performance can be tracked through reports issued by the Fund Manager and published on the Fund Manager's website and the website of the Saudi Stock Exchange "Tadawul".

Investors are advised to read and understand the Fund's Terms and Conditions. In the event that the Terms and Conditions of the Fund are not understood, we recommend that you take the advice of a professional advisor.

Date of issuance of the Fund's Terms and Conditions: 19/05/2007G .

It was last updated on: 09/01/2024 G .

Date of the Authority's approval of establishing the Investment Fund and offering its units: 19/05/2007 AD.

This is the amended version of the Terms and Conditions of Yaqeen Gold Fund, which reflects the following changes:

1- The minimum subscription and the minimum additional subscription and refund. 2-Time of announcing the unit price. 3- Amend the evaluation points and repeating.

- That according to our letter sent to the Capital Market Authority on 09/01/2024 G.



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Fund Summary	
1.	<b>Fund name:</b> Yaqeen Murabaha Fund in Saudi Riyals.
2.	<b>Fund Type:</b> A money market open-ended public investment fund that is compliant with the regulations of the Sharia Board.
3.	<b>Fund Manager Name:</b> Yaqeen Capital.
4.	<b>Purpose of the fund:</b> The fund aims to generate current income while providing liquidity and preserving capital by investing in Murabaha deals.
5.	<b>Risks level:</b> The fund is considered low risk fund.
6.	<b>Minimum subscription fees:</b> There is no minimum. <b>Minimum additional subscription and redemption :</b> There is no minimum.
7.	<b>Days of dealing/valuation:</b> Every business day.
8.	<b>Days of announcement:</b> The unit price is announced daily on the fund manager's website and Tadawul.
9.	<b>Date for paying redemption amount:</b> Redemption requests will be paid up to a maximum of two business day after the trading day following receipt of the refund request.
10.	<b>Unit price at initial offer (nominal value):</b> 1 Saudi riyal.
11.	<b>Currency of the fund:</b> Saudi Riyal
12.	<b>Period of the investment fund and its maturity date (where applicable):</b> Yaqeen Murabaha Fund in Saudi Riyals is an open-ended public investment fund, and there will be no specific period for the fund's operation and no maturity date for the fund.
13.	<b>Date of commencing the fund:</b> The date of the Authority's approval of establishing the investment fund and offering its units: 02/05/1428 AH corresponding to 05/19/2007 AD. Date of accepting contributions is 02/06/2007 AD. The initial offering period has ended.
14.	<b>Date of issuing the Terms and Conditions, and latest update of it:</b> Date of issuance of the terms and conditions of the fund: 05/19/2007. It was last updated 09/01/2024 G.
15.	<b>Early redemption fees:</b> N/A.
16.	<b>Benchmark:</b> The return on deposits in Saudi riyals for three months (a price determined by the average return on Saudi banks' offers on the Saudi riyal for a period of three months) is taken as a benchmark to compare the performance of Yaqeen Murabaha Fund in Saudi riyals.
17.	<b>Name of the fund operator:</b> Yaqeen Capital.
18.	<b>Name of the custodian:</b> Albilad Capital Company.
19.	<b>Tax and Zakat Advisor Fees:</b> Baker Tilly Company The expenses of the tax and zakat advisor amount to SAR 2,500 paid once for the registration of the fund and borne by the fund, in addition to SAR 6,000 paid annually from the net asset value of the fund. (There are optional fees borne by unitholders in the event that they request a tax and zakat certificate on their investments in the fund documented and approved by the chartered accountant, where the service fee is SAR 3,000)
20.	<b>Name of the auditor:</b> KPMG
21.	<b>Fund management fees:</b> 0.50% of NAV annually. Calculated as an annual percentage of the fund's net asset value. Management fees will be calculated on a daily basis and paid every three months as dues. The fund manager reserves the right to recover from the fund at any time any fees, commissions, legal fees and other expenses that may be owed to the fund manager related to administrative costs in accordance with the regulations of the Capital Market Authority.
22.	<b>Subscription and redemption fees:</b> N/A
23.	<b>Custodian fees:</b> 0.02% of the value of the assets under custody annually.

24.	<b>Dealing expenses:</b> Expenses related to the fund's investments are recorded at cost in addition to the trading expenses. Therefore, any additional cost will be incurred by the fund by deducting its assets.
25.	<b>Other fees and expenses:</b> <ol style="list-style-type: none"> <li>1) External auditor's fees: (To be borne by the Fund): 25,000 Saudi riyals annually.</li> <li>2) Disclosure review and follow-up fees: (To be borne by the Fund): 7,500 Saudi riyals annually.</li> <li>3) Compensation for independent directors: (To be borne by the fund manager on behalf of the fund): 3,000 Saudi riyals for each meeting, with a maximum of 5,000 Saudi riyals per month, in cases where there is more than one meeting per month.</li> <li>4) Borrowing Fees: According to the applicable prices at the time</li> </ol>
26.	<b>Performance fees:</b> N/A

## 1. Investment Fund

- A) **Fund name and type:** Yaqeen Murabaha Fund in Saudi Riyals, which is a money market open-ended public investment fund compliant with the regulations of the Sharia Board, established in the Kingdom of Saudi Arabia according to the Investment Funds Regulations issued by the Capital Market Authority.
- B) **Date of issuance of the Fund's Terms and Conditions:** The Fund's Terms and Conditions were issued on 02/05/1428 AH corresponding to 05/19/2007 AD.  
**Last update:** 09/01/2024 G.
- C) **The date of the Authority's approval to offer the Fund's units:** The Authority's approval to offer the Fund's units was issued on 05/02/1428H corresponding to 05/19/2007G.
- D) **Investment Fund Duration and Maturity Date:** Yaqeen Murabaha Fund in Saudi Riyals is an open-ended public investment fund, and there will be no specific period for the fund's operation and no date for the fund's maturity.

## 2. Governing Laws:

Yaqeen Murabaha Fund in Saudi Riyals as well as the Fund Manager are subject to the Capital Market Law, its Executive Regulations and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

## 3. Investment Policies and Practice

- A) **Investment objectives of the investment fund:** The fund aims to achieve current income while providing liquidity and preserving capital by investing in Murabaha deals. Yaqeen Murabaha Fund in Saudi Riyals invests in low-risk financial instruments that are compatible with Islamic Shariah regulations with the aim of achieving profits that compete with traditional stock market instruments at minimum levels of risk and achieve a high degree of capital preservation while providing liquidity

and avoiding any potential risks related to the exchange rate. All realized profits are also reinvested in the same fund, which increases the value of its units.

**B) The type of securities in which the Fund will mainly invest:** . The fund manager shall invest the assets and money of the fund in the following types of investments, as stipulated in Article 54 of the Investment funds regulations, provided that all the Fund's investments are in accordance with the Fund's sharia standards and controls.

- Money market transactions concluded with a party regulated by the Saudi Central Bank or a supervisory body similar to the Saudi Central Bank outside the Kingdom.

- Debt instruments such as Sukuk and asset-backed securities or any other product that falls under debt instruments that comply with Sharia controls and standards.

- Derivatives contracts for the purpose of hedging and approved by reputable Sharia boards as deemed appropriate by the Fund's Shariah Board.

- Bank deposits with institutions subject to the regulation of the Saudi Central Bank or subject to a supervisory body similar to the Central Bank of Saudi outside the Kingdom, provided that these deposits are with banks or windows of Islamic banks that have Sharia supervisory bodies supervising their activities.

- Money market fund units with a similar strategy.

-Fixed income debts fund units have Sharia supervisory bodies that supervise their activities.

**C) Means for Investment Concentration**

- The fund manager's investments are concentrated in stock market instruments such as deposits, Murabaha contracts, and Ijarah in the Kingdom of Saudi Arabia, at a rate of 50% to 100% of the fund's net assets, and the currency is according to the issuer. The fund manager relies on the internal classification by investing with institutions that have a good reputation, sound financial position and low risk in the Kingdom of Saudi Arabia, licensed by the Capital Market Authority and/or the Central Bank (SAMA), provided that its percentage does not exceed 25% with one entity.
- The fund manager may invest up to 50% of the fund's net asset value in similar and low-risk funds, provided that they are publicly offered and licensed by the Capital Market Authority and managed by the fund manager or other fund managers, and the funds' currency is according to the issuer.
- The fund manager has the right to invest up to 25% of the fund's net assets in sukuk in the markets of the Kingdom of Saudi Arabia, according to the opportunities available for sukuk and the currency according to the issuer of sukuk. The fund manager will classify all the securities and sukuk internally based on the financial position and cash flows from operations and management.

