



## Terms and Conditions

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### **SNB Capital Sadaqqat Fund**

A specialized open-ended public Feeder fund

**Fund Manager**  
**SNB Capital Company**

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

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

"SNB Capital Sadaqqat Fund has been certified as being Shariah compliant by the Shariah Committee appointed for the investment fund."

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

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

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

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



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Fund Directory:

**Regulator**

**Capital Market Authority**  
P.O. Box 87171 - Riyadh 11642  
Kingdom of Saudi Arabia  
Tel.: +966112053000  
Website: [www.cma.org.sa](http://www.cma.org.sa)

هيئة السوق المالية  
Capital Market Authority



**Fund Manager/  
Fund Operator**

**SNB Capital Company (SNB Capital)**  
P.O Box 22216 - Riyadh 11495  
Kingdom of Saudi Arabia  
Tel.: +966920000232  
Website: [www.alahlicapital.com](http://www.alahlicapital.com)

  
**SNB Capital**

**Custodian**

**AlBilad Investment Company (Albilad Capital)**  
P.O. Box 140 - Riyadh 11411  
Kingdom of Saudi Arabia.  
Tel: +966 92000 3636  
Website: [www.albilad-capital.com](http://www.albilad-capital.com)

البلاد المالية  
Albilad Capital 

**Auditor**

**KPMG Professional Services**  
P.O Box 92876 - Riyadh 11663  
Kingdom of Saudi Arabia  
Tel.: +966118748500  
Website: [www.kpmg.com/sa](http://www.kpmg.com/sa)

  
**KPMG**



## Definitions:

<b>The Fund</b>	SNB Capital Sadaqqat Fund.
<b>Fund Manager or Company or SNB Capital</b>	SNB Capital, is a closed joint stock company established and carries out its activities according to the Laws of the Kingdom of Saudi Arabia under Commercial Registration No. (1010231474) issued in Riyadh dated 29/03/1428H (corresponding to 17/04/2007G). It is authorized by the Capital Market Authority of the Kingdom of Saudi Arabia under license number (06046-37) dated 10/06/1428H (corresponding to 25/06/2008G). SNB Capital Company's Head Office is at King Saud Road, SNB Regional Building P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.
<b>Board</b>	The Board of Directors of the Fund.
<b>Authority/ CMA</b>	The Capital Market Authority of the Kingdom of Saudi Arabia.
<b>CML</b>	The Capital Market Law of Saudi Arabia, which was issued by Royal Decree No. (M/30) dated 2 Jumada II 1424H, corresponding to June 16, 2003G.
<b>Regulations - Investment Funds Regulations ("IFR")</b>	The Investment Funds Regulations issued by the Capital Market Authority Council pursuant to Resolution No. 1-219-2006 dated 03/23/1427H (Corresponding to 24/12/2006G) according to the Capital Market Law issued pursuant to Royal Decree no.M/30 dated 02/06/1424H and amended under the Capital Market Authority Council's Resolution no. 2-22-2021 dated 12/07/1442H (Corresponding to 24/02/2021G).
<b>Terms and Conditions</b>	The contracts containing those disclosures and provisions required under the Investment Funds Regulations, signed between the fund manager and the unitholder. Also, means these Terms and Conditions specific to the Fund.
<b>Benchmark</b>	30-day Rolling Average of the 1-Month SAIBID.
<b>Saudi Business Day</b>	A day on which banks are normally open for business in Saudi Arabia; this does not include any official holiday in Saudi Arabia.
<b>Dealing Day</b>	The day on which subscriptions and redemptions are carried out within the ordinary course of business, in which the Net Asset Value per Unit is calculated, i.e. the last Saudi Business Day of the month.
<b>Valuation Day</b>	Any day on which the Units in the Fund are valued.
<b>Redemption Form</b>	Form used to redeem Units.
<b>Subscription Form</b>	Form used for subscription in the Fund.
<b>Subscription Monies</b>	Means the gross amount paid by the Investor to the Fund Manager to invest in the Fund.
<b>Switch Form</b>	Form used for switching between certain Funds of SNB Capital.
<b>Units</b>	The interest of unitholders in an investment fund consisting of Units, including fractions of a Unit. Each Unit shall be treated as one undivided interest in the Assets of an investment fund.
<b>Custodian</b>	A person who is authorized under the Authorized Persons Regulations to conduct activities regarding the custody of securities.



<b>Financial Year</b>	Means the Financial Year of the Fund.
<b>Investor</b>	An Investor in the Fund or person applying to invest in the Fund.
<b>Investments</b>	Means the cash, shares, and Units in other mutual Fund and related Assets held by the Fund.
<b>Investment Account</b>	Investment Funds Account in which Investors hold their Units with SNB Capital Company.
<b>Net Assets Value</b>	The monetary value of the total Assets of the investment fund minus its liabilities.
<b>Register</b>	The Register of unitholders which is kept by the Fund Manager or any party appointed by the Fund Manager to keep such a Register.
<b>Shariah Committee</b>	The Shariah Committee of the Saudi National Bank.
<b>Shariah Guidelines</b>	Sharia Committee's guidelines on Investments of the Fund.
<b>Feeder Fund</b>	An Investment fund whose primary investment objective is to invest all of its assets in another investment fund (Target Fund).
<b>Target Fund</b>	SNB Capital Saudi Riyal Trade Fund
<b>Tadawul</b>	The Saudi Stock Exchange.
<b>Individual savings program (ISP)</b>	A program provided by the fund manager, in which fixed amounts are deducted monthly (minimum 100 Saudi riyals) and invested in the investment funds available at the clients choice.



### Fund Summary:

<b>Name of the Investment Fund</b>	SNB Capital Sadaqqat Fund.
<b>Class/type of the Fund</b>	A specialized open-ended public Feeder fund.
<b>Name of the Fund Manager</b>	SNB Capital Company.
<b>Purpose of the Fund</b>	Provide competitive market returns, maintain capital and monthly liquidity, and monthly dividends to officially Registered local charities.
<b>Risks level</b>	Low Risk.
<b>Minimum amount for subscription</b>	SAR 1,000.
<b>Minimum additional amount for subscription</b>	SAR 1,000.
<b>The Minimum Subscription and the Additional Subscription through the Individual Savings Program (ISP)</b>	SAR 100.
<b>Minimum amount for redemption</b>	SAR 1,000.
<b>Valuation days</b>	The Saudi Business Day on which the Fund's Units are valued, which is the last business day in the month.
<b>Dealing days</b>	The final Saudi Business Day of the month.
<b>Announcement days</b>	The day following the valuation day.
<b>Paying redemption amount days</b>	Paid to the Unitholders before the close of business on the fifth Business Day following the Valuation Day.
<b>Unit price at initial offer (nominal value)</b>	SAR 1.
<b>Currency of the Fund</b>	Saudi Riyal.
<b>Period of the investment fund and its maturity date</b>	The Fund is an open-ended fund, with no maturity date.
<b>Date of commencing the fund</b>	18 Dhu Al-Qada 1422H, corresponding to January 31, 2002G.
<b>Date of issuing the Terms and Conditions, and latest update of it</b>	The Fund's Terms and Conditions were issued on Ramadan 1422H, corresponding to December 2001G, and the Authority was notified of its update on 3 Rajab, 1445H, corresponding to 15 January 2024G.
<b>Benchmark</b>	30-day Rolling Average of the 1-Month SAIBID.



