

## SEDCO Capital Multi Asset Traded Fund

"A closed-ended investment traded fund that is compliant with *Shariah* Guidelines and Controls and established in accordance with the provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority in the Kingdom of Saudi Arabia"

### Fund Manager



**Saudi Economic and Development Securities Company (SEDCO Capital)**  
CMA License No. (11157-37)

### Acknowledgment and Statement

- The terms and conditions of SEDCO Capital Multi Asset Traded Fund (the "**Fund**") have been reviewed and approved by the Fund's Board of Directors. The Fund Manager and the members of the Fund's Board of Directors are jointly and severally responsible for the accuracy and completeness of the information contained in these Terms and Conditions. The members of the Fund's Board of Directors and the Fund Manager acknowledge and confirm the correctness and completeness of the information contained in these Terms and Conditions, and also acknowledge and confirm that the information and data contained in these Terms and Conditions are not misleading.
- The Capital Market Authority (CMA) has approved the offering of the units of Fund. The CMA does not bear any responsibility for the contents of these Terms and Conditions, nor does it give any assurance regarding their accuracy or completeness, nor does the Capital Market Authority give any recommendation regarding the feasibility of investing in the Fund or not, nor does its approval of the offering of the units of the Fund mean its recommendation to invest in the Fund. The CMA further emphasizes that the decision to invest in the Fund is the responsibility of the investor or the investor's representative.
- SEDCO Capital Multi Asset Traded Fund is approved as an investment fund that complies with the *Shariah* Guidelines approved by the *Shariah* Supervisory Committee appointed to the Fund.
- The Terms and Conditions of the Fund and all other documents are subject to the Investment Funds Regulations and include complete, clear, correct and non-misleading information about the Fund.
- Each investor should read these Terms and Conditions of the fund and all other documents of the Fund carefully and accurately before making the decision to invest.
- The investor's investment in the Fund shall be deemed as a representation by the investor of having read and accepted the Terms and Conditions of the Fund
- The Fund's performance can be viewed through the reports to be issued by the Fund Manager and published on the website of the Fund Manager and the website of the Saudi Stock Exchange "Tadawul".
- Investors are advised to read and understand the Terms and Conditions of the Fund. If unable to understand the Terms and Conditions of the Fund, it is advisable to consult a professional advisor.
- This is the updated version of the Terms and Conditions reflecting the changes according to our CMA letter dated 28/12/2025.

<b>Target Fund Capital</b>	SAR 1,000,000,000 and the Minimum Equity Required for the Inception of the Fund is SAR 300,000,000
<b>Total Number of Units</b>	(100,000,000) units and the Minimum Equity Required for the Inception of the Fund is (30,000,000) units
<b>Initial Offering Price</b>	SAR 10

**Approval Date of CMA for Offering Fund Units**  
08/10/1445H corresponding to 17/04/2024G

**Terms and Conditions Issuance Date**  
08/10/1445H corresponding to 17/04/2024G  
**Terms and Conditions Update Date**  
19/07/1447H corresponding to 8/1/2026G

**Chief Executive Officer**  
Abdulwahhab Abed

**Chief Governance, Compliance and AML**  
Montaser Foudah

This document is an unofficial English translation of the official Arabic document and is provided for information purposes only. The Arabic document published on the CMA's website ([www.cma.org.sa](http://www.cma.org.sa)) remains the only official, legally binding version and shall prevail in the event of any conflict between the two languages versions.

Fund Summary		
1	<b>Fund Name</b>	SEDCO Capital Multi Asset Traded Fund.
2	<b>Fund Category/Fund Type</b>	A closed-ended investment traded fund that is compliant with Shariah Guidelines and Controls.
3	<b>Fund Manager Name</b>	Saudi Economic and Development Securities Company (SEDCO Capital).
4	<b>Fund Objective</b>	The Fund seeks to provide Investors with the opportunity to invest in multiple classes of asset through capital growth and periodic income distribution in the long-term by investing in a diversified portfolio of local and international private and public investments that are compatible with Shariah Guidelines and Controls by leveraging the Fund's Manger extensive experience in managing multiple classes of assets such as Private Equity, Public Equities, and Fixed Income.
5	<b>Risk Level</b>	High Risk
6	<b>Minimum Subscription and Redemption</b>	Minimum Subscription: SAR 100 during the Initial Offering period. Minimum Redemption: N/A.
7	<b>Valuation Days</b>	The Fund Manager will evaluate the Fund's assets per unit on a quarterly basis (on March 31 <sup>st</sup> , June 30 <sup>th</sup> , September 30 <sup>th</sup> , and December 31 <sup>st</sup> every calendar year), and will publish the net asset value of the unit by the 10 <sup>th</sup> day of the end of the quarter, and when none of those days is a Business Day, the Valuation Day will be the next Business Day , and shall be published on the Fund Manager's website (www.sedccapital.com), and the website of the Saudi Stock Exchange "Tadawul" ( <a href="http://www.saudiexchange.sa">www.saudiexchange.sa</a> ).
8	<b>Announcement Days</b>	Announcement will be made after the Valuation Day.
9	<b>Date for Paying Redemption Amount</b>	Not applicable.
10	<b>Unit price at Initial Offering (Nominal Value)</b>	SAR 10.
11	<b>Fund Currency</b>	Saudi Riyal.
12	<b>Fund Term</b>	The Term of the Fund is 99 years, starting as of the date of listing of the Fund Units on the main market and become available for trading.
13	<b>Fund Date of Inception</b>	The Fund starts as of the date of listing of the Fund Units on the main market and become available for trading.
14	<b>Terms and Conditions Issuance Date</b>	08 /10/1445H corresponding to 17/04/2024G
15	<b>Early Redemption Fee (if applicable)</b>	Not applicable.
16	<b>Benchmark</b>	The Fund's Benchmark index is a composite index tracking specific weights allocations as follows:  60% Dow Jones Islamic Market World Index (DJIMT) + 20% Total Return Dow Jones Sukuk Index (DJSUKTXR) + 20%- 30-Day Moving Average (SAIBID 1-Month).

<b>17</b>	<b>Fund Operator Name</b>	Saudi Fransi Capital Company.
<b>18</b>	<b>Custodian Name</b>	Saudi Fransi Capital Company.
<b>19</b>	<b>Auditor Name</b>	Ernst & Young.
<b>20</b>	<b>Management Fees</b>	The Fund Manager is entitled to a management fee of 1% per annum of the net asset value for the Fund management services (" <b>Management Fees</b> ") across all asset classes that the Fund will invest in, except for the Private Equity Funds which are Managed by the Fund Manager, and the Management Fees shall be paid semi-annually.
<b>21</b>	<b>Subscription and Redemption Fees</b>	The Fund Manager is entitled to subscription fees up to 2% of the subscription amounts (" <b>Subscription Fees</b> ") paid to the Fund Manager upon subscription in addition to the subscription amount paid by the Unitholder in the Fund. Refund Fees: Not applicable.
<b>22</b>	<b>Custodian and Fund Operator Fees</b>	The Fund pays the Custodian and Fund Operator fees which are equivalent to (0.06%) of the net value of assets under custody annually and with a minimum of SAR 50,000 and the Custodian's fees are paid semi-annually.
<b>23</b>	<b>Dealing Expenses</b>	Brokerage expenses, including the fees of the executing broker or any other trading fees, are paid at levels determined by the regulations, the executing broker or the broker directly in the market. Such amounts vary commensurate with the types of deals, the nature of investments and the size of transactions and according to prevailing market prices.
<b>24</b>	<b>Other Fees &amp; Expenses</b>	<p>The Fund will bear other expenses and fees, which are expenses due to third parties dealing with the Fund, including but not limited to insurance fees, consultant fees and Government Fees.</p> <p>The Fund will bear all fees that may be imposed by the official authorities in the Kingdom of Saudi Arabia or abroad as a result of the Fund's performance of its obligations under these Terms and Conditions, and the Fund will bear all marketing expenses for its production accordance with the preferred marketing offers approved by the Fund's Board of Directors.</p> <p>It is noteworthy that such fees are not paid to the Fund Manager and cannot be estimated in advance and will be deducted based on the actual expenses and shall be disclosed.</p> <p>The total of such expenses expected to be (0.5%) of the Fund's total asset value annually (maximum).</p>
<b>25</b>	<b>Performance Fees (if applicable)</b>	Not applicable.

## Terms and definitions

- (1) **Kingdom or Saudi Arabia:** Kingdom of Saudi Arabia.
- (2) **Authority or CMA:** The Capital Market Authority in the Kingdom.
- (3) **Investment Funds Regulations:** Investment Funds Regulations issued by the Board of the Capital Market Authority in the Kingdom of Saudi Arabia pursuant to Resolution 1-219-2006 dated 03/12/1427H corresponding to 24/12/2006G based on the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H and amended by CMA Board Resolution No. 2-22-2021 dated 12/07/1442H corresponding to 24/02/2021, and any other amendments that may occur thereto.
- (4) **Capital Market Institutions Regulations:** Capital Market Institutions Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 1-83-2005 dated 21/05/1426H corresponding to 28/06/2005G, as amended by Resolution No. 1-94-2022 dated 24/01/1444H corresponding to 22/08/2022G, and any other amendments that may occur thereto.
- (5) **Anti-Money Laundering Law:** Anti-Money Laundering Law issued by Royal Decree No. (M/20) dated 05/02/1439H corresponding to 25/10/2017G.
- (6) **Fund Manager:** Saudi Economic and Development Securities Company (SEDCO Capital).
- (7) **Fund Operator:** Saudi Fransi Capital Company.
- (8) **Custodian:** Saudi Fransi Capital Company.
- (9) **Counterparty:** Means in the Capital Market Institutions Regulations and in the definition of the term “institutional client” stipulated in the Glossary of Defined Terms Used in The Regulations and Rules of the CMA, any of the following: SAMA; the Exchange, or any other exchange recognized by the CMA; the depository center; the CCP; a Capital Market Institution; a Local Bank; a local insurance company; a qualified foreign investor; and a non-Saudi financial services firm, and otherwise, counterparty means a counterparty to a transaction.
- (10) **Board of Directors or Board of Directors of the Fund:** A Board whose members shall be appointed by the Fund Manager in accordance with the Investment Funds Regulations and in accordance with these Terms and Conditions to monitor and supervise the activities of the Fund Manager.
- (11) **Member of the Board of Directors of the Fund:** Any natural person appointed as a member of the Board of Directors of the investment Fund in accordance with the Investment Funds Regulations.
- (12) **Independent Board Member:** An independent fund member who enjoys complete independence by way of example, the following shall constitute an infringement of such independence: to be an employee of the Fund Manager or any of its affiliates, or any sub-manager or custodian for a fund or have a material business, or contractual relationship with the Fund Manager or any sub-manager or custodian for the Fund, to be a senior executive within the preceding two years with the Fund Manager or any of its affiliates, to be a first-degree relative of any board member or any senior executives of the Fund Manager or of any its affiliates, to be a controlling shareholder of the fund manager or any of its affiliates, during the preceding two years.
- (13) **Units:** The share of any owner in the Fund consisting of units or a part of it. Each unit shall be treated as a common share in the net assets of the Fund.
- (14) **Person:** Any natural person (individual) or legal person (with a legal capacity) approved by the relevant regulations applicable in the Kingdom.

- (15) **Shariah Supervisory Committee:** The Shariah Committee of the Saudi Economic and Development Securities Company (SEDCO Capital).
- (16) **Shariah Guidelines and Controls:** The Shariah Guidelines and Controls approved by the Shariah Supervisory Committee as set out in Appendix (2) of these Terms and Conditions.
- (17) **Net Asset Value Per Unit:** The Fund's net asset value divided by the number of outstanding Units.
- (18) **Net Asset Value of the Fund:** The total asset value of the Fund minus its liabilities.
- (19) **Total Fund Asset Value:** The value of the Fund's assets that is valued in accordance with these Terms and Conditions.
- (20) **Unitholder, Investor, Subscriber, Client, Qualified Investor, or Investor:** Synonymous terms, each used to refer to the person who owns units in the Fund in accordance with these Terms and Conditions, representing a common share in the Net Asset Value of the Fund.
- (21) **Fund:** SEDCO Capital Multi Asset Traded Fund.
- (22) **Calendar Day:** Any day, whether it is a Business Day or not.
- (23) **Business Day or Day:** A business day in the Kingdom in accordance with official business days applicable at the CMA.
- (24) **Related Parties:** The Fund Manager, the Fund Operator, the Custodian, Accredited Valuer, Auditor, Board of Directors, Board of Directors or any of the Executive Directors or Employees of any of the aforementioned parties, a Unitholder whose ownership exceeds (5%) of Net Asset Value of the Fund, any person who controls or who is an affiliate of any of the foregoing parties.
- (25) **Securities:** Shares, debt instruments, warrants, certificates, units, options, futures, contracts for differences, long-term insurance contracts, and any right or interest in any of the aforementioned.
- (26) **Terms and Conditions:** These terms and conditions under which the Fund's activities and the relationship between the Fund Manager and Unitholders are regulated. The Fund Manager and each Unitholder are a party to these Terms and Conditions.
- (27) **Listing Rules:** Listing Rules approved by the CMA Board Resolution No. 3-123-2017 dated 09/04/1439H corresponding to 27/12/2017G, and amended by Resolution No. 1-108-2022 dated 23/03/1444H corresponding to 19/10/2022G, and any other amendments that may occur thereto.
- (28) **Unit Price in Initial Offering:** Means the offering price of the Units during the Initial Offering Period which is SAR 10 in accordance with these Terms and Conditions.
- (29) **Unit Price:** Means the market price of the Unit as announced on the Saudi Stock Exchange (Tadawul).
- (30) **Initial Offering Period:** Means the period during which the Units will be offered pursuant to these Terms and Conditions, running for 15 Business Days, commencing on 19/05/2024 and ending on 06/06/2024; and any extension thereof in accordance with these Terms and Conditions.
- (31) **Initial Public Offering:** Means the initial offering of the Units for public subscription in accordance with these Terms and Conditions.
- (32) **Fund Term:** Term of the Fund is 99 years, starting as of the date of listing of the Fund Units on the main market and become available for trading.
- (33) **Closing Date:** The ending date of the Initial Offering Period.

- (34)**Listing Date:** Means the date on which the Units are listed on the Market.
- (35)**Substantial Unitholder:** A person who owns (5%) or more of the Fund's Units.
- (36)**Market or the Exchange:** Means the Saudi Stock Exchange (Tadawul) or the Saudi Stock Exchange and, where the context so permits, includes any committee, subcommittee, employee, officer, affiliate or agent who may be currently entrusted with carrying out any of the functions of the Market. "In the Market" means any activity carried out through or by equipment provided by the Exchange.
- (37)**Securities Depository Center Company:** Means Securities Depository Center Company (a wholly owned subsidiary of Saudi Tadawul Group), and the activities of the Depository Center are in the business related to depositing, registering of ownership, transfer, settlement and clearing, and registering any ownership restrictions on deposited securities. The Depository Center also deposits and manages the records of issuers of securities and organizes the general assemblies of issuers, including the e-voting service for such assemblies and the submission of reports, notices and information. In addition to providing any other service related to its activities that the Depository Center deems necessary to provide in accordance with the Capital Market Law and its Implementing Regulations.
- (38)**Tadawul:** The automated system for trading Saudi stocks.
- (39)**Money Market Funds:** An investment fund whose sole purpose is to invest in deposits, short-term securities and trade finance.
- (40)**Money Market Deals:** Deposits and short-term trade finance executed with third parties subject to and licensed by SAMA or by similar international regulatory authorities.
- (41)**Subscription Amount:** Means the amount contributed by the Unitholder when subscribing to the Fund.
- (42)**Announcement Day:** The day on which the Unit price of the Fund is announced through Tadawul the website of the Fund Manager.
- (43)**Fundamental Change:** Means any of the following:
- A change which significantly changes the purposes, nature or class of the Fund.
  - A change which may have a material adverse effect on the unitholders or their rights in relation to the Fund.
  - A change which alters the risk profile of the Fund.
  - Voluntary withdrawal of the Fund Manager from the position as a Fund Manager.
  - Any change which usually causes the Unitholders to reconsider their participation in the Fund.
  - Any change results in any increased payments out of the assets of the Fund to the Fund Manager or any member of the Fund board or an affiliate of either.
  - Any change introduces a new type of payment out of the assets of the Fund.
  - Any change materially increases other types of payment out of the assets of the Fund.
  - A change in the maturity or termination date of the Fund.
  - An increase in the total asset value of the Fund by accepting contributions in cash, in kind, or in both.
  - Any other events determined by the CMA from time to time, and advised to the Fund Manager.

- (44) **Non-Fundamental Change:** Any change that does not form part of the Fundamental Changes.
- (45) **Fund Assets:** means all the assets and investments of the Fund that appear in the Fund's financial statements, which include cash and cash equivalents such as bank deposits, investments, securities, and any other assets, whether tangible or intangible, and any other assets that the Fund may own.
- (46) **Value Added Tax (VAT):** Is an indirect tax imposed on all goods and services that are bought and sold by businesses, with a few exceptions. VAT is levied at every stage of the supply chain, from production through distribution to the final sale of the commodity or servants, in accordance with the VAT Law issued by Royal Decree No. (M/113) dated 02/11/1438H and its Implementing Regulations, and any amendments that may occur thereto.
- (47) **Ordinary Fund Resolution:** Means a resolution requiring the approval of Unitholders whose ownership represents more than 50% of the total Units represented by Unitholders present at the Unitholders' meeting, whether they appear in person, by proxy, or by a modern technology means.
- (48) **Special Fund Resolution:** Means a resolution requiring the approval of Unitholders whose ownership represents 75% or more of the total Units represented by Unitholders present at the Unitholders' meeting whether they appear in person, by proxy, or by a modern technology means.
- (49) **Fund Currency, Riyal or Saudi Riyal:** Means the Saudi Riyal (SAR), being the legal currency in the Kingdom in which valuation of Unit value is denominated.
- (50) **Subscription Form:** The document used for subscribing to the Fund Units, and any other documents required under CMA regulations, AML Law, and its Implementing Regulations together with any information the Client signs to subscribe to the Fund Units with the Fund Manager's approval.
- (51) **Semi-annual:** Means a period of six months of each financial year ending on the last day of June and December of every year.
- (52) **Annual:** Means a period of 12 months of each financial year ending on the last day of December of each year.
- (53) **Fixed Income Instruments:** Securities that include debt instruments and capital market transactions concluded with a party subject to and licensed by SAMA or a similar international regulatory authorities, and bank deposits with a local bank or establishments subject to similar international regulatory authorities similar to SAMA.
- (54) **Murabaha:** it is one of the capital market transaction to be executed with parties licenced by and subject to SAMA or similar international regulatory authorities such that it means the sale of a commodity at the same price at which it was purchased by the seller with an increase in a known profit agreed upon, by a percentage of the price or by a lump sum, whether it occurred without a previous promise, which is the ordinary Murabaha, or it occurred based on a promise to buy from the party wishing to buy the commodity through a financial institution, which is the banking Murabaha.
- (55) **Shariah Controller:** Means the Saudi Economic and Development Securities Company (SEDCO Capital) in its capacity as the Shariah Controller of the Fund as described in Article (25) of these Terms and Conditions relating to the "Shariah Supervisory Committee".
- (56) **Licensed International Platforms:** Means the international platforms investing in global funds (international - outside the Kingdom of Saudi Arabia), these funds are managed by global funds managers, overseeing multi funds investment, each engaged in various investment strategies.
- (57) **Extraordinary Conditions** Means any event beyond the control of the Fund Manager. If the Fund Manager considers such an event it is to occur (or any of them), may negatively affect the Fund's assets in an exponential form due to numerous factors such as political, and/or economic, and/or regulatory factors - including, but not limited to economic crises, force majeure, war, currency collapse,

government decisions in general, or government decisions related to precautionary and preventive measures, wars, civil strikes, civil uprising, natural disasters, economic blockades, trade boycotts, legislative decisions for markets, trading suspension, or inability to communicate with the market for any reason such as computer system failure or any reason beyond the Fund Manager's control.

