BSF Small & Mid-Cap Saudi Equity Fund Terms and conditions

An open-ended public equity investment fund that complies with the Shariah standards approved by the Shariah Supervisory Committee appointed in respect of the Investment Fund.

Fund Manager - Saudi Fransi Capital

- The Fund's Terms and Conditions have 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 and completeness of the information contained in these Terms and Conditions. The Fund's Board of Directors and the Fund Manager further represent and confirm that the information contained in these Terms and Conditions is accurate and complete, and further represent and confirm that the information and data contained herein are not misleading .
- The Capital Market Authority has approved the offering of the Investment Fund Units. The Authority assumes no responsibility for the contents of the Fund's Terms and Conditions, makes no representation as to their accuracy or completeness, and neither recommends nor endorses an investment in the Fund. The decision to invest remains solely the responsibility of the investor or the investor's representative.
- BSF Small & Mid-Cap Saudi Equity Fund has been approved as a Shariah-compliant Investment Fund in accordance with the Shariah standards approved by the Shariah Supervisory Committee appointed in respect of the Investment Fund.
- The Terms and Conditions of the BSF Small & Mid-Cap Saudi Equity Fund, together with all other related documents, are subject to the Investment Funds Regulations issued by the Capital Market Authority. They contain complete, clear, accurate, and non-misleading information regarding all material facts relating to the Investment Fund. Investors wishing to invest must read and understand the Fund's Terms and Conditions, together with all other related documents, before making an investment decision. The Fund's performance is set out in its reports.
- "Investors are advised to read and understand the Fund's Terms and Conditions, together with all other related documents relating to the BSF Small & Mid-Cap Saudi Equity Fund, before making an investment decision. If investors have difficulty understanding the Fund's Terms and Conditions, they are strongly advised to consult a qualified financial advisor".
- Upon subscribing to units of the Fund, the unitholder deems to have accepted and signed the Terms and Conditions.
- Investors can view the Fund's performance in its reports.

Date of the Authority's Approval of the Offering of the Fund's Units	Date of Issuance of the Terms and Conditions
15/01/1448 H (corresponding to 30/06/2026 G)	15/01/1448 H (corresponding to 30/06/2026 G)

Khalid Bin Waleed Al-Braikan	Haifa Fahad Al Goufi
CEO and Member of- Board of Directors	Head of the Compliance, Governance and Legal Department

BSF Capital

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Summary of the Fund

1	Name of the Investment Fund	BSF Small & Mid-Cap Saudi Equity Fund
2	Fund Type / Category	An open-ended public equity Investment Fund that complies with the Shariah standards approved by the Shariah Supervisory Committee appointed in respect of the Investment Fund.
3	Fund Manager Name	Saudi Fransi Capital
4	Fund objective	The Fund aims to achieve medium- to long-term growth by investing in the shares of small and medium-sized companies listed on the Saudi Exchange (Tadawul) that comply with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Fund.
5	Level of Risk	High
6	Minimum Subscription, Additional Subscription and Redemption Amounts	Minimum Subscription Amount: SAR 2000 (Two Thousand Saudi Riyals) The minimum additional subscription amount SAR 1,000 (One Thousand Saudi Riyals) Minimum redemption amount: SAR 1,000 (One Thousand Saudi Riyals)
7	Trading and valuation days	Monday, Wednesday, and Thursday (provided that such days are business days in KSA).
8	Announcement Days	The business day follows the dealing day.
9	Redemption Proceeds Payment Day	Within four business days from the dealing day.
10	Nominal Value of the Unit at Initial Offering	10 Saudi Riyal
11	Fund Currency	Saudi Riyal (SAR)
12	Investment Fund Duration and Maturity Date	The BSF Small & Mid-Cap Saudi Equity Fund is an open-ended public investment fund with no fixed term.
13	Fund Operation Date	After receiving the Authority's Approval
14	Issue Date of the Fund's Terms and Conditions and Last Update Date	The Terms and Conditions of the fund were issued on [15]/[01]/1448 AH corresponding to [30]/[06]/2026 AD
15	Early redemption fee	None.
16	Benchmark Index	S&P Saudi Arabia Mid-Small Shariah Total Return Index,
17	Fund Administrator Name	Saudi Fransi Capital
18	Custodian Name	HSBC Saudi Arabia
19	The auditor's name	Dr. Mohamed Al-Amri & CO (BDO)
20	Fund Management Fees	1.75% per annum of the fund net assets value
21	Subscription and redemption fees:	Subscription fees: Up to 3% to be paid in advance of the total subscription amount. Redemption fees: None

22	Custodian fees	0.045% per annum, calculated daily based on the Fund's net asset value on each valuation date and deducted monthly. In addition to a transaction processing fee of SAR 70 (seventy).
23	Trading expenses	The Fund shall bear any regulatory fees or expenses related to investment operations, which will be disclosed, if incurred, in the annual financial disclosure summary.
24	Fees and other expenses	The following fees and expenses (transaction fees, review and audit fees, registration fees (trading), funding fees, income purification fees, Zakat fees, index data fees, benchmark index fees, regulatory fees, and Fund Board member fees) shall be calculated as detailed in Section 9-B.
25	Performance Fees	None

Definitions

The Fund	The BSF Small & Mid-Cap Saudi Equity Fund
Fund Manager	The Capital Market Institution that manages the assets of an investment fund, administers its operations, and offers its units in accordance with the Investment Funds Regulations.
Fund Currency	The currency in which the fund unit price is denominated.
The Kingdom	Kingdom of Saudi Arabia.
The Authority	The Capital Market Authority, including, wherever the context permits, any committee, subcommittee, employee, or delegate authorized to perform any task required by the Authority.
Investment Funds Regulations	The regulations are issued by the Board of the Capital Market Authority.
Investment Fund	A collective investment scheme that aims to provide its investors with an opportunity to collectively participate in the profits of the portfolio. It is managed by the Fund Manager for a fee.
Subscriber / Unitholder	The person who owns units in the investment fund.
Unit	Units owned by the subscriber in the fund.
Benchmark Index	The benchmark index serves as a market reference against which the performance of the Investment Fund can be measured.
Medium companies	Any company whose cumulative market capitalization, adjusted for free float, falls within the next 15% after determining the percentage of large companies (70%).
Small companies	Any company whose cumulative market capitalization, adjusted for free float, falls within the next 15% after determining the percentage of large companies (70%) and medium-sized companies (the next 15% after the percentage allocated to large companies).
Board of Directors	A board whose members are appointed by the Fund Manager in accordance with the Investment Funds Regulations to monitor and supervise the activities of the Fund Manager.
Shariah supervisory committee / Shariah Board	A group of Shariah scholars appointed by the Fund Manager to provide advice on investment products that comply with the Shariah Supervisory Committee Standards.
Business day	The official business day when banks and financial markets are open in the KSA. For the submission of financial statements and reports, "Business Day" refers to the official business day of the Authority.
Dealing day	A day on which investment fund units can be subscribed and redeemed.
Announcement Days	Are the days in which unit prices are declared.
Valuation Point	The valuation point for each Dealing Day on which the net asset value per Unit is calculated.
Last Registration Period	The last date for submitting the Fund's unit subscription and redemption instructions.
Unit Price	The Fund Unit price is calculated by dividing the Fund's net assets by the total number of outstanding Units.

Subscription Fee	Fees that are paid in advance when purchasing fund units.
Fund Management Fees	Compensation, expenses, and fees related to consulting services are payable to the Fund Manager.
Minimum subscription amount	The minimum financial amount required to subscribe to the Fund.
Shariah standards	Shariah standards approved by the Fund's Shariah supervisory committee appointed for the Investment Fund, which determine the companies eligible for investment.
Executive Regulations for Zakat Collection	The Executive Regulations for Zakat Collection issued by His Excellency the Minister of Finance under Resolution No. (1007) dated 19/08/1445 AH, as amended by His Excellency the Minister of Finance under Resolution No. (1248) dated 11/10/1446 AH.
Automated Investment	An investment solution that allows small investors to participate with amounts below the minimum threshold, either as a lump sum or through a monthly subscription amount determined by the investor.
Exceptional Circumstances	Economic crises (such as recessions), political crises (such as wars), or natural disasters (such as earthquakes) that may lead to stock market crashes.
Service Provider	The term "Service Provider" refers to IdealRatings, an independent entity accredited by the Shariah supervisory committee. IdealRatings provides Shariah compliance screening services and issues purification ratios in accordance with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Investment Fund. These ratios are used to calculate the Fund's purification amounts.
Exchange-Traded Funds (ETF)	These are investment funds divided into equal units that are traded on the stock market during trading periods, like the trading of company shares. These funds combine the features of both mutual investment funds and stocks.
(REITs) Traded Real Estate Investment funds	These are publicly offered real estate investment funds whose units are traded on the market. Their primary investment objective is to invest in developed, income-generating real estate. They distribute at least 90% of the Fund's net profits in cash to Unit Holders during the Fund's operation, at least annually.

1. The Investment Fund:

a. Investment Fund Name, Class, and Type.

The BSF Small & Mid-Cap Saudi Equity Fund. An open-ended public equity investment fund that complies with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Investment Fund.

b. Issue Date of the Investment Fund's Terms and Conditions and Last Update Date

The Fund's Terms and Conditions were issued on [15]/[01]/1448 AH, corresponding to [30]/[06]/2026 AD

c. Date of the Authority's Approval of the Offering of the Fund's Units.

The Authority's approval for the offering of the Fund's Units was obtained on [15]/[01]/1448 AH, corresponding to [30]/[06]/2026 AD

Duration and Maturity Date of the Investment Fund (as applicable):

The BSF Small & Mid-Cap Saudi Equity Fund is an open-ended public investment fund.