<b>Name of the Fund Operator</b>	SNB Capital Company.
<b>Name of the Custodian</b>	AlBilad Investment Company (Albilad Capital).
<b>Name of the Auditor</b>	KPMG Professional Services
<b>Tax Advisor</b>	KPMG Professional Services.
<b>Fund Management fees</b>	One-twelfth of 0.25% of the net asset value of The Fund.
<b>Subscription &amp; Redemption fees</b>	None.
<b>Custodian fees</b>	The Custodian shall receive an annual custody fee of 0.0025% (0.25 basis points) of the Net Asset Value of the Fund under custody calculated proportionally on each Valuation Day and deducted monthly. The Custodian is entitled to a fixed fee of SAR 20 per transaction, plus SAR 10 for each transaction not carried out electronically.
<b>Dealing (Brokerage) fees and charges</b>	None.
<b>Other fees and expenses</b>	None.



## Terms and Conditions:

### 1) Investment Fund

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

SNB Capital Sadaqqat Fund is a specialized open-ended public Feeder fund compliant with Shariah guidelines.

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

The Fund's Terms and Conditions were issued in Ramadan 1422H, corresponding to December 2001G, and the Authority was notified of its update on 3 Rajab, 1445H, corresponding to 15 January 2024G..

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

The Fund was originally approved by the Saudi Central Bank(SAMA) in Ramadan 1422H, corresponding to December 2001G. The CMA's approval to continue offering the Fund's Units was obtained on 18 Dhu Al Hijja 1429H, corresponding to December 16, 2008G.

#### d. The duration of the investment fund and maturity date

SNB Capital Sadaqqat Fund is an open-ended investment, with no maturity date.

### 2) Governing Laws

The Fund and the Fund Manager are subject to the Capital Market Law (CML), and its Implementing Regulations as well as other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

### 3) Investment Policies and Practices

#### a. The fund's investment objectives

SNB Capital Sadaqqat Fund is a specialized open-ended Shariah-compliant Feeder Fund, aimed at maintaining capital and monthly liquidity, and distributing monthly dividends to officially registered local charities that meet qualification criteria set by the Fund. Throw investing in SNB Capital Saudi Riyal Trade Fund (The targeted fund) which invests in money market transactions and Shariah-compliant short-term financial instruments.

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

The Fund mainly invests SNB Capital Saudi Riyal Trade Fund which invests in money market transactions and Shariah-compliant short-term financial instruments.

#### c. Investment concentration policy

The Fund mainly invests SNB Capital Saudi Riyal Trade Fund which invests in money market transactions and Shariah-compliant short-term financial instruments. Limits will be a percentage of the Fund's Net Assets Value as shown in the table below in sub-paragraph (d) of paragraph (3) "Investment Policies and Practices".

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

Asset Class	Minimum Limit	Maximum Limit
Cash	0%	10%
SNB Capital Saudi Riyal Trade Fund	90%	100%



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

The Fund investments will be limited to the target fund which has the right to distribute the Fund's Investments locally or globally as it deems appropriate.

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

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

**g. Transactions and methods used for investment decisions purposes**

The Fund invests SNB Capital Saudi Riyal Trade Fund which applies the following methods in decision making:

- The Fund Manager selects Investments based on certain criteria including: Quantitative testing, credit quality assessment, risk level, expected return, and investment compliance with Shariah Guidelines.
- In order to reduce risk, the Fund will invest with counterparties/companies with a good reputation and sound financial position, using cash management and investment diversification strategies.
- The Fund has the right to invest in securities issued by the Fund Manager or any of its affiliates in accordance with the objectives of the Fund.
- The Fund's key strategy to achieve its objectives is to provide Investors with the opportunity to contribute income from their investment in officially recognized local charities that meet strict criteria set by the Fund in support of local charitable causes such as:
  - Support of orphans;
  - Support of needy families;
  - Support of education for the needy;
  - Support of the disabled;
  - Provision of health care services to the needy.
  - The Fund will be open for subscription and redemption on a monthly basis. The Unit price will be set at SAR 1 per Unit for each subscription day. The resulting trading profits will then be distributed to the accounts of charities approved by the Bank on a pro-rata basis, ensuring fair distribution to the adopted items.

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

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

**i. Investment limitations**

The Fund will comply with the applicable restrictions set out in Article (55) "Feeder fund" of the Investment Funds Regulations, the Fund's Terms and Conditions and will comply with Shariah guidelines set by Shariah Committee.

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

The Fund is a specialized open-ended public Feeder fund which invests up to 100% of its assets in SNB Capital Saudi Riyal Trade Fund.

**k. Lending and financing powers**

The Fund does not intend to obtain any financing.

**l. Maximum limit for dealing with any counterparty**

The maximum counterparty limit is not applicable as the fund is a specialized fund (Feeder Fund).



**m. Risk Management Policy**

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

- Maintain sufficient liquidity to meet any expected redemption request from the Fund;
- The Investments of the Fund provide a prudent spread of risk whilst having due regard to the Investment Objectives, investment policies and the Terms and Conditions;
- Discussion of operational risks, credit risks, and risks related to the violation of investment restrictions with the Fund's Board of Directors on a regular basis;
- The Fund Manager may, in exceptional circumstances, retain 100% of its assets in cash.

**n. The benchmark**

30-day Rolling Average of the 1-Month SAIBID.

- **Benchmark calculation method:**

The return on the Benchmark is calculated based on the percentage of returns on the basis of 1 month SAIBID.

Investors can monitor the performance of the Benchmark via the Fund Manager's website: [www.alahlicapital.com](http://www.alahlicapital.com). The Benchmark service and its data are provided by Thomson Reuters.

**o. Derivatives**

The Fund does not invest in derivatives.

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

This clause does not apply to the Fund.

**4) The Main Risks of Investing in the Fund**

- a. The Fund is considered to be of low risk, and SNB Capital gives no assurance that any appreciation in the value of the Fund's Investments will occur, or that the value of the Fund's Investments and the income derived from them may decrease. SNB Capital gives no assurance that the Fund's investment objectives will be achieved.
- b. The prior performance of the Fund or the Benchmark is not an indication of the Fund's performance.
- c. The Fund does not guarantee that its absolute performance or its performance relative to the Benchmark will be repeated or similar to any past performance.
- d. Investment in the Fund is not considered as a deposit with any local bank that promotes or sells securities, nor is it affiliated with the Investment Fund or the Fund Manager. Therefore, Unitholders might lose some or all of their investments. Investing in a money market Fund is different from depositing money with a local bank.
- e. The Fund Manager is not obligated to accept the request to redeem units at the subscription price. The value of the Units and their returns are subject to fluctuations. Investors may not be able to recover some or all of their investments; people are advised to invest in the Fund only if they are able to afford the loss, which can sometimes be substantial.
- f. The following is a list of the main potential risks associated with investing in the Fund, the risks exposed to the Fund and any circumstances likely to affect the Net Asset Value and returns of the Fund, noting that the mentioned risks below might not represent all risk factors related to investing in the Fund:
  1. **Counterparty and Credit Risk:** The risks of a change in a counterparty's or obligor's financial position as a result of deterioration in management, solvency, demand or products and services, which may increase the likelihood of the counterpart or obligor defaulting on its contractual obligations adversely affecting the unit price of the fund.