- The fund manager may invest up to 30% of the fund's net asset value in stock market instruments such as deposits, Murabaha contracts and Ijarah in the Gulf countries except any country that is prohibited to deal with by the Saudi government.
- The fund may also deal with the fund manager or any of its affiliates as principal for its own account in accordance with Article 43 of the Investment Funds Regulations, and the fund manager may use the proceeds of Murabaha operations in various operations, including but not limited to financing margin operations for its clients.

D) Table showing the percentage of investment in each investment field, with its minimum and maximum:

Assets	Minimum	Maximum
Stock market instruments and stock market funds such as deposits, Murabaha contracts, and Ijarah in the Kingdom of Saudi Arabia	50%	100%
Sukuk issued in the Kingdom of Saudi Arabia	0%	25%
Stock market instruments such as deposits, Murabaha contracts and Ijarah in the Gulf countries except any country that is prohibited to deal with by the Saudi government	0%	30%

- E) **Stock markets in which the Fund may buy and sell its investments:** The Fund invests in stock market instruments in the Kingdom of Saudi Arabia and the Gulf countries except any country that is prohibited to deal with by the Saudi government. where the Fund Manager invests in securities and/or deals with banks and financial institutions operating in the Kingdom of Saudi Arabia and the Gulf States. except any country that is prohibited to deal with by the Saudi government.
- F) **Disclosure of whether the fund manager intends to invest in the units of the investment fund:** The fund manager may invest in the fund from time to time, provided that the investment in the fund is disclosed at the end of each fiscal year in the financial disclosure summary.
- G) **Types of transactions, methods and tools that the fund manager can use in order to make his investment decisions for the investment fund:** The asset management team at Yaqeen Capital works to achieve a level of performance that competes with the benchmark performance by actively managing the fund's portfolio in Murabaha deals. Available investment opportunities are evaluated by selecting the best returns that are commensurate with the fund's objectives and investment strategies. The fund manager employs his specialized research and analytical capabilities to access promising investment opportunities in sukuk, murabaha contracts, and similar investment funds that have a good reputation in terms of performance.
- H) **Types of securities that cannot be included in the Fund's investments:** The Fund will not invest in securities other than the securities mentioned in these terms and conditions.
- I) **Any other restriction on the type(s) of securities or other assets in which the Fund can invest:** The Fund Manager shall abide by the investment restrictions stipulated in the Investment Funds Regulations and other regulations issued by the Capital Market Authority, and the Fund will not invest in any securities that do not comply with the standards Sharia approved by the Sharia Supervisory Board of the Fund.



- J) The extent to which the assets of the Fund can be invested in units of a fund or investment funds managed by that manager or other fund managers:** In the case of investing in other similar funds, whether they are managed by the same fund manager or other fund managers, the currency will be according to the currency of the invested fund, and it will not exceed 20% of the net asset value of the invested fund. These funds are selected based on performance, fund size and expenses.
- K) The powers of the investment fund in lending and borrowing, the policy of the fund manager regarding the exercise of the powers of lending and borrowing, and a statement of his policy with regard to mortgaging the assets of the fund:** The fund manager may borrow provided that the size of the borrowing does not exceed 10% of the net asset value of the fund and the loan period does not exceed one year.
- L) Maximum limit for trading with any counterparty:** N/A.
- M) Fund Manager's Policy for Fund Risk Management:**
- The Fund's investments are subject to a number of risks as mentioned in paragraph (4) ("the main risks of investing in the Fund"). However, the fund manager will take all possible measures to deal with the risks to which the fund is exposed and mitigate their effects in the interest of the unit holders. The following is a review of the strategy used to deal with risks:
    - In order to keep investment risks at minimum levels, the Fund invests only in Murabaha deals with those parties with sound financial position and low risk.
    - Comply with the Capital Market Law and its implementing regulations, the Investment Funds Regulations issued by the Board of the Capital Market Authority, and other relevant laws and regulations in force in the Kingdom of Saudi Arabia.
    - Commitment to the investment limits as stated in the Fund's terms and conditions.
    - Commitment to the investment decision-making mechanism of the Fund, and seeking to obtain the largest amount of information related to any investment that the Fund decides to enter into.
    - Follow up on the compliance department of the fund's activities and the fund manager's commitment to its investment limits, and its duties towards the client.
  - As for the unpredictable risks, Yaqeen Capital will make every effort to try to study these risks before making an investment decision.
- N) Benchmark:** The return on deposits in Saudi riyals for three months (a price determined by the average return on Saudi banks' offers on the Saudi riyal for a period of three months) is taken as a Benchmark to compare the performance of Yaqeen Murabaha Fund in Saudi riyals.  
Benchmark provider: Bloomberg.
- O) Derivatives contracts:** Subject to Sharia controls in all fund operations, the fund will not invest in financial derivatives.
- P) Any exemptions approved by the Capital Market Authority regarding any restrictions or limits on investment:** N/A.



#### 4. Main risks of investing in the fund

- A. The fund is considered a low-risk investment category, as the fund's operations are limited to trading in commodities with reputable parties with sound financial position.
- B. The past performance of the investment fund, or the index's past performance does not indicate what the fund's performance will be like in the future.
- C. The fund does not guarantee to unit holders that the fund's performance (or its performance compared to the index) will be repeated or similar to past performance in the future.
- D. An investment in the Fund is not considered a deposit with any bank, nor can it be considered a guarantee of financing by any bank.
- E. Investors in the Fund may be exposed to the risks of partial or total financial losses resulting from their investments in the Fund units.
- F. The elements of risks that can affect the value of an investment in the Fund are as follows, including but not limited to:
  1. **Non-payment risk:**

It is the risk that may result from the non-compliance of the other party in the Murabaha contract to pay on time or stop payment permanently as a result of the inability of the other party to the agreement to fulfill its obligations.
  2. **Interest Rate Risk:**

Profits from Murabaha deals in this fund are linked to the interest rates on the Saudi riyal, and accordingly, any changes to the regular interest rates of the riyal will have an impact on the fund's profits.
  3. **Market risk:**

Changes and sharp fluctuations that occur in the prices of commodities and products in global markets have an impact on the performance of the Fund.
  4. **Credit Risk:**

These are the risks resulting from trading with the fund manager or other financial institutions, for example, but not limited to, deposits or Murabaha operations, as the other party may not abide by its contractual obligations, which may result in delay and/or default in the payment of the invested amount, causing the fund's loss and negatively affects the performance of the fund as well as the decrease in the investments of unit holders.
  5. **Liquidity Risk**

It is the risk that can result from the inability to sell assets and convert them into cash when these obligations are due for payment without having to incur unacceptable expenses or losses. The risk arising from liquidity is the inability to trade in a specific Murabaha contract quickly enough to avoid realized losses, which negatively affects the fund's performance and may lead to a decrease in the unitholders' investments.

6. **Conflict of Interest Risks:**

These risks arise in situations in which the objectivity and independence of the fund manager's decision is affected by a material or moral personal interest that matters to him at the expense of the fund, which may negatively affect the investments of the fund unit owners.

7. **ROI Risk**

The Return On Investment is affected by changes in interest rates on financing and Murabaha deals, where the investment may be made based on a fixed rate of profit that does not change. In the event of an increase in interest rates, the return may be lower than the market price, which negatively affects the performance of the fund and may lead to a decrease in the investments of the fund's unit owners compared to market interest rates.

8. **Classification Risks:**

The fund manager will internally classify the securities, such as deposits, Murabaha contracts, and sukuk, and this classification may be inaccurate due to the lack of necessary information, which leads to the possibility of investing with other parties who do not have the financial solvency to fulfill their contractual obligations with the fund, which may negatively affect the performance of the fund. and lower investment of unit owners.

9. **Political Risks:**

The Fund's performance may be affected due to uncertainties resulting from unfavorable political events that could occur at the regional or global level, which would have a negative impact on the Fund's performance. Political risks can also occur as a result of changes in government policies or the imposition of new legislation that can affect cross-border cash flows as well as changes in tax regulations and legislation.

10. **Risks related to sharia controls:**

The scope in which the fund invests is limited as permitted by Sharia standards and controls, which may limit the expansion of the fund manager's investments. In the event that one of the institutions or entities in which the Fund invests becomes incompatible with some of the Sharia regulations, the Fund disposes of that company, which means selling it under investment conditions that may be inappropriate or at a low price, which will negatively affect the Fund's performance.