2. Applicable Law:

The BSF Small & Mid-Cap Saudi Equity Fund and Saudi Fransi Capital (the Fund Manager) are subject to the Capital Market Law, its Implementing Regulations, and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

3. Investment policy and practices:

a. Investment Fund Objectives.

The BSF Small & Mid-Cap Saudi Equity Fund is an open-ended investment fund that aims to achieve medium- to long-term capital growth that outperforms its benchmark index by investing in the shares of small and mid-cap companies listed on the Saudi Stock Exchange (Tadawul) and compliant with the Shariah standards approved by the Fund's Shariah Supervisory Committee.

b. Types of Securities in Which the Fund Will Mainly Invest:

- The Fund's investment focus is on companies listed on the Main Market (TASI) and the Parallel Market (Nomu), with a maximum of 15% of the Fund's net asset value allocated to the Parallel Market, provided that such companies comply with the Shariah standards approved by the Fund's Shariah supervisory committee.
- The Fund has the right to invest in all other public investment funds (including initial public offerings and RIGHTS ISSUE SHARES) that comply with the Shariah standards approved by the Fund's Shariah supervisory committee, such as Real Estate Investment Funds (REIT) Exchange Traded Funds (ETFs), and others.
- The Fund Manager is authorized to invest surplus cash in cash, money market transactions, and money market funds that comply with the Shariah standards approved by the Fund's Shariah Supervisory Committee and are conducted with a party regulated by the Saudi Central Bank or a similar regulatory authority outside the Kingdom.

c. Investment concentration policy.

The Fund shall primarily invest in the shares of small and medium-sized companies listed on the Main Market (Tadawul), with a maximum of 15% of the Fund's net asset value allocated to the Parallel Market (Nomu), in accordance with the Shariah standards approved by the Shariah Supervisory Committee appointed for the Investment Fund.

d. Investment Allocation

The following table shows the Fund's minimum and maximum Investment Allocations:

Investment Type	Minimum limit	Maximum limit
The shares of small and medium-sized companies listed on the Main Market (Tadawul) and the Parallel Market (including IPOs and RIGHTS ISSUE SHARES)	60%	100%
Shares of other companies listed on the Saudi Stock Exchange (including IPOs and RIGHTS ISSUE SHARES)	0%	30%
Cash, Money market transactions and Money Market funds	0%	30%
Other equity investment funds investing in the Saudi market, and REITs, and ETFs	0%	40%

*The Fund Manager has the right to hold up to 100% of the Fund's assets in cash or money market transactions in the event of exceptional circumstances

e. Credit rating of the Fund's investments

Cash, Money Market Transactions, and money market Funds: They are rated by an international (S&P, Moody's, or Fitch) or local rating agency, provided that the long-term or short-term credit rating is no less than investment grade) (BBB- or its equivalent, or higher).

Stocks: No credit rating is required.

f. The maximum limit for unrated investments and any other credit rating-related restrictions

The Fund Manager will not invest in any non-credit-rated securities.

g. The capital markets in which the Fund is likely to buy and sell its investments.

- Main Saudi Stock Exchange (TASI)
- Parallel Market (Nomu)

h. Fund Manager investments in the Fund's Units.

The Fund Manager and its affiliates may invest in the Fund for their own account, provided that neither the Fund Manager nor any of its affiliates exercises the voting rights associated with the Units they own.

The Fund Manager will disclose the details of its investments in the Fund's Units by the end of each quarter on the Fund Manager's website and the Saudi Exchange (Tadawul) website, as well as in the periodic reports issued by the Fund Manager and the financial statements. Such investments will be treated in accordance with the same procedures applied to all Fund Unitholders.

i. Transactions, Methods, and Tools Used by the Fund Manager to Make Investment Decisions for the Fund

The Fund Manager actively manages the portfolio by selecting stocks based on its expertise in assessing local and global economic conditions, as well as conducting fundamental analysis of companies and their performance to evaluate growth, profitability, and management quality. The Fund Manager may also consider factors such as stock liquidity, correlation, volatility, investor behavior, and other relevant factors.

j. Types of Securities That Cannot Be Included Within the Fund's Investments:

- All securities that do not fall within the Fund's investment scope as stipulated in Subparagraph (B) of Paragraph (3).
- The Fund will not invest in financial derivatives.

k. **Restrictions on the Types of Securities or Other Assets in Which the Fund Can Invest:**

- The Fund will not invest in any securities that do not comply with the Shariah standards approved by the Fund's Shariah supervisory committee.
- The Fund invests in the shares of listed companies, except for:
  - financial institutions (excluding Islamic banks and Islamic insurance companies).
- The Fund Manager, in managing the BSF Small & Mid-Cap Saudi Equity Fund, shall adhere to the restrictions and limits imposed by the Investment Funds Regulations and the Fund's Terms and Conditions.

l. **The limit for investing the Fund's assets in the units of an investment fund or investment funds managed by the Fund Manager or other fund managers.**

The Fund has the right to invest up to 40% of its net asset value in other investment funds managed by the Fund Manager or other fund managers

that comply with the Shariah standards approved by the Fund's appointed Shariah Supervisory Committee and are approved for public offering by the Capital Market Authority. Investments must be in shares listed on the Saudi Stock Exchange or money market transactions, in a manner consistent with the Fund's objectives, returns, and risk profile. The Fund will adhere to the restrictions stipulated in the Investment Funds Regulations when investing in other investment funds. It will not invest more than 25% of its net asset value in the units of any other investment fund, nor will it own more than 20% of the net asset value of any fund whose units it has acquired.

If the Fund invests in units of other investment funds, including those managed by the Fund Manager, it may indirectly incur the fees and expenses applicable to those funds, including management fees, custody fees, operating expenses, and any other fees or expenses stipulated in the terms and conditions of such funds. The investor acknowledges that this may result in the incurrence of fees at more than one investment level, in accordance with applicable regulations and instructions.

m. **The Fund's Borrowing Rights, the Fund Manager's Policy Regarding the Exercise of Such Rights, and Its Policy with Respect to Pledging the Fund's Assets.**

The Fund is entitled to obtain financing that complies with the Shariah standards approved by the Fund's Shariah Supervisory Committee, provided that the borrowed amount does not exceed 10% of its net asset value, at the sole discretion of the Fund Manager, except for financing obtained from the Fund Manager or any of its subsidiaries to cover redemptions. The Fund Manager may not pledge the Fund's assets.

n. **The maximum limit for dealing with any counterparty.**

The Fund Manager shall adhere to the restrictions stipulated in the Investment Funds Regulations regarding the maximum limit for dealing with any counterparty where applicable.

o. **The Fund Manager's Policy on Risk Management.**

The Fund Manager will exercise due diligence when making investment decisions to ensure that such decisions are consistent with the highest standards of investment practices and achieve the Fund's investment objectives.

p. **Benchmark Index.**

The Fund's benchmark index is the S&P Saudi Arabia Mid-Small Shariah Total Return Index.

It was selected as the benchmark index due to its suitability for the Fund's objectives and investment strategy, as it reflects the performance of the Saudi stock market and aligns with the Fund's policy of focusing on investments in small and medium-sized companies approved by the Fund's Shariah Supervisory Committee.

Bases and Methodology for Calculating the Index: The Index is designed for local investors and adjusted to reflect the stocks' volume available to them. The Index provider is Standard & Poor's. The weighting is based on the free-float market capitalization of the traded stocks, and the Index currency is the Saudi Riyal. The Total Return Index reflects both price returns and dividend returns. The Index is rebalanced annually in September, and its constituents are updated in March, June, and December to account for initial public offerings (IPOs) and other changes, such as the free-float ratio, in accordance with the benchmark index methodology. However, the Fund's portfolio is reviewed periodically by the Fund Manager and rebalanced as needed, considering any changes to the Index and in accordance with the Fund's investment strategy and objectives.

q. Derivative contracts.

The Fund will not invest in financial derivative contracts.

r. Any exemptions approved by the Capital Market Authority regarding any restrictions or limits on investments.

None.

4. The Main Risks of Investing in the Fund:

a. The Fund is likely to experience significant volatility in the value of its Units due to its investment strategy, which is primarily concentrated on the shares of listed companies that tend to be highly volatile.

b. The past performance of the BSF Small & Mid-Cap Saudi Equity Fund and the historical performance of the Fund's benchmark index are not indicative of the Fund's future performance.

c. There is no guarantee for Unit Holders that the Fund's absolute performance or performance relating to the Index will be repeated or will match previous performance.

d. The Fund Manager cautions investors that investing in the BSF Small & Mid-Cap Saudi Equity Fund should not be considered equivalent to a bank deposit, as the Fund's assets are subject to fluctuations in value, both upward and downward.

e. The Fund Manager also cautions investors of the risk of losing capital when investing in the Fund.

f. The main potential risks associated with investing in the Fund, the risks to which the Fund is exposed, and any circumstances that may affect the Fund's net asset value and returns include:

- **Traded Equities and Market Risks:** The Fund invests primarily in listed equities, which are subject to price fluctuation and market risks. Investments in equities are inherently considered high-risk investments due to the possibility of sudden declines in their value and the potential loss of capital.
- **Risks Related to Specific Sectors:** Some sectors in the financial markets may be affected, positively or negatively, more than others, which may impact on the Fund's performance depending on the level of investment in such sectors.
- **Liquidity Risks:** The risks to which the Fund may be exposed when providing liquidity to meet its financial obligations.
- **Economic Risks:** The financial markets in which the Fund invests are affected by general economic conditions, which may impact companies' profitability, inflation levels, profit margins, and unemployment rates. Therefore, the Fund's performance may be affected by economic fluctuations, whether positively or negatively.