2. **Interest Rate Risk:** The value of Investments in the Fund may be affected by changes in return rates such as interest rates negatively impacting the value of an investment consequently adversely affecting the unit price of the fund.
3. **Rating Downgrade Risk:** Any change relating to credit rating downgrade by a rating agency of a security/issuer of fixed income instrument or counterparty may adversely affect the value of the Investments, hence, leading to a decline in the Fund's Net Asset Value and Unit price as a result of the impairment of the Fund's investment vehicles whose credit rating has been lowered.
4. **Risk of Internal Rating of Fixed Income Instruments:** Unitholders will assume the risks resulting from investment in non-rated instruments, in which the Fund may invest based on in-house assessment and analysis by the Fund Managers. Any deterioration in the financial position of the issuers of Fixed Income Instruments may result in devaluation of the Fund's Net Asset Value, which would adversely affect the Fund's Unit price.
5. **Liquidity Risk:** Liquidity of Investments may be low in some periods and as a result this may increase the difficulty of liquidating some of the Investments. Reduced market liquidity may adversely affect the market price of the Fund's Investments and the Fund's ability to sell particular Investments to meet its liquidity requirements. This risk is mitigated by utilizing the cash available in the Fund. If total redemptions exceed 10% or more of the Fund's NAV, the Fund Manager has the right to postpone such redemptions to the next Dealing Day on pro rata basis. The Fund may suffer loss due to heavy redemptions. As a result, the Fund Manager may face difficulty in liquidating securities issued in small volume, and securities issued in way of private placement traded over the counter (OTC).
6. **Default Risk:** Exposure to loss due to non-payment by a borrower of a financial obligation when it becomes payable. Default risk is related to the credit worthiness of the borrower and is taken into account when setting profit rates of an instrument. A default by a counterparty or obligor will adversely impact the unit price of the fund.
7. **Currency Risk:** A difference in the exchange rate can lead to losses when investing in a currency other than that of the Fund, since exchange may fluctuate at times of redemption and subscription to the Fund.
8. **Economic, Regulatory and Political Risks:** This is the risk of changes in the economic conditions such as recession, inflation, declining oil prices, political risk, or economic changes affecting the markets in which the Fund invest and negative affecting the Fund's performance. In addition, the changes in the regulatory environment, legislation, accounting standards, local regulations, and governmental may adversely affect the Fund's performance and the value of its Units.
9. **Concentration risk:** The Fund will mainly invest in contracts and securities issued by financial institutions, so the performance of the Fund and the Unit price may be adversely affected by the performance of the sector in general.
10. **Risks Associated with Complying with Shariah:** The Fund Sharia Committee decides whether the Fund and its Investments comply with Shariah law. However, there is a possibility that some Investments may not satisfy the Shariah requirements, which could lead the Fund to avoid such Investments or failure to reap the target return of these Investments, which may result in a decrease in the Unit price.
11. **Risks of Dependence on the Fund Manager's Personnel:** The Fund's performance depends largely on the capabilities and skills of the Fund Manager's employees, which may significantly affect the Fund's performance in the event of resignation or absence of any one of them and failure to secure a suitable replacement.
12. **Return risk:** The market value of the Fund's major Investments may decrease due to its exposure to many risks. Consequently, unitholders may not achieve a positive return on their invested amounts due to the fluctuation of the value of the Fund's major Investments, which in turn reduces the Net Asset Value of the Fund and the Unit price. The Investor may not be able to redeem the full amount invested.
13. **Spread risk:** This risk may surface when the profit rate on a loan or bond appears to be lower relative to other investments with a lower default risk hence making the investment financially unworthy.
14. **Underperformance risk:** The risk of the fund performance to be inferior in comparison to policy benchmarks or market comparable peers.
15. **Risk of Call Options and Reinvestment:** Some Fixed Income Instruments may carry a call option that gives issuers the right to call Fixed Income Instruments before maturity. This would result in the failure to



achieve the Fund's target returns and profits from such instruments and may adversely affect the Fund's performance and Unit price.

16. **Conflict of Interest Risk:** This risk arises in situations that affect the objectivity and independence of the Fund Manager's investment decisions due to a personal interest. This may adversely affect the Fund's performance.
17. **Risk Natural Disasters:** These include volcanoes, earthquakes, hurricanes, floods, which are beyond control, and cause considerable damage to property and assets. Natural disasters may adversely affect the performance of all sectors, including economic and investment sectors and adversely affect the Fund's performance and the Unit price.
18. **Risks of Investment in the Target Fund:** The Target Fund in which the Fund invests may be exposed to risks similar to those set out in this Paragraph, which may adversely affect the Fund's performance and the Unit price.
19. **Zakat and Tax Risk:** The Fund's Investment may result in the need to pay zakat or certain taxes imposed by competent authorities such as VAT. Some of these may apply to the Fund and its Investments, while others may apply to the Investor. If a tax is levied on the Fund, the Fund's assets and the price of its Units will be reduced.

## 5) Mechanism for Assessing Risks

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

## 6) Targeted Class for Investing in the Fund

The Fund targets investors who seeking to achieve capital preservation and monthly liquidity.

## 7) Investment Restrictions / Limitations

The Fund will comply with the restrictions set out in Article (41) "Investments Limitations" of the Investment Funds Regulations which are applicable to the Fund, and guidelines set out by the Shariah Committee.

## 8) Currency

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

## 9) Fees, Charges and Expenses

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

- **Management Fees:** The Fund Manager will charge an annual management fee One-twelfth of 0.25% of the Net Asset Value of the Fund calculated proportionally on each Valuation Day and deducted monthly. If any other funds managed by SNB Capital invest in the Fund, the management fees will be rebated or waived to avoid double charges. The investment management fee is subject to VAT, the Fund will separately pay it to the Fund Manager at rates prescribed by the VAT Law and its implementing regulations. The fund manager reserves the right to waive part or all of the above-mentioned management fees at any time at its absolute discretion, provided that all unit holders of all categories enjoy equal rights and are treated equally by the fund manager.
- **Custody and Accounting Fees:** The Custodian shall receive an annual custody fee of 0.0025% (0.25 basis points) of the Net Asset Value of the Fund under custody calculated proportionally on each Valuation Day and deducted monthly. The Custodian is entitled to a fixed fee of SAR 20 per transaction, plus SAR 10 for each transaction not carried out electronically.



- **Remuneration of the Independent Fund's Board Members:** the fund does not bear the Remuneration of the Independent Fund's Board Members.

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

Type of Fee/ Expense	Percentage/Assigned Amount in SAR	Calculation Method	Frequency of the Payment
<b>Management Fees</b>	One-twelfth of 0.25%	Calculated on each Valuation Day of The Fund's Net Asset Value	Deducted Monthly
<b>Custody Fees</b>	0.0025% The custodian is also entitled to a fixed fee of SAR 20 for each transaction, In addition to SAR 10 for each transaction that is not conducted electronically.	Calculated on each Valuation Day of The Fund's Net Asset Value	Deducted Monthly

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

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

Description	Fees Percentage of the Total Assets	Fees Amounts as of a Percentage the Total Assets (Annually) in SAR *(Estimated Amount)*
Hypothetical Investor Investment		100,000,000.00
Management Fees	%0.02	(20,833.33)
Custody and Accounting Fees	%0.0025	(2,500.00)
Total Fees and Expenses	%0.02	(23,333.33)
VAT on Total Fees and Expenses	%15.00	(3,125.00)
<b>Net Unit's Value of the Investor</b>		<b>99,973,541.67</b>

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

There are no transaction fees imposed by the Fund Manager on subscription and redemption.

**e. Fund Manager policy on rebates and special commissions**

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



**f. Information regarding Tax and/or Zakat**

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

**g. Special commission concluded by the Fund Manager**

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

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

Please refer to sub-paragraph (c) from paragraph (9) of these terms and conditions.

## 10) Valuation and Pricing

**a. Valuation of Fund Assets**

The Unit price is fixed at SAR 1 per Unit for each subscription day. The proceeds from the trading operations are distributed to the accounts of the approved charities on a pro-rata basis, ensuring the fair distribution to the adopted charitable items.

**b. Frequency of valuation and number of valuation points**

The Fund's assets are valued on each Dealing Day, and the Unit price is declared on the day following the Dealing Day.

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

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

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

**d. Method for calculating the unit price**

The Unit price will be calculated using the total value of the Fund's assets mentioned above in sub-paragraph (a) of paragraph (10) "Valuation and Pricing", including the profits due, profits to be collected and the reinvested dividends of the Fund, and deducting management fees after deduction of all expenses and fixed obligations and any expenses due; then, divide the result by the total number of Units that exist at that time.

