



## Terms and Conditions

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### SNB Capital AI Razeen SAR Liquidity Fund

A specialized public open-ended Money Market 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 of SNB Capital AI Razeen SAR Liquidity Fund. The Capital Market Authority does not, however, take any responsibility for the contents of the Fund's Terms and Conditions, nor does it make any representation as to its accuracy or completeness. The Capital Market Authority does not make any recommendation as to the soundness or otherwise of investing in the investment fund, and the approval of offering the fund does not mean that the Authority recommends to invest in the fund, and the Authority emphasizes that the decision to invest in the fund is up to the investor or his representative."

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

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

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

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



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Fund Directory:

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



## Definitions:

<b>Affiliate</b>	A person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
<b>Auditor</b>	KPMG Professional Services.
<b>Capital Market Institutions Regulations ("CMI")</b>	The Capital Market Institutions Regulations issued by the Board of the Capital Market Authority.
<b>Authority/ CMA</b>	The Saudi Arabian Capital Market Authority specified in the Capital Market law promulgated by Royal Decree No. (M/30) dated 02/06/1424H, a government authority having financial and administrative autonomy and reporting directly to the Prime Minister. The CMA oversees the regulation and development of the Capital Market, and issues regulations, rules and instructions as necessary to implement the Capital Market Law and regulations.
<b>Board</b>	The Board of Directors of the Fund.
<b>Business Day</b>	The day on which Saudi banks are open for business in the Kingdom.
<b>Capital Market Law</b>	The Capital Market Law issued pursuant to Royal Decree No. (M/30) dated 02/06/1424H and its Implementing Regulations.
<b>Control</b>	The ability to influence the actions or decisions of another person through, whether directly or indirectly, alone or with a Relative or Affiliate (a) holding 30% or more of the voting rights in a company, or (b) having the right to appoint 30% or more of the members of the governing body; "controller" shall be construed accordingly.
<b>CRSD</b>	Committee for Resolution of Securities Disputes.
<b>Custodian</b>	HSBC Saudi Arabia.
<b>Dealing Day</b>	The days on which subscription and redemption requests are processed, being every Business Day.
<b>The Fund or Investment Fund</b>	SNB Capital AI Razeen SAR Liquidity 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>Group</b>	In relation with a person, means that person and each of its Affiliates.
<b>Independent Fund Director</b>	An independent fund director who enjoys complete independence by way of example, the following shall constitute an infringement of such independence: <ol style="list-style-type: none"><li>1. To be an employee of the Fund Manager or any of its affiliates, or any sub-manager or custodian for the Fund or have a material business, or contractual relationship with the Fund Manager or any sub-manager or custodian of such fund;</li><li>2. To hold, during the preceding two years, the office of a senior executive of the Fund Manager or any of its affiliates;</li></ol>



	<ol style="list-style-type: none"><li>3. To be a first-degree relative of any board member or any senior executives of the Fund Manager or of any its affiliates;</li><li>4. To be a controlling shareholder of the Fund Manager or any of its affiliates, during the preceding two years.</li></ol>
<b>Benchmark</b>	30-day Rolling Average of the 1-Month SAIBID.
<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>Investor/ Unitholder</b>	An investor in the Fund or a holder of the Fund units.
<b>Issuer</b>	A person that issues securities or intends to do so.
<b>The Kingdom</b>	Kingdom of Saudi Arabia.
<b>Money Market Instruments</b>	Short-term deposits and securities, trade finance contracts and other similar investments.
<b>Net Asset Value of the Fund (“NAV”)</b>	Net asset value of the Fund less liabilities including the Fund’s fees and expenses.
<b>Non-independent Fund Director</b>	A member of the Board of Directors who is not an independent member.
<b>Normal Market Conditions</b>	Normal circumstances of financial markets and economies as determined by the Fund Manager.
<b>Relative(s)</b>	The husband, wife and minor children.
<b>SAR</b>	Saudi Riyal.
<b>Tadawul or Stock Exchange</b>	The Saudi Stock Exchange Company.
<b>Terms and Conditions</b>	The terms and conditions of the Fund represented in this document and signed between the Fund Manager and the unit holder.
<b>Unit</b>	Share of the Unitholders in the Fund and Each unit is treated as a common share in the assets of the Fund.
<b>USD</b>	US Dollar.
<b>Valuation Days</b>	The days on which the Unit price is determined, by the Fund Manager, being each Business Day.
<b>Value Added Tax (“VAT”)</b>	The value-added tax applied under the Value-Added Tax Law.
<b>Value Added Tax Law (VAT Law)</b>	The Value-Added Tax Law promulgated under the Royal Decree No. M/113 dated 02/11/1438H. corresponding to 25/07/2017G. and the implementing regulations thereof and any subsequent amendments thereto.
<b>Individual savings program (ISP)</b>	A program provided by the fund manager, in which fixed amounts are deducted monthly (minimum SAR 100) and invested in the investment funds available at the client’s choice.



### Fund Summary:

<b>Name of the Investment Fund</b>	SNB Capital Al Razeen SAR Liquidity Fund
<b>Class/type of the Fund</b>	A specialized public open-ended Money Market Fund
<b>Name of the Fund Manager</b>	SNB Capital Company.
<b>Purpose of the Fund</b>	The Fund's investment objective is to achieve liquidity and capital growth through investments in short term Money Market Instruments denominated in SAR and/or USD. The Fund will also invest in other CMA licensed public investment funds with similar objectives and risks. The Fund may invest up to 20% of the Fund NAV in long-term investments such as Sukuk, bonds and structured products denominated in SAR and/or USD.
<b>Risks level</b>	Low Risk.
<b>Minimum amount for subscription</b>	SAR 7,500.
<b>Minimum additional amount for subscription</b>	SAR 3,750.
<b>The Minimum Subscription and the Additional Subscription through the Individual Savings Program (ISP)</b>	SAR 100.
<b>Minimum amount for redemption</b>	SAR 3,750.
<b>Valuation days</b>	Each Business Day.
<b>Dealing days</b>	Each Business Day.
<b>Announcement days</b>	At the end of each relative dealing day.
<b>Paying redemption amount days</b>	The maximum period of time that may elapse between the redemption by the unitholder and the payment of the redemption proceeds is two Business days after the Valuation day.
<b>Unit price at initial offer (nominal value)</b>	10 SAR.
<b>Currency of the Fund</b>	Saudi Riyal.
<b>Period of the investment fund and its maturity date</b>	The Fund has no fixed term.



**Date of commencing the fund** The Authority's approval to continue offering the Fund's units was obtained on 04/04/2009G, and the Fund's units were offered on 10/31/1988G.

**Date of issuing the Terms and Conditions, and latest update of it** The Fund's Terms and Conditions were issued on 13/10/1988G and the Authority was notified of its update on 23/10/2023G.

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

**Name of the Fund Operator** SNB Capital Company.

**Name of the Custodian** HSBC Saudi Arabia.

**Name of the Auditor** KPMG Professional Services.

**Tax Advisor** KPMG Professional Services.

**Fund Management fees** 0.50% of the net asset value of The Fund.

**Subscription & Redemption fees** None.

**Custodian fees** 0.0075% annually of the of the total asset managed by the custodian.  
Transaction fees: SAR 56.25 per transaction.