- Risks Related to Compliance with Shariah Standards Approved by the Fund's Shariah supervisory committee: This type of risk arises when the invested equities no longer comply with the Shariah standards approved by the Fund's Shariah supervisory committee, requiring the Fund to liquidate such investments. In some cases, to ensure full compliance with the standards approved by the Fund's Shariah supervisory committee, the Fund Manager may be required to sell shares under unfavorable market conditions, which may negatively impact returns and result in potential losses.
- **Risks Related to Specific Events:** The Subscriber acknowledges that the value of the Fund's assets may be affected by various factors, including, but not limited to, political and economic factors, as well as factors related to applicable laws and regulations.
- **Risks of Force Majeure:** These are risks arising from force majeure events, including, but not limited to, government decisions, wars, civil unrest, civil disobedience, natural disasters, economic blockades, commercial boycotts, market decisions, suspension of trading, inability to communicate with the market for any reason, system failures, or any other events beyond the control of the Fund Manager or the funds in which the Fund invests. In the event of a force majeure event, any obligations of the Fund shall be deferred to the extent required by such event. The Fund Manager will announce the occurrence of the force majeure event, and such announcement shall be binding on all Fund investors.

  The Fund Manager shall not be liable to Unit Holders for any temporary or permanent loss of their investments, whether directly or indirectly, resulting from any force majeure event.
- **Risks Related to Death:** If the Subscriber is an individual, the Fund's Terms and Conditions and all other related documents shall be binding upon the Subscriber's heirs, executors, estate administrators, personal representatives, custodians, and successors. The Subscriber's approval of these Fund documents shall not be automatically terminated upon the Subscriber's death or incapacity.

  If the Subscriber is a legal entity, this agreement shall not be automatically terminated upon the death, bankruptcy, or dissolution of any partner or shareholder thereof. Notwithstanding the foregoing, the Fund Manager shall have the right, at its sole discretion, to suspend or terminate any transactions related to this agreement until it receives a court order, power of attorney, or any other satisfactory evidence confirming the authority of the heirs, executors, estate administrators, personal representatives, trustees, or successors to execute such transactions.
- **Concentration Risks:** These are risks arising from the concentration of the Fund's investments in certain small and medium-sized companies and market sectors. Such concentration may expose the Fund's performance to significant fluctuations resulting from changes in the specific conditions of the companies and sectors in which it invests, which may negatively affect the Fund's performance.
- **Investment Risks in Real Estate Investment Funds (REITs):** The Fund may invest in REIT units, which may be subject to low liquidity and trading volumes. The prices of these units may also fluctuate due to general market movements, particularly in the real estate market. Furthermore, there is no guarantee that REITs will distribute income to investors annually as required by applicable regulations, as distributions depend on the performance of the underlying assets. Income distributions also depend on the REIT's ability to meet its obligations, if any. In addition, investing in these funds involves risks related to real estate assets, where the value or valuation of such assets may be affected by various factors, including lower rental or occupancy rates, tenants' financial condition, weak infrastructure, and other related factors.
- **Risks of Investing in Other Investment Funds:** Other investment funds may be subject to risks like those described under the section "Key Risks of Investing in the Fund," which may affect the Fund's performance and the value of its Units.
- **Risks of Reliance on Fund Manager Employees:** The Fund's performance depends significantly on the capabilities and expertise of the Fund Manager's employees. Accordingly, the Fund's performance may be materially affected in the event of the resignation or absence of any key staff member and the failure to secure a suitable replacement.

- **Risks of Investing in the Parallel Market:** If the Fund invests in shares of companies listed on the Parallel Market, such investments may be subject to lower liquidity compared to companies listed on the Main Market, particularly as participation in this market is limited to certain categories of investors. The share prices of companies listed on the Parallel Market may also be more volatile than those of their counterparts listed on the Main Market. In addition, companies listed on the Parallel Market may be newly established or have limited operating histories and relatively constrained financial and operational resources. Furthermore, disclosure requirements for companies listed on the Parallel Market may be less extensive than those applicable to companies listed on the Main Market. These factors may affect the Fund Manager's ability to accurately assess the performance and valuation of such companies, which may adversely impact on the Fund's performance and the value of its Units.
- **Geographic Concentration Risk:** The Fund's investments may be concentrated in companies or sectors within a specific geographic region, which may make the Fund more vulnerable to economic, political, regulatory, social, or environmental conditions affecting that region. Any deterioration in economic conditions or the occurrence of exceptional events in such region may result in a decline in the value of the Fund's investments, which may adversely affect the Fund's performance and the value of its Units.

5. Risk Assessment Mechanism:

The Fund Manager acknowledges the existence of administrative systems and internal mechanisms for assessing the risks associated with the Fund's assets.

6. The Fund's Target Investor Category:

The Fund targets all suitable categories of individuals and entities in accordance with the Fund's objectives and the risks associated with investing in the Fund.

7. Investment Restrictions / Limits:

The Fund Manager, in managing the BSF Small and Mid-Cap Saudi Equity Fund, shall adhere to the restrictions and limits imposed by the Investment Funds Regulations and the Fund's Terms and Conditions.

8. Currency:

The currency of the fund is the Saudi Riyal.
If the subscription amount is received in a currency other than the Fund's currency, the Fund Manager will convert it based on the prevailing exchange rates available to the Fund Manager.

9. In consideration of the services, commissions, and fees:

a. Payments from the Fund's Net Assets and Calculation Method.

All types of payments shall be charged to the fund's assets. These fees and expenses are structured as follows:

Custody Fees	0.045% per annum, calculated daily based on the Fund's net asset value on the Valuation Date and deducted monthly. In addition, a trading fee of SAR 70 (seventy Saudi Riyals) shall apply.
Management Fees	The Fund Manager shall receive a maximum annual management fee of 1.75% of the Fund's net asset value, accrued and calculated daily on a cumulative basis and deducted monthly.
Audit Fees	Not exceeding SAR 36,500 (thirty-six thousand five hundred Saudi Riyals) per annum, exclusive of Value Added Tax (VAT). These fees are calculated daily and paid annually in accordance with the terms of the agreement.
Listing Fees (Tadawul)	SAR 5,000 (five thousand Saudi Riyals) annually. These fees are calculated daily and deducted annually.
Financing Fees	According to the prevailing financing rates. Any such fees will be disclosed in the annual financial disclosure summary, if incurred.
Shariah supervisory committee Fees	None.
Income Purification Fees	The Fund shall bear the purification expenses related to purifying the Fund's investments in joint-stock companies. The Fund Manager shall identify any income that does not comply with Shariah standards. Accordingly, the relevant amount shall be deducted from the Fund and deposited into a special account to be spent on charitable purposes. This will be disclosed in the annual financial disclosure summary, if incurred.
Trading Fees	The Fund shall bear any regulatory fees or expenses related to investment operations, which will be disclosed in the annual financial disclosure summary, if incurred.
Benchmark Index Fees	These fees include equity funds and managed portfolios of Saudi Fransi Capital. Such fees are subject to annual changes, as they are allocated on a pro-rata basis according to each Fund's assets under management. These fees are calculated daily for each calendar day and deducted annually. The maximum annual fee for the factor related to equity funds and managed portfolios of Saudi Fransi Capital is estimated at SAR 37,500 per annum. The Fund's annual share of these fees is estimated at SAR 12,500. The Fund's share of these fees is subject to annual changes based on the Fund's assets under management, whether higher or lower.
Regulatory Fees	An annual fee of SAR 7,500 (seven thousand five hundred Saudi Riyals) shall apply. These fees are calculated daily and deducted annually.
Fund Board Members' Fees	All funds of Saudi Fransi Capital are subject to these fees. Such fees are subject to annual changes, as each Fund's share of these fees is allocated on a pro-rata basis according to the assets under management of each Fund. These fees are calculated cumulatively on each Valuation Date and charged annually.

	The maximum annual total amount of fees and expenses for the Board members of all the Company's funds is estimated at SAR 60,000 (sixty thousand Saudi Riyals). The Fund's share of these fees is estimated at SAR 1,200 (one thousand two hundred Saudi Riyals) per annum. The Fund's share of these fees may change annually in accordance with the Fund's assets, whether increased or decreased. Each independent member (two members) shall receive a maximum amount of SAR 15,000 (fifteen thousand Saudi Riyals) for each meeting.
Zakat and Tax Advisor Fees	Not exceeding SAR 12,000 per annum as a maximum.
Income Purification Provider Fees	These fees include all public equity funds compliant with Shariah standards approved by the Shariah Supervisory Committee appointed for the investment funds of Saudi Fransi Capital. Such fees are subject to annual changes, as they are allocated on a pro-rata basis according to each Fund's assets under management. These fees are calculated daily for each calendar day and deducted annually. The maximum annual income purification fee for all Shariah-compliant public equity funds approved by the Shariah Supervisory Committee appointed for the investment funds of Saudi Fransi Capital is estimated at SAR 13,237.50 per annum. The Fund's annual share of these fees is estimated at SAR 2,302.17. The Fund's share of these fees is subject to annual changes based on the Fund's assets under management, whether higher or lower.
Other Expenses	These expenses will be disclosed in the annual financial disclosure summary, subject to a maximum limit of 0.30% of the Fund's net assets.