- (58) **Government Fees:** The fees that may be imposed by official authorities in the Kingdom of Saudi Arabia or outside the Kingdom in exchange for specific services provided by official authorities in the Kingdom of Saudi Arabia or elsewhere as a result of the Fund fulfilling its commitments under these Terms and Conditions.
- (59) **Absolute Income Strategy:** It is an investment strategy for a portfolio managed actively using both asset allocation and equity selection, with a preference for dividend-paying equity determined through fundamental analysis by analysing companies and then generally analysing the economy. Additionally, technical analysis is conducted through charts. Regarding asset allocation, the economy is generally analysed, followed by technical analysis through charts.
- (60) **Executing Broker or Intermediary Broker:** is a capital market institution licensed to practice dealing activity and is regulated by the CMA. The executing broker or intermediary broker executes investment transactions and conducts buy and sell orders for the benefit of the Fund, as determined by the Fund Manager for the purpose of conducting and facilitating investment transactions the Fund. Note that the Fund Manager will not appoint any executing broker/intermediary broker outside the Kingdom.



## Important Notice

These Terms and Conditions contain detailed information relating to SEDCO Capital Multi Asset Traded Fund (the "**Fund**") and the offering of units in the Fund (the "**Units**"). When submitting an application to subscribe for Units through electronic channels, Investors will be treated as applying solely on the basis of the information contained in these Terms and Conditions, copies of which are available on the website of the Saudi Economic and Development Securities Company (SEDCO Capital) (the "**Fund Manager**" or "**SEDCO Capital**") ([www.sedcocalpital.com](http://www.sedcocalpital.com)), the website of the Capital Market Authority ([www.cma.org.sa](http://www.cma.org.sa)) or the website of Saudi Exchange ([www.saudiexchange.com.sa](http://www.saudiexchange.com.sa)).

Prospective Investors must read the entirety of these Terms and Conditions before purchasing Units in the Fund as investing in the Fund involves certain risk and may not be suitable for all Investors. Investors must also be willing to assume the risks associated with investing in the Fund, which are described in Article (4) of these Terms and Conditions relating to the "**Main Risks of Investing in the Fund**". By acquiring Units in the Fund, Unitholders are deemed to have acknowledged and accepted these Terms and Conditions.

These Terms and Conditions have been prepared by the Fund Manager, as a Saudi Closed Joint Stock Company, headquartered in Jeddah, under Commercial Registration No. (4030194994), licensed and regulated by the Capital Market Authority under license number (11157-37), in accordance with the provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority ("**CMA**") of the Kingdom of Saudi Arabia (the "**Kingdom**") pursuant to Resolution 1-219-2006 dated 3/12/1427H corresponding to 24/12/2006G based on the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H and amended by CMA Board Resolution No. 2-22-2021 dated 12/07/1442H corresponding to 24/02/2021G ("**Investment Funds Regulations**"). These Terms and Conditions include the information that has been presented in compliance with the requirements of registering the Units and accepting their listing on the Exchange in accordance with the Investment Funds Regulations and the Listing Rules.

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

The Terms and Conditions of the Fund have been reviewed and approved by the Fund's Board of Directors. The Fund Manager and the members of the Fund's Board of Directors are jointly and severally responsible for the accuracy and completeness of the information contained in these Terms and Conditions. The members of the Fund's Board of Directors and the Fund Manager acknowledge and confirm the correctness and completeness of the information contained in these Terms and Conditions, and also acknowledge and confirm that the information and data contained in these Terms and Conditions are not misleading.

The CMA does not bear any responsibility for the contents of these Terms and Conditions and does not opine or provide any warranties regarding the accuracy or completeness of these Terms and Conditions. Further, the CMA shall not be responsible for any financial loss resulting from the application of any provision contained in these Terms and Conditions, or any reliance thereon.

These Terms and Conditions shall not be regarded as a recommendation on the part of the Fund Manager to participate in the Initial Offering. Moreover, the information contained in these Terms and Conditions is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the offered Units. Prior to making an investment decision, each recipient of a copy of these Terms and Conditions is responsible for obtaining an independent advice from a CMA-licensed financial advisor in relation to the Initial Offering, and shall rely on its own examination of the Fund and the appropriateness of both the investment opportunity and the information contained herein with regard to the recipient's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Fund. An investment in the Fund may be appropriate for some investors but not others, and prospective investors shall not rely on another party's decision to invest or not to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances. The Fund Manager has not authorized any other person to give any information or to provide any statement regarding the offering of the Units other than those contained in these Terms and Conditions

Prospective Investors shall not take these Terms and Conditions as an advice in respect of any tax, legal, legitimate, investment or other matters. Prospective Investors are advised to obtain an independent advice from their licensed professional, legal and Shariah independent advisors regarding the ownership, acquiring or disposal of Units, the regulatory requirements that apply to them, the foreign exchange restrictions they may encounter in this regard, and the consequences that such ownership, acquiring, sale or disposal may result in terms of income, tax and zakat.

**Subscription for Units is made available to the following categories:**

(a) Natural persons holding Saudi nationality and citizens of the Gulf Cooperation Council (b) Natural persons residing in the Kingdom of Saudi Arabia under the identity of a resident (c) Institutions, companies, investment funds and other entities and legal persons based in the Kingdom of Saudi Arabia and the Gulf Cooperation Council countries (d) Qualified Foreign Financial Institutions in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities issued by the Board of the CMA (e) such other investors who may be permitted by the CMA to own equities listed on the Exchange. All recipients of these Terms and Conditions must inform themselves of any legal or regulatory restrictions relevant to this Initial Offering and the sale of the Units and must observe all such restrictions.

The information contained in these Terms and Conditions is current as at the date of issue hereof but is subject to change. In particular, the value of the offered Units may be adversely affected by future developments, such as inflation, interest rates and taxation or any economic, political or other factors, over which the Fund Manager has no control (for further details, please see Article (4) of these Terms and Conditions "**Main Risks of Investing in the Fund**"). Neither the delivery of these Terms and Conditions, nor any verbal or written information in relation to the offered Units, is intended to be, or should be construed or relied upon in any way as, a promise, affirmation or guarantee as to future earnings, results or events.









The forecasts set forth in these Terms and Conditions have been prepared on the basis of assumptions made based on the Fund Manager's information according to its market experience, as well as on publicly available market information. The future operating conditions may differ from the assumptions used, and consequently no affirmation, representation or warranty is made or given with respect to the accuracy or completeness of any of these forecasts.

Certain statements in these Terms and Conditions constitute, or may be deemed to constitute, "forward-looking assumptions". Such assumptions can generally be identified by the use of forward-looking words, such as "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected" or "would be", or the negative thereof or other variations of such terms or comparable terminology. These

assumptions reflect the current views of the Fund Manager with respect to future events but are not a guarantee of the future performance. Many factors could cause the actual results, performance or achievements of the Fund to be significantly different from any future results, performance or achievements that may be explicitly expressed or implied by such forward-looking assumptions. Some of the risks and factors that could have such an effect are described in more detail in other sections of these Terms and Conditions (for further details, please see Article (4) of these Terms and Conditions "**Main Risks of Investing in the Fund**"). Should any of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, the Fund's actual results may vary materially from those described in these Terms and Conditions as anticipated, believed, estimated, planned or expected.

These terms and conditions do not constitute an offering and may not be used as an offering or invitation to own any Units in this Fund by any person in any country where such offering is not legal or not permitted, nor may these Units be offered to any person to whom the Units of this Fund may not be legally offered.

## Fund Guide

<b>Fund Manager</b>	
<b>Fund Operator</b>	
<b>Custodian</b>	
<b>Auditor</b>	
<b>Shariah Controller</b>	
<b>Legal Counsel</b>	 <small>مكتب خالد نصار وشركاه للمحاماة والاستشارات القانونية Khalid Nassar &amp; Partners, Lawyers and Legal Consultant</small>
<b>Lead Manager</b>	
<b>Regulator</b>	
<b>Market</b>	

<p><b>Receiving Entitles</b></p>	<div data-bbox="829 178 1120 277">  <p>مصرف الراجحي alrajhi bank</p> </div> <div data-bbox="862 367 1068 476" data-label="Image">  <p>كابيتال SNB</p> </div> <div data-bbox="919 562 1015 690" data-label="Image">  <p>مصرف الإنماء alinma bank</p> </div> <div data-bbox="867 772 1062 879" data-label="Image">  <p>البنك العربي الوطني arab national bank</p> </div> <div data-bbox="875 942 1062 989" data-label="Image">  <p>بنك الرياض Riyad Bank</p> </div> <div data-bbox="941 1096 1083 1171" data-label="Image">  <p>البنك السعودي الفرنسي Banque Saudi Fransi</p> </div>
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## Table of Content – Terms & Conditions

<b>1</b>	<b>Investment Fund</b>
<b>2</b>	<b>Governing Law</b>
<b>3</b>	<b>Investment Policy and Practice</b>
<b>4</b>	<b>Main Risks of Investing in the Fund</b>
<b>5</b>	<b>Risk Assessment Process</b>
<b>6</b>	<b>Target Investor Category</b>
<b>7</b>	<b>Investment Restrictions/Limits</b>
<b>8</b>	<b>Currency</b>
<b>9</b>	<b>Consideration for the Services, Commissions and Fees</b>
<b>10</b>	<b>Valuation and Pricing</b>
<b>11</b>	<b>Dealings</b>
<b>12</b>	<b>Distribution Policy</b>
<b>13</b>	<b>Reporting to Unitholders</b>
<b>14</b>	<b>Unitholders' Register</b>
<b>15</b>	<b>Unitholders' Meeting</b>
<b>16</b>	<b>Unitholders' Rights</b>
<b>17</b>	<b>Liability of the Unitholders</b>
<b>18</b>	<b>Characteristics of the Units</b>
<b>19</b>	<b>Changes to the Fund's Terms and Conditions</b>
<b>20</b>	<b>Termination and Liquidation of the Fund</b>
<b>21</b>	<b>Fund Manager</b>
<b>22</b>	<b>Fund Operator</b>
<b>23</b>	<b>Custodian</b>
<b>24</b>	<b>Board of Directors of the Fund</b>
<b>25</b>	<b>Shari'ah Supervisory Committee</b>
<b>26</b>	<b>Investment Advisor</b>
<b>27</b>	<b>Distributor</b>
<b>28</b>	<b>Auditor</b>
<b>29</b>	<b>Fund Assets</b>
<b>30</b>	<b>Processing of Complaints</b>
<b>31</b>	<b>Other Information</b>
<b>32</b>	<b>Additional Information Required for Other Types of Funds</b>
<b>33</b>	<b>Declaration of the Unitholder</b>
<b>34</b>	<b>Appendix 1 – Financial Disclosure Summary</b>
<b>35</b>	<b>Appendix 2 – Shariah Guidelines and Controls</b>
<b>36</b>	<b>Appendix 3 – Internal Risk Assessment Process</b>
<b>37</b>	<b>Appendix 4 – Application Form</b>
<b>38</b>	<b>Appendix 5 – Letter of the Legal Counsel</b>
<b>39</b>	<b>Appendix 6 – Letter of the Fund Manager</b>

## Terms & Conditions

### 1. Investment Fund

#### a) Fund Name, Category and Type

SEDCO Capital Multi Asset Traded Fund is a closed-ended investment traded fund that is compliant with Shariah Guidelines and Controls and established in accordance with the provisions of the Investment Funds Regulations issued by the Board of the Capital Market Authority in the Kingdom of Saudi Arabia.

#### b) Date of issuance of the Terms and Conditions of the Fund

08/10/1445H corresponding to 17/04/2024G.

#### c) Date of CMA Approval of the Offering of the Units

08/10/1445H corresponding to 17/04/2024G.

#### d) Fund Term

The Fund Term shall be (99) years (Gregorian Year) commencing from the date of the listing the Units on the Exchange (the "**Listing Date**") and making them available for trading (the "**Fund Term**"). The Fund Term shall be renewable at the discretion of the Fund Manager after obtaining the approval of the CMA.

### 2. Governing Law

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

### 3. Investment Policy and Practice

#### a) Investment Objectives for The Investment Fund

The Fund seeks to provide Investors with the opportunity to invest in multiple classes of asset through capital growth and periodic income distribution in the long-term by investing in a diversified portfolio of investments offered through private placement and/or public offering, whether locally and/or internationally, that are compatible with Shariah Guidelines and Controls by leveraging the Fund Manager's vast experience in managing multiple classes of assets such as Private Equity, Public Equities, and Fixed Income.

The Fund Manager diversifies the Fund's investments across multiple asset classes, taking into account the relative weights of the Fund Assets, return requirements, risk levels associated with the invested securities, market trend, economic and political conditions and their suitability for the Fund's objectives.

Considering the Fund's investment objectives as stated above, and to achieve its objectives, the Fund may invest in the following:

- public equities of companies listed on local and international stock exchanges including but not limited to the main and parallel markets in the Kingdom of Saudi Arabia, as well as all stock

exchanges in the GCC and other international stock exchanges of various sizes and sectors, whether through direct investments and/or through investment funds that invest in shares of companies listed on local and international stock markets of various sizes and sectors. It should be noted that with regard to local equities, the Fund Manager will follow the Absolute Income Strategy, which for the purpose of these Terms and Conditions means investment strategies that it aims to achieve a return for investors, regardless of whether the markets are high or low, although the return is not guaranteed as there are no guarantees in this regard. As for international equities, active investment and passive investment strategies will be followed, as active investment strategies include a strategy for actively and continuously buying and selling equities in order to achieve returns, although there are no guarantees in this regard. Passive investment strategies usually include long-term investments, which are based on buying and holding a diversified portfolio of equities, with the aim of tracking the performance of a specific market index with no guarantees of any returns. The Fund Manager will prefer passive investment strategies according to market conditions that encourage investment in companies with a large market capitalization, as the size allocated to them represents a large segment in this type of investment strategy.

- IPOs in local and international equity markets of various sizes and sectors.
- tradable rights issue in local and international stock exchanges of various sizes and sectors.
- index funds local and international of various sizes and sectors.
- local and international private equities , whether through direct investments and/or investment funds.
- debt instruments such as local and international Sukuk issued by credit worthy Counterparties based on the valuation and assessment of the Fund Manager. The Counterparties related to Sukuk the Fund will invest in or one of its issuers through one of the international or local rating bodies (Standard & Poor's, Moody's, Fitch) provided that the long-term or short-term credit rating is not less than the investment grade (BBB- or its equivalent, or higher) and the fund manager does not intend to invest Counterparties with third parties. A counterpart below investment grade. Finally, in the absence of a credit rating, the fund manager will rely on his internal analysis in making the investment decision, and will not exceed 10% of the Fund's net assets in unrated investments.
- money markets such as Murabaha and others issued by Counterparties on the valuation and assessment of the Fund Manager. The Counterparties related to Sukuk the Fund will invest in or one of its issuers through one of the international or local rating bodies (Standard & Poor's, Moody's, Fitch) provided that the long-term or short-term credit rating is not less than the investment grade (BBB- or its equivalent, or higher) and the fund manager does not intend to invest with third parties. A counterpart below investment grade. Finally, in the absence of a credit rating, the fund manager will rely on his internal analysis in making the investment decision and will not exceed 10% of the Fund's net assets in unrated investments. Investment in securities, including those issued by the Fund Manager (or any of its affiliates) in a manner that does not conflict with the requirements of the Investment Funds Regulations, strategies and investment restrictions of the Fund.
- securities, including those issued by the Fund Manager (or any of its affiliates) in a manner that does not conflict with the requirements of the Investment Funds Regulations, strategies and investment restrictions of the Fund.
- public and private investment funds units, which mainly invest in the above-mentioned investment areas, which include investment funds managed by the Fund Manager (or any of its affiliates), and in a manner that does not conflict with the requirements of the Investment Funds Regulations. As for traded income-generating investments, it shall be private only and in a manner that does not conflict with the requirements of the Investment Funds Regulations.



**b) Type(s) of Securities the Fund will Mainly Invest In**

Liquid assets	Illiquid assets*
Securities listed on international markets of various sizes and sectors, whether through direct investments and/or through investment funds, which may include: <ul style="list-style-type: none"> <li>- IPOs</li> <li>- Tradable rights issue</li> <li>- Index funds</li> </ul>	Local and International private equity, which may include: <ul style="list-style-type: none"> <li>- Investment Funds</li> <li>- Direct Investments</li> </ul>
Securities listed in local markets of various sizes and sectors through direct investments, investments funds, as follows: <ul style="list-style-type: none"> <li>- Investments in IPOs</li> <li>- Investments tradable rights issue</li> <li>- Investments index funds</li> </ul>	
Investment in debt instruments such as local and international Sukuk.	
Investment in money market transactions, Murabaha transactions, etc.	

\* There will be no restrictions on exposure to a specific sector or geographic region with regards to local and international private equity investments.

**c) Any Concentrated Policy of Investment In Specific Securities, or In A Sector or Group of Sectors, or In A Specific Country or Geographic Region, Provided that it includes the Minimum and Maximum for such Securities**

The Fund will focus on investing in multiple asset classes as described in both paragraph (b) above and paragraph (d) below, and there will be no restrictions on exposure to a particular sector or geographic area.

**d) Table Showing the Percentage of Investment in Each Investment Field with its Minimum and Maximum Limits.**

Asset Class	Maximum Limit
International Public Equity, which include investing in IPOs, tradable rights issue, and index funds, whether through direct investments and/or through public and private investment funds.	40%
Local Public Equity, which include investing in IPOs, tradable rights issue, and index funds, whether through direct investments and/or through public and private investment funds.	20%
International debt instruments and Sukuk, whether through direct investments and/or	20%
	50%

through public and private investment funds.		
Local debt instruments and sukuk, whether through direct investments and/or through public and private investment funds.	0%	30%
International investments in money market transactions and Murabaha transactions outside the Kingdom, whether through direct investments and/or through public investment funds	0%	30%
Local investments in money market transactions and Murabaha transactions in the Kingdom, whether through direct investments and/or through public investment funds.	20%	50%
International private equity, whether through direct investments and/or private investment funds.	0%	20%
Local private equity, whether through direct investments and/or private investment funds	0%	20%

*Note: The maximum investment limit in local and international private equity will not exceed more than 20% of the value of the Fund's assets.*

*Note: The Fund may invest in private funds, including those managed by the Fund Manager (or any of its affiliates), provided that this does not exceed (25%) of the Net Asset Value of the Fund.*

The Fund Manager has the right to fully invest the Fund's assets in investment funds according to the investment percentage in each investment area as mentioned in the table above.

Under normal circumstances, the Fund Manager will not hold cash and Money Market instruments/funds at a rate exceeding 50% of the Net Asset Value of the Fund, but in the event of selling of some assets and until the cash liquidity is reinvested or at the beginning period of the Fund life until investment opportunities are identified and cash is deployed or in exceptional cases, including but not limited to the occurrence of economic crises, force majeure events, etc., the allocated percentage can be increased to up to (100%) of the Net Asset Value of the Fund.

The investment limits and restrictions that apply to the Fund will be complied with under the Investment Funds Regulations and in accordance with these Terms and Conditions and in accordance with Shariah Guidelines and Controls.

It should also be noted that the illiquid asset classes will limit frequent portfolio rebalancing.

In the event of increase or decrease of the equity value of the investment assets, or in the event of maturity of leverage (if applicable), which may cause the Fund to exceed the target/maximum limit of investment in any of its assets, the Fund Manager shall evaluate the investment positions and rebalance the portfolio to ensure compliance with the investment percentages as specified in the table above. The Fund Manager may have to maintain the investment position until the next date of rebalancing of the portfolio, or until the date of maturity of an illiquid asset for the benefit of the Unitholders.

#### **e) Markets in which the Fund Intends To Invest In**

The Fund has the right to invest in local (Kingdom of Saudi Arabia) and international (outside the Kingdom of Saudi Arabia) markets as the Fund Manager deems appropriate, as the Fund aims to

diversify the geographical scope of the Fund's investments and there is no focus on a specific geographical region.

**f) Disclosure of Whether the Fund Manager Intends to Invest in the Units of the Fund**

The Fund Manager may invest in the Fund's Units from time to time during the Fund Term in accordance with the requirements set out in the Investment Funds Regulations.

**g) Types of Techniques and Instruments that the Fund Manager Can Use to make Investment Decisions for the Fund**

The Fund Manager diversifies the Fund's investments across multiple asset classes, taking into account the relative weights of the Fund Assets, return requirements, risk levels associated with the invested securities, market trend, economic and political conditions and their suitability for the Fund's objectives, and then creates an ideal distribution of the Fund Assets in order to reach moderate risk returns.