In exceptional or contingency cases in which the Fund Manager reasonably determines that a significant portion of the Fund's assets cannot be assessed reliably, the valuation of the Fund's assets may be delayed until such interim action is subsequently reviewed by the Fund Manager.



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

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

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

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

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

The Unit price shall be announced at six o'clock p.m. on Saudi Arabian time on the business day following the dealing day on the Fund Manager's website: [www.alahlicapital.com](http://www.alahlicapital.com) and on Tadawul website: [www.Tadawul.com.sa](http://www.Tadawul.com.sa) and any other website available to the public according to the controls set out by the Authority.

## 11) Dealings

**a. Details of the initial offer and unit price**

The Fund started accepting subscriptions in Ramadan 1422H corresponding to 2001G. and the Unit price was set at SAR 1 at the beginning of the offering.

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

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

- Subscription and Redemption Requests may be submitted on every Dealing Day and processed based on the Unit price calculated on the most recent Dealing Day provided that the request was submitted prior to the deadline for Subscription and Redemption Requests, as demonstrated in the terms and conditions.
- The Operator shall execute the subscription and redemption requests and pays the redemption proceeds in accordance with the terms and conditions of the Fund, in a manner not inconsistent with the Investment Funds Regulations.

**• Subscriptions requests:**

All Subscriptions made in Saudi Riyals are expected to be paid before or at 12:00 p.m. on the business day preceding the Dealing Day in order to commence subscription in the Fund from the day on which the subscription is made. The Fund Manager reserves the right to extend the subscription, redemption, and transfer times through alternative distribution points (via telephone or internet) until 4:00 p.m. on the second day preceding subscription day. Subscriptions made through other payment methods, such as checks and remittances, may require additional time to settle and collect, and they will only be invested in the Fund as of the Dealing Day following the date of collection by the Fund. Requests made after 12:00 or 4:00 p.m. (via telephone or internet) will be approved for subscription to the Fund on the next Dealing Day. If the Dealing Day falls on an official holiday in Saudi Arabia, Investment in the Fund will start on the next Dealing Day, based on the Unit price.

**• Redemption requests:**

Redemption may be made on any subscription day, provided a written redemption notice is received no later than 12:00 p.m. on the business day preceding the subscription day. The redemption amount shall be paid on the third Saudi Business Day following the Valuation Day, and the value of redeemed Units shall not be less than SAR 1,000. However, redemptions made through alternative distribution channels, such as a bank phone or the Internet, can be carried out for amounts lower than that amount.

If the Dealing Day falls on an official holiday in Saudi Arabia, the redemption requests will be processed on the next Dealing Day. Redemption proceeds shall be paid to the Investor within a period not exceeding three Saudi Business Days after the Dealing Day on which the redemption request is



processed. The Investor should be aware that in the event of constraints in stock markets that make it difficult or impossible to redeem or value the Fund Units, the subscription and redemption days may change temporarily, as the Fund Manager deems appropriate, and subject to CMA's approval.

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

- **Subscription procedures:**

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

- **Redemption procedures:**

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

- **Redemption by Fund Manager:**

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

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

Redemption proceeds shall be available to the unitholder by no later than the close of on the fifth Saudi Business Day following the valuation point at which the redemption price is determined.

- **Transfers between two funds:**

A transfer between two Funds managed by SNB Capital. is a single transaction consisting of two parts: Redemption and subscription Based on this, the redemption process is carried out in accordance with the above "Redemption Requests" section, and then the subscription process is done according to the "Subscription Requests" form of the other Fund. To request a switch, the Investor is required to complete a Switch Form, and submit it to the customer service representative in the branch along with a valid identification card, or through alternative channels.

**d. Restrictions on dealing in units of the fund**

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

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

- **Deferring redemption request:**

The Fund Manager may postpone the execution of any Redemption Request until the next Dealing Day if the total Unitholder Redemption Requests on any Dealing Day equal or exceed 10% of the Fund's Net Asset Value. Deferred Redemption Requests will be processed on pro-rata basis on the nearest Dealing



Day. The Fund Operator, acting in good faith, will pay the Redemption Proceeds to the Unitholders at the earliest practicable opportunity.

- **The Fund Manager suspends dealing in the fund's units in the following cases:**
  - The fund manager must suspend the subscription and redemption of units if the Authority orders any such suspension.
  - If the fund manager reasonably believes that any such suspension is in the best interests of the unitholders in the fund.
  - -If dealing is suspended in the Target Fund or other Assets are held by the Fund, whether in whole or in respect of Assets of the Fund that the Fund Manager reasonably considers to be material to the Fund's Net Asset Value.
- **Procedures to be taken by the Fund Manager in case of suspension of dealing in the fund's units:**
  - Ensure that any suspension continues only for as long as it is necessary and justified having regard to the best interests of the unitholders.
  - Review the suspension on a regular basis and shall consult with the fund's board of directors, the custodian and the fund operator on a regular basis regarding that.
  - Notify both the Authority and the unitholders immediately of any suspension, and give the reasons for the suspension, and shall similarly notify both the Authority and the unitholders as soon as the suspension ends and disclose it on its website and any other website available to the public according to the controls set out by the Authority.
  - The Authority shall have the power to lift such suspension if the Authority believes that to do so is in the best interests of unitholders.
- **Rejection of Subscription Requests:**

The Fund Manager has the right to reject any request to subscribe in the Fund if such subscription would violate the CMA's regulations or the Anti-Money Laundering Regulations. The Fund Manager may also cease to accept subscription applications if the increase in subscriptions into the Fund would adversely affect the current Unitholders.

**f. Procedures of selecting redemption requests to be deferred**

If redemptions are deferred, the Fund Manager will follow fair and unbiased procedures in selecting the redemption requests to be deferred in accordance with the requirements of Article (66) "Deferring Redemption" of the Investment Funds Regulations.

**g. Provisions governing the transfer the ownership of units to other investors**

The transfer of Units to other investors is governed by the CML, its implementing regulation and related regulation in the Kingdom of Saudi Arabia.

**h. Minimum ownership**

- Minimum Subscription: SAR 1,000.
- Minimum Additional Subscription: SAR 1,000.
- The Minimum Subscription and the Additional Subscription through the Individual Savings Program (ISP): SAR 100.
- Minimum Redemption: SAR 1,000.
- Minimum Ownership of Fund Units: SAR 1,000, This excludes subscribers through the Individual Savings Program (ISP).

**i. The minimum amount that the Fund Manager intends to raise, and the actions to be taken in case of not reaching that minimum**

There is no minimum size of the Fund's assets to initiate investment.



## 12) Distribution Policy

### a. Policy of distribution of income and gains

The Fund distributes its monthly investment returns to officially registered local charities.

### b. Approximate maturity and distribution date

The profit will be distributed in the end of each month.

### c. A statement on how distribution will be paid

The resulting trading profits will then be distributed to the accounts of charities approved by the Bank on a pro-rata basis, ensuring fair distribution to the adopted items.

## 13) Reporting to Unitholders

### a. Information related to the financial reports

- The fund manager must publish the quarter statement in accordance with the requirements of Annex (4) of the Investment Funds Regulations within a period not exceeding (10) days from the end of such quarter, in such locations and by such means as specified in the Fund's Terms and Conditions as well as on the fund manager's website and the Exchange's website or any other website available to the public according to the controls set out by the Authority. Also, it must be provided to unitholders on request and without charge.
- The interim financial statements must be prepared and made available to the public within a period not exceeding (30) days from the end of the period to which the statements relate in such locations and by such means as specified in the Terms and Conditions, as well as in the fund manager website and the Exchange's website or any other website available to the public according to the controls set out by the Authority.
- The fund manager must prepare the annual reports that include (audited annual financial statement) in accordance with the requirements of Annex (3) of the Investment Funds Regulations. Also, it must be provided by the fund manager to unitholders on request and without charge. The annual reports must be made available to the public within (21) days from the issuance date of the annual Fund reports (Fund) in which it invests and by such means as specified in the Terms and Conditions as well as on the fund manager's website and the Exchange's website or any other website available to the public according to the controls set out by the Authority.
- The fund manager must make available for inspection by unitholders the current net asset value of the public funds to which it is fund manager free of charge, and all historical net asset value figures at the registered offices of the fund manager.