* All fees, expenses, and costs payable by the Fund as set out above are exclusive of Value Added Tax (VAT) and Income Tax, which shall be paid by the Fund to the Fund Manager separately in accordance with the rates prescribed under the VAT and Income Tax Law. Such fees and expenses also exclude any taxes currently imposed or that may be imposed in the future in the Kingdom of Saudi Arabia. Any applicable taxes shall be borne by the Fund in addition to the applicable fees, expenses, and charges, and shall be deducted from the Fund's assets. In all cases, only the actual fees and expenses incurred shall be charged to the Fund.

b. All fees and charges, how they are calculated and due time for the fund manager.

Fees	Explanation	Calculation method	Due time
Subscription Fee	3% of the subscription amount.	Calculated as a percentage to the subscription value.	Payable in advance with each subscription transaction.
Custody Fees	0.045% annually.	Calculated daily based on the fund's net asset value on the valuation date,	Payable monthly
Transaction fees	70 Saudi Riyal	A lump sum paid to the custodian for each transaction.	Payable - if any - at the end of each month.
Management Fee	1.75% annually.	Calculated cumulatively daily.	Payable monthly.

Audit fees	Maximum 36,500 Saudi riyals per year.	Calculated on a cumulative daily basis.	Payable annually in accordance with the terms of the agreement.
Registration fees (Tadawul)	5,000 Saudi Riyal	Calculated cumulatively daily.	Payable on annual basis.
Financing Fees:	According to the prevailing financing rates, this will be disclosed if it occurs in the annual financial disclosure summary.		
Trading Fees:	The Fund shall bear any regulatory fees or expenses related to investment operations, which will be disclosed in the annual financial disclosure summary, if incurred.		
Income purification	As shown in -9/A	Calculated quarterly	Payable, if any, quarterly
Benchmark Index Fees	The fund's share is estimated at 12,500 Saudi riyals annually, which is an estimated share that may change annually according to the fund's assets.	Calculated cumulatively daily.	Payable on annual basis.
Regulatory Fees:	7,500 Saudi riyals annually.	Calculated cumulatively daily.	Payable on annual basis.
Fees of the fund's board members	- The fund's share is estimated at 1,200 Saudi riyals annually, which is an estimated share that may change annually according to the fund's assets. - In addition to 15,000 for each independent member (two members) for each meeting (with a maximum of two meetings per year, which is the minimum number of meetings of the Fund's Board of Directors), for all the funds of the Saudi Fransi General Company.	Calculated cumulatively every valuation day.	Payable on annual basis.
Zakat and Tax Advisor Fees:	- Not exceeding SAR 12,000 per annum as a maximum.	Calculated cumulatively daily.	Payable on annual basis.
Income Purification Provider Fees:	- The Fund shall bear the purification fees, if any.	Calculated cumulatively daily.	Payable on annual basis.

c. **A hypothetical table illustrates the ratio of the Fund's costs to the Fund's Net Asset Value (NAV) at both the Fund level and the Unitholder level over the Fund's life, including the recurring and non-recurring costs. (Value) assumed fund size: 100 Mn**

	Rating	Amount in SAR	As a %
Registration fees (Tadawul)	Recurring	5,000.00	0.01%
Regulatory Fees:	Recurring	7,500.00	0.01%
Auditor fees	Recurring	36,500.00	0.04%
Remuneration for members of the board of directors*	Recurring	1,200.00	0.00%
Income Purification Fees:	Recurring	0.00	0.00%
Index Calculation Fees*	Recurring	12,500	0.01%
Custody Fees	Recurring	45,000.00	0.05%
Management Fee	Recurring	1,750,000.00	1.75%
Zakat and Tax Advisor Fees:	Recurring	12,000.00	0.01%
Purification provider fees*	Recurring	0.00	0.00%
Other	Recurring	300,000.00	0.30%
Subscription fees**	Non- Recurring	3,000,000.00	3.00%
Total costs charged to the Fund	Recurring Costs Percentage	2,169,700.00	2.17%
	Non- Recurring Costs Percentage	3,000,000.00	3.00%
	Total costs:	**5, 169,700.00**	**5.17%**

Trading fees, purification amounts, transaction-related expenses, and bank charges are not included in the above table and shall be charged to the Fund on an actual cost basis.

All fees, expenses, and costs payable by the Fund as set out above are exclusive of Value Added Tax (VAT), which shall be paid by the Fund to the Fund Manager separately in accordance with the rates prescribed under the VAT Law. They also exclude any taxes currently imposed or that may be imposed in the future in the Kingdom of Saudi Arabia. Any applicable taxes shall be borne by the Fund in addition to the applicable fees, expenses, and charges and shall be deducted from the Fund's assets. In all cases, only the actual fees and expenses incurred shall be charged to the Fund.

* This amount is subject to change depending on the number of funds, as it represents a shared fee and is also dependent on the Fund's Net Asset Value (NAV).

** Assuming a subscription amount of SAR 100 million.

d. Details of Fees Imposed on Subscription, Redemption, and Ownership Transfer, and Calculation Method

The fees imposed on subscription, redemption, and transfer of ownership shall be borne by the Unit Holders. Such fees and expenses are as follows:

- Subscription Fees: Subscription fees are calculated as a percentage not exceeding 3% of the total subscription amount and shall be paid in advance upon subscribing to the Fund's Units, excluding Value Added Tax (VAT) or any other applicable taxes. The client agrees to pay any applicable taxes, in addition to the subscription fees, to the Fund Manager.
- Redemption Fees: There are no redemption fees or early redemption fees.
- Transfer Fees: Transfers between the funds of Saudi Fransi Capital shall be processed as a redemption request from one fund and a subscription request into another fund, while adhering to these Terms and Conditions and the Terms and Conditions of the fund into which the subscriber intends to invest. Any expenses related to participation in the transferred fund, if any, in addition to applicable taxes, shall be deducted. If there is a difference in currency between the funds involved in the transfer, the Fund Manager shall convert the proceeds based on the prevailing exchange rate at the time of transfer.

e. Information on rebates and soft commissions and the Fund Manager's policy on rebate and soft commissions.

Not Applicable.

f. Zakat and Tax Related Information:

The Fund is subject to the provisions and regulations of the Zakat, Tax and Customs Authority, where applicable. The Fund Manager undertakes to register the Fund with the Zakat, Tax and Customs Authority within the statutory period.

The responsibility for paying Zakat on the investment units owned by investors rests with the owners of such units, and the tax expenses applicable to the Fund will be disclosed in the Fund's financial statements.

The Fund Manager is not responsible for collecting Zakat on behalf of investors. Each Unit Holder shall be responsible for calculating and paying Zakat on their holdings in the Fund in accordance with the rules approved by the relevant competent authorities, including the Implementing Regulation for Zakat Collection issued by the Zakat, Tax and Customs Authority.

The Fund Manager shall provide the Zakat, Tax and Customs Authority with all reports and requirements related to Zakat declarations in accordance with the Implementing Regulation for Zakat Collection. The Fund Manager shall also provide Unit Holders with Zakat declarations upon request, in accordance with the Zakat Collection Rules for Investors in Investment Funds. Investors subject to the provisions of the Zakat Collection Rules for Investors in Investment Funds who own investment Units in the Fund are required to calculate and pay Zakat on such investments. For further details regarding the Zakat Collection Rules for Investors in Investment Funds, please refer to the Zakat, Tax and Customs Authority's website.

g. Any special commission concluded by the fund manager.

None.

h. **A hypothetical example that shows all fees, expenses, and charges for transactions that are paid out of the fund's assets or by the unitholder based on the fund's currency.**

(Charges) assumed fund size: 100 Mn	As a %	In Saudi riyals
Subscription amount		2,000.00
Subscription fee: Up to 3% of the total subscription amount (excluding VAT).	3%	60.00
Registration fees (Tadawul)	0.01%	0.10
Regulatory Fees:	0.01%	0.15
Auditor fee	0.04%	0.73
Remuneration for board of directors' members	0.00%	0.00
Income Purification Fees:	0.00%	0.00
Index Calculation Fees*	0.01%	0.25
Custody Fees	0.05%	0.90
Management Fee	1.75%	35.00
Zakat and Tax Advisor Fees:	0.01%	0.24
Purification provider fees	0.00%	0.00
Other	0.30%	6.00
Total Fees	2.17%	43.39
Total Fees Including the Subscription Fee	5.17%	103.39

Transaction fees, purification amounts, transaction-related expenses, and bank charges are not included in the above table and shall be charged to the Fund on an actual cost basis.

All fees, expenses, and costs payable by the Fund as set out above are exclusive of Value Added Tax (VAT), which shall be paid by the Fund to the Fund Manager separately in accordance with the rates prescribed under the VAT Law. They also exclude any taxes currently imposed or that may be imposed in the future in the Kingdom of Saudi Arabia. Any applicable taxes shall be borne by the Fund in addition to the applicable fees, expenses, and charges, and shall be deducted from the Fund's assets. In all cases, only the actual fees and expenses incurred shall be charged to the Fund.

* This amount is subject to change depending on the number of funds, as it represents a shared fee and is also dependent on the Fund's Net Asset Value (NAV).

10. Valuation and pricing:

a. **How to evaluate each asset owned by the investment fund.**

	Assets	Valuation Method
1	Securities listed or traded on financial markets	According to the market or system closing price. If the securities are suspended from trading, they shall be valued based on the last price prior to the suspension, unless there is conclusive evidence indicating a decline or increase in the value of such securities prior to the suspension.
2	Bank deposits	Nominal value added to accumulated dividends.
3	Investment Funds	Latest published net asset value per unit.

4	Any other investment in accordance with these terms and conditions	Fair value determined by the fund manager based on the methods and rules disclosed in terms and conditions and after verification by the fund's auditor.

b. Number and frequency of valuation points.