It should be noted that the Fund Manager has the discretion to hold full or partial divestment proceeds received from the underlying Fund's investments for re-investment purposes. It should also be noted that the Fund Manager will be (partially) relying on other fund managers and/or investment managers and the Fund Manager may, as it deems appropriate at its discretion to invest through direct investments, investments funds that invest in international and local public equity in local and international markets of various sizes and sectors or other securities or investments targeted by the Fund and in accordance with the provisions of the Investment Funds Regulations, direct investments include the Fund's direct investment in the various asset classes mentioned in these Terms and Conditions, which may include international public equity, which includes investment in IPOs, tradable rights issue, and index funds, and local public equity, which includes investment in IPOs, tradable rights issue, and index funds, and local and international fixed income instruments, which include Sukuk, and Money Market investments, and local and international private equity, which includes investing in private equity. The Fund's indirect investments may also be through investment funds that invest in the same asset classes referred to in this paragraph and in the Fund's Terms and Conditions.

- Local Public Equity

The selection focuses on companies and securities with continuous distributions that enjoy distinct competitive advantages, by relying on a set of financial and accounting standards. The Fund seeks to achieve returns through active management that applies appropriate investment methods with reasonable risk according to the nature of the field of investment in equities.

International Public Equity

The international strategies are sub-advised by specialized fund managers and/or investment managers diligently selected by applying a stringent managers' selection process. The selected managers will undergo continuous monitoring and regular reviews to ensure they are capable of outperforming their assigned benchmark whether for direct investments, investments funds, or otherwise.

It should also be noted that the Fund Manager may, as it deems appropriate at its discretion, invest through any international structures and/or platforms including those that may be affiliated with or related to the Fund Manager. For the purposes of these Terms and Conditions, "platforms" are international platforms that invest in global funds (international - outside the Kingdom of Saudi Arabia) and are managed by global fund managers overseeing various funds that invest in different strategies and these funds are managed by global managers, in accordance with what is stated in these Terms and Conditions, the Fund may invest in these platforms in accordance with the Fund's strategy and objectives.

- Investing in Money Market Transactions, Murabaha, etc

In its investment decisions, the Fund Manager relies on the level of creditworthiness of Counterparties and monitors interest rates, which are subject to fluctuations in response to market conditions. The Fund Manager conducts analyses of the effects these changes have on the international and local economy. Periodic evaluations are carried out to assess investment opportunities in the money markets, enabling the Fund Manager to make timely and informed decisions.

- Debt Instruments such as Local and International Sukuk

The Fund Manager relies on its investment decisions on the creditworthiness of its Counterparties and monitors interest rates, which are subject to fluctuations in response to market conditions. The Fund Manager conducts analyses of the effects these changes have on the international and local economy., Periodic evaluations are carried out to assess investment opportunities in sukuk, enabling the Fund Manager to make timely and informed decisions.

- Private Equities

In its investment decisions, the Fund Manager relies on the studies that are carried out for private equities in terms of financial, technical and legal aspects, and the valuation is based on basic analysis and valuation and exposure to the sector that indicates a positive future outlook before acquiring the targeted investment opportunity.

The Fund Manager will invest alongside top tier global Private Equity funds and/or investment firms local and/or international (whether through direct investments, investments funds, and/or portfolio management agreements) across the globe and in various sectors. Detailed due diligence is conducted on direct private equity investments and on investments in Funds to highlight the ability to add value and achieve outsized returns.

The Fund Manager shall invest in local and/or international private equity funds and/or companies classified as top performers and leaders in their respective fields. This includes both direct investments in private equity and investments in private equity funds worldwide across various sectors. A thorough due diligence process is conducted on direct investments in private equity and on funds investing in private equity to highlight their capability in adding value and achieving substantial returns.

In the event that the value of any of the Fund Assets rises or falls above the percentages specified in paragraph (d) above, which may result in an increase or decrease in the capital value of an invested asset or due to the maturity of financing, the Fund Manager will evaluate the investment positions and rebalance the Fund's investment portfolio on a monthly basis in order to achieve compliance with the limits of the investment ratios specified in paragraph (d) above, and the Fund Manager may have to choose to maintain the investment position until the date of rebalancing the investments in the Fund or until the maturity date of an illiquid asset for the benefit of the Unitholders, so that the Fund can comply with the percentages specified in paragraph (d) above.

The investment decisions taken by the Fund Manager shall be consistent with good and prudent investment practices that achieve the Fund's investment objectives specified in the Fund's Terms and Conditions and without prejudice to the provisions of the Investment Funds Regulations.

**h) Types of Securities and Asset Classes that Cannot be included in the Fund's Investments**

The Fund will not invest in securities other than those listed in these Terms and Conditions, nor will the Fund invest in real estate, including REITs.

**i) Any Other Restriction on the Type(s) of Securities or Other Assets in which the Fund Can Invest**

The Fund will not invest in any securities that do not comply with Shariah Guidelines and Controls while adhering to the restrictions imposed by the provisions of the Investment Funds Regulations.

**j) Limit of Investing The Fund Assets In Units of Investment Funds Managed by the Fund Manager or other fund managers**

Subject to the investment objectives of the Fund and the securities that the Fund will invest in accordance with these Terms and Conditions, the Fund may invest in private and public funds, including those managed by the Fund Manager (or any of its affiliates), provided that this shall not exceed (25%) of the Net Asset Value of the Fund.

**k) The powers of the investment fund in lending and borrowing, the policy of the fund manager regarding the exercise of lending and borrowing powers, and its policy statement regarding the mortgage of the fund's assets**

**l) Lending and Powers and Fund Manager's Policy of Exercising such Powers**

The Fund Manager is committed to the permissible limit of financing contained in the Investment Funds Regulations, and the ratio of the conventional financing for any internationally invested fund may not exceed (30%) of the Net Asset Value of the Fund, and in accordance with Shariah Guidelines and Controls. The Sharia-compliant financing will be used when needed to acquire investments and in proportion to the Fund's cash flows and investment opportunity.

All or part of the Fund Assets may be pledged as collateral in the name of a subsidiary of the financial institution that provided financing to the Fund (without prejudice to the circulars issued by the regulatory authorities), and the amount of financing depends on the financing conditions and market conditions prevailing at the time.

**m) Maximum Limit for Dealing with Any Counterparty**

The Fund's dealings with any Counterparty will not exceed (25%) of the Net Asset Value of the Fund.

**n) Fund Manager Policy For Risk Management of the Fund**

The Fund Manager follows a risk management policy aimed at identifying and evaluating potential risks as soon as possible and dealing with them to reduce their impact, and the Fund Manager studies and assesses the risks for any assets before investing and the risks are re-evaluated on an annual basis. The Fund Manager acknowledges that there is an internal policy for assessing risks related to the Fund Assets.

The investment decisions made by the Fund Manager shall be consistent with good and prudent investment practices that achieve the Fund's investment objectives specified in the Fund's Terms and Conditions, including that the Fund Manager acts to the best of its ability to ensure as follows:

- The Fund's investments are based on a careful and prudent risk allocation without prejudice to the investment objectives, policies and Terms and Conditions of the Fund.
- That sufficient liquidity is available to the Fund to meet any expected payment request, such as accrued expenses and fees which are payable by the Fund.
- In Extraordinary Conditions, the Fund Manager may, at its discretion, hold the Fund's assets in the form of cash liquidity, investments in Money Market investments, Murabaha Transactions and/or funds investing in Murabaha Transactions in accordance with the ratios specified in paragraph (d) above.
- Risks shall be assessed, and necessary action shall be taken to ensure the best interest of the Unitholders in line with applicable laws and regulations including the provisions of the Investment Funds Regulations.

**o) Mention of the Benchmark, as well as Information about the Provider of the Benchmark and the**

### **bases and the methodology used to calculate the Benchmark**

The Fund's Benchmark index is a composite index tracking specific weights allocations as outlined below:

60% Dow Jones Islamic Market World Index (DJIMT) + 20% Total Return Dow Jones Sukuk Index (DJSUKTXR) + 20%- 30-Day Moving Average (S&P 1-Month)

#### **p) Use of Derivatives**

In the case of using derivative contracts, the purpose of using such instruments should be prominently disclosed (such as effective portfolio management, achieving investment objectives, or hedging against price volatility risks).

#### **q) CMA-Approved Exemptions From Any Restrictions or Limits on Investment**

Not applicable.

### **4. Main Risks of Investing in the Fund**

Before Investors participate in the Fund's Units, they must carefully read the information contained in these Terms and Conditions, especially the risks of investing in the Fund as stated in this Article, knowing that the risks described have been mentioned for example, but are not limited to, therefore it is possible that there are other risks that are not known, identified or currently visible to the Fund Manager, that may affect the Fund's investments.

The risks outlined - and any other potential risks not identified by the Fund Manager - cause significant harm to the investments, the Fund and/or Investors, and the investing in the Units is only suitable for Investors who are able to assess the risks associated with such investments, and who have sufficient resources to bear any losses that may result.

The value of the Units in the Fund depends largely on the value of the Fund Assets and the returns that will arise from such assets in the future, which may decrease by any negative impact of the risks mentioned below, and the Fund Assets are subject to a number of risks associated with investments that may affect the Net Asset Value of the Fund and target returns, and the Investor must be aware that the value of investment Units can decrease and rise at any time, and no assurance can be given that the investment objectives will be successfully implemented or that the investment objectives will be achieved, and there is no guarantee provided to the Investor about the principal amount invested, or about any future returns that are expected to arise from it, and in this regard, Investors must carefully consider the following risks associated with the Fund, and other risks before investing in the Fund, and the Investor can also obtain financial advice from a licensed financial advisor regarding the financial situation and objectives of investing in this Fund. Investors are solely responsible in the event of any material other loss resulting from investing in the Fund unless it is caused by negligence, fraud and/or misconduct by the Fund Manager based on the Investment Funds Regulations.

- a) The trading performance of the Unit Price is likely to fluctuate as the Fund is a traded fund, which may cause the Fund's investment risk level to be medium.
- b) The Fund's or the Benchmark's past performance is not considered as an indication of the Fund's future performance.
- c) No assurance can be given to Unitholders that the absolute performance of the Fund or the Fund's performance against the Benchmark, will recur or will match the Fund's past performance.
- d) An investment in the Fund is not considered a deposit with a bank.
- e) The Unitholders may lose part, or all of their Fund invested capital.

- f) The following is a list of the main potential risks associated with investing in an investment fund, the risks to which the investment fund is exposed, and the conditions that affect the fund's net asset value and returns:
- g) The potential main risks associated with investing in the Fund, the risks to which the Fund is exposed, and the conditions that affect the Net Asset Value of the Fund and returns:

#### **Equity Markets Risk:**

Equity prices are exposed to sharp market fluctuations, which may include sharp and sudden declines, loss of part of the capital and adverse effects on the Net Asset Value of the Fund. No guarantee or assurance can be given as to the future performance of securities. Moreover, past performance records do not reflect future performance.

#### **IPO and Capital Increase Subscription Risk:**

Investing in IPOs and capital increases involves limited equity risk, where upon completion of subscription and in the event of demand for the offered shares is greater than supply, a higher ceiling for the number of shares per subscriber is set. Subsequently, the remaining shares are allocated in limited number to each subscriber. Moreover, the subscriber's knowledge of the issuer may not be sufficient, or the issuer's performance history may be limited. In addition, issuers of securities may be active in new economic sectors, and some issuers may still be in the development phase and do not generate an operating income in the short term, which increase the risks of subscription in their shares. It is also possible that the listing of the shares of a certain company, the shares of which were acquired during the pre-IPO stage, may be delayed, resulting in the withholding of the subscription amount. This limits the investment opportunities available to the Fund, adversely affecting the Fund's performance and Unit Price.

#### **Risk of Under-allocation:**

Number of licensed companies and investment funds are invited to participate in IPOs, it is possible that the allocation ratio will decrease due to the increase in the number of companies and funds participating in the IPO, which leads to the possibility of losing the investment opportunity that can affect the performance of the Fund and the Unit Price.

#### **Private Placements Risk:**

Investing in Private Placements involves liquidity risks as the Fund Manager is unable to sell the securities on the Exchange at the Fund Manager's discretion, or the offering process may be disrupted, or a delay may occur in the listing of the shares of a certain company, the shares of which were acquired during the pre-IPO stage. Moreover, the investment in startups with no operating history does not permit the Fund Manager to adequately evaluate the company's performance, thus increasing the private placements risk.

#### **Risks of Investing in Sukuk:**

Although the volatility of Sukuk prices is generally lower than it is in stocks and other investment assets, as the addition of Sukuk with good credit quality to the investment portfolio may reduce the risk of portfolio volatility, the Sukuk are subject to a number of different risks such as market, operational and compliance risks Shariah Guidelines and Controls, regulatory and supervisory frameworks, and risks related to the structuring of Sukuk, and when such risks are realized for any of the Sukuk invested in, this may adversely affect the performance of the Fund and the Unit Price.

#### **Risk of Investing in Other Funds:**

Other Funds targeted for investment by the Fund may be exposed to risks that are similar to those described in this Article "**Main Risks of Investing in the Fund**", thus adversely affecting the Fund's

performance and Unit Price.

#### **Risks of Compliance with Sharia Guidelines and Controls:**

The Fund's investments must follow Shariah Guidelines and Controls, as these Guidelines and Controls apply to the Fund's investments. It also applies to a certain extent to the activities of the Fund and the diversity of its investments. In order to comply with these Guidelines and Controls, the Fund may be forced to exist an investment or part thereof if that investment or its investment structure violates these Guidelines and Controls, as the Fund Manager disposes part of the investments at prices that may sometimes be inappropriate in order to comply with Sharia Guidelines and Controls, which negatively affects the Fund's investments. In addition, When adhering to Sharia Guidelines and Controls, the Fund may lose investment opportunities if the Sharia Supervisory Committee determines that any proposed investment is not compatible with Sharia Guidelines and Controls, therefore the Fund cannot consider it. These factors may, under certain circumstances may have negative impact on the financial performance of the Fund or its investments, compared to the results that can be obtained if the Sharia Guidelines and Controls are not applied to the Fund's investments.

#### **Risks of a Limited Track Record:**

Since the fund is new, has no past track record and relies on the Fund Manager's experience in managing its investments, no assurances can be given that the Fund's investment objectives will be achieved.

#### **Availability of Appropriate Investments Risks:**

There can be no assurance that the Fund Manager will be able to identify investments that meet the Fund's investment objectives. The business of identifying and structuring investments suitable for the Fund is highly competitive and involves a high degree of uncertainty regarding the ability of Fund investments to generate gains for Unitholders. The Fund Manager's inability to identify suitable investments may adversely affect the ability of the Fund to achieve the required growth of the Unit's market value.

#### **Currency Exchange Risks:**

The currency of the Fund is the Saudi Arabian Riyal. The Fund may invest in assets and instruments denominated in various currencies. Investments in foreign securities (international) involve additional considerations, such as fluctuations in the rate of exchange between SAR and the various foreign currencies in which the Fund's investments are denominated, and the costs associated with the conversion of the investment principal and income from one currency into another. Exchange rate volatility and the costs associated with currency exchange have an adverse effect on the values of the Fund investments in the Saudi Arabian Riyal, and consequently on the Unit value.

#### **Distributions Fluctuation Risk:**

There are no guarantees regarding the amounts of future distributions that the Fund will make to Unitholders. The Fund may be unable to make any distribution due to unforeseeable events resulting in an increase in Fund costs or decrease in Fund revenues as a result of the Fund's investee companies not distributing any cash dividends, or if the Fund fails to generate any capital gains.

It should be noted that the illiquidity of certain investments of the Fund may limit the distribution of net returns.

It should also be noted that due to reinvesting of capital related to the exist of investments may impose limitations on distribution.



### **Leverage Risk:**

In general, leverage may cause greater swings in the Fund's Net Asset Value or cause the Fund to lose more than it has invested, or the Fund may be late in repaying the borrowed sums on time due to causes beyond the Fund Manager's control. The Fund Manager may be obliged to sell some of its investments, which may adversely affect the Fund Assets and Unit Prices. The use of leverage involves at the same time a higher degree of risk and increases the exposure of the Fund and its investments to factors such as rising costs of leverage and downturns in the economy, and as such adversely affects the Fund's Net Asset Value.

### **Collateral Risk:**

In the event the Fund obtains financing against pledging its assets, the risk level will elevate. The Fund may lose the pledged assets in favour of the lender upon the Fund's default, under the terms and conditions of the financing agreements entered into with the lender. The use of leverage involves a high degree of financial risks and exposes the Fund and its investments to other factors such as rising costs of leverage and downturns in the economy. In addition, the pledging of the Fund's assets to the lender and failure to pay the lender, allows the lender to dispose of the pledged assets to recover the amounts due and payable, thus adversely affecting the Fund's performance and its expected returns.

### **Limited Due Diligence Risk:**

The Fund may invest in assets or investments which have limited information available for due diligence. As such, some investments may be made based on limited due diligence and available information. This may increase the risks of the Fund associated with those assets or investments.

### **Long Term Investments Risk:**

Although the Fund may generate some ongoing income, the return of capital and the realization of gains, if any, from part of the assets or investments will occur only upon the complete disposition of assets or investments.

### **Limited Operating History Risk:**

The risks associated with the Fund's future investments may differ substantially from those associated with investments and strategies undertaken historically by the Fund Manager by managing other investment funds. Past results of the Fund Manager are not necessarily indicative of future performance. Therefore, the novelty of this product shall be deemed a risk as it is difficult to predict the extent of change in the value of Units or the proceeds that are supposed to be distributed.

### **Operational Risk:**

The Fund is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, Counterparties or other third parties, failed or inadequate processes and technology or systems failures. The Fund and the Fund Manager seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address significant operational risks.

### **Market Liquidity Risk:**

Given the nature of the traded Fund, an application will be filed seeking Tadawul's approval of the listing of the Fund Units on Tadawul. Approval of the application or the listing of the Fund on the Exchange and the trading of its Units should not be interpreted as a guarantee that there will be a liquid market for the Units or that it will develop or, if it does develop, that it will be maintained

indefinitely following admission. If a liquid trading market is not developed or maintained, the liquidity and trading prices of the Units could be adversely affected. In addition, if such a market does not develop, relatively small transactions or intended transactions in the Units may have a significant negative impact on the market price of the Units, whilst transactions or intended transactions related to a significant number of Units may be difficult to execute at a stable price. Limited numbers of Units and/or Unitholders may mean that there is limited liquidity in such Units which may adversely affect: (i) an investor's ability to realize some or all of its investment; and/or (ii) the price at which such investor can effect such realization; and/or (iii) the price at which such Units trade in the secondary market. In addition, a substantial proportion of the Units may be issued to a limited number of investors, taking into consideration the required percentage of public holding of the Fund Units, which could adversely affect the development of an active and liquid market for the Units.

#### **No Assurance of Investment Returns:**

There is no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the Fund and the nature of the transactions described in these Terms and Conditions. It is possible that the Units may fall in value or that investors might lose some or all of the capital they have invested. There can be no assurance that projected or targeted returns for the Fund will be achieved. All of the figures and statistics set out in the Terms and Conditions are for illustrative purposes only and do not represent profit forecasts. Actual returns cannot be predicted and may differ from the illustrative statistics set out in these Terms and Conditions.

#### **Dependence on Intermediary Risk:**

Although the Fund Manager does not intend to directly appoint brokers to execute investment transactions and placing buy and sell orders on behalf of the Fund, given that the majority of the Fund's operations are conducted through investment funds or portfolios, due to the diverse nature of asset classes targeted by the Fund as outlined in these Terms and Conditions, the Fund may be compelled to contract with brokers to execute certain investment transactions on its behalf. When entering into any agreement with a broker, the broker's role, tasks, and responsibilities may include executing investment transactions and placing buy and sell orders on behalf of the Fund, as determined by the Fund, to facilitate and conduct investment transactions for the Fund, and therefore this may adversely affect the Fund's income and result in lowered Unit Prices.

#### **Dependence on Sub-Managers Risk:**

The Fund may appoint a specialist sub-manager to manage assets of certain categories, thus exposing the Fund to additional risks related to the inefficiency of that submanager in performing the Fund Assets management tasks assigned to it, whether because of its limited experience, its failure to implement the investment strategy, or its poor governance guidelines or relevant professional standards, and therefore adversely affecting the Fund's income and resulting in lowered Unit Prices.