**Dealing (Brokerage) fees and charges** According to the prevailing market price.

#### **Other fees and expenses**

(Data processing and operations expenses for the Fund, Tax Advisor fees and any other tax-related fees, expenses relating to unitholder meetings, report printing expenses, out of pocket expenses and others.)

These fees and other expenses are not expected to exceed 0.5% of the NAV calculated on the Valuation Day. For more details, kindly review Section 9: "Fees, Charges and Expenses".



## Terms and Conditions:

### 1) Investment Fund

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

SNB Capital AI Razeen SAR Liquidity Fund is a specialized open-ended public Money Market Fund.

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

The Fund's Terms and Conditions were issued on 13/10/1988G and the Authority was notified of its update on 23/10/2023G.

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

The Authority's approval to continue offering the Fund's units was obtained on 04/04/2009G, and the Fund's units were offered on 10/31/1988G.

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

SNB Capital AI Razeen SAR Liquidity Fund is an open-ended Fund with no fixed term.

### 2) Governing Laws

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

### 3) Investment Policies and Practices

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

The Fund's investment objective is to achieve liquidity and capital growth through investments in short term Money Market Instruments in SAR and/or USD. The Fund will also invest in other CMA licensed public investment funds with similar objectives and risks. The Fund may invest up to 20% of the Fund NAV in long-term investments such as Sukuk, bonds and structured products denominated in SAR and/or USD.

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

The Fund invests in:

- shall mainly invest in short term Money Market Instruments denominated in SAR and/or USD;
- may invest up to 20% of the Fund NAV in long-term investments such as Sukuk, bonds and structured products (other than securitisation) denominated in SAR and/or USD; and
- may invest up to 10% of the Fund NAV in other CMA licensed public investment funds with similar objectives and risks.

#### c. Investment concentration policy

- The Fund invests mainly in short-term Money Market instruments denominated in SAR, USD, or both. The table below in sub-paragraph (d) below of paragraph (3) "Investment Policies and Practices" shows the investments available to the Fund and the percentages allocated to each of them.
- The Fund will not follow any strategy that would exclude some industries, but will maintain the highest degree of flexibility as indicated in its investment objectives and policies.



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

Asset Class	Minimum Limit	Maximum Limit
Short term Money Market Instruments in SAR and/or USD	80%	100%
Sukuk, bonds and structured products denominated in SAR and/or USD	0%	20%
Units of other similar CMA licensed public investment funds with similar risks	0%	10%

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

The Fund's investments will not be limited to any particular country/market.

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

The Fund Manager and its affiliates may invest in the Fund for their own account. Such investment shall be treated as the other investments of other Unitholders. The Fund Manager or any affiliate shall not exercise the voting rights associated with their Units. Details of the Fund Manager's investments in the Fund will be disclosed on a quarterly basis on the Fund Manager's website, Tadawul's website and in the annual reports prepared by the Fund Manager in accordance with Article (76): "Reporting to Unitholders" of the Investment Funds Regulations.

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

The Fund's strategy depends on the outlook of interest rates, which vary from time to time depending on the money market conditions. The Fund Manager shall study and analyses future interest rates through yield curve indicators, the impact of market predictions on the volatility of such rates as well as the daily monitoring and analysis of forecasts of the Fund's daily liquidity needs.

The Fund Manager shall rely on the rating of the international credit rating agencies such as Moody's, Fitch and Standard & Poor's as a general practice. Furthermore, the Fund:

- shall not invest in institutions or fixed income or money market instruments that fall below the investment grade of Baa3 according to Moody's rating and BBB- according to Fitch and Standard & Poor's ratings; however
- may invest up to 20% of its assets in unrated institutions or fixed income instruments provided that the Fund Manager uses its internal evaluation criteria for risk assessment of financial institutions and fixed income instruments.
- The standards to be adopted by the Fund Manager for selecting investment funds are based on risks, liquidity, and yield of investments, as needed.
- The Fund's investments shall not exceed 25% of its NAV in dealing with all counterparties. And, the Fund Manager may invest the Fund's assets in securities issued by the Fund Manager or any of its affiliates.
- The Fund shall have a weighted average in accordance to the Investment Funds' Regulations.
- The Fund Manager shall ensure that no less than 10% of the Fund's NAV is held in cash or investments with maturities or remaining maturities of no more than (7) days.

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

The Fund will only invest in the following investments and securities:

- Short-term money market instruments.
- Sukuk and structured instruments and products.
- Units of similar public investment funds licensed by CMA with similar risks.

The fund manager also cannot include the following securities in the fund's investments:

- Futures contracts.



- Options contracts.
- Swap contracts

**i. Investment limitations**

The Investment Funds Regulations and the Terms and Conditions set out restrictions on the types of securities in which the fund can invest. The fund manager is committed to the restrictions contained in Article (54) "Money Market Fund" of the Investment Funds Regulations.

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

The fund manager may invest in other investment funds at a rate not exceeding 10% of the net asset value of the fund.

**k. Lending and financing powers**

The Fund may request financing in accordance with the percentages specified in the Investment Funds Regulations, with the exception of financing from the Fund Manager or any of its affiliates to cover redemption.

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

The fund manager will not invest more than 25% of the NAV with any counterparty.

**m. Risk Management Policy**

- The Fund Manager has policies and procedures to identify risks affecting the Fund's investments and ensures that these risks are addressed as soon as possible, including conducting a risk assessment at least once a year.
- The fund manager also distributes risks carefully, considering the fund's investment policies, terms and conditions.
- Moreover, the Fund Manager does its best to ensure that sufficient liquidity is available to meet any expected redemption request.
- The Fund's Board of Directors assumes its role in ensuring that the Fund Manager carries out his responsibilities in a way that achieves the interest of unitholders in accordance with the provisions of the Investment Funds Regulations and the terms and conditions of the Fund.

**n. The benchmark**

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

It is a daily reference rate published by Thomson Reuters and Bloomberg based on the interest rates at which Saudi banks lend unsecured funds to other banks in the money market. For more information, please visit the Reuters website.

**o. Derivatives**

The Fund may invest in derivatives linked to structured instruments and products.

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

None.

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

- a.** The Fund is suitable for an investor who seeks simple capital appreciation with relatively low risks. Given the nature of the Fund's investments, the value of its investments and income are likely to be volatile and, as a result, the Unit price may rise or fall.