The fund assets are valued every Monday, Wednesday and Thursday (three times a week).

c. Actions to Be Taken in the Event of Incorrect Valuation or Pricing

If the assets of the Public Fund are incorrectly valued or the Unit price is calculated incorrectly, the Fund Manager shall take the following actions:

- Document the error in the valuation or pricing records.
- Compensate all affected Unit Holders (including former Unit Holders) for all valuation or pricing errors without delay.
- Immediately notify the Authority of any valuation or pricing error that constitutes 0.5% or more of the Unit price.
- Immediately disclose the details of the valuation or pricing error on its website, the Saudi Exchange (Tadawul) website, and in the Fund's general reports.

d. D. Method of Calculating the Unit Price for the Purpose of Executing Subscription and Redemption Requests:

The Unit price for subscription or redemption purposes shall be equal to the Fund's net asset value per Unit. For the purposes of subscription and redemption, the Unit price is calculated by deducting all amounts payable by the BSF Small and Mid-Cap Saudi Equity Fund (the Fund's liabilities), including, but not limited to, the fees specified in Paragraph (9) of these Terms and Conditions. The total net asset value and the Unit price shall be determined by dividing the resulting amount by the total number of outstanding Fund Units as of the relevant transaction day. It should be noted that the aforementioned pricing methodology shall remain unchanged under all circumstances.

e. When and Where the Unit Price Will Become Available:

The Fund's net asset value and Unit price will be announced on the Fund Manager's website and the official website of the Saudi Exchange (Tadawul) on the business day following the trading day at 6:00 p.m. (KSA time).

11. Dealing:

a. Initial offering details.

Initial offering date	:	From 07/01/2026 (corresponding to 16/01/1448 AH) to 22/09/2026 (corresponding to 11/04/1448 AH).
Offering period	:	60 days
Unit price at offering	:	10 Saudi Riyal

b. The exact date and deadlines for submitting subscription redemption requests. And the responsibilities of the Fund Manager regarding subscription and redemption requests.

The deadline for receiving subscription and redemption requests is before 12:00 p.m. KSA time on the day preceding each dealing day.

The Fund Manager is responsible for:

- Executing the subscription and redemption requests that meet the requirements and received before the last valuation point period - at 12:00 p.m. KSA time on the day preceding each dealing day - based on the calculated unit price of the fund on the relevant dealing day.
- Subscription and redemption requests shall be executed in adherence to all provisions encompassed in the investment funds regulations, fund terms and conditions.
- To redeem the unitholders' interests before the end of the business day on the fourth day following the day of the deal in which the redemption price was set, at most.

c. Subscription and redemption procedures for submitting applications.

- **Subscription Procedures:**

  Investors may subscribe to the Fund by submitting a completed and signed subscription application form to the Fund Manager, along with any other documents that may be requested by the Fund Manager, or through the Fund Manager's electronic channels. The subscription application shall be accepted upon receipt of the subscription amount. All complete subscription applications received before the Final Registration Period shall be processed at 12:00 p.m. (KSA time) on the day preceding each trading day, based on the Fund's Unit price calculated on the relevant trading day.

- **Redemption Procedures:**

  A Subscriber may request full or partial redemption of their Units (while maintaining the minimum subscription amount balance) by completing and signing the redemption form and submitting it to the Fund Manager or through the Fund Manager's electronic channels. The deadline for receiving redemption requests is 12:00 p.m. (KSA time) on the day preceding each Dealing Day. All completed redemption requests received before the deadline shall be executed based on the Fund's Unit price calculated on the relevant Dealing Day. The Unit price shall be announced on the business day following the relevant transaction date. The Subscriber may request the transfer of all or part of their investment from one fund to another. In such case, the transfer request shall be processed as a separate redemption request from the first fund and a subscription request to the second fund.

d. Restrictions on Dealing in Fund Units:

The Fund Manager shall, while managing the Fund, comply with the restrictions and limits imposed by the Investment Funds Regulations and the Fund's Terms and Conditions. The Fund Manager shall also have the right to reject any subscription request if it believes that such subscription may result in a violation of the Capital Market Authority's regulations or the Fund's Terms and Conditions.

The table below also shows the minimum number of units or their value that the unitholder must own or redeem:

Minimum initial subscription and investment balance		SAR 2000 (Two Thousand Saudi Riyals)
Minimum additional subscription		1,000 (thousand) Saudi Riyals
Minimum redemption amount		1,000 (thousand) Saudi Riyals

- There is no minimum initial subscription amount for automated portfolios, and no minimum amount is required for additional subscriptions. Subscribers will be included in the current unit class and shall be subject to the fees, rights, and other terms applicable to that class.

e. The cases in which trading units are postponed or suspended and the procedures followed in such cases.

- The Fund Manager may reject any subscription if he believes that such subscription may violate CMA regulation or violate the Fund's terms and conditions.
- The Fund Manager may postpone fulfilling any redemption request from an open investment fund until the following trading day, in any of the following cases:
  - On any Business Day, if the value of redemption requests, including requests to transfer Units to another fund, exceeds 10% of the Fund's net asset value, the Fund Manager may, at its sole discretion, defer the execution of any redemption requests and/or Unit transfer requests on a pro-rata basis, such that the total value of the executed requests does not exceed 10% of the Fund's net asset value. Redemption and transfer requests that have been deferred shall be executed on the next Dealing Day and shall remain subject to the 10% limit of the Fund's net asset value.
  - The Fund Manager may also suspend redemption requests in the following circumstances: If trading is suspended in the Main Market where the securities or other assets owned by the Fund are traded, whether generally or in relation to the Fund's assets that the Fund Manager reasonably considers material in relation to the Fund's net asset value.
  - If the Subscriber's investment in the Fund falls below the minimum subscription amount limit specified in the Terms and Conditions as a result of redemption, the Fund Manager shall have the right to redeem the remaining investment amount and return it to the Subscriber.
  - The Fund Manager shall have the right to postpone the execution of redemption requests if the Fund is unable to sell or liquidate the assets it owns for any reason.
- The Fund Manager shall have the right to suspend subscription and redemption activities in the event of force majeure circumstances beyond its control that prevent the execution of such requests, including, but not limited to, power outages, technical system failures, wars, political disturbances, or natural disasters. Such suspension shall be lifted promptly once the event causing the suspension of subscription or redemption activities has ceased.

f. Procedures for Determining Which Redemption Requests Are Deferred:

Where applicable, the Fund Manager shall defer redemption requests and/or requests to transfer Units to another fund managed by the Fund Manager on a pro-rata basis, such that the total value of the executed requests does not exceed 10% of the Fund's net asset value. The deferred redemption and transfer requests shall be executed directly on the next Dealing Day and shall remain subject to the 10% limit of the Fund's net asset value.

g. Provisions Regulating the Transfer of Unit Ownership to Other Investors:

The transfer of Unit ownership shall be governed by the provisions and regulations issued by the Saudi Capital Market Authority, its Implementing Regulations, and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia. The transfer shall be executed based on the Unit price applicable on the relevant transaction date.

h. Minimum Number or Value of Units Required for Subscription, Transfer, or Redemption:

Minimum initial subscription and investment balance	SAR 2000 (Two Thousand Saudi Riyals)
Minimum additional subscription	1,000 (thousand) Saudi Riyals
Minimum redemption amount	1,000 (thousand) Saudi Riyals

i. The minimum amount that the Fund Manager aims to gather and the procedure in case this minimum is not met within the fund

SAR 10,000,000.00. If the minimum required amount is not raised during the offering period, the Fund Manager shall refund the subscription amounts to the unitholders, in addition to any investment returns earned thereon.

12. Dividend Policy:

a. Statement of Income and Profit Distribution Policy, Including Unclaimed Distributions:

The profits generated from the Fund Units shall not be distributed to investors. Instead, any realized profits will be reinvested in the Fund, which may positively contribute to the Unit price and performance.

b. Approximate Date and Method of Profit Distribution:

Not Applicable.

c. Dividends payment method.

Not Applicable.

13. Presenting reports to unit holders:

a. Financial reports submitted to unit holders.

- The Fund Manager will prepare the annual reports and submit them to the unit holders within a period not exceeding (3) months from the end of the reporting period.
- The Fund Manager will prepare the initial financial statements and submit them to the unit holders within a period not exceeding (30) days from the end of the reporting period.
- The Fund Manager will prepare the quarterly reports and submit them to the unit holders within a period not exceeding (10) days from the end of the relevant quarter.
- In the Event of the fund's termination, the Fund Manager shall prepare the Fund's termination report and provide it to the Unit Holders within a period not exceeding 70 days from the completion of the Fund's termination and liquidation. The report shall include the final audited financial statements covering the period subsequent to the last audited annual financial statements.

b. Places and means of making the fund reports prepared by the Fund Manager available.

- The Fund unitholders and prospective unitholders will be briefed on the annual reports and initial financial statements free of charge by posting them on the Fund Manager's website and the Market's website.
- The quarterly statement will be provided free of charge by posting them on the Fund Manager's website and the Market's website.

c. The Fund's annual financial statements.

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

d. A statement stating the availability of the first audited financial statement at the end of the fiscal year for the fund.

The Fund Manager will prepare the initial financial statements for the first year during the first year following the date of the operation of the Fund. The initial accounting period for the fund ends in December 2026

e. Submitting the annual financial statements audited to the Fund

Unitholders may obtain a copy of the Fund's audited annual financial statements free of charge upon request.

14. Unitholders record:

a. Prepare and maintain an up-to-date register of unitholders in the Kingdom .