#### **Fund Management Risk:**

Unitholders do not participate in the management of the Fund and will not receive the detailed financial information available to the Fund Manager. Accordingly, no person should purchase Units unless such person is willing to entrust all aspects of the management of the Fund to the Fund Manager.

In addition, the Fund is dependent on the diligence and skill of the Fund Manager and/or sub-managers to realise the Fund's investment objective and in relation to all aspects of the Fund and the Fund's Assets. The performance of the Fund Manager and/or sub-managers cannot be guaranteed. Therefore, the success of the Fund is substantially dependent upon the personal efforts and practical experiences of individuals employed by the Fund Manager and/or sub-

managers who will exclusively manage the Fund and/or its investments. It cannot be expected that all the individual employees of the Fund Manager and/or sub-managers will continue to be available to the Fund and/or sub-managers throughout the Fund Term. The loss of anyone or all of these key personnel or any inability to retain such personnel could adversely affect the Fund's performance.

#### **Dependence on the Fund Manager's Employees Risk:**

The Fund's success will principally depend on the quality of the performance of the Fund Manager's team assigned to manage the Fund. The loss of the services of any of the members of such management team in general (whether such loss is through resignation or otherwise), or the inability to attract and retain additional personnel, could materially affect the Fund's business and prospects, thus impairing the Fund's ability to source, analyse and execute appropriate investment opportunities in line with the Fund's strategies and practices, and therefore adversely affecting distributions to Unitholders.

#### **Illiquid Assets Risk:**

Illiquid assets may be hard to sell quickly because of a lack of ready and willing investors to purchase the asset, whereas actively traded securities will tend to be more liquid. Illiquid assets tend to have wider bid-ask spreads, greater volatility and, as a result, higher risk for investors.

#### **Risk of Potential Conflicts of Interest:**

The Fund may be subject to various conflicts of interest because of the fact that the Fund Manager and its affiliates, and their respective directors, officers and associates, may directly or indirectly be engaged in a wide range of business activities which are at times in competition with the Fund. These risks arise in events affecting the objectivity and independence of the Fund Manager's decision due to a personal interest which may affect the investment decisions of the Fund Manager, and as such adversely affect the Fund's performance. This could adversely affect the Fund's ability to achieve its investment objective, including increasing its proceeds and ability to achieve a higher market value of the Units.

#### **Technology Risk:**

The Fund Manager relies on the use of technology in managing the Fund. However, the Fund's information systems may be hacked or attached by viruses or may suffer a partial or total breakdown. This may limit the Fund Manager's ability to effectively manage the Fund's investments, and therefore may adversely affect the Fund's performance, Net Asset Value and Unit Price.

#### **Change of Fund Unit Price Risk:**

The market price of the Units may not reflect the fair value of the Fund's underlying investments. Stock exchanges may experience extreme price and volume volatility from time to time, and this, in addition to economic, political and other conditions, may materially and adversely affect the market price of the Units. As the Fund is publicly listed and traded, the prices at which the Units may be quoted may be influenced by a large number of factors, many of which are beyond the Fund's control, some are specific to the Fund and its operations in particular, and some may affect the investments as a whole or equity markets generally

Units of the Fund trade on the Exchange at prices at, above or below the Fund's most recent respective NAV. The trading price of each of the Fund's Units fluctuates continuously throughout trading hours based on both market supply and demand. As a result, the trading prices of the Fund's Units may deviate significantly and substantially from NAV during periods of market volatility and for long periods.

### **Risk of Incorrect Forecasts and Changes in Market Conditions:**

The future performance of the Fund would largely depend on changes in the supply and demand conditions of the invested sub-sectors by the Fund, which may be affected by regional and local economic and political conditions and increased competition, resulting in a decline in the value of the acquired asset and fluctuations in supply and demand. Incorrect forecasts used by the Fund Manager to make investment decisions may have an adverse impact on the Fund's performance.

### **Valuation Risk:**

The Fund Assets will be valued using the method described in accordance with these Terms and Conditions. The results of this valuation method may subsequently be proven not to be accurate as compared to the actual value of the assets in the event of their sale. As a result, the value of the Fund Assets, represented by the Net Asset Value of the Fund, may differ significantly from their actual value, thus adversely affecting the cash distributions and the market value of the Units.

### **Counterparty Default Risk:**

Risks of change in the financial positions of Counterparties resulting from changes in management, net worth, demand or products and services, may result in the inability of Counterparties to fulfil their obligations when providing certain services to the Fund, thus adversely affecting the Fund's income and resulting in a decrease in Unit Prices.

### **Sovereign and Political Risk:**

The value of the Fund and its investments may be negatively affected by geopolitical developments, social instability, changes in government policies in the countries where the Fund invests and other political and economic developments, thus adversely affecting the performance of the Fund's assets and returns to Unitholders.

### **Natural Disasters Risk:**

Namely volcanoes, earthquakes, pandemics, hurricanes, floods and any other natural phenomenon that is beyond control and causes severe damage to property and assets, with adverse effects on various economic and investment sectors, resulting in adverse effects on the performance of the Fund's assets and returns to Unitholders.

### **Interest Rate Risk:**

The market value of the securities held by the Fund are affected by the changes in interest rates, and such fluctuations will reflect on the Net Asset Value of the Fund, and consequently adversely affect the Net Asset Value of the Fund and Unit Price.

### **Risks of Investing in Emerging Markets:**

The Fund may invest in emerging markets. As such, the Fund may be exposed to various risks ordinarily associated with investment in emerging markets, including potential adverse political and economic developments in certain target countries, in addition to developments and restrictions affecting the currency exchange rates, restrictions on the transfer of funds overseas, regulatory restrictions, and difficulties in obtaining official governmental approvals, as well as other bureaucratic factors which may have an adverse effect on the Fund, its investments and returns to Unitholders.

### **Geographic Concentration Risk:**

The Fund will invest a significant part of its investments outside Saudi Arabia. This exposes the Fund to the risk of concentration of investment in a certain host country or a group of host countries.

Such risk may include the economic conditions and their effect on interest rates and exchange rates, as well as the government regulations and legislations and political stability in those countries, which may adversely affect the Fund's investments.

**Risk of Investing in Murabaha Transactions:**

The Fund may invest in Murabaha transactions directly or indirectly with banks or other investment funds. The value of these types of investments may fall as they are not considered to be deposits with a bank. In addition, there is a counterparty risk associated with the Murabaha Transactions arising from the trading activities, which include dealings in illiquid financial instruments, whose clearance and payments do not occur at a regulated clearing house or on a stock exchange, which may negatively affect the cash distributions and the market value of the Units.

**Risk of Changes in the Level of Activity in Underlying Markets:**

The general movement in local and international capital markets, prevailing and anticipated economic conditions, profit rates, financing costs, investor sentiment and general economic conditions, may all affect negatively the value of underlying assets. A lack of liquidity can have an adverse effect on the market value of the Units. Accordingly, investment in the Fund is only suitable for investors who can bear the risks associated with such investments.

**Issuer Risk:**

The performance of an issuer of securities may change over time as a result of changes in its management, its financial conditions and the demand for its products or services provided, resulting in a decrease in the value of its share, and as such adversely affecting the Fund's Unit Price and distributions to Unitholders.

**Sector Risk:**

Sector risk is the risk that a particular sector in which an investment of the Fund operates may be subject to sector wide problems of demand and supply imbalances due to certain events or shocks, which may ultimately affect the viability of the business or the profitability of such investment and therefore of the Fund.

**Risks of Relying on the Internal Rating of Fixed Income Instruments and Weakness of the Financial Position of the Issuer of Fixed Income Instruments:**

The Fund bears the risks associated with investing in Fixed Income Instruments and monetary instruments that are not credit rated in which the Fund invests based on research and analysis, then the internal credit rating and evaluation carried out by the Fund Manager, as any weakness in the financial position of the issuers of Fixed Income Instruments or inaccuracy in the analysis leads to a decrease in Net Asset Value of the Fund, which negatively affects Unit Price.

**Inflation Risk:**

As a fixed income security, Sukuk are exposed to inflation risk whereby inflation rates may increase, while the returns from the underlying Sukuk remain stable with no proportional increase. In case inflation increases to a level above the percentage return from the underlying Sukuk, the Fund may incur a loss on its investment and returns to Unitholders would be negatively impacted.

**Call Risk:**

Some of the underlying Sukuks may have callable option that allows the Issuers to recall the Sukuk prior to the maturity. This would result in exposing the Fund to a reinvestment risk where the Fund may not find the equivalent investment paying Sukuk.

### **Risk of Investing Outside the Kingdom:**

Investing outside the Kingdom of Saudi Arabia involves many risks, including without limitation: (i) issues associated with currency rate fluctuations; (ii) economic and geopolitical risks; (iii) possible imposition of income taxes and capital gains taxes on such assets by host countries, and/or introduction of governing laws to limit the ownership of foreigners of certain assets; and (iv) changes of legislations in the host countries in a way adversely affecting the Fund and its investments. All or any such factors will adversely affect the Fund's returns, resulting in declining distributions to Unitholders and lowering the Unit Price.

### **Market and Selection Risks:**

Market risk is the risk that one or more markets in which the Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the performance of the securities selected by the Fund is lower than the overall performance of the markets, lower than the performance of the relevant indices, or lower than the performance of the securities selected by other funds with similar investment objectives and investment strategies. In either event, the Fund and its Unitholders are exposed to loss resulting from the materialization of any of the aforementioned risks.

### **Risks of Zakat Collection for Investing in Investment Funds:**

The Zakat, Tax and Customs Authority in the Kingdom approved the Zakat Collection Rules for Investing in Investment Funds, as announced by the Zakat, Tax and Customs Authority in accordance with the resolution of the Minister of Finance No. (29791) dated 09/05/1444H, and according to the aforementioned decision, investment funds established in accordance with the rules and regulations of the Capital Market Authority before the entry into force of this resolution, must register with the Zakat, Tax and Customs Authority for Zakat purposes, before the end of its year. Investment funds are not subject to the collection of Zakat in accordance with the Zakat Collection Rules for Investing in Investment Funds, including investment funds that take the form of a special purposes entity licensed by the Capital Market Authority, provided that they do not carry out economic business or investment activities not stipulated in the bylaws or the terms and conditions of those investment funds, and this resolution applies on the fiscal years starting on or after 01/01/2023, considering the novelty of applying the Zakat Collection Rules for Investing in Investment Funds, it is unclear the extent of the impact of such on the Fund, and thus the impact on the Fund's business and financial situation, therefore this requires full knowledge and understanding of the nature and method of applying the Zakat Collection Rules for Investing in Investment Funds, and like any of the other laws and regulations, in the event of a breach of any of the obligations imposed under the relevant laws and regulations, this may lead to the imposition of financial penalties and other legal penalties, and in all cases investors must seek advice regarding their Zakat obligations about their investments in the Fund.

### **Forward Looking Statements:**

These Terms and Conditions may contain forward-looking statements relating to future events or to the future performance of the Fund. In some cases, forward-looking statements can be identified by terminology such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “plans,” “projects,” “should,” “will,” the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. Upon evaluating these statements, investors should specifically consider various factors, including the risks outlined in this Section titled “Main Risks Associated with the Fund's Investments”, as these factors may cause actual events or results to differ materially from any forward-looking statements. The Fund Manager is under no duty to update any of the forward-looking statements after the date of the Terms and Conditions to conform such statements to actual results or to changes in expectations.

### **Legal and Regulatory Risks:**

The information contained in these Terms and Conditions as the date of these Terms and Conditions is based on existing published legislation as of the date of these Terms and Conditions. Legal and regulatory changes in the investment environment inside or outside the Kingdom or otherwise, may occur during the Fund Term, which could have an adverse effect on the Fund or the investments, which leads to the Fund entering into legal claims that require the Fund to resort to the competent courts to collect compensation. Whereas legal proceedings and enforcement of judgments may take a long time, the Fund could suffer accumulated losses until it receives sufficient compensation. As such, this can adversely affect the performance of the Fund and the income of the Unitholders.

### **Regulatory Risks:**

Notwithstanding the obligation of the Fund Manager to ensure the Fund's compliance with applicable regulations and instructions, it is possible that the Fund may fail to meet one of the qualification requirements to be a closed-ended traded investment fund. This could adversely affect the liquidity of the Fund Units, and therefore the value of the Fund's investment. In addition, subsequent changes (including a change in interpretation) in the Fund's qualification requirements to be a closed-ended traded investment fund, may occur. Prospective investors should note that there can be no assurance that the Fund, after its incorporation and offering as a closed-ended traded investment fund, will remain a closed-ended traded investment fund (whether due to failure to satisfy regulatory requirements or otherwise). In the event the Fund fails to meet any of the regulatory requirements to maintain its status, the CMA may suspend the trading of the Units or delist the Fund. The inability to list the Fund on Saudi Tadawul may adversely affect the ability to market the Units, as well as the Unit's liquidity and value.

### **Environmental, Social and Governance (ESG) Risks, in particular Climate Risk:**

Environmental, Social, and Governance (ESG) risks refer to the three factors in measuring the sustainability and societal impact of an investment. ESG criteria can help to better determine the future financial performance of companies (return and risk). Any environmental issues of properties, such as the use of hazardous materials, could adversely impact its value. As part of ESG risks, climate risks may result in increased exposure to loss as assets become less liquid, generate lower income or may be subject to environmental regulation. Additionally, climate change could make insurance prohibitively expensive.

The integration of ESG risks in the investment decision process may have the effect of excluding profitable investments from the investment universe of the Fund, may also cause the Fund to sell investments that will continue to perform well. Appreciation of ESG risk is to a degree subjective and there is no guarantee that all investments made by the Fund will reflect beliefs or values of any particular investor. An ESG risk could materialize as the occurrence of an environmental, social or governance event or condition causing material negative impact on the value of one or several investments and thus negatively affecting the returns of the Fund. ESG risks can manifest themselves in different ways, such as but not limited to:

- failure to comply with environmental, social or governance standards resulting in reputational damage, causing fall in demand for products and services, or loss of business opportunities for a company or industry group, changes in laws, regulations or sector norms giving rise to possible fines, sanctions or change in consumer behaviour affecting a company or an entire sector's prospects for growth and development;
- changes in laws or regulations, may generate higher demand for, and thus undue increase in prices of securities of companies perceived as meeting higher ESG standards. Prices of such financial assets may become more volatile if perception from market participants about companies' adherence to ESG standards changes, and
- changes in laws or regulations, may incentivize companies to provide misleading information about their environmental, social or governance standards or activities.

### **Risks of Third-Party Litigation:**

The Fund may become involved in litigation brought by others, as the Fund is exposed to the possibility of entering into judicial proceedings with third parties, given the nature of its activities. The expenses of defending and pleading against claims by third parties, in addition to amounts pursuant to settlements or judgments, which would reduce the Fund's assets and cash available for distribution to Unitholders. The Fund Manager and those appointed by the Fund Manager to perform tasks or functions related to these judicial proceedings are entitled to compensation from the Fund in connection with such judicial proceedings. As such, the value of the Fund Units and distributions to Unitholders may be adversely affected.

### **VAT, Income Tax, Withholding Tax, Capital Gains Tax and any other Tax:**

As of the date of these Terms and Conditions, no investment in the Fund shall be subject to income tax, withholding, capital gains tax or any other tax. However, VAT was officially introduced in the Kingdom in January 2018. Investment in the Fund is not expected to be subject to VAT, but the Fund may be required to pay VAT in the event of the acquisition or disposal of certain assets of the Fund in addition to the amounts due for services provided to the Fund, in which case Investors should obtain advice on the impact of VAT on their investments in the Fund. If Value Added Tax (VAT), income tax, withholding tax, capital gains tax and/or any other tax is applied on investment in the Fund this will adversely affect the value of Units in the Fund and distributions to the Unitholders.

The Fund Manager and the Fund Service Providers are expected to be subject to the Value Added Tax. Thus, payments due and payable (for services, commissions and fees) to the Fund Manager and/or the Fund Service Providers, shall be grossed up to take the Value Added Tax into consideration. The Value Added Tax which is collected on the services adversely affects the distributions to Unitholders and the Fund Assets.

### **Risk of Withholding Tax:**

Under the Saudi Arabian tax regulations, a payment made by a resident person (whether a tax payer or not) to a non-resident shall be subject to tax in accordance with Zakat, Tax and Customs Authority's rules and regulations in respect of withholding taxes. Accordingly, the payment of dividend distributions by an investment fund to a non-resident shareholder shall be subject to a withholding tax of a percentage to be determined by relevant authorities. Under current common practice, investment funds have not been required to pay any tax withholdings (with the exception of the withholding tax) on payments made by the fund to Unitholders, and hence any withholding tax which is due and payable on distributions by the Fund, could necessarily reduce the returns associated with an investment in the Fund. Prospective investors should consult their own tax advisors regarding the tax implications on investing, holding and disposing of Units.

### **Suspension of Trading Risk:**

The suspension of trading in the market as a whole or a part of securities may lead to the risk of unavailability and loss of investment opportunities resulting from the inability to buy or sell, which will negatively affects the Fund's investments and the Unit Price.

The risks mentioned in paragraph (f) above do not purport to be a complete or exhaustive explanation and summary of all the risk factors involved in an investment in Fund Units. All prospective Investors shall seek independent advice from their own professional advisors.

No assurance can be given by the Fund Manager as to the achievement of the investment objectives listed in these Terms and Conditions. Subscribers shall take the aforementioned risk factors into consideration before subscription to the Fund, as they may adversely affect the Net Asset Value of the Fund.



The Fund Manager or its employees shall not be liable for any financial loss suffered by the Fund, unless such loss results from wilful action by the Fund Manager. The Fund Manager shall be liable to Unitholders for the losses suffered by the Fund due to its fraud, gross negligence, misconduct or wilful mismanagement.

All prospective subscribers shall make their decisions on their own or in collaboration with their professional advisors in relation to the legal, financial and tax risks associated with this Fund. The above-mentioned risks do not summarize all the risks associated with investment in the Fund, but the main risks that the Fund may be exposed to.

**Warning on the Effects of the Shariah Guidelines and Responsible Investment (ESG) Guidelines:**

It is possible that the restrictions placed on investment as set out under the Shariah Guidelines (for example, the inability to invest in certain sectors and activities) may result in the Fund performing less well than funds with a similar investment objective but which are not subject to the Shariah and/or responsible investment guidelines of the Fund or any underlying investment funds.

## **5. Risk Assessment Process**

The Fund Manager declares that it has an internal process for the assessment of risks related to the Fund Assets (for more details, please refer to Appendix 3 of these Terms and Conditions).

## **6. Target Investor Category**

Participation in the units is available for the following categories:

- a) Natural persons who hold Saudi nationality and citizens of the Gulf Cooperation Council countries.
- b) Natural persons residing in the Kingdom of Saudi Arabia under the identity of a resident.
- c) Institutions, companies, investment funds and other entities and legal persons based in the Kingdom of Saudi Arabia and the Gulf Cooperation Council countries.
- d) Qualified Foreign Financial Institutions in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities issued by the Board of the CMA.
- e) Other investors who may be permitted by the CMA to own equities listed on the Exchange.

All recipients of these Terms and Conditions must inform themselves of any legal or regulatory restrictions relevant to this Initial Offering and the sale of the Units and must observe all such restrictions.

## **7. Investment Restrictions/Limits**

In managing the investment Fund, the Fund Manager shall comply with the restrictions and limits as provided in the Investment Funds Regulations, the Fund's Terms and Conditions and Sharia Guidelines and Controls.

## **8. Currency**

The Fund's currency is Saudi Riyal only, and the Fund will not accept any funds in any other currency, and subscriptions to the Fund are accepted and distributions are made in Saudi Riyals.