- b. Past performance of the Fund or past performance of the benchmark is not an indicator of the future performance of the Fund.
- c. The Fund does not guarantee that its absolute performance or its performance relative to the Benchmark will be repeated or similar to any past performance.
- d. Investment in the Fund is not equivalent to making a deposit with a bank.
- e. Investors are hereby at risk that they may lose some or all of the money they invest in the Fund. Furthermore, Investor's investments in the Fund shall not constitute guaranteed liabilities of the Fund Manager or any affiliate or subsidiary, but shall be subject to the below mentioned investment risks. The Fund Manager shall not be liable for any claim(s) whatsoever, for any lost opportunity or any actual loss that may be incurred by the Investor, except in case of the willful default or gross negligence of the Fund Manager, subject always to the risks set out in these Terms and Conditions.
- f. The main risks of investment in the Fund include:
  - 1. **Value Added Tax Risk:** Investment in the Fund is subject to tax related risks, which could have an effect on the Fund's liquidity resulting in the reduction of the Fund's assets as well as the Fund's investment returns. These effects may cause a negative impact on the Unit price, Fund's performance and its NAV. Therefore, potential investors must obtain the relevant consultation in respect of the applicable taxations for acquiring or selling Units in the Fund.
  - 2. **Natural Disasters Risk:** Financial markets and investment sectors are affected by natural disasters that may result in price decreases, which may negatively affect the performance of the Fund and thus may have a negative impact on the Fund's NAV and the Unit price.
  - 3. **Conflicts of Interest Risk:** If there is a conflict of interest with the Fund Manager then this may affect the objectivity and independence of the Fund Manager's decisions, which may negatively affect the Fund's performance and thus may have a negative impact on the Fund's NAV and the Unit price.
  - 4. **Relying on the Fund Manager's Staff Risk:** The Fund Manager relies on its specialist team in order to manage the Fund, and therefore the Fund may be adversely affected by the loss of executives and employees associated. In such circumstances, it may be difficult to find replacement staff with the requisite level of experience and expertise and this may negatively affect the performance of the Fund and thus may have a negative impact on the Fund's NAV and the Unit price.
  - 5. **Risk relating to the Issuer:** The risk arises from the exposure to changes in the underlying financial conditions of the issuer due to changes in management, demand or products and services. This risk may also include situations where the issuer undergoes legal actions because of irregularities it commits, which may lead to the devaluation of its shares, and thus may negatively affect the performance of the Fund and thus may have a negative impact on the Fund's NAV and the Unit price.
  - 6. **Exposure to Changes in Legislations:** When investing in stock markets, there are risks related to changes in legislation enacted by different authorities related to financial markets, which could result in sharp fluctuation in prices. This may negatively affect the performance of the Fund and thus may have a negative impact on the Fund's NAV and the Unit price.
  - 7. **Investment Strategy Risk:** The Fund Manager does not make any representations, or offer any guarantee, that the Fund's investment strategies will achieve its purposes. As such, failing to achieve such purposes may negatively affect the Fund's NAV and thus may have a negative impact on the Fund's NAV and the Unit price.
  - 8. **Risks of Investing in other investment funds:** There are risks that may affect other investment funds, in which the Fund may invest, which are subject to short and mid-term fluctuations, volatility of the Unit price. As such, this may negatively affect the performance of the Fund and thus may have a negative impact on the Fund's NAV and the Unit price.
  - 9. **Economic Risk:** The capital markets are affected by both global economic factors as well as regional economic factors. As such, capital markets decline during economic recessions, which could lead to the decline of the Fund NAV. In particular, the GCC economy is heavily dependent on oil prices and revenues, and is therefore subject to fluctuations in oil prices. As such, this may have an effect on government spending and could therefore affect the local and regional economy, which could as a result negatively affect the Fund's performance and its NAV and the Unit price. This risk also relates to the possibility of losses resulting from the collapse of a financial system that has negative effects on global or local economies and may adversely affect the performance of the Fund and may therefore have a negative impact on the Fund's NAV and the Unit price.



10. **Credit Risk:** If the Fund invests its cash assets in Murabaha transactions, there is a possibility that a borrower or counterparty to such transactions may be unable to repay or settle its obligations in a timely manner or may even fail to pay entirely, which could result in a significant decrease in the value of the Fund's NAV. As such, this could have a negative effect on the Fund's performance and its NAV and the Unit price.
11. **Dealing with Third Parties Risk:** The Fund may enter into transactions with third parties who may be unable to fulfil their contractual obligations under such transactions, which as a result could have a negative effect on the Fund's overall performance and its NAV and the Unit price.
12. **Operational Risk:** Operational risk is defined as risks resulting from inadequate or failed processes related to people, systems and external events including legal risks. It arises from potential disruptions of processes associated with the delivery of products or services to customers. As such, if any such event occurred, this may result in a negative impact on the Fund's performance and its NAV and Unit price.
13. **Sukuk Risk:** The Fund may invest in sukuk which are equivalent to senior unsecured debt instruments. As such, the investor may be exposed to capital risk if a credit event is encountered with the primary issuer. These sukuk can be denominated in SAR and/or USD. As such, this could have a negative effect on the Fund's NAV and Unit price.
14. **Risk of structured products:** The Fund may, from time to time, invest in structured products which are instruments issued with different conditions, payments and levels of risk associated with the performance of one of the assets or indices or the basket of assets and indices. The risks associated with investments in structured products are as follows:
15. **Credit rating:** structured products may not benefit from the same issued credit rating specified for other liabilities or entered into by the issuer of the concerned product. Changes may occur on some of the credit ratings issued by credit rating agencies with regard to the creditworthiness of the issuer or guarantor (if any) or the collateral of the relevant structured product, which would affect the value of the investor's investment. As such, this could have a negative effect on the Fund's NAV and Unit price.
16. **Transfer Restrictions:** transfer restrictions are applied to offering, sale and transfer of structured products in different jurisdictions. A holder of investment certificate does not have equivalent rights (e.g. right to recourse the invested amount in case of failure) entertained by the direct owner of the investment. As such, this could have a negative effect on the Fund's NAV and Unit price.
17. **Basic credit risk of the issuer or guarantor (if any):** structured products are exposed to the credit risk associated with the issuer, guarantor or the collateral of the relevant structured product, which may lead to the failure of the relevant issuer or guarantor (if any) to meet its payment obligations related to that structured product. The client depends on the creditworthiness of that issuer, guarantor and encumbered assets by way of security, as the case may be, and not any other party. Moreover, credit ratings are subject to downgrade. The client may not receive any return and/or lose its principal or a part thereof in the event of insolvency of the issuer and/or guarantor or failure to perform their obligations relating to the product.
18. **Basic credit risk of a reference entity:** fixed income structured products are exposed to basic credit risks related to a reference entity in the event of occurrence of a risk incident such as failure to pay, loan restructuring, non-payment of restructuring, bankruptcy, and repudiation (as in the case in financial solvency risks). Furthermore, financial instruments may be recovered at less than their face value or in severe case may lose their value completely, without having the agents to pay more profits. There will be circulating agents whose responsibility is to announce any developments relating to credit conditions in which may cause a decline in the value of a financial instrument or loss of its entire value. As such, this could have a negative effect on the Fund's NAV and Unit price.
19. **Market risk:** market value may move up or down depending on the movement of interest rates and performance of the senior reference entities, stocks, indices, financial condition or credit rating of the issuer/guarantor/collateral of the relevant structured product and other factors. Keeping a product is not like keeping senior shares or assets. Therefore, the market value of a product may be affected by factors other than those related to senior securities or assets. As such, this could have a negative effect on the Fund's NAV and Unit price.
20. **Liquidity risk:** liquidity refers to how quickly and easy it is to sell an asset and transfer it to cash. Some of the sukuk, bonds and structured products may be less liquid than other instruments which means



they cannot be sold as quickly or easily. In addition, some of the sukuk, bonds and structured products may be difficult to liquidate for the lack of a secondary market or because of legal restrictions or restrictions relating to the type of investment or relating to the fact that there are no buyers interested in this type of asset. As such, this could have a negative effect on the Fund's performance and consequently the Fund's NAV.