- The Fund Administrator prepares and maintains a record of unitholders in the Kingdom.

b. Information on Unitholders' Record:

- The Unitholders' record shall constitute conclusive evidence of ownership of the Units.
- The Fund Administrator shall maintain the Unitholders' record and shall be responsible for registering the Unitholders' information therein and updating such information immediately upon any change to the registered data.
- The Unitholders' record shall be made available for inspection by the Authority upon request. The Fund Manager shall provide any Unitholder, upon request and free of charge, with a summary of the Unitholders' record, provided that such summary includes only the information related to the relevant Unitholder.

15. Unitholders' meeting:

a. Circumstances under which a meeting of unitholders is convened.

- The Fund Manager may call a meeting of unit holders on his own initiative, provided that the subject of the meeting does not conflict with the Fund Manager's responsibilities and duties.
- The Fund Manager must call for unitholders meeting within (10) days of receiving a written request from the Custodian.
- The Fund Manager must call the unitholders meeting within (10) days of receiving a written request from one or more unitholders who own or collectively own at least 25% of the fund's value.

b. Procedures for Convening a Meeting of Unitholders:

- The invitation to a Unitholders' meeting shall be published on both the Fund Manager's website and the Saudi Exchange (Tadawul) website, in addition to sending a notice to the Unitholders and the Custodian at least 10 days and not more than 21 days prior to the meeting date. The announcement and notification shall specify the date, location, time of the meeting, and the proposed agenda items.
- A meeting of Unitholders shall be deemed duly convened and have a valid quorum if attended by Unitholders who collectively own at least 25% of the Fund's Units value. If the required quorum is not achieved, the Fund Manager shall call for a second meeting by publishing an announcement on the Fund Manager's website and the Saudi Exchange (Tadawul) website and sending a written notice to the Unitholders and the Custodian at least five days prior to the date of the second meeting. The second meeting shall be deemed valid regardless of the percentage of Fund Units represented at the meeting.
- Meetings of Unitholders may be held, and participation in discussions and voting on resolutions may be conducted through modern technological means, in accordance with the regulations and instructions issued by the Authority.

c. Method of unitholders voting and their voting rights in unit holders' meetings.

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

16. List of rights held by unit holders:

a. List of unitholders' rights.

- Owning the subscribed units in the fund.
- Exercising the rights related to the units owned according to the fund's terms and conditions, and the regulations for investment funds, including but not limited to voting rights in unitholders' meetings.
- Obtaining the annual unit register statement for any financial investment in the fund's units.
- Approval of the basic changes to the fund's terms and conditions.
- Announce any change in the fund's terms and conditions and obtain a summary of such change before it takes effect in accordance with these terms and conditions in a manner that does not conflict with the provisions of the investment fund regulations.

- Redemption of units before any change in the fund terms and conditions takes effect without imposing any redemption fees - if any.
- Obtaining an updated copy of the fund's terms and conditions in Arabic at no charge.
- Obtaining the audited financial statements of the fund, free of charge, upon request.
- Notification of the Fund Manager's desire to terminate the Investment Fund in accordance with the Fund's terms and conditions in a manner that does not conflict with the provisions of the Funds Regulations.

b. Fund Manager's policy regarding voting rights related to any fund assets that he administers.

The Fund Manager's policy on voting is available on their official website and on the website of the Saudi Exchange (Tadawul). The unit holder authorizes the Fund Manager to exercise all investor rights, including voting rights and attending general assemblies of the companies in which the fund invests.

17. Responsibilities of unit holders

Except for the loss of the unit holder for his investment in the fund or part of it, the unit holder is not responsible for the fund's debts and obligations.

18. Units' characteristics:

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

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

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

a. The provisions regulating amendments to the Fund's Terms and Conditions, including the required approvals and notifications, shall be in accordance with the Investment Funds Regulations.

Any amendments to the Fund's Terms and Conditions shall be subject to the provisions of the Investment Funds Regulations issued by the Capital Market Authority. The Fund Manager may, at its discretion, amend these Terms and Conditions at any time, provided that the required approval of the Authority and the Unitholders is obtained for proposed fundamental changes, or that the Authority and the Unitholders are notified of non-fundamental changes, as applicable.

A copy of the amended Terms and Conditions shall be made available on the Fund Manager's website and the Saudi Exchange (Tadawul) website.

b. Procedures to Be Followed for Notifying Unitholders of Any Changes to the Fund's Terms and Conditions:

Without prejudice to the provisions of the Investment Funds Regulations, the Authority and the Unitholders shall be notified of any changes to the Fund's Terms and Conditions in accordance with the following procedures:

- The Fund Manager shall obtain the approval of the Authority after obtaining the approval of the Unitholders for any proposed fundamental change to the Fund. Following such approvals, the Fund Manager shall notify the Unitholders of the details of the changes by publishing an announcement on the Fund Manager's website and the Saudi Exchange (Tadawul) website at least 10 days before the effective date of the change.
- The Fund Manager shall obtain the approval of the Fund's Board of Directors before making any fundamental or non-fundamental changes to the Fund's Terms and Conditions.

- The Fund Manager shall notify the Authority and the Unitholders in writing of any non-fundamental changes to the Fund's Terms and Conditions at least 10 days before such changes become effective.

20. Termination and Liquidation of the Investment Fund:

a. Cases Requiring Termination of the Fund and Termination Procedures:

- If any event occurs that requires the Fund's termination, the Fund Manager shall immediately terminate the Fund and notify the Authority and the Unitholders within five (5) business days of the occurrence of the event requiring the Fund's termination.
- If any of the requirements stipulated in the Investment Funds Regulations or any other requirements issued by the Capital Market Authority, under which the Fund may be terminated, are not fulfilled, the Fund Manager shall terminate the Fund and notify the Authority and the Unitholders accordingly.
- The Fund Manager shall prepare a termination plan and procedures in the best interests of the Unitholders and obtain the approval of the Fund's Board of Directors before taking any action in this regard.
- The Fund Manager shall notify the Authority and the Unitholders in writing of the details of the termination plan and procedures at least 21 days prior to the Fund's termination date.
- The Authority and the Unitholders shall be notified in writing within ten (10) days following the expiry of the Fund's term.

b. Procedures for Liquidation of the Fund:

- If the Fund's term expires and the Fund Manager has not completed the sale of the Fund's assets within such period, the Fund Manager shall proceed with the liquidation of the Fund's assets and distribute the proceeds to the Unitholders within a period not exceeding 12 months from the Fund's expiry date.
- Before commencing any liquidation procedures, the Fund Manager shall obtain the approval of the Fund's Board of Directors for the liquidation plan and procedures.
- The Fund Manager shall notify the Authority and the Unitholders in writing of the completion of the Fund's liquidation within ten (10) days of the completion date. The Fund Manager shall distribute the Unitholders' entitlements immediately upon the Fund's termination or liquidation, without delay and in a manner that does not conflict with the interests of the Unitholders.
- The Fund Manager shall announce the Fund's expiry and liquidation period on its official website and the Saudi Exchange (Tadawul) website. The Fund Manager shall also provide the Unitholders with a termination report within a period not exceeding 70 days from the date of completion of the Fund's termination or liquidation.

c. Expiry of the Fund's term

- Upon the conclusion of the Fund's duration, the Fund manager shall not receive any fees deducted from the fund's assets.

21. Fund Manager:

a. The Fund Manager's name, duties and responsibilities.

Saudi Fransi Capital

b. License number issued by the Capital Market Authority and its date.

Saudi Fransi Capital is licensed and regulated by the Capital Market Authority (license No. 11153/37) dated 26/02/1432 AH. Corresponding to 30 /01/ 2011

c. The registered address and Head office address of the Fund Manager.

Headquarters - King Fahd Road

P.O. Box: 23454, Riyadh 11426 KSA

Tel: +966112826666

Fax: 2826725-011

d. The Fund Manager website and the address of any other related website with information about the Fund, if any.

www.bsfcapital.sa

e. The paid-up capital of the Fund Manager.

The paid-up capital of the Saudi Fransi Capital is 1 billion. (1,000,000,000) Saudi riyals.

f. Financial information Summary of the Fund Manager with summary of revenues and profits for the previous fiscal year

Year	2025
Revenue	632,319,909.00
Expenses	273,277,838.00
Profit	359,042,071.00

g. The Fund Manager's basic roles and responsibilities of the investment fund.

The Fund Manager shall be responsible for complying with the provisions of the Investment Funds Regulations and all relevant regulations and bylaws, whether it performs its responsibilities and duties directly or delegates them to an external party in accordance with the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations.

The Fund Manager shall act in the best interests of the Unitholders in accordance with the provisions of the Investment Funds Regulations, the Capital Market Institutions Regulations, and the Fund's Terms and Conditions. The Fund Manager shall also adhere to its fiduciary duties towards the Unitholders, including acting with due care and diligence to safeguard their interests, and shall be responsible for performing the following:

- Fund Management.
- Managing the fund's operations encompasses the provision of administrative services for the fund.
- Offering the fund units.
- Ensuring that the fund 's terms and conditions are accurate and complete and that they are complete, clear, correct, not misleading and updated.
- Establishing policies and procedures to monitor the risks affecting the Fund's investments, and to ensure prompt handling of such risks.
- Implementing the conformity and compliance program of the Fund and providing the Authority with the results of the application upon request.
- Ensuring that all disclosures are complete, clear and not misleading.
- Preparing the required reports as referenced in Paragraph 13 and providing them to unit holders.
- Compliance with the approval and notifications requirements submitted to the Authority in accordance with the provisions of the regulations and bylaws issued by the Capital Market Authority, if applicable.

h. Any business activities or other interests of fundamental importance to the Fund Manager or may conflict with the activities of the investment fund.