11. **Risks of investing in other funds:**

The fund manager may invest in similar funds that may be exposed to the same or other risks, which may negatively affect the fund's performance.

12. **Natural disaster Risks:**

Volcanoes, earthquakes, hurricanes, floods and other natural phenomena, that may cause property destruction and cannot be controlled, may negatively affects the performance of the Fund and the performance of all economic and investment sectors.

13. **Currency risk:**

The base currency is the Saudi riyal, but the fund manager's investments may be with other parties that deal in currencies other than the fund's base currency, and the value of the fund's assets may be affected positively or negatively by currency exchange rate fluctuations.

**14. Risks related to Concentration of Investment:**

It is the risk of concentration of investments in a particular sector or several small sectors, which lies in the lack of diversification and which has a negative impact on the performance of the fund.

**15. Statutory Risks:**

The fund may be exposed to statutory risks due to changes in rules, laws, and tax, as any change that occurs may affect the investment strategy of the fund or increase the proportion of costs such as fees and others, which affects the performance of the fund.

**16. Risks of relying on the fund manager's employees:**

The fund's performance depends entirely on the experiences and skills of the fund manager and employees. Therefore, the fund may be affected by the loss of executive managers and employees associated with the fund's business and the difficulty of providing an alternative at the same level of expertise, which will negatively affect the fund's performance.

## 5. Mechanism for Assessing Risks

The fund manager periodically evaluates the risks of the fund, according to an internal mechanism for evaluating the risks related to the fund's assets.

## 6. The target category for investing in the fund

The fund mainly targets investors from individuals, institutions, government agencies and others who have the desire to achieve current income while providing liquidity and preserving capital by investing in the money markets.

## 7. Investments Restrictions/Limitations

The fund manager shall abide by the restrictions that apply to the fund contained in the investment funds regulations, the terms and conditions of the fund, the fund's Sharia board controls.

## 8. Currency

The fund's currency is the Saudi Riyal. In the case of payment of units in a currency other than the fund currency (the Saudi Riyal), the fund manager converts the payment currency into the fund currency according to the prevailing exchange rates at the time, and then the purchase is effective based on the price after the conversion.

## 9. Fees, Charges and Expenses

- a) **A detailed statement of all payments from the assets of the investment fund, and the method of their calculation:**

Fees and Charges	Details
<b>Management fees</b>	Portfolio management fee: 0.50% of NAV annually. Calculated as an annual percentage of the fund's net asset value. Management fees will be calculated on a daily basis and paid every three months as dues. The fund manager reserves the right to recover from the fund at any time any fees, commissions, legal fees and other expenses that may be owed to the fund manager related to administrative costs in accordance with the regulations of the Capital Market Authority.
<b>External auditor's fees</b>	(To be borne by the Fund): 25,000 Saudi riyals annually
<b>Disclosure review and follow-up fees</b>	(To be borne by the Fund): 7,500 Saudi riyals annually
<b>Custodian Fee</b>	(To be borne by the Fund): 0.02% of the value of assets under custody annually.
<b>Compensation for independent directors</b>	(To be borne by the fund manager on behalf of the fund): 3,000 Saudi riyals for each meeting, with a maximum of 5,000 Saudi riyals per month, in cases where there is more than one meeting per month.
<b>Borrowing Fees</b>	According to the applicable prices at the time
<b>Trading expenses</b>	Expenses related to the fund's investments are recorded at cost in addition to trading expenses, and accordingly, any additional cost will be incurred by the fund by deducting its assets.
<b>Tax and Zakat Advisor Fees</b>	The expenses of the tax and zakat advisor are borne by the fund in the amount of SAR 2,500 paid once to register the fund, in addition to SAR 6,000 paid annually from the net value of the fund's assets, and fees of SAR 3,000 borne by unitholders when they request a tax and zakat certificate on their investments approved by the chartered accountant.

All fees and expenses mentioned in these terms and conditions for the fund do not include value added tax unless otherwise stated.

b) A table showing all fees and expenses, with how to calculate the consideration for services, commissions and fees, and when they are paid by the investment fund:

Fees and charges	Applied percentage	Basis for calculation	Time for calculation	Basis of payment
Portfolio management fee	Portfolio management fee: 0.50% of NAV	Per annum	Every calendar day	It is paid every 3 months as dues
Custodian Fee	0.02% of the asset value	Per annum	Calculated at the end of the period	Pay monthly
External auditor's fees	25,000 SAR annually	Fixed amount deducted annually	Every calendar day	Paid annually
Disclosure review and follow-up fees	7,500 SAR annually	Fixed annual deduction	-	Once a year
Tax and Zakat Advisor Fees	2,500	Fixed amount deducted	When registering the fund	Once a year
	6,000	Fixed amount deducted annually	Every calendar day	Paid annually
Compensation for independent directors	3,000 Saudi riyals for each meeting and a maximum of 5,000 Saudi riyals per month in cases where there is more than one meeting per month	Attendance fees are calculated after the meeting	Annual fees are calculated semi-annually, and attendance fees are calculated after each meeting	Paid semi-annually
Trading expenses	Expenses related to the fund's investments are recorded at cost in addition to trading expenses, and accordingly, any additional cost will be incurred by the fund by deducting its assets.	It is calculated at cost	Every calendar day	Pay on demand

All fees and expenses mentioned in these terms and conditions for the fund do not include value added tax unless otherwise stated.

- c) A hypothetical table showing the ratio of the fund's costs to the total value of the fund's assets at the level of the fund and the unit owner during the life of the fund:

The mentioned ratios were calculated based on the hypothetical example in (h)	Fund	Units holder
The ratio of the fund's costs to the total value of the fund's assets	0.9%	0.9%
Recurring fee ratio*	0.9%	0.9%
Non-Recurring fee ratio	-	-

\* Total fee and charges divided by net assets value at the end of year.

- d) **Consideration for transactions imposed on subscription, redemption and transfer of ownership paid by unit owners, and the method of calculating that consideration:** There are no subscription fees in the fund or redemption fees from the fund.

- e) **Special discounts and commissions:** Not applicable.

- f) **Information related to zakat and/or tax:**

- The fund manager does not pay zakat for the fund.
- Value Added Tax: The value added tax will be applied according to the instructions of the executive regulations issued by the Zakat and Customs Tax Authority on all fees, expenses and costs. All fees and expenses mentioned in the fund's documents do not include value added tax unless otherwise stated.
- The fund manager undertakes to register the fund with the Zakat, Tax and Customs Authority within the statutory period. It also undertakes to submit the declaration of information and data requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the declarations during the statutory period and to provide the unitholders in charge with the publishable information necessary for the calculation of the Zakat base upon request in accordance with the executive regulations for the collection of Zakat issued by the Zakat, Tax and Customs Authority. Taxpayers subject to the: <https://zatca.gov.sa/ar/pages/default.aspx>

- g) **Any special commission entered into by the fund manager:** N/A.

- A) **A hypothetical example showing all fees, expenses, and consideration for transactions that were paid out of the fund's assets or by the unit holder on the basis of the fund's currency.**

The approximate expenses incurred by the investor during the first year based on the hypothetical subscription amount of 50,000 Saudi riyals and assuming the size of the Fund 10 million Saudi riyals

Fee types	Fund	Units holder
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Asset value at the beginning of the year	SAR 10,000,00	SAR 50,000
Subscription fees	-	-
Management fees	SAR -50,000	SAR -250
Custody fees	SAR -2,000	SAR -10
Index fee	SAR -25,000	SAR -125
Regulatory fees	SAR -7,500	SAR -38
Tax and Zakat Advisor Fees	SAR -6,000	SAR -30
Tax and Zakat Advisor registration fees, one time	SAR -2,500	SAR -12,5
<b>Total fees and charges</b>	<b>SAR -93,000</b>	<b>SAR -465,50</b>
<b>Net asset value at the end of the year</b>	<b>SAR 9,907,000</b>	<b>SAR 49,535</b>

## 10.Valuation and Pricing

### A) How to assess all Fund assets

1. Securities listed or traded in the financial market: it is evaluated at the last transaction price in that market. If such securities are suspended, they will be settled at the latest rate prior to the suspension, unless there is a conclusive evidence that the value of such securities has fallen below the suspension price.
2. Deposits: evaluated based on the nominal value in addition to the accumulated interest/profit.
3. Unlisted bonds and sukuk: The book value is used in addition to the accumulated interest or profits.
4. Any other investment: The fair value determined by the Fund Manager based on the methods and rules approved by the custodian and after verification by the Fund's auditor.