21. **Interest rate risk:** changes in monetary policy and interest rate fluctuations may affect currency prices and capital markets generally which may have a negative effect on the Fund's performance and consequently the Fund's NAV and Unit price.
22. **Currency risk:** The Fund may trade in securities that are not denominated in the principal currency of the Fund and as such will be subject to currency risks. Fluctuations in exchange rates may lead to increases or decreases in the Unit price which may have a negative effect on the Fund's NAV and Unit price.
23. **Risks of Price Fluctuations:** The general movement in the local and international capital markets, real estate markets, prevailing and expected economic conditions, profit rates, financing costs, investor confidence and general economic conditions may adversely affect the Units' market price, the Fund's performance and net asset value. Units' market is subject to fluctuations and the lack of liquidity could have a negative impact on the Units' market value. Accordingly, purchase of such Units is only suitable for investors who can bear the risks associated with such investments.
24. **Technical Risks:** The Fund Manager technically manages the Fund. However, his information systems may be hacked or attacked by viruses, or may be partially or fully disrupted in a manner limiting the Fund Manager's ability to effectively manage the Fund's investments. This would adversely affect the Fund's performance, net asset value of the Fund and the Unit price, which in turn would affect unit holders of the Fund.
25. **Concentration Risks:** Risks of investments concentration in a particular investment or state. Such risks are occurred upon lack of diversity, which may have a negative impact on the Fund's performance.
26. **Custody Risks:** These risks relate to losses incurred on securities held with the custodian or sub-custodian as a result of certain acts committed by him or the custodian's failure (such as: negligence, misuse of assets, fraud, mismanagement or inadequate record keeping). This would also affect the performance of the Fund, and in turn, have a negative impact on the net asset value in the Fund as well as the unit price.
27. **Risks of Organizational Changes:** The information contained in the present information note is based on existing and declared legislations. The laws applicable in the Kingdom, including the laws relating to taxes or Zakat during the term of the Fund, may be amended in a manner that may affect the Fund and its investments or the investors and may adversely affect the Fund's performance. Therefore, such amendments may have a negative impact on the net asset value of the Fund and Unit price.
28. **Political Risks:** The Fund may be directly or indirectly affected by political and economic developments in neighbouring regions, as these may affect all economic and development activities, including the Fund's activities. Any impact on the Fund's investments will have a direct impact on the returns generated to the Unit holders, and may therefore have a negative impact on the net asset value of the Fund.
29. **Risks of Unit Price Fluctuations:** Interest rate risks are the risks in which sukuk prices and other fixed income securities prices rise whenever the interest rates fall, and fall whenever the interest rates rise, resulting in fluctuations in the unit price. This would affect the performance of the Fund, and in turn, have a negative impact on the net asset value in the Fund as well as the unit price
30. **Zakat and Tax Risks:** Investing in the Fund may result in tax obligations including zakat. These taxes may apply to the Fund and its investments or to the Unitholder. The Authority of Zakat, Tax and Customs of the Kingdom of Saudi Arabia or any other authority may impose taxes on investment funds leading to reduction of the Fund's NAV and Unit price.

## 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 is suitable for an investor who seeks simple capital appreciation with relatively low risks.

## 7) Investment Restrictions / Limitations

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

## 8) Currency

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

## 9) Fees, Charges and Expenses

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

- **Management Fees:** The Fund Manager will charge a management fees of 0.50% per annum of the Fund's net assets which shall be paid to the Fund Manager after deducting accrued expenses and liabilities. In the event that the fund manager wishes to invest in other funds managed by SNB Capital Company, the management fees of the other fund to be invested in will be waived or the deducted fees will be repaid in full in favor of the fund to avoid duplication of fees. The investment management fee is subject to VAT in accordance with VAT Regulations.
- **Financing Charges:** According to prevailing market prices.
- **Dealing (Brokerage) fees and charges:** According to prevailing market prices. These fees are subject to VAT in accordance with VAT Regulations.
- **Custody Fees:** 0.0075% per annum of the total assets held by the Custodian. Transaction fees: SAR 56.25 per transaction. These fees will be subject to VAT in accordance with VAT Regulations.
- **Auditor's Fees:** SAR 35,000 per annum, which is a fixed sum deducted from the total assets of the Fund as per the contract with the auditor. These fees will be subject to VAT in accordance with VAT Regulations.
- **Capital Market Authority Fees:** SAR 7,500 per annum, which is a fixed sum deducted from the total assets of the Fund as per the fees prescribed by the CMA.
- **Publishing Fund's Information on Tadawul Website Fees:** SAR 5,000 per annum, which is a fixed sum deducted from the total assets of the Fund as per the fees prescribed by Tadawul. These fees will be subject to VAT in accordance with VAT Regulations.
- **Remuneration of the Independent Fund's Board Members:** Independent directors collectively receive an amount of SAR 80,000 annually divided by the number of public funds which are conventional and managed by the Fund Manager and supervised by the Fund's Board of Directors. The fees shall be allocated based on the percentage of the NAV against the net asset value of the other conventional funds.
- **Other Fees and Expenses, includes:**
  1. Data processing and operations expenses of the Fund: includes the expenses of the administrative affairs of the Fund and the programs used in the processing of data. It is charged to the fund on a daily basis based on the size of the NAV for all funds. The fund manager reviews these expenses on a quarterly basis, and any differences are adjusted and reflected in the estimation of the next quarter's expenses.
  2. Tax Advisor fees and any other tax-related fees.



3. Expenses relating to unitholder meetings, report printing expenses, index calculation services, out of pocket expenses and others.

These fees and expenses are not expected to exceed 0.5% of the NAV, and shall be calculated on each Valuation Day. This limit (i.e. 0.5% of the NAV) also covers fees and expenses payable by the Fund (including fees and expenses above) other than management, custody, dealing and borrowing fees and expenses.

All fees, charges, commissions and expenses payable to SNB Capital and other service providers will be subject to the VAT, which the Fund shall separately pay to the Fund Manager, according to rates set by the VAT Law.

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

Type of Fee/ Expense	Percentage/Assigned Amount in SAR	Calculation Method	Frequency of the Payment
Management Fees*	0.50% annually	Each Valuation Day after deducting accrued expenses and liabilities.	Deducted monthly. Based on the value of the Fund's net assets on each valuation day.
Financing Charges	According to prevailing market prices.		
Dealing (Brokerage) Fees and Charges*	According to prevailing market prices.		
Custody Fees*	0.0075% per annum Transaction fees: SAR 56.25 per transaction	On each Valuation Day.	Deducted Monthly based on total assets under custody at the end of each month.
Auditor's Fees*	SAR 35,000 annually	A fixed sum deducted from the total assets of the Fund.	Deducted semi-annually as per the contract.
Capital Market Authority Fees	SAR 7,500 annually	A fixed sum deducted from the total assets of the Fund and calculated on each Valuation Day.	Deducted Annually.
Publishing Fund's Information on Tadawul Website Fees*	SAR 5,000 annually	A fixed sum deducted from the total assets of the Fund and calculated on each Valuation Day.	Deducted Annually.
Remuneration of the Independent Fund's Board Members*	SAR 80,000 Annually	Independent directors collectively receive an amount of SAR 80,000 annually, divided by the number of traditional open-ended public funds managed by the fund manager and supervised by the fund's board of directors. The expenses	Deducted Annually.