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

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

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

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

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



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

#### 14) Unitholders Register

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

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

- b. **Statement of details on the unitholders register**

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

#### 15) Meeting of Unitholders

- a. **Circumstances in which a meeting of unitholders is called**

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

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

- b. **Procedures for calling a meeting of unitholders**

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

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

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



## 16) Unitholders' Rights

### a. A List of unitholders rights

- Receive an updated copy of the Terms and Conditions of the Fund in Arabic free of charge.
- Receive the Fund's reports and data in accordance with paragraph (13) "Reporting to Unitholders" of the Fund's Terms and Conditions and in accordance with Article (76) "Reporting to Unitholders" of the Investment Funds Regulations.
- Notify the Unitholders of any fundamental and non-fundamental changes in the Terms and Conditions of the Fund. Also, send a summary of these changes before they become effective, depending on the change's nature, and the period specified in the Investment Funds Regulations.
- Obtain the unitholders consent through an Ordinary Fund Resolution on any fundamental changes to the Fund's Terms and Conditions.
- Managing the Fund's assets by the Fund Manager to the best interest of the unitholder in accordance with the Terms and Conditions of the Fund and the Investment Funds Regulations.
- Managing the Fund's business and the Investments of its participants by the Fund Manager with the highest degree of confidentiality at all times. This does not limit the right of the Fund's regulatory authority (CMA) to access the Fund's records for regulatory purposes. The unitholder's information will not be shared except when necessary to open the investor's account, execute its operations, and comply with the applicable policies with the competent regulatory authorities or if the sharing of such information is in the interests of the unitholders.
- Receive an updated version of the Fund's Terms and Conditions on annual basis showing the actual fees and commissions of the Fund upon request.
- Notify the unitholders, in writing, of the Fund Manager desire to terminate the Fund at least (21) days prior to the intended date for terminating the fund, without prejudice to the Fund's Terms and Conditions.
- Payment of redemption proceeds within the period specified in the Terms and Conditions of the Fund and in the Investment Funds Regulations.
- Unitholders have the right to redeem their units before any fundamental or non-fundamental changes occur without imposing redemption fees.
- Any other relevant rights imposed by the CMA regulations and instructions applicable in the Kingdom of Saudi Arabia.

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

The Fund Manager's policy regarding voting rights is available on the Fund Manager's website and the Tadawul website or any other website available to the public according to the controls set out by the Authority.

## 17) Unitholders' Liability

The Unitholders acknowledge and agree to the following:

- The Fund Manager does not make any guarantees relating to the performance or profitability of any Investment managed in the Fund, and the Fund Manager will have no legal or consequential liability for any decline in the value of the managed Investments or the Fund's assets except those resulting from negligence, infringement or omission.
- Other than losing his\ her investment in the fund or part of it, the unitholder shall not be liable for the debts and obligations of the fund.
- In the event that the unitholders does not provide the Fund Manager with the correct postal and/ or electronic mail and other contact information, the unitholders agree to withhold the Fund Manager and exempt him from any liability and waive all their rights and any claims from the Fund Manager arising directly or indirectly from the failure to provide the unitholder with the statement of account, notices or other information relating to the investments or those arising from the inability of the unitholders to respond or verify the information or correct any alleged errors in the statement of account or notice or any other information.



- If the unitholder is subject to the laws of an authority other than the Kingdom of Saudi Arabia, he/ she shall be subjected to such laws without any obligation on the Fund or the Fund Manager.

## 18) Units Characteristics

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

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

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

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

#### • Fundamental Changes:

- The fund manager must obtain the consent of the unitholders in the fund to the proposed fundamental change by way of an ordinary fund resolution.
- The fund manager, having obtained the approval of the must obtain the consent of the Authority and ensures the approval of shariah committee to the proposed fundamental change.
- The fund manager must obtain the fund board approval before carrying out any fundamental change.

"Fundamental Change" means:

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

#### • Non-fundamental Changes:

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

"Non-fundamental Change" means:

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

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

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



## 20) Termination of the Fund

- a. **Events of which will result in the termination of the investment fund**
  - The fund manager desires to discontinue and terminate the Fund.
- b. **Procedures to terminate the fund under the article (22) of the Investment Funds Regulations**
  - For the purpose of terminating a fund, the fund manager must prepare a plan and procedures for the termination of the fund consistent with the unitholders interests and must obtain the fund board of directors' approval on such plan and procedures prior to carrying out any procedure in this regard.
  - The fund manager must notify the Authority and the unitholders, in writing, of the details of the plan and procedures for the fund termination at least (21) days prior to the intended date for terminating the fund, without prejudice to the Fund's Terms and Conditions.
  - The fund manager must notify the Authority and unitholders, in writing, regarding the fund's termination within (10) days from the end of the fund term in accordance with the requirements in Paragraph (d) of Annex (10) of the Investment Funds Regulations.
  - The fund manager must treat all unitholders equally during the fund termination process.
  - The gradual sale of the fund's assets.
  - The fund manager must immediately upon the end of fund term distribute the dues of the unitholders among them, without delay and in a manner that does not conflict with the interest of unitholders and the Fund's Terms and Conditions.
  - Notify the parties contractually related to the fund of the termination of the fund.
  - Remove the fund's information from the fund manager's website and the market's website (Tadawul).
  - The fund manager must disclose, on its website and the Exchange's website or any other website available to the public according to the controls set out by the Authority, regarding end of term of the fund.
  - The fund manager must provide the unitholders with the fund termination report, in accordance with the requirements of Annex (14) of the Investment Funds Regulations within a period not exceeding (70) days from the date of completion of its termination, including the final audited financial statements of the fund for the period subsequent to the last annual audited financial statements.
- c. **If the fund is terminated, the fund manager may not take any fees deducted from the fund's assets.**

## 21) Fund Manager

- a. **Fund Manager's name, responsibilities and duties**
  - **Fund Manager name:**  
SNB Capital Company (SNB Capital).
  - **Responsibilities and duties of the Fund Manager:**
    - The fund manager shall comply with all bylaws and regulations issued by CMA Board in addition to the applicable instructions in the Kingdom in relation to the investment fund and in accordance with the requirements of Investment Funds Regulations and the Capital Market Institutions Regulations including the fiduciary duty towards unitholders, which includes the duty to act in the best interests of the unitholders and duty to exercise all reasonable care and skill.
    - The fund manager shall have the primary responsibility for compliance with the Investment Funds Regulations, whether it directly performs its responsibilities and duties or delegated them to an external party under the Investment Funds Regulations and the Capital Market Institutions Regulations.
    - The fund manager shall be responsible toward unitholders for losses incurred by the investment fund, which are caused by, fraud, negligence, misconduct or willful default of the fund manager.
    - The fund manager must develop policies and procedures that detect risks effecting the fund's investments and ensure treatment of these risks as soon as possible. These policies and procedures must include conducting risks assessment, at least, once a year.