B) **Number and Frequency of Assessment Points:** The Murabaha Fund in Saudi Riyals is evaluated on every working day.

### C) Actions to be taken in case of error in assessment or error in pricing:

1. If a Fund asset is incorrectly assessed or the unit price is incorrectly calculated, the Fund Manager shall document the error directly and promptly report the error in the assessment or pricing which constitutes 0.5% or more of the unit price to the Authority. This is immediately disclosed on the Fund Manager's website, on the Market's website and in the Fund's reports.
2. The Fund Manager will reimburse all affected Unit Holders (including former unit holders) for all errors in the assessment or pricing without delay.

### D) Method of calculating unit price for the purposes of execution of applications for subscription and redemption :

The net value of the unit is calculated by dividing the net asset value of the fund, including all income, including accrued income after deducting administrative fees and any other expenses by the total number of existing units at the time of evaluation.



- E) **Place and time of publication of the unit price, and its frequency:** The unit price is announced daily on the fund manager's website and Tadawul.

## 11. Dealings

### A) Details of the initial offering:

- The start date of the offering: 02/06/2007 AD and the initial offering period has been completed
- Initial price: 1 Saudi riyals per trading unit.

### B) The deadline for submitting subscription and redemption requests on any trading day and the responsibilities of the fund's manager regarding subscription and redemption requests:

- The last date for receiving subscription and redemption requests is 12 noon on each working day.
- Subscription and redemption can be made on each business day no later than the end of the business day immediately preceding the trading day. In the event that the subscription request is received or the subscription amount is deposited after the specified date, it shall be processed (unless the fund manager decides otherwise) on the basis of the valuation price on the next trading day. In the event that the subscription amount is not received by the end of the next trading day, the subscription request shall be considered canceled.

### C) Procedures for subscription and redemption :

#### - Subscription procedures

Investors who wish to purchase units in the fund must do so by filling out the subscription application form, signing it and delivering it to any Yaqeen branch, with payment of the investment amount. Or, fill out the subscription application and agree to the terms and conditions of the fund through the Yaqeen electronic services system, and deposit the subscription amount in the account designated for that.

In the case of bank transfers, the investment in the fund will only be executed upon receipt of a notification of the clearing of the transfer. In the case of payment of units in a currency other than the fund currency (Saudi Riyal), the payment currency is converted into the fund currency by the portfolio manager according to the exchange rates of the currencies prevailing at the time, and then the purchase is effective based on the price after the conversion.

#### - Redemption procedures:

The unit holder fills out the redemption request form, signs it and delivers it to the fund manager through his offices every working day, or fills out the redemption request and delivers it through Yaqeen electronic services system. Redemption requests are processed on the trading day following receipt of redemption requests, and investors may redeem all or part of the participating units in their fund.

- **Maximum period between receiving the redemption request and paying the returns to the unit holder:**

Redemption requests will be paid up to a maximum of two business day after the trading day following receipt of the refund request.

- **Exact date and deadlines for submitting subscription and redemption requests:**

Subscription and redemption can be made on each business day no later than the end of the business day immediately preceding the dealing day. In the event that the subscription request is received, or the subscription amount is deposited after the specified date, it shall be processed (unless the fund manager decides otherwise) on the basis of the valuation price on the next dealing day. If the subscription amount is not received by the end of the next dealing day, the subscription request shall be considered void.

D) **Any restrictions on trading in the units of the Fund:** there are no restrictions regarding trading in fund's units.

E) **Cases where units trading is postponed or suspended and procedures followed in those cases:**

The Fund Manager shall have the right to suspend or postpone the trading in the Fund's units in the following cases:

1. If requested by the Authority.
2. If the Fund Manager considers that the suspension serves the interests of the unit holders.
3. If the trading is suspended in the market, in which the securities or other assets held by the Fund are dealt with, either in general or in relation to the assets of the fund that the fund manager reasonably considers to be material to the net asset value of the general fund.

Procedures followed in these cases:

If the Fund assessment is suspended, redemption or subscription requests submitted on or after the suspension date will be executed on the next assessment date when the assessment suspension is terminated. The Fund Manager will immediately notify the Authority and the unit holders of any comments, clarifying the reasons for the suspension, and notify them in the same manner used in the suspension notice immediately after the suspension and disclose this suspension on the Fund Manager's website and the market website.

F) **Procedures under which redemption requests to be postponed will be selected:**

Yaqeen is not obligated to implement redemption requests for more than 10% of the fund's net asset value on any trading day. In the event that the valuation of the Fund is suspended, the request for redemption of the Fund's units submitted on or after the date of suspension shall be executed on the next trading date when the suspension of valuation is terminated. Redemption requests that are postponed are selected based on the priority and redemption volume, whereby the fund manager implements the first received redemption requests, which are less than 10 million Saudi riyals, within the limits of 10% of the net asset value of the fund. As for the remaining refund requests, they will be postponed to the next trading day.

- G) **The Fund Manager does not allow the transfer of ownership of units to other investors.**
- H) **Minimum number or value of units to which the Unit Holder must subscribe, transfer or redeem:**
  - There is no minimum.
- I) **Minimum value of fund offering and the impact of not reaching this limit:** The minimum required to start the fund is 50 million Saudi riyals. The fund manager fulfilled this requirement during the initial offering of the fund.

## 12. Distribution Policy

The Fund Manager will not distribute any profits to the subscribers, as the profits will be reinvested in the Fund.

## 13. Reporting to Unitholders

### A) **Financial reports:**

Yaqeen prepares the preliminary financial reports every half year within 30 days from the end of the period examined by the fund's external auditor. These reports contain the initial financial statements, information about the fund manager and any other information regarding the fund's activities during the period. As well as an audited annual report that includes financial statements that are prepared in accordance with the regulations applicable in the Kingdom of Saudi Arabia within 3 months from the end of the reporting period, including details of the fund's financial position and performance, in addition to information about the fund manager and custodian as at the end of the financial year which is at 31 December of each year. Annual financial statements are reviewed by the fund's external auditor.

The fund manager shall prepare the quarterly statement in accordance with the requirements of Annex (4) of the Investment Funds Regulations, within a period not exceeding (10) days from the end of each quarter, and it shall be published on the website of the Tadawul and the fund manager.

- B) **Place and means of making reports available as prepared by the Fund Manager:** These reports will be delivered through the Fund Manager's office at no charge and will be posted on the Fund Manager's website, [www.yaqeen.sa](http://www.yaqeen.sa), and on the Capital market website (Tadawul) [www.saudiexchange.sa](http://www.saudiexchange.sa).
- C) **Means of providing unit holders with annual financial statements:** The annual financial statements will be delivered through the Fund Manager's office at no charge and will be posted on the Fund Manager's website, [www.yaqeen.sa](http://www.yaqeen.sa), and on the Capital market website (Tadawul) [www.saudiexchange.sa](http://www.saudiexchange.sa).
- D) **The Fund Manager acknowledges providing all audited financial statements for the Fund at the end of each fiscal year since its establishment, noting that the fund's first financial statement is for the year 2007 AD.**

- E) The Fund Manager acknowledges providing the fund's audited annual financial statements free of charge when requested by unit holders. The Fund Manager makes the current net asset value of the Public Fund that he manages available for examination by unit holders free of charge, and all previous NAV figures are available at the Fund Manager's registered offices.

#### 14. Unitholders Register

- A) The Fund Operator shall prepare and update a register of unit holders in the Kingdom of Saudi Arabia.
- B) Fund Operator also provides a summary of the unit holders record to any unit owner free of charge upon request (provided that the summary shows all information related to the relevant unit holder only) By writing to the fund manager directly or through one of the fund manager's offices.