Type of Fee/ Expense	Percentage/Assigned Amount in SAR	Calculation Method	Frequency of the Payment
		(managed by the fund manager) are estimated at the amount of the fund out of the total expenses paid to ten traditional funds, a total of SAR 80,000 annually. These expenses represent independent member fees for all traditional funds. The fees will be allocated based on percentage of the fund's net assets value to the total net asset value of the traditional funds. Calculated on each Valuation Day from the net assets of the Fund and divided by the number of open traditional public funds that are supervised by the Board.	
<b>Other Fees and Expenses</b> (Data processing and operational Expenses, Tax Advisor fees and any other tax-related fees, expenses relating to unitholder meetings, report printing expenses, out of pocket expenses and others)	Will not exceed 0.50 %	Calculated on each valuation day from the Fund's assets and reviewed on a quarterly basis.	Deducted Monthly.

\*These fees will be subject to VAT in accordance with VAT Regulations.

**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:

<p><b>Assumptions:</b></p> <ol style="list-style-type: none"> <li>1. Sole investor</li> <li>2. Investment value SAR 100 million (10,000,000 units x SAR 10 unit price)</li> <li>3. Return on investment is 5% quarterly</li> <li>4. Retention of 10% of the investment in cash</li> <li>5. VAT 15%</li> </ol>
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Investment Value		SAR 100,000,000
Fund details	Cash (A)	SAR 10,000,000
	Investments (B)	SAR 90,000,000
Valuation of investments at the end of the first quarter assuming the increase of their value by 5%	$C = B + (B \times 5\%)$	SAR 94,500,000
Total fund assets including cash	$D = A + C$	SAR 104,500,000
First quarter expenses (please see total expenses below)	$Z = F \times (\text{number of days from the previous valuation day to the current valuation day}) \times \frac{1}{365}$	SAR 26,210
Net assets before deducting management fees	$AA = D - Z$	SAR 104,473,790
Management fees for the first quarter	$K = \text{Management fees} = (\text{total fund assets including cash} - \text{other accrued expenses}) \times 0.5\% \times (\text{number of days from the previous valuation day to the current valuation day}) \times \frac{1}{365} \times 1.05$	SAR 148,121
Net assets = Customer's net investment value by the end of the first quarter	$F = AA - K$	SAR 104,325,666
Unit price after the first quarter	$P = F \div \text{No. of Units}$	10.43
Return on investment for the customer by the end of the first quarter	$BB = P \div \text{Unit Offering Price}$	4.33%



Total of other estimated expenses (*) of the Fund for a full fiscal year excluding management fees	Amount in SAR	Amount in SAR (incl. VAT)
Auditor fees	35,000	40,250
Publishing Fund's Information on Tadawul Website Fees	5,000	5,750
CMA Fees (VAT not applicable)	7,500	7,500
Total remunerations of the independent fund board (VAT not applicable)	43,741	43,741
Custody fee (**)	7,875	9,056
Total of other expenses (annually)	99,116	106,297

(\*): the other expenses above are only indicative and subject to increase or decrease during each year

(\*\*):  $1.05 \times 0.000075 \times (\text{total assets held by the Custodian})$  plus transaction charges.

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

No fees will be imposed on subscriptions, redemptions or transfers of units in the Fund to another investment fund managed by the Fund Manager.

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

Not Applicable.

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

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

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

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

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

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

## 10) Valuation and Pricing

**a. Valuation of Fund Assets**

Valuation is conducted on the basis of the currency and all the assets in the portfolio of the Fund less the Fund's receivables at that time. The valuation method depends on the type of the asset as follows:

1. the value of the Fund assets invested in Money Market Instruments (Murabaha) will be determined on the basis of the deposited amount in addition to profit due and accrued up to the relevant Valuation Day;
2. the value of the Fund assets invested in unlisted sukuk, bonds and structured products will be determined on the basis of book value in addition to accrued profit;



3. the value of the Fund assets invested in sukuk, bonds and structured products listed or traded in any organized market or an automated pricing system will be determined by reference to the closing price on the relevant market or system. However, to the extent that such valuation method is not possible, the Fund Manager may conduct the valuation on the basis of book value in addition to any accrued profit.
4. If the fund invest in other investment fund will be determined on the basis of the last announced unit price for valuation purposes.
5. The value of other investments of the Fund will be determined on the basis of fair value to be reached on the basis of methods and verified by the Fund auditor.

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

The Units shall be valued on each Business Day after 5:30 p.m. Kingdom time. If Tadawul is closed on any Valuation Day, the Valuation Day in that case shall be the following day on which Tadawul is open for business.

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

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

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

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

The Fund Manager shall calculate the value of the Unit price for the purpose of processing requests to subscribe in, redeem and transfer Units from one fund to another and from the Unitholder to its Relative by subtracting liabilities due from the total assets value of the Fund, including, without limitation, the fees and expenses specified in these Terms and Conditions. The Unit price shall be determined by dividing the NAV by the total number of Units outstanding on the relevant Dealing Day. The Unit price shall be expressed to include at least four decimal points.

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

The Unit price shall be announced at 6:00 p.m. Kingdom time, on next Business Day in the Kingdom following the relevant 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 initial offering date is 31/10/1988G and the initial price of the unit is SAR 10.

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

- **Fund Manager and Operator responsibilities in relation to subscriptions and redemption requests:**
  - Units may only be subscribed for or redeemed on a Dealing Day.



- A request to transfer a Unitholder's investment from one fund to another or from a Unitholder to a Relative may only be processed on a Dealing Day.
  - The Fund Manager and Operator shall process subscription, redemption and transfer requests at the price to be calculated on the valuation point following the deadline for the submission of subscription, redemption and transfer requests.
  - The execution of subscription, redemption and transfer requests shall be in accordance with the Investment Funds Regulations, and these Terms and Conditions.
- **Subscriptions requests:**  
The deadline for the submission of subscription requests is 12:00 pm. If the subscription is submitted after the specified deadline, it will be processed on the next dealing day.
  - **Redemption requests:**  
The deadline for the submission of redemption requests is 12:00 pm. If the redemption is submitted after the specified deadline, it will be processed on the next dealing day.
- c. **Subscription, redemption and ownership transfer procedures and the period between request for redemption and payment of redemption proceeds**
- **Subscription procedures:**
    - Investors who are interested in purchasing Units should complete and submit to the Fund Manager the relevant subscription request/form through Fund Manager's investment centers or subscribe through other channels such as phone services, online system and applications. Unitholders are required to accept the Terms and Conditions and submit required documents or information to the satisfaction of Fund Manager. The subscription amount will be debited from the investors' account.
    - Subscription in the Fund shall be through the purchase of Units based on the Unit price as determined on the relevant Dealing Day, as defined in these Terms and Conditions. The Fund Manager may, at its sole discretion, refuse the subscription application of any person to become a Unitholder, or if such subscription, among other things, violates any applicable law or regulation.
  - **Redemption procedures:**
    - Unitholders who would like to redeem their Units should complete and submit to the Fund Manager the relevant redemption form (which may be obtained from the Fund Manager investment centers) and any other required documents or information, as may be requested by the Fund Manager. Furthermore, a subscription request may also be submitted through other channels such as SNB Capital phone services, online system and applications.
    - If the redemption request, at the time of its receipt, would result in a decrease in the Unitholder's investment to less than the minimum initial subscription amount, the amounts invested by such Unitholder in the Fund will be redeemed in full and transferred to the Unitholder's account without prior notice.
  - **The period between the redemption request and the payment of redemption proceeds:**  
The maximum amount of time that may lapse between redemption by a Unitholder and payment of the redemption proceeds must not exceed two business days after the Valuation Day.
  - **Transfers between two funds:**
    - Unitholders may request that their investment in the Fund (or any part thereof) be transferred to another fund managed by the Fund Manager or that their ownership in the Units be transferred to any one of their Relatives, by submitting a transfer request to the Fund Manager, together with all required supporting documents, as determined by the Fund Manager. In such case, the transfer request shall be treated as a redemption request from the Fund and subscription in the second fund pursuant to the terms and conditions and of the relevant fund. Accordingly, redemption fees will be applied in accordance with paragraph 9 (d) of these Terms and Conditions.