## **9. Consideration for the Services, Commissions and Fees**

**a) Details of All Payments Made out of the Fund Assets and the Method of Their Calculation**

Type of Fees	Description
<b>Management Fees</b>	<p>The Fund Manager is entitled to a management fee of 1% per annum of the net asset value for the Fund management services ("<b>Management Fees</b>") across all asset classes that the Fund will invest in, except for the Private Equity Funds which are Managed by the Fund Manager, and the Management Fees shall be paid semi-annually.</p> <p>Management Fees calculated on each Valuation Day and paid by the Fund on a semi-annual basis starting from the date of operation of the Fund. Management Fees shall be paid on a pro rata basis taking into account the days that have passed from the period on which the Management Fees are calculated.</p>
<b>Subscription Fees</b>	<p>The Fund Manager shall be entitled to a subscription fee up to (2%) of the cash subscription amounts ("<b>Subscription Fees</b>"), provided that the Subscription Fees are paid in addition to the subscription amount subscribed by the Unitholder in the Fund and paid upon subscription to the Fund.</p>
<b>Custodian and Fund Operator Fees</b>	<p>The Fund pays the Custodian and Fund Operator fees which are equivalent to (0.06%) of the net value of assets under custody annually and with a minimum of SAR 50,000 and the Custodian's fees are paid semi-annually.</p>
<b>Auditor Fees</b>	<p>The Fund shall pay the Auditor a fee in the amount of SAR 95,000 for the first year of the Fund to be paid on a semi-annual basis and the Auditor's fees are subject to change.</p>
<b>Lead Manager Fees</b>	<p>The Fund pays the Lead Manager Fees SAR 2,444,000 which will be paid once upon the offering and listing of the Fund's Units.</p>
<b>Receiving Banks Fees</b>	<p>The Fund pays the Receiving Banks Fees SAR 2,500,000 which will be paid once upon the offering and listing of the Fund's Units</p>
<b>Shariah Supervisory Committee Fees</b>	<p>The Fund pays Sharia supervision fees, which are a lump sum of SAR 30,000 annually as agreed upon between the Fund Manager and the Shariah Controller. The aforementioned fees are paid in equal instalments on a quarterly basis. The fees are paid to the Shariah Controller, who is responsible for paying the fees to the Sharia Supervision Committee and any other party in relation to any matters related to Shariah Guidelines and Controls.</p>
<b>Units Listing Fees</b>	<p>SAR (50,000) is paid by the Fund in favour of the Market once and when listing the Units of the Fund in the Market.</p>
<b>Listing Continuation Fees</b>	<p>(0.03%) of the market value of the Fund (up to a maximum of (300,000) Saudi Riyals and a minimum of (50,000) Saudi Riyals) paid by the Fund in favour of the Market annually.</p>
<b>Annual Control Fees imposed by the CMA</b>	<p>The Fund pays the control fees imposed by the CMA in the amount of (7,500) Saudi Riyals annually.</p>
<b>Unitholders Register Fees</b>	<p>(50,000) Saudi Riyals paid by the Fund in favour of the Depository Center in addition to (2) Saudi Riyals for each subscription application (up to a maximum of (500,000) Saudi Riyals), paid once before listing and trading the Units.</p>
<b>Annual Publishing Fees</b>	<p>(5,000) Saudi Riyals paid by the Fund for the benefit of the Market annually.</p>
<b>Managing Shareholder</b>	<p>SAR (300,000) (if the paid-up capital of the Fund is SAR</p>

Type of Fees	Description
<b>Register (Unitholders)</b>	(500,000,000) and SAR (400,000) if the paid-up capital of the Fund is more than SAR (500,000,000) to SAR (2,000,000,000) paid by the Fund in favour of the Depository Center annually.
<b>Remuneration of Independent Directors</b>	SAR (5,000) Saudi Riyals for each meeting for each member and a maximum of (20,000) Saudi Riyals per year for each member, to be paid annually.
<b>Dealing Fees &amp; Expenses</b>	The brokerage expenses (including the Intermediary Fees) or any other trading fees shall be paid by the Fund directly at levels determined in accordance with the laws or by the Intermediary in the markets where the Fund deals. Such amounts vary commensurate with the types of deals, the nature of investments and the size of transactions and are subject to prevailing market prices and actual expenses.
<b>Shariah Compliant Finance Costs</b>	The Shariah compliant financing costs (if any) shall be borne by the Fund based on the prevailing market rates. They shall be calculated as at each Valuation Day and paid in accordance with the requirements of the financier bank. In addition, the Fund bears arranging financing fees to be paid to the Fund Manager, with a maximum of (1.25%) of any financing obtained by the Fund (if any).
<b>Arrangement Fees</b>	A maximum of (1.25%) of any financing obtained by the Fund (if any) shall be paid to the Fund Manager.
<b>Other Fees &amp; Expenses</b>	<p>The Fund will bear other expenses and fees, which are expenses due to third parties dealing with the Fund, including but not limited to insurance fees, consultant fees and Government Fees</p> <p>The Fund will bear all fees that may be imposed by the official authorities in the Kingdom of Saudi Arabia or abroad as a result of the Fund's performance of its obligations under these Terms and Conditions. The Fund will bear all marketing expenses for its production accordance with the best marketing offers approved by the Fund's Board of Directors.</p> <p>It is noteworthy that such fees are not paid to the Fund Manager and cannot be estimated in advance and will be deducted based on the actual expenses and shall be disclosed.</p> <p>The total of such expenses expected to be (0.5%) of the Fund's total asset value annually (maximum).</p>
<b>Zakat</b>	The Fund Manager shall not be responsible for paying the Zakat of the Units for the Investors. Unitholders shall be responsible for paying the Zakat of their own Units in the Fund and Zakat is subject to the Zakat Collection Rules for Investing in Investment Funds.
<b>Value Added Tax (VAT)</b>	All fees, charges, commissions, and Management Fees mentioned herein do not include VAT unless otherwise specified. If VAT is imposed or may be imposed on any service provided to the Fund, the Fund shall pay the service provider (in addition to any other charges or expenses) a sum equal to the VAT value on the VAT invoice of the service concerned. If VAT is imposed or may be imposed on any service provided by the Fund, the Customer shall pay the Fund (in addition to any other charges or expenses) a sum equal to the value of such VAT.

The Fund Manager will take all necessary steps for the benefit of the Unitholders, to the best of its knowledge and belief, with due and reasonable diligence. Neither the Fund Manager, nor any of its managers, officers, employees, agents and advisors, subsidiaries, related parties, the Custodian

and the Fund Operator, the members of the Shariah Supervisory Committee and the Board of Directors of the Fund (each, shall not be held accountable as an **"Insured Party"**) any liability to the Fund or to any Investor, in respect of any loss suffered by the Fund due to the act or failure of any of the said parties in connection with their obligations to the Fund, provided that any party seeking to rely on such provision has acted in good faith and in a manner reasonably believed to be in the best interests of the Fund and was neither negligent nor engaged in fraud or wilful misconduct.

**b) Table Showing All Fees and Charges, and the Method of the Calculation of Consideration for the Services, Commissions and Fees as well as the Timing of Their Payment by the Fund**  
(\*)

Type of Fees	Percentage charged (or amount charged)	Calculation Basis	Timing of calculation	Basis of payment
<b>Management Fees</b>	(1%)	of net asset value	Every Valuation Day	Payable semi-annually
<b>Subscription Fees</b>	Up to (2%)	of subscription cash amounts	Upon Subscription	Payable once upon subscription
<b>Auditor Fees</b>	SAR 95,000	Annual fixed amount	Every Valuation Day	Payable semi-annually
<b>Custodian and Fund Operator Fees</b>	(0.06%) of the net asset value under the Custodian, with an annual minimum of fifty thousand (50,000) Saudi Riyals.	of net asset value	Every Valuation Day	Payable semi-annually
<b>Lead Manager</b>	SAR 2,444,000	One-time lump sum	Upon offering and listing of the Fund's Units	Payable once upon the offering and listing of the Fund's Units
<b>Receiving Banks Fees</b>	SAR 2,500,000	One-time lump sum	Upon offering and listing of the Fund's Units	Payable once upon the offering and listing of the Fund's Units
<b>Shariah Controller Fees</b>	SAR 30,000	Annual fixed amount	Every Valuation Day	Payable at the end of each year
<b>Units Listing Fees</b>	SAR 50,000	A lump sum paid by the Fund in favour of the Market once and when listing the Units of the Fund in the Market	Before listing and trading the Fund's Units	Payable once when listing the Fund's Units on the Market
<b>Listing Continuation Fees</b>	0.03% (300,000 SAR (maximum) and 50,000 SAR (minimum))	of the market value of the fund	Every Valuation Day	Payable annually
<b>Annual Control Fees Imposed by the CMA</b>	7,500 SAR	Annual fixed amount	-	Payable annually
<b>Unitholders Register Fees</b>	SAR 50,000 plus SAR 2 per subscription application (maximum SAR (500,000))	One-time lump sum	-	Payable before listing and trading Units

Type of Fees	Percentage charged (or amount charged)	Calculation Basis	Timing of calculation	Basis of payment
<b>Managing Shareholder Register (Unitholders)</b>	SAR 300,000 (if the paid-up capital of the Fund is SAR (500,000,000), and SAR 400,000 (if the paid-up capital of the Fund is more than SAR (500,000,000) to SAR (2,000,000,000)	Annual fixed amount	-	Payable annually
<b>Remuneration of Independent Directors</b>	SAR 5,000 Saudi Riyals for each meeting per member and a maximum of 20,000 Saudi Riyals	calculated after each meeting	calculated after each meeting	Payable after every meeting
<b>Dealing Fees &amp; Expenses</b>	Calculated for every transaction the Fund enters into through the Intermediary, either directly and/or periodically. The brokerage fees (including the Intermediary Fees) or any other trading fees are payable by the Fund directly	calculated at levels determined in accordance with the laws or by the Intermediary in the markets where the Fund deals. Such amounts vary commensurate with the types of deals, the nature of investments and the size of transactions	Upon executing each transaction	Payable upon request
<b>Shariah Compliant Finance Costs</b>	Shall be borne by the Fund (if any)	based on the prevailing market rates	Every Valuation Day	Payable as required by the financing bank
<b>Other Expenses</b>	0.05% of the total value of the Fund's assets per year (maximum)	of the Fund's total asset value	Every Valuation Day	Payable based on actual expenses

(\*) All amounts mentioned in this clause do not include VAT and are calculated as an additional amount as applicable and when applicable.

- c) **Hypothetical Table that Shows the Percentage of the Fund Expenses Against the total Fund Asset Value for the Fund and the Unitholder During the Life of the Fund, including the Ratio of Recurring and Non-Recurring Expenses<sup>1</sup>**

<sup>1</sup> **KN&P:** SEDCO Capital to review and confirm.

The following table shows a hypothetical and illustrative example of a client's subscription to the Fund in the amount of 100,000 Saudi Riyals (after deduction of Subscription Fees) which did not change throughout the year, assuming that the total value of the Fund's assets in that period is 1,000,000,000 Saudi Riyals (excluding any leverage) which did not vary throughout the year, and assuming that the Fund achieves an annual return on subscription of 10% at the end of the period. The hypothetical example shows the Subscriber's share of expenses in Saudi Riyals (annualized) <sup>(*)</sup>						
	Percent/Value	Recurring/ Non-Recurring	First year at the Fund level with an asset value of (1,000,000,000) Saudi Riyals, assuming that the Fund achieves an annual return at the end of the period of (10%)	First year at the Hypothetical Subscription level with a value of 100,000 for the Unitholder	Second year at the level of the Fund and assuming that the Fund achieves an annual return at the end of the period of (10%)	Second year at the Hypothetical Subscription level with a value of 100,000 Saudi Riyals for the Unitholder
Number of Fund Units	-	-	100,000,000	10,000	100,000,000	10,000
Total Asset Value at the Start of the Period (SAR)	-	-	1,000,000,000	100,000	1,022,959,475	102,296
Hypothetical Annual return at the end of the period	10%	-	100,000,000	10,000	102,295,947	10,230
Units Listing Fees	50,000	Non-Recurring	50,000	5	NA	NA
Unitholders Register Fees	500,000	Non-Recurring	500,000	50	NA	NA
Lead Manager	2,444,000	Non-Recurring	2,444,000	244.40	NA	NA
Receiving Banks Fees	2,500,000	Non-Recurring	2,500,000	250	NA	NA
<b>Total Non-Recurring Fees and Expenses</b>	<b>5,494,000</b>	<b>Non-Recurring</b>	<b>5,494,000</b>	<b>549</b>	<b>-</b>	<b>-</b>
Listing Continuation Fees	0.03%	Recurring	300,000	30	306,840	30.69
Managing Shareholder Register (Unitholders)	400,000	Recurring	400,000	40	400,000	40
Annual Publishing Fees	5,000	Recurring	5,000	0.5	5,000	50
Auditor Fees	150,000	Recurring	150,000	15	150,000	15
Shariah Supervisory Committee Fees	30,000	Recurring	30,000	3	30,000	3
Annual Control Fees Imposed by the CMA	7,500	Recurring	7,500	0.75	7,500	0.75

The following table shows a hypothetical and illustrative example of a client's subscription to the Fund in the amount of 100,000 Saudi Riyals (after deduction of Subscription Fees) which did not change throughout the year, assuming that the total value of the Fund's assets in that period is 1,000,000,000 Saudi Riyals (excluding any leverage) which did not vary throughout the year, and assuming that the Fund achieves an annual return on subscription of 10% at the end of the period. The hypothetical example shows the Subscriber's share of expenses in Saudi Riyals (annualized) (\*)

	Percent/Value	Recurring/ Non-Recurring	First year at the Fund level with an asset value of (1,000,000,000) Saudi Riyals, assuming that the Fund achieves an annual return at the end of the period of (10%)	First year at the Hypothetical Subscription level with a value of 100,000 for the Unitholder	Second year at the level of the Fund and assuming that the Fund achieves an annual return at the end of the period of (10%)	Second year at the Hypothetical Subscription level with a value of 100,000 Saudi Riyals for the Unitholder
Custodian and Fund Operator Fees	0.06%	Recurring	600,000	60	613,679	61.37
Remuneration of Independent Directors	40,000	Recurring	40,000	4	40,000	4
Other Expenses	0.50%	Recurring	5,000,000	500	5,113,993	511.40
Management Fees	1.00%	Recurring	10,000,000	1000	10,227,987	1,022.80
<b>Total Recurring Fees and Expenses</b>	16,532,500	-	16,532,500	1,653	16,894,999	1,689
<b>Total Fees &amp; Expenses</b>	22,026,500	-	22,026,500	2,203	16,894,999	1,689
<b>Net capital gains Distributions</b>	50%	-	22,798,660	2,280	24,965,669	2,497
<b>Net Dividends Distributions</b>	100%	-	32,376,180	3,238	35,453,530	3,545
<b>Net growth of Asset Value</b>	-	-	22,798,660	2,296	24,965,669	2,497
<b>Net Asset Value of the Fund and Distributions</b>	-	-	1,022,798,660	102,280	1,047,764,329	104,776

(\*) excluding VAT (15%).

Hypothetical Subscription Information	Percent/Value
Unit Price at the beginning of the period (SAR)	SAR 10
Hypothetical Number of Subscription Units	10,000 unit
Subscription Fees	2%
Hypothetical subscription amount before deducting Subscription Fees (SAR)	SAR 100,000

\*Subscription fees are paid directly by the Investor and not calculated as part of the investment amount

#### d) Details of the Subscription, Redemption and Transfer Transactions Paid by Unitholders

The Fund Manager is entitled to receive Subscription Fees at a fixed rate up to 2% of the cash subscription amounts. Whereas the Fund is closed-ended and traded, Unitholders cannot redeem their Fund Units, but may trade their Units at the Unit Price traded on the exchange. Units are traded in the same way as the shares of Saudi Tadawul listed companies are traded. Unitholders



may sell or buy their Units during the daily trading hours through licensed financial brokers.

**e) Information on Rebates and Special Commissions and Explanation of the Fund Manager's Policy on Rebates and Special Commissions**

Not applicable.

**f) Information Related to Zakat and/or Tax (if applicable)**

- VAT will be applied as per the instructions of the Implementing Regulations issued by the Zakat, Tax and Customs Authority on all fees, expenses, and charges subject to VAT.
- All fees, charges, commissions, and Management Fees mentioned herein do not include VAT unless otherwise specified. If VAT is imposed or may be imposed on any service provided to the Fund, the Fund shall pay the service provider (in addition to any other charges or expenses) a sum equal to the VAT value on the VAT invoice of the service concerned. If VAT is imposed or may be imposed on any service provided by the Fund, the Customer shall pay the Fund (in addition to any other charges or expenses) a sum equal to the value of such VAT.
- The Fund Manager shall not be responsible for paying the Zakat of the Units for the Investors. Unitholders shall be responsible for paying the Zakat of their own Units in the Fund as the Zakat is subject to the Zakat Collection Rules for Investing in Investment Funds.
- The Fund Manager also undertakes to provide the Zakat, Tax, and Customs Authority with all the reports and requirements regarding Zakat declarations in accordance with the Zakat Collection Rules for Investing in Investment Funds. The Fund Manager will also provide Unitholders with Zakat declarations upon request in accordance with the Zakat Collection Rules for Investing in Investment Funds. Investors subject to the provisions of the Zakat Collection Rules for Investing in Investment Funds are responsible for calculating and settling Zakat on these investments. The Zakat Collection Rules for Investing in Investment Funds can be accessed through the website.

**g) Statement of any Special Commissions concluded by the Fund Manager (if any)**

Not applicable.

**h) Hypothetical Example that illustrates all Fees, Charges and Expenses, Paid from the Fund's Assets or Unitholders Based on the Currency of the Fund**

The hypothetical table above in Paragraph (c) of this Article (9) of the Terms and Conditions included all Fees, Charges and Expenses, paid from the Fund's Assets or Unitholders based on the currency of the Fund

## 10. Valuation & Pricing

**a) Detailed Statement on How Each Asset Owned by the Fund is Valued**

No	Assets	Valuation
1	International and Local Public Equity of various sizes and sectors	The closing price on that exchange or system shall be used. If the securities are suspended, they shall be valued based on the last price before suspension, unless there is conclusive evidence that the value of such securities has declined below the suspension price.
2	Debt instruments (Unlisted Sukuk)	Book value plus accumulated profits.
3	Debt instruments (listed Sukuk or traded on any organized securities exchange or on an automated pricing system)	If the exchange or regulatory conditions do not allow the Sukuk to be valued in accordance with (1) above, the Sukuk may be valued in accordance with (2) above.
4	Money Market Investment	The nominal value in addition to the accumulated profits.
5	Investment Funds Including Private Equity Funds	The latest net asset value per unit, as the private equity investments are valued quarterly. The most recent available



No	Assets	Valuation
		valuation for the private equity investments held is reflected by the end of the period (last published net asset value per unit) in the Fund's asset valuation, which is published semi-annually (on June 30 and December 31 of each calendar year), as outlined in these Terms and Conditions.
6	<b>Any other investment in accordance with what has been mentioned in these Terms and Conditions</b>	<p>The fair value determined by the Fund Manager and after verification by the Fund's Auditor, which is:</p> <ul style="list-style-type: none"> <li>- the most recent valuation issued for the asset by an independent valuer, or</li> <li>- any investment rounds in which the asset is valued, or</li> <li>- Transaction price for investments comparable or convergent to the assets invested, whether in the same field or sector, or</li> <li>- Using an independent valuer.</li> </ul> <p>Provided the Fund Manager periodically verifies any events which may cause the asset value to decrease, in which case, the Fund Manager shall recognize the decrease in value.</p>

The Fund Manager is required to evaluate these assets in the best ways and methods that protect the interests of Unitholders by following the approved international accounting and auditing standards and in a manner that does not conflict with the provisions of the Investment Funds Regulations and any law in force in the Kingdom of Saudi Arabia.

The Net Asset Value of per Unit of the Fund will be calculated by deducting total liabilities of the Fund, including any financial liabilities, accrued fees, and expenses due by the Fund during the calculation period from the Fund total assets, and the output will be divided by the number of the Fund Units for the same period.

It should also be noted that the valuation and pricing of Asset classes may differ from what appears in the financial statements that are based on approved international accounting and auditing standards and in a manner that does not contradict the provisions of the Investment Funds Regulations and any applicable regulation in the Kingdom of Saudi Arabia.

#### **b) Number and Recurrence of Valuation Points**

The Fund Manager will evaluate the Fund's assets per unit on a quarterly basis (on March 31st, June 30th, September 30, and December 31st every calendar year), and will publish the net asset value of the unit by the 10th day of the end of the quarter, and when none of those days is a Business Day, the Valuation Day will be the next Business Day, and shall be published on the Fund Manager's website ([www.sedccapital.com](http://www.sedccapital.com)), and the website of the Saudi Stock Exchange "Tadawul" ([www.saudiexchange.sa](http://www.saudiexchange.sa)).