- The fund manager must implement a compliance monitoring program for every fund under its management. The fund manager must provide the Authority with the results of the implementation of the program upon its request.
- The fund manager shall submit the information declaration to the Zakat, Tax and Customs Authority within (120) days from the end of the Fund's fiscal year.
- The fund manager shall submit the fund's financial reports and financial statements to the Zakat, Tax and Customs Authority.
- The fund manager shall submit the required data to the Zakat, Tax and Customs Authority according to their used mechanism.
- The fund manager shall disclose the required information by the Zakat, Tax and Customs Authority to the unitholders in the fund's financial statements.
- The fund manager is committed to provide the Zakat, Tax and Customs Authority with all reports and requirements regarding zakat declarations and any information requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the fund manager's declarations. The fund manager will also provide the unitholder (Tax payer) with zakat declarations upon request in accordance to the Zakat Collection Rules for Investing in Investment Funds which issued by the Zakat, Tax and Customs Authority. The investors (Tax payers) are subject to the provisions of that rules - who own investment units in the Fund - and they are required to calculate and pay Zakat on their investments. The Rules for Collecting Zakat from Investing in the Investment Funds which issued by the Zakat, Tax and Customs Authority, can be viewed through the Zakat, Tax and Customs Authority website.

**b. Authority authorization number and date**

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

**c. Fund Manager's address**

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

Tel: +966920000232

Fax: +966114060049

**d. The Fund Manager's website and any website, related to the Fund Manager, contain information on the fund**

- Fund Manager's Website: [www.alahlicapital.com](http://www.alahlicapital.com).
- Tadawul Website: [www.tadawul.com.sa](http://www.tadawul.com.sa).

**e. Paid up capital to the Fund Manager:**

SNB Capital Company is a Saudi Joint Stock Closed Company with a paid up capital of SAR 1billion.

**f. Summary of the Fund Manager's financial information in the preceding fiscal year (in thousands of Saudi Riyals)**

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

**g. Primary roles, responsibilities and duties of the fund manager**

- The fund manager must act for the benefit of unitholders in accordance with the Investment Funds Regulations, the Capital Market Institutions Regulations and the Fund's Terms and Conditions.
- With respect to the investment funds, fund manager's responsibilities shall include:



1. Fund management for the benefit of unitholders in accordance with the Fund's Terms and Conditions.
  2. Offering of fund units.
  3. Ensuring the accuracy of the Fund's Terms and Conditions, and verify that the terms and conditions are complete, clear, accurate, and not misleading.
- The fund manager must prepare an annual report that includes an assessment of the performance and quality of services provided by the parties involved in providing material services to the fund - including the custodian- and the fund manager must submit this report to the fund's board of directors.
  - The fund manager must prepare an annual report that includes all complaints and actions taken towards them. The fund manager must submit this report to the fund's board of directors.

**h. Other business activities or interests of the Fund Manager that are of significance or could potentially conflict with those of the fund**

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

**i. Right of the Fund Manager to appoint a Fund Sub-Manager**

The fund manager may delegate one or more third parties or affiliates as a fund sub-manager. The remuneration of any fund sub-manager must be paid by the fund manager out of its own resources.

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

- a. The Authority shall have the power to remove a fund manager in relation to a particular investment fund and to take any action it deems appropriate to appoint a replacement fund manager for that investment fund or to take any other measures it deems necessary in the event of:
  1. The fund manager ceasing to carry out managing investments and operating funds activity or managing investments activity without notification to the Authority under the Capital Market Institutions Regulations;
  2. The cancellation, withdrawal or suspension by the Authority of the fund manager's authorization(s) to carry out managing investments and operating funds activity or managing investments activity under the Capital Market Institutions Regulations;
  3. A request by the fund manager to the Authority to cancel its relevant authorization to carry out managing investments and operating funds activity or managing investments activity;
  4. The Authority believing that the fund manager has failed, in a manner which the Authority considers material, to comply with the Capital Market Law or its Implementing Regulations;
  5. The death, incapacity or resignation of a portfolio manager who manages the assets of the investment fund, if no other registered person employed by the fund manager can manage the assets of the relevant investment fund or the assets of the funds managed by the portfolio manager;
  6. Any other event determined by the Authority on reasonable grounds to be of sufficient material.
- b. Notice of any event described in sub-paragraph (5) of paragraph (a) above must be provided by the fund manager to the Authority within (2) days from the date of its occurrence.
- c. Upon removal of the fund manager in accordance with the cases stipulated in sub-paragraphs (1-6) of paragraph (a) above, the Authority shall direct the removed fund manager to call for a unitholders meeting within (15) days from the date of the Authority's removal decision, in order to appoint the custodian or other party, through an ordinary fund resolution, to find and negotiate with a replacement fund manager and specify the time limit for finding and negotiation.
- d. The fund manager must notify the Authority of the results of the unitholders meeting within (2) days of its convening date.



- e. The fund manager must cooperate and provide the custodian or the party assigned to find and negotiate any documents required by it for the purpose of appointing a replacement fund manager within (10) days from the date of the request, and both parties must maintain the confidentiality of the information.
- f. The fund manager must, upon approval of the replacement fund manager to manage the fund and transfer of the fund management to it, send a written consent of the replacement fund manager to the Authority as soon as it is received.
- g. If the Authority exercises any of its powers pursuant to paragraph (a) above, the relevant fund manager shall co-operate fully in order to help facilitate a smooth transfer of responsibilities to the replacement fund manager during the initial (60) days period after the appointment of the replacement fund manager. The fund manager shall where necessary and applicable and at the discretion of the Authority, novate all of the contracts relating to the relevant investment fund to which it is a party to the replacement fund manager.
- h. In case a replacement fund manager has not been appointed within the time limit for finding and negotiation with the replacement fund manager referred to in paragraphs (c) and (d) above, the unitholders are entitled to request the liquidation of the fund through a special fund resolution.

## 22) Fund Operator

### a. Fund Operator's name

SNB Capital Company.

### b. Authority authorization number and date

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

### c. Fund Operator's address

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

Tel: +966920000232

Fax: +966114060049

### d. Primary roles of the Fund Operator

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

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

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

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

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



## 23) Custodian

### a. Custodian's name

AlBilad Investment Company.

### b. Authority authorization number and date

License no. (08100-37) dated 1 Sha'ban 1428 H corresponding to 14 August 2007 G.

### c. Custodian's address

King Fahad Road, P.O. Box 140, Riyadh 11411, Kingdom of Saudi Arabia.

Tel: +966 92000 3636

Fax: +966112906299

Website: [www.albilad-capital.com](http://www.albilad-capital.com)

### d. Primary roles and function of the Custodian

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

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

The custodian may delegate one or more third parties or affiliates as a fund sub-custodian. The remuneration of the fund sub-custodian shall be paid by the custodian out of its own resources.

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

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

### g. Provisions governing the removal/replacement of the Custodian

- The Authority shall have the power to remove the custodian which was appointed by the fund manager of an investment fund and take any other measures it deems necessary, as appropriate, in the event of:
  1. The custodian ceasing to carry out custody activity without notification to the Authority under the Capital Market Institutions Regulations.
  2. The cancellation or suspension by the Authority of the custodian's relevant authorization to carry out custody activity.
  3. A request by the custodian to the Authority to cancel its authorization to carry out custody activity.
  4. The Authority believing that the custodian has failed, in a manner which the Authority considers material, to comply with the Capital Market Law or its Implementing Regulations.
  5. Any other event determined by the Authority - based on reasonable grounds- to be of sufficient significance.
- The custodian appointed by the fund manager may be subject to removal by written notice by the fund manager upon the fund manager forming the reasonable opinion that the removal is for the interest of the unitholders, the fund manager shall notify the Authority and the unitholders in writing immediately.