- If the transfer request would result in a decrease in the Unitholder's investment to less than the minimum initial subscription amount, the Fund Manager may treat such request as a full transfer of the unitholder's investment to the other fund. In all cases, the transfer request will be processed in accordance with the Fund Manager's procedures in this regard.
- If a Unitholder submits a request to transfer part or all of his investment from the Fund to another fund managed by the Fund Manager at a time where subscription to that other investment fund or valuation of its assets is suspended, the net proceeds of the redemption in the first fund will be retained for the benefit of the Unitholder and the subscription procedures in the other fund (to which the investment will be transferred) will resume on the Fund's first trading day after the suspension is lifted based on the last unit price declared for such fund.
- The Fund Manager shall not be liable for any claims or demands of any kind in connection with any lost opportunity or actual loss that may be incurred by a Unitholder.

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

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

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

**• Deferring redemption request:**

In the event that the total number of redemptions requests, on any Dealing Day, amount to 10% or more of the Fund's NAV, the Fund Manager may, at its own discretion, postpone all or part of any redemption request to the following Dealing Day. In this case, the Fund Manager will apply fair procedures when choosing the redemption requests that will be postponed and will process redemption requests on a pro rata basis, always considering the 10% limit, which shall only be applied during periods in which redemption requests impose restrictions on liquidity, which may be negatively affect the remaining Unitholders. The execution of all or part of the redemption requests may be delayed if the transaction is suspended in one of the financial markets in which the Fund invests, either in general or in relation to assets of the Fund which the Fund Manager reasonably believes to be material to the Fund's NAV.

**• 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 there has been a suspension of dealing on the principal market in which the securities or other assets held by the fund are dealt, either in general or in relation to assets of the fund which the fund manager reasonably believes to be material to the net asset value of the public fund.

**• 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.



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

In the event redemption requests are deferred, the Fund Manager will apply fair procedures when choosing the redemption requests that will be postponed and will process redemption requests which have been postponed on a pro rata basis, and will prioritize redemption requests which have been postponed over new redemption requests always taking into account the 10% limit of the Fund's NAV on the relevant Dealing Day.

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

Unitholders may transfer the ownership of their Units in the Fund to any one of their Relatives. The transfer of Unit ownership will be allowed where the Units are part of the inheritance of a deceased Unitholder which must be distributed amongst its heirs in accordance with applicable laws and regulations. Moreover, transfer of Unit ownership will also be allowed in situations involving the execution of pledge or collateral agreements where the Unitholder has pledged its Units under such agreements as collateral.

**h. Minimum ownership**

- Minimum Subscription: SAR 7,500
- Minimum Additional Subscription: in multiples of SAR 3,750.
- The Minimum Subscription and the Additional Subscription through the Individual Savings Program (ISP): SAR 100.
- Minimum Redemption: SAR 3,750.

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

Not Applicable.

## 12) Distribution Policy

The Fund will not make any distributions to unitholders. Instead, capital gains and cash dividends will be reinvested in the Fund which will be reflected in and improve the value and units of the Fund.

## 13) Reporting to Unitholders

**a. Information related to the financial reports**

- The fund manager must publish the quarter statement in accordance with the requirements of Annex (4) of the Investment Funds Regulations within a period not exceeding (10) days from the end of such quarter, in such locations and by such means as specified in the Fund's Terms and Conditions as well as on the fund manager's website and the Exchange's website or any other website available to the public according to the controls set out by the Authority. Also, it must be provided to unitholders on request and without charge.
- The interim financial statements must be prepared and made available to the public within a period not exceeding (30) days from the end of the period to which the statements relate in such locations and by such means as specified in the Terms and Conditions, as well as in the fund manager website and the Exchange's website or any other website available to the public according to the controls set out by the Authority.
- The fund manager must prepare the annual reports that include (audited annual financial statement) in accordance with the requirements of Annex (3) of the Investment Funds Regulations. Also, it must be provided by the fund manager to unitholders on request and without charge. The annual reports must be made available to the public no later than (3) months from the end of the period to which the report relates in such locations and by such means as specified in the Terms and Conditions as well as on the fund manager's website and the Exchange's website or any other website available to the public according to the controls set out by the Authority.



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

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

Annual reports of the Fund, including the financial statements, will be available on the Fund Manager's website: [www.alahlicapital.com](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 is available to the unitholders free of charge and upon request.**

#### 14) Unitholders Register

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

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

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

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

#### 15) Meeting of Unitholders

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

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

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

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

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



of unitholders own collectively at least (25%) in value of the units in the fund. If the quorum requirements are not met, the fund manager must call for a second meeting by announcing it on its website and any other website available to the public according to the controls set out by the Authority and shall send a notice in writing to all unitholders and the custodian giving not less than (5) days' notice of the second meeting. The second meeting is considered valid regardless of the percentage of units represented in the meeting.

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

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

## 16) Unitholders' Rights

**a. A List of unitholders rights**

- Obtain a subscription confirmation form upon subscribing to the Fund;
- Exercise its rights pertaining to the units held in the Fund, including but not limited to voting at the meeting of the Unitholders;
- Receive the Fund's reports and data in accordance with paragraph (13) of the Fund's Terms and Conditions and in accordance with Article (76) "Reporting to Unitholders" of the Investment Funds Regulations;
- Inspect the NAV and all historical NAV figures at the registered offices of the Fund Manager, and receive details of NAV in respect of the Units owned by such Unitholder;
- Receive an updated copy of the Terms and Conditions of the Fund in Arabic free of charge;
- Request a meeting of the Unitholders;
- Receive invitation from the Fund Manager to attend Unitholders' meetings;
- Appoint a representative to attend the meeting of the Unitholders on his behalf;
- Receive the Fund's procedures for dealing with conflict of interest;
- Receive a copy of the complaints handling procedures upon request to the Fund Manager free of charge;
- Receive an extract of the Unitholders' register upon request free of charge;
- Remove a Fund Board member by way of a special fund resolution;
- Unitholders have the right to redeem their units before any fundamental or non-fundamental changes occur without imposing redemption fees (if any);
- Receive notifications as required under the Investment Funds Regulations, these Terms and Conditions;
- Obtain the Fund's annual audited financial statements, upon request to the Fund Manager;
- Notify the unitholders, in writing, of the Fund Manager desire to terminate the Fund at least (21) days prior to the intended date for terminating the fund, without prejudice to the Fund's Terms and Conditions;
- Payment of redemption proceeds within the period specified in the Terms and Conditions of the Fund and in the Investment Funds Regulations;
- Approve fundamental changes (as defined in the Investment Funds Regulations); and
- Any other relevant rights imposed by the CMA regulations and instructions applicable in the Kingdom of Saudi Arabia.