#### 15. Meeting of unitholders

- A) **Conditions in which unite holders are called for a meeting:**
1. The Fund manager may call for a meeting of unit holders.
  2. The Fund Manager shall call for a meeting of Unit Holders within (10) days of receiving a written request from the Custodian.
  3. The Fund Manager shall call for a meeting of the Unit Holders within (10) days of receiving a written request from one or more of the unit holders who together or individually own at least 25% of the value of the units of the Fund.
- B) **Procedures for convening a meeting of unit holders:**
1. The call for the unit holders' meeting shall be announced on the website of the Fund Manager and on the Market website and any other website available to the public according to the regulations set by the Authority, and by written notice to all unit holders and custodian according to the regulations set by the Authority at least ten days prior to the meeting and for a period not exceeding (21) days before the meeting. The notification will include the date, place, time and decisions proposed. If the Fund Manager sends a notification to the unit holders after any meeting of the unit holders, he shall send a copy of it to the Authority.
  2. The Fund Manager may amend the agenda of the unit holders meeting during the announcement period, provided that it is announced on its website and any other website available to the public according to the regulations set by the Authority and by sending a written notice to all unit holders and the custodian at least ten days prior to the meeting and no later than (21) days prior to the meeting.
  3. If the unit holders agree to any of the proposed decisions at the unit holders meeting, and this necessitates amending the Terms and Conditions of the Fund. The Fund Manager shall amend these Terms and Conditions in accordance with the approved decision.
  4. The meeting of unit holders shall not be valid unless attended by a number of unit holders who collectively own at least 25% of the value of the units of the public fund.
  5. If the quorum mentioned in the preceding paragraph is not met, the Fund Manager shall call for a second meeting by posting on the website of the Fund Manager and the Market website and by sending written notice to all Unitholders and Custodian prior to the second meeting of not less than (5) days. The second meeting is valid regardless of the percentage of units represented at the meeting.
- C) **A statement of voting rights of unit holders:**

1. Each Unit Holder may appoint a representative to represent him at the meeting of unit holders.
2. Each Unit Holder may make one vote at the meeting of unit holders for each unit held by the meeting time.
3. It is permissible to hold unit holders' meetings, participate in their deliberations and vote on their decisions by means of modern technology in accordance with the controls set by the Authority, provided that the announcement of this is on the website of the Fund Manager and the website of the market.

## 16. Unitholders' Rights

### A) List of rights of unit holders:

1. Obtain a copy of the Fund's terms and conditions or any update on it free of charge.
2. Obtain a summary of the unit holders' register (this summary should show all information related to the applicant owner only) for free upon request.
3. Exercise all rights related to units including but not limited to the right to vote in meetings of unit holders.
4. Receive a notification from the fund manager of the details of the fundamental changes to the fund, 10 days prior to the change taking effect
5. Vote on any proposed fundamental change to the Fund.
6. Recover units before any fundamental change takes effect without any redemption fees (if any).
7. Receive a written notification from the fund manager of any proposed non-essential non-fundamental changes (10) days prior to the change becoming effective.
8. Recover units before any non-fundamental change takes effect without any redemption fees (if any).
9. Receive immediate notification from the Fund Manager when he imposes a suspension or redemption of subscription of the Fund's units and explains the reasons for the suspension.
10. Receive immediate notification from the Fund Manager when he terminates the suspension or redemption of subscription of Fund Units.
11. Owners of affected units shall have the right to receive compensation from the Fund Manager for all assessment or pricing errors.
12. Issuing a special decision to dismiss any member of the Board of Directors of the Fund. This request shall be directed to the Fund Manager.
13. Issuing a special decision to request the dismissal of any member of the Board of Directors of the Fund.
14. The Fund Manager shall comply with all requirements of the unit holders' meetings in accordance with Article (75) of the Investment Funds Regulations.
15. The Fund Manager shall comply with all requirements of reporting to the unit holders in accordance with Article (76) of the Investment Funds Regulations.
16. In the event of merger of funds, the Fund Manager shall comply with all requirements of Part 7 of the Investment Funds Regulations.
17. Receive a notification from the Fund Manager upon termination of the Public Fund.
18. Obtain the procedures for handling complaints when they are filed (at no charge).

19. Any other rights of unit holders approved by the laws and executive regulations issued by the Board of the Capital Market Authority and the instructions for investment funds.

**B) Policy of the Fund Manager in respect of voting right associated with any assets of the public Fund that it manages:**

In accordance with inside Falcon's regulations of voting rights, in cooperation with the Board of Directors of the Fund, Conformity, Compliance and Risk Management group, this system will be followed in case of voting. The Fund Manager will also make voting decisions within the framework of this system by consulting the Conformity, Compliance and Risk Management group.

### 17. Unitholders' Liability

The responsibility of the unit holders is limited to bear the loss of their investment in the Fund or part of it and they shall not have any liability towards the debts and obligations of the Fund.

### 18. Units Characteristics

The Fund Manager may issue an unlimited number of units of the Yaqeen Murabaha Fund in Saudi Riyals, and all units are of the same type, and each unit represents an equal standard share in the Fund's assets equal to all other units.

### 19. Changes to the Fund's Terms and Conditions

A) This Fund shall be subject to all provisions governing the change in the Terms and Conditions of the Public Investment Funds and the approvals and notices set forth in the Investment Funds Regulations:

The provisions regulating changing the Terms and Conditions of the Fund are divided into two parts according to the Investment Funds Regulations, based on the quality of the information to be changed in accordance with Articles 62 and 63, respectively, as follows:

**First: The approval of the Authority and the Unit Holders on the fundamental changes**

1. The Fund Manager must obtain the approval of the unit holders in the Fund for the proposed basic change through an ordinary Fund resolution.
2. The Fund Manager must obtain the approval of the unit holders in the Fund for the proposed fundamental change, which is the change in the maturity or termination date of the closed public Fund through a special resolution for the fund.
3. The Fund Manager must, after obtaining the approval of the unit holders, obtain the approval of the Authority on the proposed basic change for the public fund.

**4. The term "fundamental change" means any of the following cases:**

- A significant change in the objectives, nature or category of the Public Fund.
- A change that may have a negative and material effect on the unit holders or on their rights in relation to the closed public fund.
- The change that has an impact on the degree of risk of the Public Fund.
- Voluntary withdrawal of the Fund Manager from the position of Fund Manager.
- Any change that would normally cause Unitholders to reconsider their participation in the Closed Public Fund.
- Any change that leads to an increase in payments from the assets of the closed public Fund to the Fund Manager or any member of the fund's board of directors or any affiliate of any of them.



- Any change that introduces a new type of payment shall be made from the assets of the Closed Public Fund.
  - Any change that substantially increases the other types of payments that are paid from the assets of the closed public fund.
  - A change in the maturity or termination date of a closed public fund.
  - Increasing the total value of the closed public fund's assets by accepting contributions in cash or in kind or both.
  - Any other cases decided by the Authority from time to time and reported to the Fund Manager.
5. The Fund Manager must obtain the approval of the fund's board of directors before making any fundamental change.
  6. The Fund Manager must announce the details of the basic changes on his website, the market website and any other website available to the public according to the regulations set by the Authority (10) days before the change takes effect.
  7. The details of the basic changes must be stated in the Public Fund reports prepared by the Fund Manager.

#### **Second: Notifying the Authority and unit holders of any non-fundamental changes**

1. The Fund Manager must notify the Authority and announce that on its website, the market's website and any other website available to the public according to the controls set by the Authority about any non-fundamental changes in the public Fund that it manages 10 days before the change takes effect.
2. The Fund Manager must obtain the approval of the fund's board of directors before making any non-fundamental change.
3. For the purposes of the Investment Funds Regulations, "non-fundamental change" means any change that does not fall within the basic changes.
4. The details of the non-fundamental changes must be stated in the Public Fund reports prepared by the Fund Manager.

#### **B) A statement of the procedures to be followed for notification of changes in the Terms and Conditions of the Fund:**

1. The Fund Manager must announce the details of the fundamental changes on his website, the market website and any other website available to the public according to the controls set by the Authority (10) days before the change takes effect.
2. The Fund Manager must notify the Authority and announce that on its website, the market's website and any other website available to the public according to the controls set by the Authority about any non-fundamental changes in the public Fund that it manages 10 days before the change takes effect.

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

- A) Cases requiring the termination of an Investment Fund, and the relevant procedures in accordance with the provisions of the Investment Funds Regulations:** If the Fund Manager notices that the amount of the fund's assets under management is insufficient to justify the permanent operation of the fund, or in the event of any change in the law, regulation or any other circumstances In which the Fund Manager deems it an appropriate reason to terminate the fund, the Fund Manager shall notify the Capital Market Authority and notify the unit holders in writing of his desire to terminate the fund, for a period of no less than 21 days



from the date on which the Fund is intended to be terminated if the Fund Manager wishes to terminate the fund.