#### **c) Action to be Taken in Case of Any Error in Valuation or Pricing**

In the event of erroneous valuation or pricing of any of the Fund Assets, or erroneous calculation of the Net Asset Value, the Fund Manager shall do the following:

- The Fund Manager shall notify the CMA immediately of any error in valuation or pricing amounting to 0.5% or more of the Unit Price, and shall disclose it immediately on its website and on Tadawul's website, as well as in the Fund reports, which are prepared by the Fund Manager in accordance with the Investment Funds Regulations.
- The Fund Manager shall include in its reports to the CMA, which are required under the

Investment Funds Regulations, a summary of all the valuation and pricing errors.

**d) Method of Calculation of the Unit Price for the Purposes of Executing Subscription and Redemption Applications**

The Fund Unit Par Value is SAR 10. The trading price per Unit shall be determined by the market, commensurate with the Unit supply and demand levels.

**e) Time, Place and Recurrence of Publication of the Unit Price**

The Fund's Net Asset Value per Unit shall be published by the 10<sup>th</sup> day of the end of the quarter, on the websites of the Fund Manager ([www.sedccapital.com](http://www.sedccapital.com)) and the Saudi Stock Exchange "Tadawul" ([www.saudiexchange.sa](http://www.saudiexchange.sa)).

## 11. Dealings

**a) Details of the Initial Offering**

<b>Target Fund Capital</b>	SAR 1,000,000,000 and the Minimum Equity Required for the Inception of the Fund is SAR 300,000,000
<b>Total Number of Units</b>	(100,000,000) units and the Minimum Equity Required for the Inception of the Fund is (30,000,000) units
<b>Initial Offering Price</b>	Ten (10) Saudi Riyals
<b>Percentage of Offering Allocation to Institutional Investors</b>	A minimum of 5% and a maximum of 70% of the Initial Public Offering (IPO) amount will be allocated to institutional investors. If this allocation is not covered by institutional investors, the balance will be allocated to the public
<b>Offering Starting Date</b>	11/11/1445H corresponding to 19/05/2024G
<b>Offering Duration</b>	The Fund's Units will be offered on the date of 19/5/2024 to 6/6/2024 of (15) Business Days) with the possibility of extending the duration for an additional (10) Business Days.

### Allocation Process

Offered cash Units shall be allocated as follows, taking into consideration the Public holding percentage:

- **First:** Allocation of not less than 5% and not more than 70% of the total Offering to institutional subscribers – if any – on a pro rata basis.
- **Second:** In the event that it is not covered by institutional clients, the remaining shares will be allocated to individual subscribers with a minimum of 10 Units allocated to each individual subscriber.
- **Third:** Allocation of the remaining Units to all in-cash subscribers on a pro rata basis, commensurate with subscription amounts.

In the event the number of Fund subscribers exceeds one million, the Fund Manager cannot guarantee the allocation of the minimum quantity to each subscriber.

### Timeline

The following table shows the time periods of the steps taken between the Initial Offering of the Fund Units and the trading of the Units:

<b>Initial Offering Period</b>	The Fund's Units will be offered on the date of 19/5/2024 to 6/6/2024 of (15) Business Days)
<b>Extension of Initial Offering Period</b>	Extension for a period similar to the Initial Offering Period of (10) Business Days)
<b>Issuing a statement of the results of the</b>	(10) Business Days from the date of expiry of the Initial Offering

<b>offering to the Capital Market Authority</b>	Period or any extension thereof
<b>Announcement of the status of Units allocation to Subscribers</b>	(10) Business Days from the date of expiry of the Initial Offering Period or any extension thereof
<b>Refund of Oversubscription (if any)</b>	(5) Business Days after the notification of the Unit's allocation status to Subscribers.
<b>Listing and Commencement of Trading of Units on the Market</b>	(20) Business Days after the end of the Offering Period

## b) Dates and Deadlines for Submitting Subscription and Redemption Applications

Investors are required to subscribe to the Units and fill out the Subscription Form through electronic channels, and the Subscription Form will be available on the website of the Fund Manager ([www.sedccapital.com](http://www.sedccapital.com)), the website of the Saudi Stock Exchange "Tadawul" ([www.saudiexchange.sa](http://www.saudiexchange.sa)) or the Receiving Entities, and each investor shall:

- **First:** Fill out the Subscription Form through electronic channels, where the Subscription Form is completed, as well as agreeing to the Terms and Conditions and the risks of investing in the Fund which is medium risk and acknowledging that it is reviewed electronically.
- **Second:** Pay the full Subscription Amount with the Subscription Fees and the VAT on the Subscription Fees in which the Investor applied for to the Fund's account with the Receiving Entities, if the aforementioned steps are not completed before the end of the Initial Offering Period, or if the information submitted is not accurate, the Fund Manager or the Receiving Entities may reject the Subscription Application.

With the submission of the completed and signed Subscription Form, each Investor shall be deemed to have submitted an irrevocable binding offer to subscribe in the number of Units mentioned in the Subscription Form. Moreover, the investor shall be deemed to have agreed to the Terms and Conditions. All Subscription Applications shall be subject to the Fund Manager's approval in accordance with the Terms and Conditions.

The Fund Manager reserves the right to reject the application of any Investor in the Fund if such subscription would lead to a breach of the Fund's Terms and Conditions or the implementing rules or regulations that may be imposed from time to time by the Capital Market Authority or other regulatory authorities in the Kingdom of Saudi Arabia.

The Offering shall be cancelled, and all Subscription Amounts shall be returned to the Investors, including the Subscription Fees, any returns resulting from its investment and the VAT, without deduction in the following events, unless the CMA decides otherwise:

- Failure to achieve the Minimum Target Fund Capital of SAR (300,000,000) or
- If the number of Public Unitholders is less than 200; or
- If the percentage of Public Unitholders is less than 30%.

In the event of cancellation of the Initial Offering, all the Subscription Amounts received, and any proceeds generated by their investment, shall be returned to the investor within Five (5) Business Days after the end of the Initial Offering Period (without any deduction).

## c) Subscription and Redemption Procedures, or Transfer of ownership

### Subscription Procedures during the Initial Offering Period

Investors are required to subscribe to the Units and fill out the Subscription Form through electronic channels, and the Subscription Form will be available on the website of the Fund Manager ([www.sedccapital.com](http://www.sedccapital.com)), the website of the Saudi Stock Exchange "Tadawul" ([www.saudiexchange.sa](http://www.saudiexchange.sa)) or the Receiving Entities, and each investor shall:

- **First:** Fill out the Subscription Form through electronic channels, where the Subscription Form is completed, as well as agreeing to the Terms and Conditions and the risks of investing in the Fund which is medium risk and acknowledging that it is reviewed electronically.
- **Second:** Pay the full Subscription Amount with the Subscription Fees and the VAT on the Subscription Fees in which the Investor applied for to the Fund's account with the Receiving Entities, if the aforementioned steps are not completed before the end of the Initial Offering Period, or if the information submitted is not accurate, the Fund Manager or the Receiving Entities may reject the Subscription Application.

With the submission of the completed and signed Subscription Form, each Investor shall be deemed to have submitted an irrevocable binding offer to subscribe in the number of Units mentioned in the Subscription Form. Moreover, the investor shall be deemed to have agreed to the Terms and Conditions. All Subscription Applications shall be subject to the Fund Manager's approval in accordance with the Terms and Conditions.

The Fund Manager reserves the right to reject the application of any Investor in the Fund if such subscription would lead to a breach of the Fund's Terms and Conditions or the implementing rules or regulations that may be imposed from time to time by the Capital Market Authority or other regulatory authorities in the Kingdom of Saudi Arabia.

The Receiving Entity will send to the client a message acknowledging receipt of the Fund Subscription Application by email and/or via SMS to the client's registered mobile telephone number.

The Subscription Application shall be reviewed, and in the event it is determined that it does not satisfy all requirements, or in case there are any comments, the client shall be notified by email and/or via SMS to the client's registered mobile telephone number using the electronic subscription feature to complete the requirements within one Business Day after sending the notification to the subscriber. If the Application is found to be complete, the investor shall be notified that the Subscription Application is accepted.

Following the closing date of the Initial Offering and after allocating Units to the investors in accordance with the allocation process and the allocation period, the CMA shall be notified, and the final Offering results and the allocation of Units shall be announced on the Fund Manager's website.

### **Minimum Subscription**

Investors shall, during the Initial Offering Period, subscribe in at least 10 Units per investor at a Subscription Price of SAR 10 per Unit and for a total Subscription Amount of not less than SAR 100

### **Minimum Redemption**

Not applicable, because this is a closed-ended and traded fund, and Unitholders are not allowed to redeem their Fund Units but may trade their Units at the Unit Price traded on the exchange. Units are traded in the same way as the shares of Tadawul-listed companies are traded. Unitholders may sell or buy the Units during the daily trading hours through licensed financial brokers.

### **Subscription Process**

- **Review of the Terms and Conditions**

Prospective subscribers may obtain a copy of the Terms and Conditions by visiting the websites of the Receiving Entities, or through the Fund Manager's website, or Saudi Tadawul's website, or the CMA's website. Prospective subscribers who intend to subscribe in

the Fund's Initial Offering shall read and sign the Fund's Terms and Conditions, keep them, and electronically declare that they have read and understood them.

- **Bank Transfer**

The full Subscription Amount to be subscribed to of not less than SAR 100 as a minimum, shall be transferred, with no maximum subscription limit applied during the Initial Offering Period, subject to the percentage public holding restrictions, to the account as stated by the Receiving Entities.

- **Completing the Subscription Application Form**

The subscriber shall fully and accurately complete the Subscription Form by visiting the website of the Fund Manager or filling out the Subscription Form in paper form by visiting the Fund Manager's headquarters or through the Receiving Entities, then the subscriber submits or sends all the required documents shown below on in paper form or electronically, and no Subscription Form or bank transfer will be accepted after the end of the last Business Day of the subscription days. The subscriber will not be able to modify the data contained in the Subscription Form after it is sent or delivered.

The subscription may be cancelled, and a new application may be filed. However, a subscription cannot be cancelled after being approved and confirmed. In all events, investors of all categories shall hand over and complete all the subscription requirements and documentation or upload them to the website.

- **Confirmation of Receipt of the Subscription**

The Receiving Entity will send to the client a message acknowledging receipt of the Fund Subscription Application by email and/or via SMS to the client's registered mobile telephone number.

- **Acceptance of the Subscription Application**

The Subscription Application shall be reviewed, and in the event, it is determined that it does not satisfy all requirements, or in case there are any comments, the client shall be notified by email and/or via SMS to the client's registered mobile telephone number using the electronic subscription feature to complete the requirements within one Business Day after sending the notification to the subscriber. If the Application is found to be complete, the investor shall be notified that the Subscription Application is accepted.

- **Allocation Notification**

Following the closing date of the Initial Offering and after allocating Units to the investors in accordance with the allocation process and the allocation period, the CMA shall be notified, and the final Offering results and the allocation of Units shall be announced on the Fund Manager's website.

- **Return of Oversubscriptions and Listing**

Subsequent to the announcement of the final allocation of Units, the oversubscription shall be returned to the subscribers within the time period specified in the Terms and Conditions, without any deduction, less the value of allocated Units. Allocated Units shall be included in the Subscribers' investment portfolios with one of the licensed capital market institutions.

### **General Conditions for Subscription in the Fund**

- Review of the Fund's Terms and Conditions.

- Availability of an active investment portfolio for the subscriber.
- Availability of a bank account IBAN Number registered in the name of the subscriber. The subscriber shall transfer the Subscription Amount from that account, and oversubscription will be returned to the subscriber after allocation.

### **Conditions and Requisite Documents by Investor Category**

- Requisite Documents for All Investors:
  - Copy of the bank transfer originating from a bank account in the name of the investor, showing the Subscription Amount, in the event the Subscription Application is submitted electronically.
  - Signed copy of the Terms and Conditions (in paper form, or acknowledgement of their review electronically).
  - Fully completed and signed Subscription Application Form (in paper form or electronically).
- Conditions and Requisite Documents for Individual Investors:
  - Copy of the national ID card for Saudis or GCC nationals or copy of a valid residence ID card for residents.
  - Completion of one Subscription Application shall suffice for each principal investor subscribing on his own behalf and on behalf of his family members appearing in the family record if the family members intend to subscribe in the same number of Units as the principal investor. This shall involve the following:
    1. All Units allocated to the principal investor and his dependent investors shall be registered in the name of the principal investor.
    2. Oversubscription amounts resulting from the unallocated additional Units shall be returned to the principal investor whether he had paid them for himself or on behalf of his dependent investors.
    3. The principal investor shall receive all the dividends of the Units which are allocated to the principal investor and the dependent investors (in the event Units are not sold or transferred).
- Conditions and Requisite Documents for Minors:
  - Copy of the national ID card for Saudis or GCC nationals or copy of a valid residence ID card for residents in respect of minors aged 15 Hegira years to 18 Hegira years, or the family record in respect of minors aged less than 15 Hegira years.
  - Copy of the residence ID card for resident minors aged less than 18 Hegira years.
  - Copy of the guardian's national ID card for Saudis or GCC nationals or copy of a valid residence ID card for the resident's guardian.
  - If the guardian is not the minor's father, the custodianship deed shall be attached.
  - A separate bank transfer shall be made for each minor individual from the same bank account of the minor's guardian, in the event the minor does not have a bank account or

portfolio.

- Details of certain subscription cases of minor individuals
  - Subscription for individuals younger than 18 Hegira years is permitted through the guardian or the custodian.
  - The minor younger than 18 Hegira years shall provide a copy of the national ID card or the residence permit, along with the ID of the guardian or the custodian.
  - If the client is a Saudi citizen who is younger than 15 Hegira years, the family record containing the minor's registration, as well as the national ID card of the guardian or the custodian, shall be attached.
  - If the client is younger than 18 years and under custodianship, a copy of the custodianship deed issued by the court of jurisdiction along with the custodian's ID card, shall be attached.
  - A minor who lack legal competence may subscribe through the guardian or custodian, provided that the minor has an investment portfolio with a capital market institution.
  - The divorced or widowed Saudi woman who is the mother of minor children from a non-Saudi husband, may subscribe under the names of her children, provided that she submits evidence that she is divorced or widowed and proof that she is the mother of minor children.
- Requisite Documents for Companies:
  - Copy of the commercial registration.
  - Copy of the articles of association and the bylaws (if any).
  - Copy of the ID card of the authorized signatory stamped by the company and signed by the authorized signatory.
  - The resolution of the Board of Directors or the partners' resolution to approve the opening of the investment account and grant the powers to the authorized persons to operate the investment account.
  - A list of the names of the persons authorized to operate the investment account.
  - A list of the names of the members of the Board of Directors and senior management.
- Requisite Documents for Investment Funds:
  - Copy of the commercial registration of the fund manager.
  - Copy of the articles of association and the bylaws of the fund manager.
  - Copy of the fund manager's license to engage in the business activity.
  - Copy of the fund's terms and conditions.
  - Copy of CMA's approval of the offering of the fund.

- Copy of the authorized signatory's ID card.
- Requisite Documents for Investment Portfolios:
  - Copy of the ID card of the portfolio holder.
  - Copy of the commercial registration of the portfolio manager.
  - Copy of the articles of association and the bylaws of the portfolio manager.
  - Copy of the portfolio manager's license to engage in the business activity.
  - Copy of the investment portfolio management agreement.
  - Copy of the ID card of the authorized signatory.

#### **d) Restrictions on Units Trading**

Upon listing, Units are traded in the same way as the shares of Tadawul-listed companies are traded. Unitholders may sell or buy their Units during the daily trading hours through licensed financial brokers.

#### **e) Events Where Trading Is Postponed or Suspended, and Action Taken In such Events**

1. The CMA may suspend the trading of listed Units or delist the Units at any time at its discretion, in the following events:
  - If it deems so necessary to protect the Unitholders or maintain a regulated exchange.
  - If the Fund Manager fails to comply with the Law or its Implementing Regulations or the market rules, and the CMA deems such failure to be material.
  - If the Fund Manager fails to timely pay any amount due and payable to the CMA or Tadawul, or any penalties due and payable to the CMA.
  - If the CMA finds that the Fund and its activities, level of operations or assets are no longer suitable for the continued listing of its Units on Tadawul.
  - If the CMA finds that the Custodian has failed to comply with the Law and its Implementing Regulations and the market rules, and the CMA deems such failure to be material.
  - Upon expiration of the Fund Term.
2. The lifting of suspension of trading imposed under the foregoing Paragraph (1) is subject to the following considerations:
  - Sufficient remedy of the conditions which caused the suspension, and the absence of any necessary causes for the continued suspension against the Unitholders.
  - The lifting of the suspension is not likely to affect the exchange's normal activities.
  - The Fund Manager's compliance with any other conditions as required by the CMA.
3. Tadawul suspends trading of Fund Units in any of the following events:
  - Failure of the Fund Manager to comply with the deadlines for disclosure of its periodic financial



information in accordance with applicable implementing regulations.

- If the Auditor's report on the Fund's financial statements contains an adverse opinion or disclaimer of opinion.
  - If the liquidity requirements provided in the Listing Rules are not satisfied by the deadline specified by Tadawul for the Fund to rectify its conditions, unless the CMA agrees otherwise.
4. Tadawul may at any time propose to the CMA to suspend the trading of Units or delist them, if it determines that any of the events referred to in Paragraph (1) above is likely to occur.
  5. Upon suspension of the Fund Units, the Fund shall continue to comply with the Law and its Implementing Regulations and the market rules.
  6. If the suspension of trading of the Units continues for a period of six (6) months without appropriate action being taken by the Fund Manager to remedy the suspension, the CMA may delist the Fund Units.
  7. After listing its Units, the Fund may not cancel the listing without the CMA's prior approval. To obtain CMA's approval, the Fund shall apply to the CMA for delisting, with notification to that effect filed simultaneously with Tadawul. The application shall include the following information:
    - The specified reasons for the application for delisting.
    - A copy of the public disclosure in this respect as soon as possible. The disclosure shall include, as a minimum, the reason for delisting, the nature of the event leading to the delisting, and the effect of the delisting on the activities of the Fund.
    - The names and contact details of the financial advisor and the legal advisor, who are appointed in accordance with the relevant Implementing Regulations.

The CMA may – at its discretion – accept or reject the application for delisting. After receiving CMA's approval, the Fund Manager shall obtain the consent of the Unitholders – by way of an Ordinary Fund Resolution – to delist.

8. Upon delisting at the Fund Manager's request, the Fund Manager shall make a public disclosure in this respect as soon as possible. The disclosure shall include, as a minimum, the reason for delisting, the nature of the event leading to the delisting, and the effect of the delisting on the activities of the Fund.
9. The Fund Manager may apply to Tadawul to temporarily suspend the trading of the Fund Units upon occurrence of an event during the trading period which must be disclosed without delay according to the Law or its Implementing Regulations or the market rules, and the Fund Manager cannot keep it secret until the end of the trading period. Tadawul shall suspend the trading of the Fund Units immediately upon receiving the Fund Manager's application.
10. Upon temporary suspension of trading at the Fund Manager's request, the Fund Manager shall make a public disclosure as soon as possible, showing the reason for the suspension and its expected period, as well as the nature of the event leading to the suspension and the effect of the suspension on the activities of the Fund.
11. The CMA may temporarily suspend trading without receiving a request from the Fund Manager, whenever the CMA has information, or whenever there are circumstances which may affect the activities of the Fund, and the CMA determines that such circumstances may affect Tadawul's activity or undermine the protection of the Unitholders. The fund whose units are temporarily suspended shall continue to comply with the Law and its Implementing Regulations and the market rules.

12. Tadawul may propose to the CMA to exercise its authority in accordance with Paragraph (11) above, if it receives information or learns of circumstances which may affect the activities of the Fund, or could potentially adversely affect Tadawul's activity or undermine the protection of the Unitholders.

13. The temporary suspension of trading shall be lifted at the end of the period specified in the disclosure referred to in Paragraph (10) above, unless the CMA or Tadawul determines otherwise.

**f) Statement of the Procedures For Selection of the Redemption Applications To Be Postponed**

Not applicable, because the Fund is closed-ended and traded, and Unitholders may not redeem their Fund Units, but may trade their Units at the Unit Price traded on the exchange. Units are traded in the same manner as the shares of Tadawul-listed companies are traded. Unitholders may sell or buy their Units during the daily trading hours through licensed financial brokers.