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

The Fund Board shall consult with the compliance officer and approve overall policies regarding voting rights attributed to the Fund based on the securities included in its portfolio of assets.

The Fund Manager shall decide, at its discretion, and in accordance with the voting policies and procedures approved by the Fund Board, to exercise or not to exercise any voting rights after consultation with the compliance officer, and shall maintain full records documenting the exercise of such voting rights (including the reasons for exercising or not exercising them in any particular way).

**17) Unitholders' Liability**

Other than losing their respective investment in the Fund or part thereof, Unitholders shall not be liable for the debts and obligations of the Fund.

**18) Units Characteristics**

The Fund Manager, at its sole discretion and without prejudice to the provisions of the Investment Funds Regulations, may issue an unlimited number of Units in the Fund provided that they shall be of the same category noting that the Fund has only one category. All Unitholders will have the same rights (except for the Fund Manager and its Affiliates who will not have voting rights if they hold any Units in the Fund). Each Unit represents a proportional share in the Fund and equals its peers in the Fund. In case of liquidation of the Fund, a Unit's net value which is available for distribution to Unitholders shall be divided among the Units on a pro rata basis.

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

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

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

**• Fundamental Changes:**

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

"Fundamental Change" means:

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

**• Non-fundamental Changes:**

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

"Non-fundamental Change" means:

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



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

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

**20) Termination of the Fund**

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

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

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

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

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

**21) Fund Manager**

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

- **Fund Manager name:**  
SNB Capital Company (SNB Capital).



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

**b. Authority authorization number and date**

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

**c. Fund Manager's address**

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

Tel: +966920000232

Fax: +966114060049

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

- Fund Manager's Website: [www.alahlicapital.com](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)**

<b>Item</b>	<b>fiscal year ended on December 2022</b>
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 may manage other investment fund that have similar or even partially similar objective/strategies to the Fund. The Fund Manager may also invest through the Fund in companies which the Fund Manager may provide services to for its benefit.

The Fund Manager shall avoid any type of conflict of interest between the interests of the Fund and the interests of the Unitholders, and shall not advance the interests of a certain group of Unitholders to the detriment of other Unitholders.

The Fund Board shall be notified of any conflict of interest, and its approval shall be sought in respect of any conflict of interest that may arise during operation of the Fund.

Any conflict of interest shall be immediately disclosed on the websites of the Fund Manager and Tadawul and in the Fund's annual report.

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

- The Fund Manager may appoint one or more third parties or affiliates as sub-managers for the Fund.
- The Fund Manager may delegate or assign its powers, as the Fund Manager may deem fit and appropriate, to one or more financial institutions, to act as an advisor, trustee, agent or broker for the Fund, which is hereinafter referred to as "the authorized party", and to enter into a contract with that authorized party to provide investment and/or custody and deposit services for any securities and assets, whether directly or through any third party.
- Unitholders understand that the Fund Manager shall not disclose any information about the Unitholders to the above-mentioned authorized party or to any third party unless such disclosure is required by law, or if such disclosure is necessary to enable the authorized party to perform its duties.



**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 operator shall be responsible for valuing the assets of the fund. In so doing, the fund operator shall conduct a full and fair valuation as per paragraph (10) of these Terms and Conditions.

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

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

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

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

**23) Custodian**

**a. Custodian's name**

HSBC Saudi Arabia.

**b. Authority authorization number and date**

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

**c. Custodian's address**

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

Tel: +966920005920

Website: [www.hsbcSaudi.com](http://www.hsbcSaudi.com)

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

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

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

The Custodian may appoint one or more third parties or affiliates as sub-custodian for the Fund provided that such third parties or affiliates are not the Fund Manager, the Fund sub-manager, or any of their



Affiliates. However, according to the custody agreement between the fund manager and the custodian. Duties delegable to a sub-custodian do not include direct custody services including the following services: establishing and maintaining custody accounts, custody of assets, income collections, processing of corporate actions, voting procedures, issuance of certificates in respect of income, tax refunds, customary custody, electronic reporting and settlement of transactions.

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

The Custodian may appoint one or more third parties or affiliates as sub-custodian for the Fund provided that such third parties or affiliates are not the Fund Manager, the Fund sub-manager, or any of their Affiliates. However, according to the custody agreement between the fund manager and the custodian. Duties delegable to a sub-custodian do not include direct custody services including the following services: establishing and maintaining custody accounts, custody of assets, income collections, processing of corporate actions, voting procedures, issuance of certificates in respect of income, tax refunds, customary custody, electronic reporting and settlement of transactions. The custodian shall pay the fees and expenses of any sub-custodian from his own resources.

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

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

## 24) Fund Board

**a. Names of Fund Board members**

The Fund Board consists of the following members:

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



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

- **Ali Al Hawas (Chairman - Non-Independent Member)**

Executive Vice President, and Head of Global Markets at Saudi National Bank. He joined Samba in 2008 and has over 24 years of Treasury business experience. He is member of Bank's Asset Liability Management Committee and responsible of managing the business under Samba Global Markets Ltd platform. He holds a diploma certificate from ACI University.

- **Feras Houhou (Non-Independent Member)**

General Legal Counsel at Savvy Electronic Gaming Group ("Savvy"), a leading company aiming to drive long-term growth in the global gaming and eSports sector. In his position as general legal counsel, he oversees many tasks and responsibilities related to five main departments: legal affairs, risk management, compliance, governance, and board affairs. Mr. Feras also held the position of head at SNB Capital's Legal and Governance Division and the Secretary of the Board. In March 2015, Feras joined the Legal Division besides his role as a Board Secretary. His expertise covers a wide range of tasks such as working on various Equity Capital Market and Debt Capital Market transactions and handling all litigations in which the Company is involved. He also has worked extensively in Merger & Acquisition and all sorts of investment funds locally and internationally. His role in these transactions included negotiations, drafting and execution of its relevant agreements, documents and structure. Prior to joining SNB Capital, Feras worked at the Legal Division in the Capital Market Authority where he participated in drafting many of the Capital Market Regulations and advised in many policy matters. Mr. Feras holds an LLM specialized in Securities and Financial Regulations from Georgetown Law School and a law degree from King Abdulaziz University. He was appointed in July 2021 as member of the Middle East & North Africa (MENA) advisory Board at Georgetown Law Centre.

- **Ammar Bakheet (Independent Member)**

He has more than 27 years of experience in the financial sector. Specialized in business establishment in the financial sector, strategy development, securing regulatory and legislative approvals, building of the operational infrastructure, and building the administrative teams to run such businesses.