There is none, and the fund manager acknowledges that there is no conflict of interest. In the event of any future conflicts of interest arising or occurring, the fund manager will do the necessary in the interest of the unitholders and disclose that conflict in the fund's periodic reports.

i. The Fund Manager's right to appoint a sub-Fund Manager.

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

j. Guidelines for the dismissal or substitution of the Fund Manager.

- The Fund Manager has the right to voluntarily withdraw from the fund management as required in the interest of the unitholders, provided that he arranges for the appointment of a replacement Fund Manager and that is subject to the provisions and regulations of the Capital Market Authority.
- The authority has the right to dismiss the Fund Manager and take any action it deems appropriate to appoint another Fund Manager or to take any other measure it deems appropriate, in the event of any of the following cases:
  - The Fund Manager has ceased investment management and fund operation activities, or investment management activity, without notifying the Authority, as required by the Capital Market Institutions Regulation.
  - Revocation, withdrawal, or suspension of the Fund Manager's license to practice investment management and fund operation activities, or investment management activity, by the Authority.
  - If the Fund Manager submits a request to the Authority for the cancellation of the license to practice investment management and fund operation activities, or investment management activity.
  - If the Authority deems that the Fund Manager has violated - in a manner deemed essential by the Authority - compliance with the executive regulations or bylaws.
  - The death of the Investment Portfolio Manager who manages the fund, its deficit or resignation, with no other person registered with the Fund Manager able to manage the fund's assets.
  - Any other case that the Capital Market Authority deems on reasonable grounds that it is of fundamental importance.

If the authority exercises any of their powers in accordance with the preceding paragraph, the Fund Manager must fully cooperate to facilitate the smooth handover of responsibilities to the alternative Fund Manager. The Fund Custodian must transfer - whenever necessary and appropriate and to the sole discretion of the Authority - to the alternative Fund Manager all contracts related to the fund in line with the provisions of the investment funds regulation.

22. Fund Administrator:

a. Fund Administrator Name.

Saudi Fransi Capital

b. License number issued by the Capital Market Authority and its date.

Saudi Fransi Capital is licensed and regulated by the Capital Market Authority (license No. 11153/37) dated 26/02/1432 AH. Corresponding to 30 /01/ 2011.

c. The registered address and business address of the Fund Administrator.

Headquarters - King Fahd Road

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Tel: +966112826666

Fax: 2826725-011

d. The Fund Administrator's basic roles and responsibilities with respect to the fund.

- Operation of the fund.
- The Fund operator is accountable for evaluating the Fund's assets.
- The Fund operator is tasked with determining the unit prices and rectifying any incorrect pricing.
- The Fund operator is accountable for conducting a full and fair valuation of the Fund's assets.

- The Fund operator is responsible for creating, maintaining and updating the record of unit holders.
- The Fund operator must retain all books and records related to the operation of the fund.
- The Fund operator must maintain a record of all issued and canceled units, along with an updated record showing the outstanding unit balance of the fund.
- The Fund operator is responsible for distributing profits to unit holders.
- The Fund operator is responsible for executing and organizing all subscription and redemption requests.

e. The Fund Administrator's right to appoint a sub-Fund Administrator.

The Fund Administrator shall have the right to appoint one or more third parties as sub-operators to perform some or all of the Fund's operating activities, and the Fund Manager shall be responsible for paying the related fees and expenses. The appointed party shall be licensed by the Authority.

f. The fund tasks assigned by the Fund Administrator to a third party.

- Valuation of the Fund's Assets.
- Maintain the Fund's accounting records.
- Calculate the performance fees and other fees.
- Calculate the Fund's Net Asset Value (NAV).
- Coordinate the annual audit with the Fund's external auditor.

23. Custodian:

a. Custodian Name.

HSBC Saudi Arabia

b. License number issued by the Capital Market Authority and its date.

Capital Market Authority License No. (37/05008). The license was obtained from the Capital Market Authority on Dhu Al-Hijjah 05, 1426 AH corresponding to January 05, 2006 AD.

c. Registered address and business address of the Custodian.

Head Office - Al-Olaya - Al-Mrooj 7267

P.O. Box: 2255, Riyadh 12283 KSA

Phone +966 92000 5920

Fax +966 11 299 2385

Email: SaudiArabia@HSBC.com

d. The Custodian's basic roles and responsibilities of the investment fund.

- The Custodian is responsible for his obligations in accordance with the provisions of the investment funds regulations, whether he fulfills his responsibilities directly or assigns it to a third party under the provisions of these investment funds regulations or the Capital Market Institutions Regulation.
- The Custodian is liable for the fund manager and unit holders for the losses of the fund resulting from his fraud, shortcoming, misbehavior or deliberate negligence.
- The Custodian is responsible for preserving and protecting the fund's assets for the benefit of unit holders, and he is also responsible for taking all necessary administrative measures in relation to preserving the fund's assets.

e. The Custodian's right to appoint a sub-custodian.

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

f. The investment fund tasks are assigned by the Custodian to a third party.

None.

g. Provisions for the dismissal or replacement of the custodian.

- The Capital Market Authority has the right to dismiss and replace the custodian and take any action it deems appropriate in the event of any of the following cases:
  - If the custodian discontinues the custody activity without notifying the Authority in accordance with the Financial Market Institutions Regulation.
  - Cancellation, withdrawal, or suspension of the custodian's license to engage in custody activity by the Authority.
  - Submission of a request from the custodian to the Authority for the cancellation of a custody activity license.
  - If the Authority determines that the Custodian has breached the law or its implementing regulations in a manner deemed significant.
  - Any other case that the Capital Market Authority deems on reasonable grounds that it is of fundamental importance.
- The fund manager has the right to dismiss the custodian and replace him in the following cases:
  - The Fund Manager may dismiss the Custodian pursuant to a written notification if he reasonably believes that the dismissal of the Custodian is in the best interest of the unit holders, and disclosure must be made promptly on the fund manager's website and the website of the Saudi Exchange (Tadawul).

If the Authority or the Fund Manager exercise any of their powers as in the previous paragraph, the Fund Manager must appoint an alternative Custodian according to the provisions of the Investment Funds Regulations issued by the Capital Market Authority, and the Fund Manager and the dismissed custodian must cooperate fully to facilitate the smooth handover of responsibilities to the alternative Custodian. The dismissed Custodian must handover - when necessary and appropriate - to the alternative Custodian, all contracts related to the fund.

24. The Fund's Board of Directors:

a. Names of the members of the Fund's Board of Directors, along with an indication of the membership type.

Ms. Haifa Fahad Al Goufi	- Non-independent member	(Chairman)
Mr. Abdullah Sulaiman Abdulaziz Al-Oraini	- Non-independent member	(Vice-Chairman)
Mr. Muhammad Fathallah Abdul-Khaleq Al-Bukhari	- Independent member	
Mr. Hani Ibrahim Ahmed Obaid	- Independent member	

b. An overview of the qualifications of the fund's board members.

Ms. Haifa Fahad Al Goufi.

Chief of Compliance, Governance, and Legal Affairs at Saudi Fransi Capital, with 16 years of experience in the banking and investment sector. Prior to joining Saudi Fransi, she served as Head of Compliance and Anti-Money Laundering/Counter-Terrorism Financing for the Middle East and North Africa region, and as Board Secretary at State Street Saudi Arabia. She also held the position of Head of Compliance and Anti-Money Laundering/Counter-Terrorism Financing at Standard Chartered Saudi Arabia and served as Senior Compliance and Governance Advisor at the Saudi Stock Exchange - Tadawul. She holds a bachelor's degree in accounting from King Saud University and a master's degree in business administration from Synergy University.

Mr. Abdullah Sulaiman Abdul Aziz Al-Oraini.

The head of brokerage at the Saudi Fransi Capital, with 14 years of experience in the banking sector in the Kingdom, Mr. Abdullah became the head of the brokerage in the Saudi Fransi Capital in 2011. He was appointed as the head of the brokerage in 2014 at Saudi Fransi Capital. He received an IBM degree from King Saud University in 1999

Mr. Muhammad Fathallah Abdul-Khaleq Al-Bukhari.

Mr. Muhammad Fathallah Al-Bukhari has more than 25 years of experience in the banking and investment sector inside and outside the Kingdom. He has Served as a board member of investment companies and audit committees, holding a bachelor's degree in English literature from King Saud University in 1972. Mr. Mohamed is currently retired, and his last position was Director of Conformity and Compliance at the Arab National Investment Company in 2011.

Mr. Hani Ibrahim Ahmed Obaid.

A partner in Invest Corp., with 11 years of experience in the banking and investment sector inside the Kingdom. Mr. Hani became the Fund Manager at Banque Saudi Fransi in 2004. He joined Morgan Stanley in 2008 as Vice President of Private Wealth Management, and he became a partner at Invest Corp. in 2012. He holds a bachelor's degree in technology management from Wentworth University of Technology.

c. Roles and Responsibilities of The Fund's Board of Directors.

- Approve all contracts, decisions, and substantial reports to which the fund is a party.
- Adopt a written policy regarding voting rights related to the fund's assets.
- Supervise, and when appropriate, approve or ratify any conflicts of interest disclosed by the Fund Manager in accordance with the investment funds regulations.
- Holding meetings at least twice annually with the Fund Manager's Compliance Officer and/or Compliance Committee, as well as the Anti-Money Laundering and Counter-Terrorism Financing Reporting Officer, to ensure full compliance with all applicable laws and regulations.
- Approval of any recommendation submitted by the liquidator, if appointed, according to the investment funds regulations.
- Ensuring completion and compliance with the Fund Terms and Conditions and any other document, whether a contract or other, with the investment funds regulation.
- Ensuring that the Fund Manager fulfills its responsibilities in the interest of the unitholders in accordance with the fund terms and conditions, and the provisions of the investment funds regulations
- Work with honesty, goodwill, interest, care and diligence in the interests of the Fund and its unitholders.
- Records of meetings indicating all the proceedings of the meetings and the resolutions adopted by the board.

d. Details of the Remuneration of the Fund's Board of Directors.