**g) Statement of the Provisions Governing the Transfer of Ownership of Units to Other Investors**

Upon listing, Fund Units may be traded in the same way as the shares of Saudi Tadawul listed companies are traded. Thus, Unitholders and investors may trade through licensed brokerage companies during the normal trading hours announced by Saudi Tadawul.

By purchasing any of the Fund Units on the Exchange, the Unitholder is deemed to have read and accepted the Terms and Conditions of the Fund.

**h) Minimum Number or Value of Units In Which the Unitholder Shall Subscribe, Transfer or Redeem**

During the Initial Offering period, Investors must subscribe to at least (10) Units per Investor with a subscription price of ten (10) Saudi Riyals per Unit and a total subscription amount of not less than one thousand

(100) Saudi Riyals.

**i) Detailed Statement of any Minimum Amount that the Fund Manager Intends to Raise, and the Action Taken if that Minimum Amount Is Not Reached**

The Fund Manager intends to raise SAR 1,000,000,000 (which is equivalent to 100,000,000 Units) (the "**Target Fund Capital**") and the minimum equity required for the Inception of the Fund is SAR 300,000,000 (which is equivalent to 30,000,000 Units) ("**Minimum Fund Target Capital**").

If the Fund fails to raise the Minimum Fund Target Capital, the Fund Manager may, at its discretion, extend the Offering Period for a period similar to the Initial Offering Period or cancel the Offering and return all the Subscription Amounts to the subscribers.

In the event of cancellation of the Offering, all subscription amounts will be returned to investors, including the Subscription Fees and the VAT, in the event of failure to achieve the Minimum Fund Target Capital of (300,000,000) Saudi Riyals without any deduction.

## 12. Distribution Policy

**a) Income and Dividend Distribution Policy, Including Details of Unclaimed Distributions**

**Distribution for the Liquid Strategies:**

The Fund's objective is to distribute the dividend received from the underlying investments in international public equity (including investments IPOs, tradable rights issue, and index funds) and local public equity (including investments in IPOs, tradable rights issue, and index funds), as well as fixed income instruments (including Sukuk, Money Market, and Murabaha) to Unitholders at a rate of (100%) as net returns on a quarterly basis.

The Fund also aims to distribute a maximum of (50%) of the capital gain on quarterly basis at the discretion of the Fund Manager in accordance with the distribution policy outlined in paragraph (b) below.

**Distribution for the Illiquid Strategies:**

The Fund Manager, as it deems appropriate at its discretion, will distribute up to (50%) of the net realized capital gains resulting from exits of underlying illiquid investments on a quarterly basis. in accordance with the distribution policy outlined in paragraph (b) below.

It is also worth noting that the Fund Manager has the discretion to retain the sale proceeds, whether full or partial, resulting from the disposal and sale of the Fund's investments for the purposes of reinvesting these returns in other assets and investments in accordance with the Terms and Conditions of the Fund.

The Fund Manager will take into consideration the values of the Assets, the Unit price, the prevailing market condition at the time, and the long-term growth of the Fund's Assets to make the optimal decision on whether to make or not to make distributions.

**b) Approximate Pay and Distribution Date**

Distributions (if any) will be announced within 40 Business Days following the end of March, June, September, and December of each Gregorian year and the Fund distributes the returns within a 90 Business Day period from the date of announcing the distributions. Details of cash distributions will be announced on Saudi Tadawul's website and the Fund Manager's website. The Fund Manager will take into account the asset values, Unit Price and market situation in a timely manner, taking into account the long-term growth of the Fund Assets in order to build the most appropriate decision in terms of distribution or not.

The Unitholders' eligibility to cash distribution will be based on the Unitholders' Register as at the pay date, which will be determined in accordance with the aforementioned Fund Manager's announcement.

In the event the Fund Manager decides not to distribute dividends due to market conditions or any other circumstances, the Fund Manager shall announce on the Exchange that it will not distribute dividends for the specified period.

**c) Method of Payment of Distribution**

Gains are distributed by deposit in the Unitholder's investment account. The Fund Manager will distribute the returns and/or gains after obtaining the Fund Board's approval.

**13. Reporting to Unitholders**

**a) Information Related to Annual Reports, including Quarterly Statement, Interim and Annual Financial Statements**

- The accounting period and fiscal year of the Fund is 12 calendar months, ending on 31 December. The end of the Fund's initial accounting period is 31 December 2024G.

- The Fund Manager shall prepare the annual reports, interim and annual financial statements and quarterly reports in accordance with the Investment Funds Regulations and the Unitholders will be provided upon request free of charge.
- A quarterly statement of the Fund shall be made available within 10 days after the end of the reporting quarter.
- The Fund Manager will prepare the interim financial statements and make them available to the public within 30 days after the end of the reporting period.
- Annual reports (including the annual financial statements) of the Fund shall be made available to the public within no later than three months after the end of the reporting period.

**b) Information on the Place and Means of Providing Fund Reports Prepared by the Fund Manager**

The Fund's annual reports, including the financial statements, shall be made available on the Fund Manager's website, on Saudi Tadawul's website and on any other website available to the public in accordance with CMA's guidelines.

**c) Information on the Means of Providing Unitholders with Annual Financial Statements**

The annual financial statements shall be made available on the Fund Manager's website, on Saudi Tadawul's website and on any other website available to the public in accordance with CMA's guidelines.

**d) Acknowledgment of the Availability of the First Audited Financial Statement at the end of the Financial Year of the Fund with the Date of the End of that Year**

The Fund Manager will prepare the Fund's interim financial statements and make them available to Unitholders within (30) days from the end of the statement period, and the end of the Fund's initial accounting period will be 31 December 2024.

**e) Acknowledgment of Submitting the Audited Annual Financial Statement**

The Fund Manager will provide the Fund's audited annual financial statements free of charge upon request.

## **14. Unitholders' Register**

The Securities Depository Center Company (Edaa) will prepare and maintain the Unitholders' register in the Kingdom.

## **15. Unitholders' Meeting**

**a) Circumstances In Which A Unitholders' Meeting Is Called**

- The Fund Manager may, on its own initiative, call a meeting of Unitholders, provided that the subject matter of the invitation does not conflict with the responsibilities and duties of the Fund Manager under the Investment Funds Regulations.
- The Fund Manager shall call a meeting of Unitholders within (10) days from the date of receiving a written request to that effect from the Custodian.
- The Fund Manager shall call for a meeting of Unitholders within (10) days of receiving a written request from a Unitholder or more, who individually or collectively hold(s) at least 25% of the value of Fund Units.

## **b) Unitholders Meeting Procedures**

- The invitation to the Unitholders meeting shall be by announcing the same on the Fund Manager's website, the Market's website and any other website available to the public in accordance with CMA's guidelines, at least ten (10) days before the meeting and not more than twenty-one (21) days before the meeting, and the announcement will specify the date, place, time, agenda and proposed resolutions, and a copy of the same will be sent to the CMA.
- When preparing the agenda of the Unitholders meeting, the Fund Manager must take into account the topics that the Unitholders wish to list, and Unitholders who own at least (10%) of the value of Fund Units have the right to add one or more topics to the agenda of the Unitholders meeting, provided that the proposed topic does not overlap with the responsibilities and duties of the Fund Manager under the provisions of the Investment Funds Regulations.
- The Fund Manager may amend the agenda of the Unitholders meeting during the announcement period referred to above, provided that this is announced on the Fund Manager's website, the Market website and any other website available to the public in accordance with CMA's guidelines, at least ten (10) days before the meeting and not more than twenty-one (21) days before the meeting.
- In the event that the Unitholders approve any of the resolutions proposed at the Unitholders meeting, and this necessitates amending these Terms and Conditions, the Fund Manager shall amend these Terms and Conditions in accordance with the approved resolution.
- The Unitholders' meeting shall not be valid unless attended by a number of Unitholders collectively owning at least (25%) of the value of Fund Units.
- If the quorum requirements set out above are not met, the Fund Manager shall call for a second meeting by announcement on its website, Tadawul' website and any other website available to the public in accordance with CMA's guidelines, not less than 5 days' notice of the second meeting. The second meeting shall be if attended by any number of Unitholders.

## **c) Vote of Unitholders and Voting Rights in Unitholders Meetings**

- Every Unitholder shall be entitled to appoint a proxy to represent such Unitholder at a meeting of Unitholders.
- Each Unit held by a Unitholder shall represent one vote at the meeting of Unitholders.
- The Unitholders' meetings and their deliberations and voting on resolutions may be conducted through modern technology means in accordance with the requirements set out by the CMA.
- Every Unitholder shall be entitled to exercise all rights related to the Units including voting rights in the meetings of the Unitholders and to obtain the approval of the Unitholders for any changes that require their approval in accordance with the Investment Funds Regulations.

# **16. Unitholders' Rights**

## **a) List of Unitholders' Rights**

- The right to receive a copy of the Fund's Terms and Conditions in Arabic, or any amendments thereto, free of charge.
- The right to receive, upon request and free of charge, a summary containing all information related to the Unitholder concerned only.

- The right to receive notification on any matter related to the termination or liquidation of the Fund within the period specified in the Investment Funds Regulations.
- The right to exercise all rights associated with the Units including - but not limited to the right to vote at Unitholders' meetings on any subject related to the Fund.
- The right to receive the Fund's audited annual and semi-annual financial statements and information as provided in the Funds Regulations free of charge upon request.
- The right to examine the Fund's current net asset value free of charge.
- The right of all Unitholders of the same category to equal rights and equal treatment by the Fund Manager.
- The right not to return any dividends distributed to Unitholders.
- The right to request issue of a Special Fund Resolution to remove any member of the Board of Directors. This request shall be addressed to the Fund Manager.
- The right to receive notification of any change in the Fund's Terms and Conditions and a summary of such change before it goes into effect, commensurate with the type of change and the period allowed in accordance with the Investment Funds Regulations.
- The right to receive an immediate notification from the Fund Manager when the Fund Manager suspends subscription or redemption of the Fund Units, showing the causes of suspension, as well as upon the lifting of the suspension.
- The right of injured Unitholders to receive compensation from the Fund Operator without delay in respect of all valuation or pricing errors.
- The right to receive notification of the CMA's decision in the event of removal of the Fund Manager from the liquidation process and the appointment of a replacement liquidator.
- The right to receive immediate notification without delay of any material events or developments which occur during the liquidation period.
- The right to attend meetings, request meetings to be convened, receive notice of the meeting before it is held within the period as provided in the Funds Regulations.
- The right to receive special procedures for handling complaints when requested from the Fund Manager.
- Disclose to the CMA and Unitholders without delay the developments mentioned in paragraph (B) of Article (52) of the Investment Funds Regulations, whether material or not.
- Disclosure relating to Substantial Unitholder dealings as stated in Article (52) paragraph (C) of the Investment Funds Regulations, notifying the CMA and Unitholders, and disclosing on the website of the Fund Manager and the Market website in accordance with CMA's guidelines any Non-Fundamental Change in the Fund (10) days before the change takes effect.
- The Fund Manager shall call a meeting of Unitholders within (10) days from the date of receiving a written request to that effect from the Custodian.
- The Fund Manager shall call for a meeting of Unitholders within (10) days of receiving a written request from a Unitholder or more, who individually or collectively hold(s) at least 25% of the value of Fund Units.

- The invitation to the Unitholders meeting shall be by announcing the same on the Fund Manager's website, the Market's website and any other website available to the public in accordance with CMA's guidelines.
- The Fund Manager may amend the agenda of the Unitholders meeting during the announcement period referred to above, provided that this is announced on the Fund Manager's website, the Market website and any other website available to the public in accordance with CMA's guidelines.
- In the event that the Unitholders approve any of the resolutions proposed at the Unitholders meeting, and this necessitates amending these Terms and Conditions, the Fund Manager shall amend these Terms and Conditions in accordance with the approved resolution.
- The Unitholders' meeting shall not be valid unless attended by a number of Unitholders collectively owning at least (25%) of the value of Fund Units.
- If the quorum requirements set out above are not met, the Fund Manager shall call for a second meeting by announcement on its website, Tadawul' website and any other website available to the public in accordance with CMA's guidelines, not less than 5 days' notice of the second meeting. The second meeting shall be if attended by any number of Unitholders.
- Every Unitholder shall be entitled to appoint a proxy to represent such Unitholder at a meeting of Unitholders.
- Each Unit held by a Unitholder shall represent one vote at the meeting of Unitholders.
- The Unitholders' meetings and their deliberations and voting on resolutions may be conducted through modern technology means in accordance with the requirements set out by the CMA.
- Participate in relation to increasing the total value of the Fund's assets and the allocation of the additional Units will be offered first to the Unitholders registered on the day of the Unitholders' meeting designated to approve the increase in the total value of the Fund's assets and those wishing to participate in the additional Units on a pro rata basis, and then allocate the remaining Units (if any) to the rest of the investors who are not Unitholders.
- The Fund Manager shall prepare the annual reports and provide the Unitholders with them upon request free of charge, and publish such reports in the places and by the means specified in these Terms and Conditions, through the website of the Fund Manager, the website of the Market or any other website available to the public in accordance with CMA's guidelines, according to the period stated in Terms and Conditions and in accordance with the Investment Funds Regulations.
- Any other rights of Unitholders under the laws, regulations and instructions of the CMA.

#### **b) Fund Manager's Policy On Voting Rights Associated with Any Fund Assets**

- The Fund Board shall consult with the Fund Manager's compliance officer and approve the general policies associated with the voting rights related to the Fund based on the securities contained in its assets portfolio. The Fund Manager shall decide, at its discretion and based on the voting policies and procedures approved by the Fund Board, whether to exercise or not exercise any voting rights after consulting with the compliance officer. The Fund Manager shall keep complete documented records of the exercise of such voting rights (including the reasons of exercising or not exercising such rights in a particular manner). Unitholders will be provided with this policy upon their request. The Voting Rights Policy is available via the Fund Manager's website and Saudi Tadawul's website.
- When exercising or not exercising any of the rights related to the Fund Assets, the Fund

Manager shall act in the interests of the Unitholders.

- The Fund Manager must establish a written policy regarding voting rights to be adopted by the Fund Board.
- The Fund Manager shall exercise or abstain from exercising voting rights as required by the written policy approved by the Fund Board, and keep a complete record documenting the exercise or abstention of voting rights and the reasons therefore.
- The Fund Manager must disclose on its website and the Market's website the policies on voting rights.

## 17. Unitholders' Liability

Notwithstanding the loss of all or part of the Unitholder's investment in the Fund, the Unitholder shall not be liable for the debts and liabilities of the Fund. The Unitholders will be responsible for the payment of Zakat on the Units they invest in.

## 18. Characteristics of the Units

All the Units are of a single category. Unitholders have equal rights, and are treated equally by the Fund Manager. Each Unit represents an equal common share in the Fund's assets.

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

### a) Provisions Governing the Change of the Terms and Conditions of the Fund and the Approvals and Notices specified under the Investment Funds Regulations

The provisions governing the change of the Terms and Conditions of the Fund shall be divided into two parts in accordance with the Investment Funds Regulations, based on the type of change in accordance with Article (62) and Article (63) of the Investment Funds Regulations according to the following:

**First:** Approval of the CMA and Unitholders on the Fundamental Changes:

- The Fund Manager shall obtain the consent of the Fund Unitholders to the proposed Fundamental Change by way of an Ordinary Fund Resolution.
- The Fund Manager shall obtain the approval of the Fund Unitholders for the proposed fundamental change, which is the change in the maturity date or termination of the Fund by way of a Special Fund Resolution.
- The Fund Manager, having obtained the consent of Unitholders, shall obtain the approval of the CMA on the proposed Fundamental Change to the Fund.
- **"Fundamental change"** means any of the following situations:
  - A change which significantly changes the purposes, nature or class of the Fund.
  - A change which may have a material adverse effect on the unitholders or their rights in relation to the Fund.
  - A change which alters the risk profile of the Fund.
  - Voluntary withdrawal of the Fund Manager from the position as a Fund Manager.
  - Any change which usually causes the Unitholders to reconsider their participation in the Fund.



- Any change results in any increased payments out of the assets of the Fund to the Fund Manager or any member of the Fund board or an affiliate of either.
  - Any change introduces a new type of payment out of the assets of the Fund.
  - Any change materially increases other types of payment out of the assets of the Fund.
  - A change in the maturity or termination date of the Fund.
  - An increase in the total asset value of the Fund by accepting contributions in cash, in kind, or in both.
  - Any other events determined by the CMA from time to time, and advised to the Fund Manager.
- The Fund Manager must obtain the approval of the Fund Board before making any Fundamental Change.
  - The Fund Manager shall send a notice to Unitholders, and shall disclose the details of the Fundamental Changes on its website and on any other website available to the public, subject to CMA's guidelines, (10) days prior to the effective date of the change.
  - Details of the Fundamental Changes shall be shown in the public fund's reports prepared by the Fund Manager in accordance with the Investment Funds Regulations

**Second:** Notifying the CMA and the Unitholders of any Non-Fundamental Changes:

- The Fund Manager shall notify the CMA and Unitholders of, and shall disclose on its website and on any other website available to the public, subject to CMA's guidelines, any Non-Fundamental Changes to the public fund, (10) days prior to the effective date of the change.
- The Fund Manager shall obtain the Fund Board's approval prior to introducing any Non-Fundamental Change.
- **"Non-Fundamental Change"** any change that does not form part of the Fundamental Changes.
- Details of the Non-Fundamental Changes shall be shown in the public fund's reports prepared by the Fund Manager in accordance with the Investment Funds Regulations.

**b) Procedures to be Followed For Notification of Any Changes to the Fund's Terms and Conditions**

- The Fund Manager shall send a notice to Unitholders, and shall disclose the details of the Fundamental Changes on its website and, Tadawul's website and any other website available to the public in accordance with CMA's guidelines (10) days prior to the effective date of the change.
- The Fund Manager shall notify the CMA and announce on its website and, Tadawul's website and any other website available to the public in accordance with CMA's guidelines of any Non-Fundamental Change (10) days prior to the effective date of the change.
- The Fund Manager must obtain the approval of the Fund Board of before making a Non-Fundamental Change.

## 20. Termination and Liquidation of the Fund

**a) Events Triggering the Termination of the Fund in Accordance with the Investment Funds Regulations**

This Fund is a closed-ended investment traded fund offered publicly, and the Fund Manager may terminated in any of the following events:

- The Fund Manager's decision to terminate and discontinue the Fund.
- Upon expiration of the Fund Term.
- In the event of any change in regulations or any other circumstances that the Fund Manager deems sufficient reason to terminate the Fund. The Fund Manager shall notify the CMA and notify the Unitholders in writing of its intention to terminate the Fund within a period of not less than (21) days from the date on which the Fund will be terminated.
- If there is a change to the laws, regulations or other legal conditions, or there are material changes to the market conditions in Saudi Arabia, and the Fund Manager considered such change as a justified reason to terminate the Fund.
- In the event that all the Fund Assets are disposed of, and all proceeds from these transactions have been distributed to Investors, taking into account all regulatory requirements in this regard.
- In the event that the Fund Manager wishes to terminate the Fund in events other than those described in these Terms and Conditions, taking into account all regulatory requirements in this regard.

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

- The Fund Manager must complete the process of selling the Fund's assets and distribute the Unitholders' entitlements to the Unitholders prior to the end of the Fund's Term.
- The Fund Manager may extend the Fund's Term to complete the sale process of the Fund's assets or any other event in accordance with the provisions of the Investment Funds Regulations.
- For the purpose of terminating the 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's approval on such plan prior to carrying out any procedure in this regard.
- In case the Fund's Terms and Conditions provide that the Fund will be terminated upon the occurrence of a certain event, the Fund Manager must terminate the Fund immediately upon the occurrence of such event and notify the CMA and Unitholders in writing within 5 days from the occurrence of the event triggering the termination of the Fund.
- The Fund Manager shall notify the CMA and the Unitholders of the end of the Fund liquidation within 10 days from the end of the Fund liquidation by announcement on the Fund Manager's website and Saudi Tadawul's website, in accordance with the requirements of the Investment Funds Regulations.
- The Fund Manager shall treat all Unitholders equally during the Fund termination or liquidation process.
- The Fund Manager shall immediately upon the end of Fund's Term or liquidation, distribute the entitlements of the Unitholders to them, without delay and in a manner that does not

conflict with the interests of Unitholders and the Fund's Terms and Conditions.