The founding partner and CEO of Mnasah Digital Platform a technical financial company specialized in operating and running of a digital platform specialized in financing of small and Medium-sized enterprises (SMEs) Kingdom of Saudi Arabia (2017-Present). Head of asset management & product development - Audi capital 2007-2017. Establishment of the Investment Division at RAKBank (Dubai) (2003 -2006). Working at Samba Capital as Saudi Equity Funds manager (1998-2002). And, Co-founding Bakheet Investment Company (1993- 1998).

- **Amr Shahwan (Independent Member)**

He's a Managing Director at Majd Arabia Management Consultant Co., Riyadh, Kingdom of Saudi Arabia. Amr holds a Bachelor's degree in Business Administration from The Amman Ahliya University. Has more than 25 years of experience in family office consulting, investment consulting, strategy, and business planning. He is Founder of Kartal Advisory Limited, UAE. During the span of his excellent carrier, Mr. Shahwan has served the top ranked organizations (MASIC, SAMBA Financial Group, Al Majdouie Group, Arbah Investment Group, Baker Tilly KSA) in Saudi Arabia and Jordan on high level Key positions (CEO, Director, General Manager etc.).

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

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

1. Approving material contracts, decisions and reports involving the fund.
2. Approving a written policy in regards to the voting rights related to the fund's assets.



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

**d. Remuneration of Fund Board members**

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

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

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



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

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



## 25) Shariah Committee

Not Applicable.

## 26) Investment Advisor

Not applicable.

## 27) Distributor

Not applicable.

## 28) Auditor

### a. Auditor's name

KPMG Professional Services.

### b. Auditor's address

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

Tel.+966118748500

Fax:+966118748600

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

- There are any outstanding and material allegations of professional misconduct in relation to audit functions by the auditor;
- The auditor of the fund ceases to be an independent auditor;
- The auditor of the fund is no longer registered with the Authority;



- The Fund Manager and or the Fund Board determines that the auditor does not have sufficient qualifications and experience to perform a satisfactory auditing functions or that changing the auditor is in the interest of the unitholders; or
- The Authority, in its absolute discretion, instructs the fund manager to replace the auditor appointed in relation to the fund.

### 29) Fund's Assets

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

### 30) Complaints Procedures

If the Unitholder has any complaint related to the Fund, he/she should send it to SNB Capital, through the Fund Manager's website at [www.alahlicapital.com](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. **General information**



- All decisions relating to the Fund taken by the Fund Manager shall be based only on publicly available information.
- Any dividends or similar proceeds arising from the Fund's investments shall be reinvested in the Fund. Reinvestment of such proceeds in the Fund shall improve value and price of the Units.
- The Unitholder hereby authorizes the Fund Manager to delegate, transfer or assign, as the Fund Manager deems appropriate, to one or more financial institutions (at the responsibility and risk of subscribers) to act as consultant, sub-manager, custodian, agent or broker and to contract with such authorized party for the purpose of providing, as required by the context, investment management services and / or the secure custody of securities and assets either directly or through a third party.
- The Unitholder understands that the Fund Manager will not disclose any information relating to the Unitholder to the said authorized party or any third party unless any law or regulation in any jurisdiction in force gives effect to such disclosure, or if the requested Contracting Party considers the disclosure necessary to enable it to perform its duties.
- Except as may be otherwise provided herein, the Fund Manager shall not be deemed in default or be liable towards the Investor or any third party, for any delay, or error or failure to perform or delay in performance of any of its functions and duties due to any force majeure events, including acts of God, boycotts, labour strikes, interruptions of power or communication services, civil commotions or any similar acts which are beyond the reasonable control of the Fund Manager. The Fund Manager shall notify the Investor in writing of any material delay which is attributable to such events or circumstances.
- Subject to the Investment Funds Regulations and the Capital Market Institutions Regulations, the Fund Manager may enter into special commission arrangements which shall be limited to the execution of transactions on behalf of the Fund, or the provision of research for the benefit of the Fund.
- The Fund Manager shall keep information obtained from Unitholders confidential, except where the disclosure is required by the Capital Market Law or the applicable laws or regulations of the Kingdom or countries of the Gulf Cooperation Council or has been consented by the relevant Unitholder to be disclosed.
- If the Investor is natural person, the provisions of this document shall be binding on his heirs, successors, executors, personal representatives, trustees, assignees and the Investor's acceptance of the provisions hereof shall not automatically lapse upon his death or disability.
- If the Investor is a legal entity, the provisions of this agreement shall not automatically lapse by its insolvency, bankruptcy or liquidation, or that of any of its partners or shareholders (or the death of any of them, to the extent they are natural persons). Notwithstanding the above, the Fund Manager may, at its own discretion, suspend any related transactions in connection with this document, until it receives an order from the court or a power of attorney authorizing any of the Investor's heirs, executors, personal representatives, trustees or assignees to effect such transactions.
- The Fund Manager and its affiliates may disclose any information in its possession, including any information about the Investor, to any third party for any reason, including as may require by law, or for the purposes of performing the services under this document and the Investor hereby consents to such disclosure.
- The dealing services provided under this Fund is conducted through the brokerage department of the Fund Manager.
- All statements, notices and correspondences relating to the Fund shall be sent by the Fund Manager to Unitholders at their address shown in the current account opening form. Unitholders shall notify the Fund Manager, at all times, of their correct mail addresses and inform the Fund Manager immediately of any change to their addresses. In case that Unitholders fail to notify the Fund Manager of their correct address, or if they ask the Fund Manager not to send the statements and notices about their investments in the Fund, they agree to hold the Fund Manager and relieve it from any responsibility and waive their rights or claims against the Fund Manager, which may directly or indirectly arise from any failure to provide them with such statements, notices or any information about their investments, or any rights that may arise from their failure to respond to such notices, or to verify the information or correct any alleged errors or mistakes in any such statements, documents or information.



### 32) Additional Required Information in Relation to Certain Types of Funds

#### a. Money Market Fund

1. Subscription in a unit in such an investment fund (money market fund) is not the same as placing cash on deposit with a local bank.
2. The Fund Manager has no obligation to redeem units at the subscription price, and the value of units and the income from them can go down as well as up.
3. The methodology that will be adopted by the Fund Manager for the classification of the Fund's investment or counterparties with which the Fund will deal  
As described in sub-paragraph "C" of paragraph (3) "Investment Policies and Practices".
4. If the fund will deal with any issuer of money market transactions outside the Kingdom, the Fund Manager acknowledges that the issuer is subject and regulated by a regulator equivalent to the Saudi Central Bank
5. If the fund will invest in derivative contracts for the purpose of hedging, the fund manager acknowledges that the issuer is subject to the Prudential Rules issued by the Authority or issued by an equivalent regulator



### 33) Unitholder Declaration

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

#### INVESTOR'S CONSENT & APPROVAL

Client's/ Investor's Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

On behalf of the Company: \_\_\_\_\_

Authorized Signatory(ies): \_\_\_\_\_

Company's Stamp: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Mobile \_\_\_\_\_

Tel. No.: \_\_\_\_\_

Fax no.: \_\_\_\_\_