- The Fund's Board of Directors' remuneration encompass all the funds of the Saudi Fransi Capital, which is supervised by the Board, knowing that these fees will be changed annually, as each share of these funds will be allocated based on the size and proportion of the asset on pro-rata basis, and they are calculated cumulatively on each calendar day and deducted on an annual basis.
- The annual maximum sum of the fees and expenses of members of the Board of Directors of all the funds of the Saudi Fransi Capital is estimated at 60,000 (sixty thousand) Saudi Riyals. The Fund's share of this fee is estimated at 1,200 Saudi Riyals per year.
- It is also worth noting that the fund's share of these fees will change annually according to the fund's assets (increase or decrease), and that each independent member will receive an amount of 15,000 (fifteen thousand) Saudi riyals per meeting) with a maximum of two meetings per year which is the minimum number of Fund's board meetings) for all the funds of the Saudi Fransi General Company.

e. Any existing or potential conflict of interest between a Fund's Board member and the Fund.

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

f. All fund boards in which the fund board members participate.

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

The Fund	Member of the Board of Directors			
	Haifa Al Goufi	Abdullah Al-Araini	Hani Obaid	Muhammad Bukhari
BSF Murabaha USD Fund	Chairman	Member	Independent member	Independent member
BSF Fixed Income Fund	Chairman	Member	Independent member	Independent member
BSF Saudi Equity Trading Fund	Chairman	Member	Independent member	Independent member
BSF GCC Real Estate and Construction Equity Trading Fund	Chairman	Member	Independent member	Independent member
BSF Murabaha SAR Fund	Chairman	Member	Independent member	Independent member
BSF Fixed Income Fund	Chairman	Member	Independent member	Independent member
BSF Saudi Equity Fund	Chairman	Member	Independent member	Independent member
BSF GCC Equity trading Fund	Chairman	Member	Independent member	Independent member
BSF Saudi Equity Income Fund	Chairman	Member	Independent member	Independent member
Saudi Fransi GCC IPO Fund	Chairman	Member	Independent member	Independent member
BSF Algorithm Enhanced Saudi Equity Trading Fund	Chairman	Member	Independent member	Independent member
Taleem REIT	Member	-	Independent member	Independent member
Bonyan REIT	-	-	Independent member	-

25. The Shariah Supervisory Committee:

a. Names of Shariah Supervisory Committee Members and their qualifications.

- **Sheikh Prof. Dr. Hisham bin Abdulmalik Al Al-Sheikh (chairman of the Shariah supervisory committee)**
  - Former Professor of Comparative Jurisprudence and Shariah Policy at the Higher Judicial Institute, Imam Muhammad bin Saud Islamic University. He has served as a Shariah advisor to numerous financial institutions and entities.
  - He participated in drafting the Shariah Code of Financial Transactions under the leadership of a subcommittee,
  - and contributed to its review process. He has authored and published numerous works in the fields of judiciary and financial transactions.

- **Sheikh Dr. Salah Fahd Al-Shalhoub (member of the Shariah supervisory committee)**
  - A specialist in Islamic jurisprudence and financial transactions, with over twenty years of academic experience in teaching and research across the fields of Shariah sciences, financial transactions, and Islamic economics.
  - He serves as a consultant to various Islamic financial institutions, reviewing and developing contracts and products in financing, investment, cooperative insurance, and Islamic sukuk to enhance their Shariah and practical efficiency. He also contributes to public awareness of Islamic finance and banking through training, authorship, publications, and media engagement.
- **Sheikh Dr. Salem Ali Al-Ali (Member of the Shariah supervisory committee)**
  - A specialist in Islamic finance law and jurisprudential and legislative issues related to the development of Islamic financial markets.
  - He is an Assistant Professor in the Department of Shariah and Islamic Studies at the United Arab Emirates University.
  - A member of the Shariah supervisory committees of several financial institutions and has made significant advisory, educational, and research contributions to the Islamic finance sector in countries including Saudi Arabia, the United Arab Emirates, Malaysia, and the United Kingdom.

b. Shariah Supervisory Committee Roles and Responsibilities.

- The committee supervisory role is to outline Shariah-compliant standards and monitor the fund's performance to ensure it's not violating the established standards.
- Supervising the extent to which the bank's Islamic financial transactions align with the rulings and principles of Shariah.
- Supervising the extent to which the bank's Islamic financial transactions align with the rulings and principles of Shariah.
- Verifying that the bank's Shariah-related policies and procedures are consistent with the rulings and principles of Islamic Shariah.

c. Details of the Remunerations of the Shariah Supervisory Committee members.

Shariah supervisory committee remunerations will not be incurred by the fund.

d. The standards applied to determine the legitimacy of the assets intended for investment and the periodic review of those assets and procedures followed in case of violations to the Shariah standards.

The standards applied to determine the Shariah compliance of listed equities eligible for investment consist of investing in shares of listed companies, excluding:

- financial institutions (excluding Islamic banks and Islamic insurance companies).
- Companies exhibiting the following characteristics:
  - Interest-bearing debt exceeding 33% of the company's market capitalization over a 12-month average.
  - Cash and receivables exceeding 49% of the company's market capitalization over a 12-month average.
  - Interest-based income or any income not compliant with the Shariah standards approved by the Fund's Shariah Supervisory Committee exceeding 5% of total revenues.

The Shariah compliance of the fund's assets is reviewed daily. If any of the invested equities become non-compliant with the Shariah standards approved by the relevant Shariah Supervisory Committee, the fund is obligated to liquidate such holdings accordingly.

26. Investment Advisor:

None.

27. Distributor:

None.

28. Auditor:

a. The auditor's name

Dr. Mohamed Al-Amri & .Partners

b. The registered address and business address of the Auditor.

Al Qamar Tower, 7th and 8th Floors

7542 King Fahad Road Branch- AlRahmaniyah

Riyadh 12341-4119

Kingdom of Saudi Arabia

Office: +966 11 2780 608

www.bdoalamri.com

c. Primary Roles and Responsibilities of the Auditor

The Auditor reviews and approves the annual and semi-annual financial statements in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants.

d. The provisions regulate the replacement of the Auditor for the investment fund.

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

- In the event of existing and important allegations about the professional misconduct of the auditor in the performance of his duties.
- If the auditor is no longer independent.
- If the auditor is no longer registered with the Authority.

- If the fund's board of directors decides that the auditor does not have sufficient qualifications and experience to perform the audit duties satisfactorily.
- If the Authority requests, at its sole discretion, the auditor has appointed for the fund to be changed.

29. Fund assets:

a. Custody of the Fund Assets

The assets of the BSF Small and Med-Cap Saudi Equity Fund are held by a custodian on behalf of the investment fund and are owned by the unit holders. These assets are not considered the property of the custodian, and the custodian has no right to dispose of them except in accordance with the terms and conditions of the fund.

b. The Separation of Each Investment Fund's Assets

The Custodian must separate the assets of each investment fund aside from his assets and the assets of its other clients, and those assets must be identified independently by registering the securities and other assets of each investment fund in the name of the Custodian for the benefit of that fund, and that it maintains all necessary records and other documents that support the performance of his contractual obligations.

c. Fund assets are collectively owned by unitholders of common ownership

The assets of the BSF Small and Med-Cap Saudi Equity Fund are collectively owned by unitholders of communal ownership. It is not permissible for the Fund Manager, the sub-fund manager, the Fund Administrator, the Custodian, the sub- Custodian, the Advisor or the distributor to have any interest in the fund's assets or a claim with respect to those assets, unless the Fund Manager, the sub-fund manager, the Fund Administrator, the Custodian or The sub- Custodian, Advisor, or distributor owns the units of the fund, within the limits of his ownership, or these claims were permitted under the provisions of the investment funds regulations and disclosed in these terms and conditions.

30. Complaints Handling:

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

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

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

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

31. Other information:

a. Conflict of Interests Policy:

The policies and procedures that the fund manager will follow to address a conflict of interest, and any potential and/or actual conflicts of interest will be presented to the owners of the fund's units when requested and free of charge.

b. The competent judicial authority to consider any dispute arising out of or from investment in the fund.

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

c. The available documents to unit holders.

- Terms and Conditions of the Fund.
- All contracts mentioned in the terms and conditions in which the fund is a party.
- Periodic reports on the Fund.
- The financial statements audited of the Fund.
- Financial statements of the Fund Manager.

d. There is no other known information, or it should be known to the Fund Manager or the fund's board of directors and may be requested - reasonably - by the current or potential owners of the units or expected to be included in the fund terms and conditions on which the investment decision will be decided upon.

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

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

32. Acknowledgment by the Unitholder:

I/We hereby confirm that I/we have read and understood the Terms and Conditions of the BSF Small and Mid-Cap Saudi Equity Fund and agree to their contents. I/We acknowledge that I/we have reviewed the characteristics of the Units subscribed to in the Fund and confirm that a copy of this agreement has been received and signed.

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

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

Khalid Bin Waleed Al-Braikan
CEO and Member of the Board of Directors

Haifa Fahad Al Goufi
Head of the Compliance, Governance and Legal Department