**Procedures for liquidating an Investment Fund:**

The Fund Manager must follow the following procedures for terminating the Fund in accordance with the provisions of Article (22) of the Investment Funds Regulations:

- The Fund Manager must complete the stage of selling the fund's assets and distributing the dues of unit holders to them before the end of the fund's term.
  - For the purpose of terminating the fund, the Fund Manager must prepare a plan and procedures for terminating the Fund in the interest of the unit holders, and the approval of the fund's Board of Directors must be obtained on this plan before taking any action in this regard.
  - In the event that the Fund Manager wishes to terminate the fund, he must notify the Authority and announce on its website, the market's website or any other website available to the public, according to the controls set by the Authority, no less than 21 days before the date on which the public Fund is intended to terminate, without prejudice to Terms and Conditions of the fund.
  - The Fund Manager must notify the Authority and the unit holders in writing of the end of the Fund within (10) days from the end of the Fund term in accordance with the requirements set forth in the Investment Funds regulation
  - The fund manager must terminate the fund immediately if the fund manager notices that the amount of the fund's assets under management is insufficient to justify the permanent operation of the fund, or in the event of any change in the law, regulation or any other circumstances that the fund manager considers to be an appropriate reason to terminate the fund and notify the Authority Unitholders in writing within (5) days from the occurrence of the event that requires the termination of the Fund.
  - The Fund Manager must abide by the Fund termination plan and procedures approved by the fund's Board of Directors.
  - The Fund Manager must treat all unit holders equally during the Fund termination process.
  - The Fund Manager must distribute the entitlements of the unit holders to them immediately upon the expiry of the fund's term without delay and in a manner that does not conflict with the interest of the unit holders and the fund's Terms and Conditions.
  - For the purpose of terminating the fund, the Public Fund Manager must announce on his website, the market's website or any other website available to the public, according to the regulations set by the Authority, about the expiry of the fund's term.
  - The Fund Manager must provide the unit holders with a report on the termination of the Fund within a period not exceeding (70) days from the date of completion of the termination of the fund, including the final audited financial statements of the Fund for the period following the last audited annual financial statements.
- B) In the event of the expiry of the fund's term, the Fund Manager shall not charge any fees deducted from the fund's assets.**

## 21. Fund Manager

- A) Name, duties and responsibilities of the Fund Manager:**

The Fund Manager is Yaqeen Capital , which is an entity authorized under the Regulations of Financial Market Institutions, Yaqeen Capital in its capacity as a Fund Manager, the Fund Manager (Yaqeen Capital ) manages the Fund wisely and fairly in order to achieve the investment objectives of the Fund included in this prospectus, and in all cases takes into account the interests of the unit holders under the Terms and Conditions of the fund.

The Fund Manager shall abide by the controls set forth in paragraph (3) (the "The investment objectives of the investment Fund") of this prospectus, as well as the relevant controls contained in Article (41) ("Investment Restrictions") contained in the Investment Funds Regulations.

The Fund Manager shall also observe the Shariah controls for investment, and periodically checks that all the fund's investments comply with the Shariah standards and controls approved by the Shariah Board of the Fund under the supervision of the fund's Shariah Board, along with informing the fund's Board of Directors in a timely manner of any material violations.

As part of its duties, the Fund Manager shall ensure that sufficient liquidity is available to meet any potential redemption requests.

**B) License number and date issued by the Capital Market Authority:**

License No. 37-06020, dated 29/04/1427 AH to carry out the services of dealing as principal, agent, underwriting, managing Investment Funds and private portfolios, arranging, advising and custody in securities.

**C) The registered address and main office of the Fund Manager:**

Kingdom Saudi Arabia  
Olaya Main Road, Al Wurud District  
Yaqeen Company Building,  
Tel: 8888 429 900

**D) The address of the Fund Manager's website and any linked website that contains information about the Investment Fund:**

The Fund Manager's website: [www.yaqeen.sa](http://www.yaqeen.sa)  
Saudi market website (Tadawul): [www.saudiexchange.com](http://www.saudiexchange.com)

**E) The paid-up capital of the Fund Manager:**

A Saudi closed joint stock company with a paid-up capital of 150 million Saudi riyals

**F) A summary of the Fund Manager's financial information with an explanation of the revenues and profits for the previous fiscal year:**

Statement of financial position (000) Saudi riyals	Yaqeen Capital
Description	Dec-22
Assets	319,377
Liabilities	97,085

Shareholders' equity	222,292
Net liabilities and shareholders' equity	391,377

Income statement (000) Saudi riyals	Yaqeen Capital
Description	Dec-22
Total sales	99,032
Expenses	(82,715)
Net income	3,818

- G) **The basic roles and responsibilities of the Custodians in relation to the Investment Fund:**
1. The Fund Manager must act for the benefit of the unit holders in accordance with the provisions of the Investment Funds Regulations, the Financial Market Institutions Regulations, the Terms and Conditions of the Fund and the decisions of the Shariah Board.
  2. It is the responsibility of the Fund Manager to abide by all the principles and duties stipulated in the Financial Market Institutions Regulations, including the duty of trust towards unit holders, which includes working to achieve their interests and exercising reasonable care.
  3. **The Fund Manager shall be responsible for the following:**
    - The Fund Manager shall manage the Fund wisely and fairly in order to achieve the investment objectives of the Fund included in this memorandum, and in all cases takes into account the interests of unit holders within the framework of the fund's Terms and Conditions.
    - The Fund Manager shall abide by the controls set forth in paragraph (2) ("investment policies and practices") of this memorandum, as well as with the relevant controls contained in Article (41) ("investment restrictions") contained in the Investment Funds regulations.
    - The Fund Manager shall also take into account the Shariah standards for investment, and periodically checks that all the fund's investments comply with the Shariah standards and controls approved by the Shariah Supervisory Committee of the fund, and informs the fund's Board of Directors in a timely manner of any material violations.
    - As part of his duties, the Fund Manager ensures that sufficient liquidity is available to meet any potential redemption requests.
- H) **There are no other business activities or interests of the Fund Manager that are of material importance, or that may conflict with the activities of the Investment Fund.**
- I) **The Fund Manager has the right to appoint a sub-Fund Manager if he deems it necessary.**
- J) **A statement of the provisions regulating the dismissal or replacement of the Fund Manager:**

The Authority shall have the right to dismiss the Fund Manager and take any action it deems appropriate to appoint an alternative Fund Manager for the Fund or to take any other measure it deems appropriate in case of any of the following cases:

1. If the Fund Manager ceases to exercise management activity without notice to the Authority in accordance with the list of authorized persons.
2. In the case of revocation of the license of the Fund Manager to exercise management activity or its withdrawal or suspension by the Authority.
3. In the case of a request to the Authority from the Fund Manager to cancel his license to exercise management activity.
4. If the Authority considers that the Fund Manager has violated – as the Authority deems material – the obligation of the law or its executive regulations.
5. In the case of the death, deficit or resignation of the investment portfolio manager who manages the fund's assets, with no other person registered with the Fund Manager able to manage the assets of the funds managed by the portfolio manager.
6. Any other case that the Authority considers – on reasonable grounds – that it is of fundamental importance.

## 22. Fund Operator

- A) **Name of the Fund operator:** Yaqeen Capital performs the tasks assigned to the Fund operator according to the Investment Funds regulations.
- B) **License number issued by the Capital Market Authority, and its date:** The company is licensed by the Capital Market Authority under license number 06020-37 issued on 29/04/1427 AH corresponding to 05/27/2006 AD.
- C) **The address of the Fund Operator:**  
 Yaqeen Capital  
 Olaya Main Road  
 PO Box 884 Riyadh 11421  
 Tel: 8004298888  
 Fax: +966 (11) 4617268
- D) **Basic roles and responsibilities of the Fund operator in relation to the Investment Fund:**
  - Operation of the fund.
  - Maintain books and records related to the operation of the fund.
  - Preparing and updating the register of unit subscribers and keeping it in the Kingdom in accordance with the requirements of the Investment Funds regulation.
  - Evaluating the Fund's assets fully and fairly, and calculate the price of the fund's units.
- E) **The Fund Operator may assign one or more third parties or any of its affiliates licensed to practice the activity of operating the funds to work as a sub-operator of the fund.**
- F) **The tasks assigned to the Fund operator by a third party:** Not applicable, with the possibility of appointing the Fund Operator one or more third parties or any of its affiliates licensed to practice the activity of operating the funds to work as a sub-operator of the fund.