## 24) Fund Board

### a. Names of Fund Board members

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

- Mohammed Jaafar AlSaggaf Chairman - Non-Independent Member
- Lloyd Kawara Non-Independent Member
- Dr. Basmah M. Al-Tuwaijri Independent Member
- Abdulaziz Abalkhail Independent Member

### b. A Brief about the Fund Board members' qualifications

- **Mohammed Jaafar AlSaggaf (Chairman - Non-Independent Member)**  
Head of Wealth Management Division at SNB Capital Company. He has 25 years of experience in the banking and financial institutions sector. Muhammad joined Saudi National Group in 1994 G in the Retail Banking Services Department, then he joined the Investment Department in 2004 G. He was also a part of the establishment team of SNB Capital Company in 2007 G as a Head of the Elite Clients and Individuals for the Central Region. During his presidency of the division, he held several positions as a member and chairman in some internal committees and in the board of directors of some investment funds before assuming the position of Head of Wealth Management Division in 2021G.
- **Lloyd Kawara (Non-Independent Member)**  
Chief Risk Officer at SNB Capital and he was hired as Vice President of Market Risk at SNB Capital in February 2015. Prior to that he worked at the African Development Bank where he was Principal Treasury Risk Officer, managing counterparty risk, market risk, investment and asset liability risks, and he has over (13) years of banking experience, of which (9) years were spent in senior risk management roles within the region, including as Chief Risk Officer for Bank Alkhair BSC Bahrain and Head of Risk for Bahrain Middle East Bank and Risk Management Officer with Riyadh Bank. Lloyd is a CFA charter holder, a Certified Financial Risk Manager (FRM) with Global Association of Risk Professionals (USA), a Chartered Alternative Investment Analyst with CAIA (USA) and an Associate Chartered Management Accountant with CIMA (UK).
- **Dr. Basmah Al-Tuwaijri (Independent Member)**  
Retired from academic work at King Saud University, independent researcher, member of the Financial Sector and Finance Committee in the Riyadh Chamber, a Member in the SBWA - Saudi Business Women Association (A private association), member of the supervisory board of the Think Tank Forum. Dr. Basmah worked as a faculty member in the Finance Department of the College of Business Administration in King Saudi University for more than (20); during which, she taught different courses in the topics of corporate finance, investment, portfolio management and financial markets. In addition, she held several leadership positions in academics and administration, and contributed in developing the strategic plan for King Saud University and conducting the internal studies for academic accreditation. She holds a PhD in finance from King Saud University. She has several publications in the field of corporate governance and financial markets.
- **Abdulaziz Abalkhail (Independent Member)**  
General Director of the Internal Audit Department at Arabian Internet and Communications Services Co. (Solutions by STC). He was the Chief Audit Executive of the National Industrialization Co. "TASNEE" and serves as an independent member of the Audit Committee of the Arabian Cement Company. Prior to TASNEE, he held several managerial positions at CMA's Continuous Disclosure Department and Market Institutions Compliance, the Industrial Development Fund, and the Arab Petroleum Investment Company. Eng. Abdulaziz has joined specialized programs in recognized international institutions such as U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority and Chase



Manhattan Bank. He has more than (20) years of experience in financial institutions and markets. He holds an MBA from University of Nottingham in Britain.

**c. Roles and responsibilities of the Fund Board members**

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

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

**d. Remuneration of Fund Board members**

The fund will not be charged for fund board services.

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

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



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

Fund/Board Member	Mohammed AlSaggaf	Lloyd Kawara	Abdulaziz Abalkhail	Dr.Basmah Al-Tuwaijri
SNB Capital Saudi Riyal Trade Fund	✓	✓	✓	✓
SNB Capital Sadaqqat Fund	✓	✓	✓	✓
SNB Capital Diversified Saudi Riyal Fund	✓	✓	✓	✓
SNB Capital Multi-Asset Conservative Fund	✓	✓	✓	✓
SNB Capital Multi-Asset Income Plus Fund	✓	✓	✓	✓
SNB Capital Multi-Asset Moderate Fund	✓	✓	✓	✓
SNB Capital Multi-Asset Growth Fund	✓	✓	✓	✓
SNB Capital International Trade Fund	✓	✓	✓	✓
SNB Capital Diversified US Dollar Fund	✓	✓	✓	✓
SNB Capital Global Sukuk Fund	✓	✓	✓	✓
SNB Capital - King Saud University Waqf Fund	✓	✓	✓	✓
AlAhli Sedco Residential Development Fund	✓			
AlAhli REIT Fund 1	✓			
AlAhli Makkah Hospitality Fund	✓			
SNB Capital Real Estate Opportunistic Fund	✓			
SNB Capital Tier One Sukuk Fund III	✓			
SNB Capital Real Estate Income Fund	✓			
SNB Capital Danat Aljanob Real Estate Fund	✓			
SNB Capital Aljawhara Real Estate Fund	✓			
SNB Capital Aljawhara Real Estate Fund II	✓			
SNB Capital Logistic Fund	✓			
Nusaned Fund II	✓			
SNB Capital Real Estate Fund	✓			



## 25) Shariah Committee

### a. Names and qualifications of the Shariah Committee members

- **Sheikh Dr. Saad Nasser Al-Shithri (Chairman)**

Sheikh Dr. Al-Shithri holds a PhD degree from the College of Sharia at Imam Muhammad bin Saud Islamic University, and His Excellency has books on jurisprudence and its principles, contributions to several conferences and seminars, research and writings, and he is a member of a number of scientific committees.

- **Sheikh Dr. Muhammad Ali Elgari (Member)**

Sheikh Dr. Elgari was a former Professor at the Department of Islamic Economics at the College of Administration and Economics, King Abdulaziz University, member of the Board of Trustees and the Shariah Board of the Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI), expert at the Islamic Fiqh Academy of the Organization of the Islamic Conference, and a member of a number of Sharia committees in financial institutions, and holds a PhD in economics from the University of California in the United States, and has contributed to several conferences, seminars, research and publications on contemporary financial transactions.

- **Sheikh Dr. Yousef Mohammed Al-Ghufis (Member)**

Sheikh Dr. Al-Ghufis is a Member of the Council of Senior Scholars, and a former member of the Standing Committee for Issuing Fatwas, and a professor in a number of colleges of Saudi universities, including the Higher Institute of the Judiciary, the College of Sharia, the College of Fundamentals of Religion at Imam University, and the College of Law at King Saud University in graduate and bachelor's studies, he has previously participated in consulting work in the Ministry of Justice and others, and he has experiences in studying banking provisions, participated in many scientific conferences and seminars, arbitration and legal and legal consultations, and He has a number of books on jurisprudence and its fundamentals, holds a bachelor's, master's and PhD from the College of Sharia and Fundamentals of Religion at Imam Muhammad bin Saud Islamic University.

**Sheikh Dr. Nizam Bin Mohammed Yaqoubi (Member)**

Sheikh Dr. Yaqubi is a member of the Board of Trustees and the Shariah Board of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and holds a PhD in Sharia and Islamic Studies from the University of Wales in the United Kingdom, and a member of a number of Sharia committees in financial institutions, and has contributed to several conferences, seminars, research and publications in contemporary financial transactions.

**Sheikh Dr. Khaled Mohammed Al-Sayari (Member)**

Sheikh Dr. Al-Sayari is associate Professor in the Department of Jurisprudence at the Saudi Electronic University, a member of the Sharia Standards Committee, and the Committee for Reviewing and Drafting Sharia Standards Documents in the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and a member of a number of Sharia committees in financial institutions, and has contributions to several conferences and seminars, and research and publications in transactions Contemporary Finance.

### b. Roles and responsibilities of Shariah Committee

- Reviewing the Fund's offering documents, including the Terms and Conditions of the Fund, and approving any subsequent amendments;
- Preparing the Shariah guidelines to be followed by the Fund's Investments;
- Meeting as required to discuss issues related to the Fund;
- Responding to the inquiries coming from the Fund Manager regarding the Fund's investments, activities or investment structure, and compliance with Shariah guidelines;
- Supervising and monitoring the activities of the Fund to ensure compliance with Shariah guidelines or delegating that responsibility to another party;
- Delegating some or one of its members to perform some or all of the roles required of the Committee.