### 23. Custodian

- A) **Name of the custodian:** Albilad Capital Company.
- B) **License number issued by the Capital Market Authority, and its date:** Albilad Capital is a Saudi company with one person, closed joint stock, licensed by the Capital Market Authority under License No. 37-08100, dated 01/08/1428 AH to carry out the services of dealing as principal, agent, underwriting, managing Investment Funds and private portfolios, arranging, advising and custody in securities.
- C) **The registered address and business address of the custodian:**  
 King Fahd Road, Al Olaya  
 PO BOX, 140 Riyadh 11411  
 Tel No. 920003636  
 Fax: + 966 (11) 2906299
- D) **The basic roles and responsibilities of the Custodians in relation to the Investment Fund:**
1. Physical conservation of Fund assets, including money, documents and related agreements if needed.
  2. Opening Fund accounts with local banks.
  3. Opening the accounts records of the Fund and the participants.
  4. Calculating the financial positions and ensuring that they are checked and reviewed.
  5. Assessing the net asset value of the fund.
  6. Issuing financial reports.
- E) **The custodian is not entitled to appoint a sub-custodian.**
- F) **Tasks assigned to a third party by the custodian in relation to the Investment Fund:** Not applicable.
- G) **A statement of the provisions regulating the dismissal or replacement of the custodian:**  
 The Authority may dismiss the custodian appointed by the Fund Manager or take any measure it deems appropriate in the event of any of the following cases:
1. The custodian stops carrying out custodian activities without notifying the Authority of that in accordance with the Financial Market Institutions Regulations.
  2. Cancelling the custodian's license to practice custody activity, withdrawal or suspension by the Authority.
  3. Submitting a request to a custodian authority to cancel his license to practice custodian activity.
  4. If the Authority considers that the custodian has fundamentally breached, according to the Authority, the obligations of the Law or its executive regulations.

In this case, the Fund Manager will appoint a replacement custodian and transfer custodian responsibilities to the new custodian within 60 days of his appointment.

The Fund Manager may also dismiss the custodian by written notice if it reasonably considers that the removal of the custodian is in the interest of the unit holders. In this case, the Fund Manager will appoint a replacement custodian within (30) days of the custodian receiving the written notification. The Fund Manager's website and the market's website will immediately disclose the appointment of a replacement custodian.

## 24. Fund Board

### A) The names of the members of the fund's Board of Directors, with mentioning the type of membership:

**Mr. Ahmad Ibrahim Alshabanah (Chairman of the Board of Directors of the Fund - Non-Independent)**

**Dr. Abdul Karim bin Hamad Al-Nujaidi (Independent Member)**

**Mr. Muhammad Bin Misfer Al-Maliki (Independent Member)**

### B) Qualifications of the Fund Board Members:

#### **Mr. Ahmad Ibrahim Alshabanah (Chairman of the Board of Directors of the Fund - Non-Independent)**

Deputy CEO of Yaqeen Capital, holds a master's degree in business administration from the Swiss Business School and a bachelor's degree in business administration from King Faisal University. More than twenty two years of experience in the banking and investments, experience in treasury, Money Market and foreign exchange trading, his most prominent previous experiences: He worked at Alawwal Bank (SABB) and Gulf International Bank. He also held the position of Treasury Manager at Yaqeen Capital, then he joined the Asset Management from 2017 until November 2022.

#### **Dr. Abdul Karim bin Hamad Al-Nujaidi (Independent Member)**

He holds an Executive MBA from King Fahd University of Petroleum and Minerals in 2011 and a Ph.D. in Linguistics from Oklahoma Stillwater State University, Oklahoma Stillwater, USA in 2003. He has experience of more than 32 years, and he is currently a board member of Abdullah Al Othaim Markets Company, a board member and a member of the Nominations and Remunerations Committee of the Arab Group for Education and Training Holding Company, Member of the Board of Directors, Chairman of the Nominations Committee and member of the Risk Committee in Aljazira Takaful Company and previously the CEO of Maharah for Human Resources And CEO of the National Gas and Industrialization Company.

#### **Mr. Muhammad Bin Misfer Al-Maliki (Independent Member)**

He holds a master's degree in business administration from Al-Faisal University in 2013. He has more than 30 years of experience in the financial sector in financial markets, banks, business and construction supervision, business and business supervision, construction, investment, board of directors, member of the board of directors and a member of the management committee And nominations and rewards in Kwara Finance, and a member of the audit committee of the "The Riq" project of the Public Investment Fund, a member of the board of directors and a member of the nominations and rewards committee of the Saudi Real Estate Company, and a member of the board of directors and a member of the audit committee of the Saudi Al-Benj Industrial Company for Industrial and Agricultural Investment (Sapenko), a member of the Board of Directors, a member of the Board of Directors, a member of the Board of Directors, and a member of the Board of Directors of Al Anson Trading Company.

### C) Roles and Responsibilities of the Board of Directors of the Fund:

1. Approve all contracts, resolutions and material reports to which the Fund is a party.

2. Adopt a written policy regarding voting rights relating to the Fund's assets.
  3. Supervise and, if appropriate, approve any conflict of interest disclosed by the Fund Manager in accordance with the Investment Funds Regulations.
  4. Meeting at least twice a year with the compliance and conformance (Compliance and Conformance Committee) officer with the Fund Manager, the money laundering and terrorist financing reporting officer to ensure that the Fund Manager complies with all applicable laws and regulations.
  5. Approve any recommendation made by the liquidator in case of his appointment.
  6. Ensure that the Terms and Conditions of the Fund, the Memorandum of Information and any other document of the Investment Funds Regulations are complied with.
  7. Ensure that the Fund Manager carries out its responsibilities to the benefit of the unit holders in accordance with the Terms and Conditions of the Fund and the provisions of the Investment Funds Regulations.
  8. Act in honesty and in the interest of the Investment Fund and its unit holders.
  9. Record the minutes of the meetings that show all the minutes of the meetings and the decisions taken by the Board.
  10. Review the report that includes all complaints and the measures taken in respect of them, in order to ensure that the Fund Manager is carrying out his responsibilities in a manner that serves the interests of Unit Holders in accordance with the Terms and Conditions of the Fund and what is stated in the Investment Funds Regulations.
- D) **Details of the remuneration of the members of the fund's Board of Directors:**  
Board remuneration is payable to the independent directors in the amount of 3,000 Saudi riyals per meeting, with a maximum of 5,000 Saudi riyals per month if more than one meeting is held per month.
- E) **There is no actual or potential conflict between the interests of a member of the fund's board of directors and the interests of the fund.**
- F) **The members of the fund's Board of Directors are members of the boards of directors of other funds managed by the Fund Manager as described below:**

Fund name	Ahmad Ibrahim Alshabanah	Abdul Karim bin Hamad Al-Nujaidi	Muhammad Bin Misfer Al-Maliki
Yaqeen Petrochemical ETF	✓	✓	✓
Yaqeen Saudi Equity ETF	✓	✓	✓
Yaqeen Saudi Equity Fund	✓	✓	✓
Yaqeen IPO Fund	✓	✓	✓
Yaqeen Gold Fund	✓	✓	✓
Yaqeen Murabaha Fund	✓	✓	✓
Yaqeen Arar Hills Fund	✓	✓	✓



Yaqeen Income Generating Fund	✓	✓	✓
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## 25. Shariah Supervisory Committee

### A) Names of the members of the Shariah Supervisory Committee, and their qualifications:

The Shariah Board of Yaqeen Capital will play the role of the Shariah Board of the Fund to ensure that the Fund adheres to Shariah regulations. The Shariah Board of Yaqeen Capital is composed of the following members:

#### **Sheikh/ Abdullah bin Suleiman Al-Manea – Chairman of the Authority**

He is a member of the Council of Senior Scholars in the Kingdom of Saudi Arabia since its inception, an advisor to the Royal Court, a member of the Shura Council and a former judge of the Court of Cassation in Makkah. He is a member of the Islamic Fiqh Academy, a member of the Shariah Council of the Accounting and Auditing Organization for Islamic Financial Institutions, and the head and member of several Shariah committees in Saudi and Gulf banks. He wrote many books on Islamic banking.

#### **Sheikh Dr. Muhammad bin Ali Al-Qari bin Eid – Member**

He holds a master's and PhD degrees in economics from the University of California. He is a professor of Islamic economics at the former King Abdulaziz University in Jeddah, and an expert at the Fiqh Academy of the Muslim World League. Dr. Al-Qari is a member of several Shariah Boards of Islamic Banking in many banks around the world.

#### **Sheikh Dr. Abdul Rahman bin Abdulaziz Al-Nafisah – Secretary and member of the Authority**

He holds a Bachelor's degree in Sharia, a Master's and a Ph.D. in Islamic economics, more than 15 years of experience in the field of Shariah supervision, and Islamic financial transactions, a collaborating lecturer at Imam Muhammad bin Saud Islamic University, a member of a number of Shariah boards in the Kingdom of Saudi Arabia, has published researches and multiple participations in the field of Islamic finance.

### B) A statement of the roles and responsibilities of the Shariah Supervisory Committee:

1. Studying and reviewing the fund's investment objectives and policies and the fund's documents to ensure their compliance with the Shariah standards.
2. Advising the Fund Manager on issues related to Shariah compliance, if requested by the Fund Manager.
3. Giving advice in determining the legal criteria necessary for selecting securities, companies or any other investments in the primary market or the secondary market in which the Fund is expected to invest.
4. Periodic monitoring of the extent to which the Fund's investments conform to Shariah standards.

5. Expressing the Shariah opinion on the extent to which the Fund's business conforms to the Shariah standards for inclusion in the Fund's annual audited report.
  - o The Fund Manager abides by the standards and recommendations issued by the Shariah Supervisory Committee and ensures that they are applied in all the fund's investments at all times.
- C) **The remunerations of the members of the Shariah Supervisory Committee shall be borne by the Fund Manager on behalf of the fund.**
- D) **The standards applied to determine the legality of the assets intended for investment and the periodic review of those assets and the procedures followed in the event of non-conformity with the Shariah standards.**

The following are the Shariah controls approved by the Shariah Board of Yaqeen for selecting company shares:

- Objectives of the company:  
It is not permissible to deal in shares of companies involved in one or more of the following activities:
  - Dealing with the interest rate or illegal financial instruments, including the prohibited activities of conventional banks.
  - Producing, distributing and marketing prohibited goods such as smoke and the like, alcohol, drugs, pigs and their meat, and meat not slaughtered according to Shariah, and the gambling industry, resorts, hotels and restaurants with prohibited activities.
  - Producing and publishing media and publications that call for pornography.
  - Derivatives including futures instruments, options, carry contracts and conventional preferred shares.
- Dealing in currency futures contracts.
- Securities issued by companies whose sources of income are related to the following sectors:
  - Conventional banks, insurance companies or activities related to interest rates.
  - Production and distribution of alcohol products.
  - Production and distribution of weapons.
  - Gambling.
  - Production and distribution of pork or any related illegal activities.
  - Hotels and resorts that provide illegal services.
  - Production and distribution of liquor and drugs and the like.

The committee reviews periodically and in the event that one of the fund's assets does not comply with the Shariah standards, the Fund Manager will liquidate this asset, taking into account that the unit holders will not be harmed as a result of the liquidation of the asset.

## 26. Tax & Zakat Advisor

a) Name of Tax and Zakat Advisor:

Baker tilly company

b) The registered address and working address of the tax and zakat consultant

Kingdom of Saudi Arabia, Riyadh, Othman Bin Affan Branch Road, Al Taawun District

c) - Description of the basic roles and responsibilities of the Tax and Zakat advisor in relation to the Investment Fund: Review and submit the Fund's Zakat returns at the end of the fiscal year

- Registration with the Tax and Zakat Authority for each fund
- Providing a tax and zakat certificate from the Chartered Accountant (CPA) to investors upon their request to know the Zakat base account for their investment, as they issued the certificate that is not mandatory on the fund manager.

## 27. Auditor

- A) **The name of the auditor:** KPMG
- B) **Registered address and business address of the auditor:**

KPMG Tower  
Riyadh Front – Airport Road, P.O.Box 92876,  
Tel: +966 11 874 8500  
Fax: +966 11 874 8600

- C) **A statement of the primary roles and responsibilities of the auditor:** The auditor reviews the initial and annual financial statements of the Fund.
- D) **The provisions regulating the replacement of the auditor of the Investment Fund:**

If the fund manager wants to appoint or change an Fund Auditor, he must obtain the approval of the fund's board of directors. The members of the board of directors shall have the right to refuse to appoint or direct the fund manager to change the appointed Auditor, in any of the following cases:

1. Existing and important allegations about the auditor's professional misconduct related to the performance of his duties.
2. If the auditor of the Public Fund is no longer independent.
3. If the auditor of the public Fund is no longer registered with the Authority.
4. If the fund's Board of Directors decides that the auditor does not have sufficient qualifications and experience to perform the audit tasks satisfactorily.
5. If the Authority, at its sole discretion, requests a change of the appointed auditor in relation to the Public Fund.

## 28. Fund assets

- A) **The assets of the Investment Fund are held by the custodian for the benefit of the Investment Fund.**
- B) **The custodian must separate the assets of each Investment Fund from its own and from the assets of its other clients. These assets must be independently identified by registering the securities and other assets of each Investment Fund in the name of the custodian for the benefit of that fund, and the investment assets of the Fund should be registered in the name of a company affiliated with the custodian, and all necessary records and other necessary records that support the performance of contractual obligations should be kept.**



- C) The Fund Manager acknowledges that the assets of the Investment Fund are collectively owned by the unit holders (common ownership). The Fund Manager, Fund sub-manager, Fund operator, custodian, sub-custodian, advisor or distributor has no interest in, or claim in, the assets of the fund, unless the Fund Manager, Fund sub-manager, Fund operator, custodian, sub-custodian, advisor, or distributor owns units in the fund, within the limits of his ownership, or if such claims are permitted under the provisions of the Investment Funds Regulations and disclosed in these Terms and Conditions.

### 29. Complaints procedures

The Fund Manager states that the procedures for handling complaints will be provided upon request, free of charge. Unit holders can also write to the Fund Manager in the event of any complaint that may arise at the following address:

Yaqeen Capital  
 Compliance Officer  
 Kingdom Saudi Arabia  
 Olaya Main Road, Al Wurud District  
 Yaqeen Company Building,  
 Tel: 8888 429 800  
 Website: [www.yaqeen.sa](http://www.yaqeen.sa)  
 Email: [Addingvalue@yaqeen.sa](mailto:Addingvalue@yaqeen.sa)

### 30. Other information

- A) The policies and procedures that will be followed to address the conflict of interest and any potential or actual conflict of interest will be provided upon request free of charge.
- B) The judicial authority competent to consider any dispute arising from or from investing in Investment Funds is the Securities Dispute Resolution Committee.
- C) List of documents available to unit holders:  
 The list includes the following documents:
- Terms and Conditions of the Fund.
  - The contracts mentioned in the Terms and Conditions.
  - The financial statements of the Fund Manager.
- D) There is no other information, to the knowledge of the Fund Manager and the board of directors, that was not included in the prospectus of the Terms and Conditions.
- E) There are no exemptions from the restrictions of the Investment Funds Regulations approved by the Capital Market Authority, except for those mentioned in the investment policies and practices.

### 31. Additional information requirements for certain types of Funds

#### Securities Market Fund

1. Subscribe to any unit is different from depositing cash with a local bank.
2. The Fund Manager may not accept the request to recover the units at the subscription price, and that the value of the units and their revenues are subject to ups and downs.
3. The Fund Manager's Methodology for Classifying the Fund's Investments or the parties that the Fund will deal with: The Fund Manager relies on the internal

classification by investing with institutions that have a good reputation, sound financial position and low risk in the Kingdom of Saudi Arabia licensed by the Capital Market Authority and/or Central Bank.

4. In the case of dealing with any source of securities market transactions outside the Kingdom, the Fund Manager acknowledges that this source is subject to a supervisory body similar to the Saudi Central Bank.
5. Derivatives will not be invested in securities.

### 32. Acknowledgment of the Unit Holder

By signing this Terms and Conditions, I/we acknowledge that I/we have obtained a copy of this prospectus containing the Terms and Conditions of Yaqeen SAR Murabaha Fund and its annexes. I/we have also reviewed it, understood and approved it, and I am aware that the financial summary of this prospectus is updated annually, and accordingly I/we have signed it:

Investor's name: \_\_\_\_\_

Investor account number: \_\_\_\_\_

Investor's signature: \_\_\_\_\_

Date: ... /... /....

#### On behalf of Yaqeen Capital:

Name: \_\_\_\_\_

Job title: \_\_\_\_\_

Office address: \_\_\_\_\_

Date: ... /... /....