**c. Shariah Committee remuneration**

The Fund will not be charged for the Shariah audit Services fees.

**d. Shariah guidelines**

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

• **Tradable investment instruments and methods**

The Shariah Committee considered that it is not permissible to buy and sell shares of joint stock companies with the following characteristics:

- Conduct of financial activities that doesn't meet Shariah guidelines such as traditional disbursement channels that deals with interest or financial instruments that contradicts with the Shariah guidelines (insurance companies except for the companies agreed by the Shariah Committee).
- Production and distribution of alcohol or tobacco products and what falls within this category.
- Production and distribution of pork and its derivatives.
- Production and distribution of meat products that is not slaughtered according to Islamic Law.
- Operating gambling casinos or manufacturing the gambling machines and equipment.
- Operating cinemas and the creation, publication and distribution of pornography.
- Operating hotels and restaurants that are engaged in any of the prohibited industries mentioned above.

• **Financial indicators**

It is not allowed to invest in the shares of companies which their:

- Total Riba deposits exceed (33%) of the market value of the company's shares or the total assets' value in the company's books; whichever is higher.
- Riba loans; according to its balance sheet, exceed (33%) of the market value of the company's shares or the total assets' value in the company's books; whichever is higher.
- Total shariah non-compliant income from different sources exceeds (5%) of the Company's total income; whether such sources are from Riba interests or from any other shariah non-compliant sources.

• **The following standards are applied if the fund invests in REITs**

- It is not allowed to invest in shares of companies' which their total Riba deposits exceed (33%) of the company's total assets.
- It is not allowed to invest in shares of companies' which their total Riba loans exceed (33%) of the company's total assets; and this depends on the companies' assets' market value based on a valuation conducted by an independent third party to determine the company's total assets' value; or its Book value; if the market value is not available.
- It is not allowed to invest in shares of companies' which their total shariah non-compliant income derived from different sources exceed (5%) of the company's total income whether such sources are from Riba interests or from other shariah non-compliant sources.
- The Fund Manager will provide the fund's investors with the accounting method of the market value of the companies' shares and the shariah non-compliant income; upon their request and free of charge.

• **The investments in international REITs**

The Fund will invest in the funds in accordance with the IdealRatings Global REITs which comply with the Shariah guidelines.



- **Investment standards of Money Market Funds**
  - Murabaha, Mudarabah, and Musharaka transactions in addition to others which the Shariah Committee; or whoever represents it, approved on their structure.
  - Investment Sukuk approved by its Shariah Supervisory Committee after being approved by the Shariah Committee or whoever represents it.
  - Trade finance transactions which the Shariah Committee; or whoever represents it, approved their structure.
- **Purification**

The Fund Manager should determine the Shariah non-compliant income and deposit it in a separate account to be spent on charities. And this process will be on a quarterly basis in accordance with the Shariah guidelines.
- **Non-tradable investment instruments and methods**

There will be no dealing in the following investment instruments:

  - Futures;
  - Preferred Stock;
  - Options;
  - Swaps;
  - Overdrafts.
- **The Fund may invest in Sukuk, Murabaha transactions, financial certificates and investment funds which conduct their investments in accordance with the Shariah guidelines.**
- **Periodic Review**

The Fund's compliance with Shariah guidelines shall be examined quarterly. In the event that one of the owned companies by the fund doesn't comply with the Shariah guidelines, it will be sold within a period not exceeding (90) days from the review date.

## 26) Investment Advisor

Not applicable.

## 27) Distributor

Not applicable.

## 28) Auditor

### a. Auditor's name

KPMG Professional Services .

### b. Auditor's address

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

Tel.+966118748500

Fax:+966118748600

Website: [www.kpmg.com/sa](http://www.kpmg.com/sa)

### c. Primary roles and responsibilities of the Auditor

- It is the responsibility of the Auditor to give an opinion on the financial statements based on the audit performed in accordance with Generally Accepted Auditing Standards applicable in the Kingdom, which require the auditor to comply with ethical and professional standards and to plan and perform audit



activities in order to have a reasonable degree of certainty that the financial statements have no material errors.

- The Auditor's responsibilities also include implementing procedures for obtaining evidence to support the amounts and notes set out in the financial statements.
- In addition, the Auditor evaluates the suitability of the adopted accounting policies and the reasonableness of the accounting estimates, as well as the overall presentation of the financial statements.
- The auditor, through reviewing the annual financial statements and based on the information provided to it, must include in its report what may come to its attention of violations to the provisions of the Investment Funds Regulations and the Fund's Terms and Conditions.

**d. Provisions governing the replacement of the Auditor**

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

1. There are any outstanding and material allegations of professional misconduct in relation to audit functions by the auditor;
2. The auditor of the fund ceases to be an independent auditor;
3. The auditor of the fund is no longer registered with the Authority;
4. The Fund Board determines that the auditor does not have sufficient qualifications and experience to perform a satisfactory auditing functions; or
5. The Authority, in its absolute discretion, instructs the fund manager to replace the auditor appointed in relation to the fund.

## 29) Fund's Assets

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

## 30) Complaints Procedures

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

## 31) Other Information

- a. **Policies and procedures to be followed in addressing conflicts of interests, and any potential and/or actual conflicts of interests will be made available upon request and free of charge.**
- b. **The "Committee for The Resolution of Securities Disputes" has the jurisdiction to adjudicate disputes arising from investing in the investment funds.**



**c. A List of the available documents for unitholders**

The list shall include the followings:

- The Fund's Terms and Conditions.
- Contracts mentioned in the Fund's Terms and Conditions.
- The Fund Manager's financial statements.

**d. Up to the date of preparing this Terms and Conditions, there aren't any other information known to, or that ought reasonably to be known to the fund manager or the fund board, the current or potential unitholders and their professional advisors might reasonably require or expect to be included in the Fund's Terms and Conditions upon which an investment decision is to be made.**

**e. Any waivers from limitations in the Investment Funds Regulations approved by the Capital Market Authority, except those stipulated in investment policies and practices**

None.

**f. Confidentiality of fund information**

The Fund's business and the Investments of its participants are managed with the highest degree of confidentiality at all times. This does not limit the right of the Fund's regulatory authority (CMA) to access the Fund's records for legal oversight purposes.

**g. Death of unitholders**

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

**32) Additional Information Requirements for Certain Types of Funds**

**a. Feeder Fund**

**1. Applied standards for choosing the Target Fund:**

- Investing in a fund that provides monthly liquidity and maintaining invested capital.
- Low or Low to Medium risk profile.
- Sharia-Compliant.

**2. Details on Target Fund Fees and Expenses**

Type of fees/expenses	%/ Amount SAR '000
Management Fees	0.65%
Custody Fees *	0.0025%
Auditor Fees *	70,564
Remuneration of the Independent Directors of the Fund Board* (For each Bored Directors in a meeting held in his presence)	2,000
Shariah Committee Services Fees *	27,000



CMA Fees *	7,500
Publishing Fund's Information on Tadawul Website Fees*	5,000
*Other Fees	will not exceed 0.50%

The Target Fund is managed by SNB Capital; Thus, the fund manager will rebate its management fees.



### 33) Unitholder Declaration

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

Name:

Date:

Signature:

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### 34) Fund's Financial Disclosure

Summary of the Fund's actual fees and expenses for the period ended December 2022 in thousands of SARs:

Type of fees/expenses	Amount SAR '000
Management Fees	5
VAT on Management Fees	0
<b>Total Fees &amp; Expenses</b>	<b>5</b>