- The Fund Manager must announce on its website and the Market's website the expiry of the Fund Term.
- The Fund Manager shall provide the Unitholders with the Fund termination report, in accordance with the requirements of the Investment Funds Regulations within a period not exceeding 70 days from the date of completion of the Fund's termination or liquidation, including the final audited financial statements of the Fund for the period subsequent to the last audited annual financial statements.

#### **b) Procedures For Liquidation of the Fund**

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

- The Fund Manager will treat all the Unitholders equally during the process of liquidation of the Fund.
- The Fund Manager will, immediately upon the end of the Fund Term or upon the Fund's liquidation, distribute the amounts due and payable to the Unitholders without delay and in a manner that does not conflict with the interests of the Unitholders and the Fund's Terms and Conditions.
- The Manager of the public fund shall announce the end of the term of the Fund's liquidation on its website, and on Saudi Tadawul's website, or on any other website open to the public, subject to CMA's requirements (where applicable).
- The Fund Manager will provide the Unitholders with a report on the Fund's liquidation, in accordance with the requirements of Investment Funds Regulations, within a period not exceeding (70) days from the date of completion of the Fund's liquidation, including the final audited financial statements of the Fund for the period subsequent to the last audited annual financial statements.
- In the event that the Fund Term expires, and the Fund Manager does not complete the selling of the Fund Assets during the Fund Term, the Fund Manager must liquidate the Fund Assets and distribute the amounts due and payable to the Unitholders within a period not exceeding (6) months from the date of expiry of the Fund Term.
- For the purpose of liquidating the Fund, the Fund Manager will obtain the Fund Board's approval (where applicable) of the plan and procedures for the liquidation of the Fund prior to carrying out any action in this regard.
- The Fund Manager will notify the CMA and Unitholders in writing of the completion of the Fund's liquidation within (10) days from the date of completion of the Fund's liquidation, in accordance with the requirements of the Investment Funds Regulations.
- The CMA may remove the Fund Manager from the liquidation process in the event of issue of a special Fund resolution by the Fund's Unitholders, provided that a replacement liquidator is appointed during the same meeting in which the Unitholders voted to remove the Fund Manager.
- If the Fund Manager is removed from the liquidation activities, the Fund Manager will fully cooperate to transfer the liquidation responsibilities to the appointed liquidator. The Fund Manager will also transfer to the appointed liquidator all the documents related to the relevant investment fund which will enable it to complete the liquidation activities within 20 days from the date of issue of the CMA's resolution to remove the Fund Manager and appoint a

replacement liquidator.

- The Fund Manager shall notify the Unitholders by announcing on its website and on Saudi Tadawul's website, in the event the CMA issues a resolution to remove the Fund Manager and appoint a replacement liquidator in accordance with the Investment Funds Regulations.
  - In all events, the Fund Manager will notify the CMA in writing and the Unitholders by announcing on its website and on Saudi Tadawul's website, immediately and without delay, of any material events or developments during the period of liquidation of the Fund.
  - The Fund Manager will comply with the plan and procedures for the liquidation of the Fund.
- c) In the event of the expiry of the Fund Term, the Fund Manager shall not receive any fees deducted from the Fund Assets.**

## **21. Fund Manager**

### **a) Name of the Fund Manager, Duties and Responsibilities**

#### **Name of Fund Manager**

Saudi Economic and Development Securities Company (SEDCO Capital).

#### **Duties and Responsibilities of the Fund Manager**

- Management and operation of the Fund.
- Offering of the Fund Units.
- Ascertaining the accuracy of the Fund's Terms and Conditions, ensuring that they are complete, clear, valid and not misleading.
- Developing policies and procedures to assess the risks which affect the Fund's investments and to ensure that they are swiftly dealt with, provided such policies and procedures include a risk assessment process to be conducted at least once a year.
- Cooperating with all persons concerned with the performance of the Fund's activities, including the Custodian and the Auditor, and providing them with all requirements to carry out their duties and mandates in accordance with the Investment Funds Regulations.
- Submit applications to the CMA and Tadawul and seek their final approval for the Offering.
- Preparing the structure of the Fund, structuring investment opportunities and investment opportunities model.
- Prepare all the required documents to be submitted to the CMA and Tadawul.
- Seek offers from related parties such as Custodian, Auditor and others.
- Acting for the benefit of Unitholders in accordance with the Investment Funds Regulations, the Capital Market Institutions Regulations and the Fund's Terms and Conditions.
- Complying with all the principles and obligations provided in the Capital Market Institutions Regulations, including the duty of fidelity towards the Unitholders, which involves conducting business in their best interest and exercising reasonable care.
- Preparing investment plans and objectives of the Fund.

- Evaluate the investment opportunities available for the Fund.
- Preparing an annual report containing an evaluation of the performance and quality of the services provided by the parties concerned with the provision of the Fund's material services, including the Custodian.
- Managing the Fund's assets for the benefit of the investors in accordance with the Terms and Conditions.
- Ensuring the legality and validity of all contracts concluded for the benefit of the Fund.
- Compliance with the provisions of the Investment Funds Regulations, whether it performs its responsibilities and duties directly or assigned to an external party under the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations.
- Comply with the provisions of the Investment Funds Regulations when submitting applications for approval or notifications to the CMA.
- Comply with these Terms and Conditions.
- Preparing an annual report containing all the complaints and action taken in respect of them and submitting it to the Fund Board.
- Compliance with the instructions for investment funds announcements.
- Implement the investment strategies described under these Terms and Conditions.
- Appointing an Auditor and other professional service providers for the Fund including legal counsel.
- Inform Unitholders of any material facts or developments that may affect the Fund's business in accordance with the requirements of the Investment Funds Regulations, including disclosure in accordance with the requirements of Article (52) of the Investment Funds Regulations.
- Consult with the Fund Board from time to time to ensure compliance with the regulations of the Capital Market Authority and these Terms and Conditions.
- Arranging the liquidation of the Fund upon its termination.
- Unless otherwise specified by the CMA, the Fund Manager shall not limit investment eligibility to nationals of any country, group of countries or in a particular Fund, and the Fund Manager shall have the absolute authority to reject the investment of any an unqualified person or entity in the Fund, under any other relevant law.
- Implementing the Fund's compliance monitoring scheme, and providing the CMA with the implementation results upon request.

#### **b) Number and Date of Issue of CMA License**

Saudi Economic and Development Securities Company (SEDCO Capital) is a closed joint stock company, with its headquarter in Jeddah under Commercial Registration No. (4030194994), licensed and regulated by the Capital Market Authority under license number (11157-37) dated 19/04/2009G.

#### **c) Registered Address and Head Office Address of the Fund Manager**

Saudi Economic and Development Securities Company (SEDCO Capital)  
 P.O. Box 4384 Jeddah 21491  
 Jeddah, Al Murjan Dist., King Road  
 Red Sea Markets Center  
 Phone: 2151500  
 Fax: +966 12 690 6599

**d) Website Address of the Fund Manager**

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

**e) Fund Manager Paid-up Capital**

200,000,000 Saudi Riyals.

**f) Summary of the Financial Information of the Fund Manager**

Statement	Year 2022	Year 2021	Year 2020
Total Revenue	130,107,400.00	158,280,015.47	106,476,036.27
Total Operating Expenses	96,103,003.00	119,213,172.32	81,483,460.70
Income from operations	34,004,397.00	39,066,843.15	24,992,575.57
Net Income	31,392,832.00	35,158,083.10	17,270,585.07
Total Assets	418,507,086.00	438,036,447.00	386,354,285.00
Total Liabilities	69,905,423.00	101,657,860.00	72,979,003.00
Total Shareholders' Equity	348,601,663.00	336,378,587.00	313,375,252.00

**g) Basic Roles and Responsibilities of the Fund Manager in relation to the Fund**

Please refer to paragraph (a) on "Duties and Responsibilities of the Fund Manager".

**h) Any Other Business Activities or Interests of the Fund Manager That Are of Material Significance, or May Conflict with the Activities of the Fund.**

The Fund Manager seeks to exert its utmost efforts to resolve any conflict of interest that may arise between the Fund Manager, members of the Fund Board, the concerned parties, and Unitholders, including cases that may affect the Fund Manager's performance and implementation of its duties towards the Fund.

The Fund may also enter into transactions with the Fund Manager or its Affiliates or companies that were affiliated with it in the past, or with other entities in which the Fund Manager has direct or indirect rights. All transactions that take place between the Fund and the Fund Manager and its Affiliates and entities in which the Fund Manager has direct or indirect rights, will be disclosed to the Fund Board.

Moreover, the Fund Manager (or any of its Affiliates, related companies, or a related party) may enter into transactions with the Fund and/or with any service provider to the Fund based on which the Fund Manager in any other capacity other than as a Fund Manager, directly or indirectly, may provide services for certain fees or charges.

As of the date of these Terms and Conditions, there is no material conflict of interest that would affect the Fund Manager in the performance and implementation of its duties towards the Fund.

**i) Fund Manager Right to Appoint A Sub-Fund Manager**

Subject to the provisions of the Investment Funds Regulations, the Fund Manager may assign one or more third parties or any of its affiliates to act as a sub-fund manager, and the Fund Manager shall pay the fees and expenses of any sub-fund manager from its own resources.

#### **j) The Provisions Governing the Removal and Replacement of the Fund Manager**

The CMA may remove the Fund Manager in relation to any specific investment fund, and take any action it deems appropriate to appoint a replacement Fund Manager for that fund, or take any other measure it deems appropriate at its discretion, in any of the following events:

- If the Fund Manager ceases performance of the activity of investments' management and funds' operation, or discontinues the activity of investments' management, without notifying the CMA of that in accordance with the Capital Market Institutions Regulations.
- If the CMA cancels, withdraws or suspends the Fund Manager's license to engage in the activity of investments' management and funds' operation or the activity of investments' management.
- If the Fund Manager files an application with the CMA to cancel its license to engage in the activity of investments' management and funds' operation or the activity of investments' management.
- If the CMA determines that the Fund Manager is in breach – to an extent that the CMA deems material – of the Law or its Implementing Regulations.
- In the event of death, incapacitation or resignation of the investment portfolio manager who manages the assets of the investment Fund, and the unavailability of another person registered with the Fund Manager capable of managing the assets of the investment Fund or the assets of the funds managed by the investment portfolio manager.
- If the Unitholders of the closed-ended fund issue a Special Fund Resolution, whereby asking the CMA to remove the Fund Manager.
- In any other event which the CMA reasonably finds to be materially significant.

## **22. Fund Operator**

### **a) Fund Operator Name**

### **b) Saudi Fransi Capital Company Number and Date of Issue of CMA License**

Saudi Fransi Capital Company (a closed joint stock company owned by Saudi Fransi Bank) under the Commercial Registration No. (7001522544), dated 26/03/1427H, licensed by the Capital Market Authority (1153-37) dated 26/02/1432H, with its Head Office: 8092 King Fahad Road - Riyadh 12313-3735, Kingdom of Saudi Arabia.

### **c) Registered Address and Business Address of the Fund Operator**

Saudi Fransi Capital Company  
Head Office: 8092 King Fahad Road  
Riyadh 12313-3735, Kingdom of Saudi Arabia  
Website: <https://www.sfc.sa>

### **d) Fund Operator Basic Roles and Responsibilities in Relation to the Fund**

- The Fund Operator shall be responsible for the operation of the Fund.
- The Fund Operator shall keep books and records related to the operation of the Fund.

- The Fund Operator prepares, updates and maintains the register of subscribers in the Units in the Kingdom in accordance with the requirements of the Investment Funds Regulations.
- The Fund Operator is responsible for the distribution of dividends (if any) as per the distribution policy set out in these Terms and Conditions.
- Full and fair evaluation of the Fund Assets and calculation of the Fund's Unit Price.

**e) Fund Operator Right to Appoint A Sub-Fund Operator**

The Fund Operator may appoint sub-operators to the Fund. The Fund Operator shall pay the fees and expenses of any sub-operator out of its own resources.

**f) Mandates Assigned By the Fund Operator To A Third Party in relation to the Fund**

None. However, the Fund Operator may appoint sub-operators to the Fund.

## **23. Custodian**

**a) Custodian Name**

**b) Saudi Fransi Capital Company Number and Date of Issue of CMA License**

Saudi Fransi Capital Company , a closed joint stock company, under Commercial Registration No. (7001522544), ,owned by the Saudi Fransi Bank, dated 26/03/1427H, licensed by the Capital Market Authority (1153-37) dated 26/02/1432H, with its Head Office: 8092 King Fahad Road - Riyadh 12313-3735, Kingdom of Saudi Arabia.

**c) Registered Address and Business Address of the Custodian**

Saudi Fransi Capital Company  
Head Office: 8092 King Fahad Road  
Riyadh 12313-3735, Kingdom of Saudi Arabia  
Website: <https://www.sfc.sa>

### **Basic Roles and Responsibilities of the Custodian in relation to the Fund**

- The Custodian shall be responsible for fulfilling all of its obligations under the provisions of the Investment Funds Regulations, whether he performs his responsibilities and duties directly or has delegated them to a third party under the Investment Fund Regulations and the Capital Market Institutions Regulations.
- The Custodian shall be responsible for the segregating the Fund Assets and investments and shall be responsible before the Fund Manager and Unitholders for the Fund's losses resulting from fraud, negligence, misconduct or intentional default on the part of the Custodian.
- The Custodian shall be responsible for the custody of the Fund's assets, for their protection in the interest of the Unitholders, and for taking all the required administrative actions relating to the custody of the Fund's assets.
- The Custodian shall open a separate account for the Fund.
- The Custodian shall take all necessary action to segregate the Fund's assets from any other assets, including the assets of the Custodian and the assets of its other clients, such that those assets are segregated by registering the securities and other assets in the name of the special purpose vehicle, while the Custodian maintains all necessary records and other



documents evidencing fulfilment of its contractual obligations.

- The Custodian shall deposit all cash amounts belonging to the Fund in the aforementioned account, and the Custodian shall deduct from that account the amounts used to finance investments and expenses of managing and operations of the Fund in accordance with the provisions of the Investment Funds Regulations, the updated version of the Fund's Terms and Conditions received from the Fund Manager, and the contract under which the Custodian was appointed by the Fund Manager.
- Incorporation of the special purpose vehicle as needed in accordance with the provisions of the Investment Funds Regulations.
- Carrying out professional due diligence when providing custody services. Besides, the Custodian shall be required to fully and duly perform its obligations stated under the relevant custody services agreement and under Part VII requirements of the Capital Market Institutions Regulations, and professional due diligence of a specialized provider of custody services as stated in Part III requirements of the Capital Market Institutions Regulations relating to custody.
- Fully cooperating with the requests of the Auditors and other advisers of the Fund as well as the Fund Manager as per the Investment Funds Regulations.

**d) Custodian Right to Appoint A Sub-Custodian**

The Custodian may appoint a third party(ies) or any of its affiliates as Fund sub-custodian. The Custodian shall pay any fees and expenses related to the sub-custodian out of its own resources.

It should also be noted that the Custodian is responsible for whether it performs responsibilities directly or assigns them to a third party under the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations.

**e) Mandates Assigned By the Custodian To A Third Party in relation to the Fund**

None.

**f) Provisions Governing the Removal and Replacement of the Custodian**

The Fund Manager may remove the Custodian by written notice if the Fund Manager reasonably considers that the removal of the Custodian is in the interest of the Unitholders, and the Fund Manager shall announce this on the Fund Manager's website and the Exchange's website.

If the Fund Manager removes the Custodian, the Fund Manager shall appoint a replacement within (30) days of the receipt of the written notice by the Custodian. The removed Custodian must cooperate with the Fund Manager to facilitate the smooth transfer of responsibilities to the replacement new Custodian. The removed Custodian shall, where necessary and appropriate, transfer to the new Custodian all contracts associated with the Fund.

The CMA have the power to remove the Custodian and take any other measures it deems necessary, as appropriate, in the following events:

- If the Custodian ceases to carry out the custody activity without notification to the CMA in accordance with the Capital Market Institutions Regulations.
- If the CMA cancels, withdraws or suspends the Custodian's license necessary to continue to carry out the custody activity.
- If the Custodian files an application to the CMA to cancel its license necessary to carry out the

custody activity.

- If the CMA determines that the Custodian has failed, in any manner which the CMA considers material, to comply with the Capital Market Law or its Implementing Regulations.
- In any other event determined by the CMA – based on reasonable grounds - to be of sufficient significance.

If the CMA exercises its power pursuant to the above, the relevant Fund Manager shall appoint a replacement Custodian in accordance with CMA's instructions, and the Fund Manager as well as the isolated Custodian shall fully cooperate in order to help facilitate a smooth transfer of its responsibilities to the replacement Custodian during the first sixty (60) days after appointing the replacement Custodian. The Custodian shall transfer, where the CMA decides it is necessary, all the contracts related to the Fund to which it is a party, to the replacement Custodian.

## **24. Board of Directors of the Fund**

### **a) Names of the members of the Fund Board, indicating the Type of Membership**

- Mr. Abdulwahab Abed – Board Member (Non-Independent)
- Mr. Savio Tong – Board Member (Independent)
- Mr. Gary Dugan – Board Member (Independent)
- Mr. Bassam Al-Mutairi – Board Member (Non-Independent)

### **b) Qualifications of the Members of the Fund Board**

- Mr. Abdulwahab Abed –Chairman of the Board Mr. Abed assumed the position of Head of Business Development at SEDCO Capital, his most recent role in the company after spending 15 years there. He chairs the company's Product Development Committee as well as a member of the Investment Committee and Management Committee. His long experience with SEDCO Capital has enabled him to conduct due diligence for mutual investments and private equity funds and to supervise and exit them. In earlier stages, he held the positions of Director of Corporate Finance Department, Vice President and Director of Private Equity Department, where he was responsible for overseeing 100 private equity investments around the world. Business Administration with a concentration in Finance from the Bentley School of the McCallum School of Business in the United States.
- Mr. Savio Tong – Board Member (Independent)

Mr. Tong currently serves as the Chairman of Investcorp Technology Partners and as a Senior Advisor of Investcorp Holdings, a leading New York-based global manager of alternative investments including private equity, real estate, absolute return investments, infrastructure, credit management and strategic capital. Prior to his retirement in 2015, Mr. Tung was Investcorp's Chief Investment Officer and orchestrated many significant private equity investments such as Tiffany, Circle K, Club Car and Simmons Mattress.

Mr. Tung was a founding partner of Investcorp in 1984, when he started managing assets for Arabian Gulf investors. Earlier in his career, Savio was a senior banker at Chase Manhattan Bank and worked in its offices in New York, Bahrain, Abu Dhabi and London. He was also a key executive in establishing Chase's Bahrain office and marketing presence in the Gulf. Savio is an independent non-executive director of Bank of China, Hong Kong Limited, listed as 2388:HK. He was previously a board member of Tech Data Corporation listed on NASDAQ, one of the world's largest distributors of IT products and services, ranked number 83 on the 2018 Fortune 500 and one of the "World's Most Admired". Savio holds a BS in Chemical Engineering from Columbia University, where he is

also a trustee emeritus. He is a member of the Council on Foreign Relations.

- Mr. Gary Dugan – Board Member (Independent)

Gary Dugan has been a high-profile investment professional in Europe, Middle East and Asia for the past 38 years. Gary Dugan manages “The Global CIO Office” company (“**GCIO**”) specializing in executive investment advisory services. GCIO operates as an external service provider and offers its expertise through Dalma Capital's platform. Gary holds an employee position within Dalma Capital, and the registered headquarters of GCIO is situated in the Dubai International Financial Center. With a diverse clientele, GCIO caters to clients across the United Kingdom, United Arab Emirates, Singapore, and Hong Kong. In the past two decades, he has held Chief Investment Officer roles with major institutions in Europe, Asia and the Middle East. His initial training was in leading asset management companies in London before he moved in 1993 to JPMorgan Securities to become their European equity market strategist. He gained a reputation for his leading research on corporate restructuring and was an advisor to the OECD, the European Parliament and leading sovereign wealth funds. In 1999 he switched back to asset management and became the head of multi-asset portfolios Europe Middle East and Asia for JPMorgan Asset Management. In that role, he was the lead investor for mandates with the GIC, Brunei government, Hong Kong Jockey Club and insurance companies in Europe and Japan. Throughout his time at JPMorgan he was also a principal advisor to the firm's Private Banking business.

In 2004 he joined Barclays as their CIO before moving to Merrill Lynch in 2007 again as a CIO. Between 2009 and the present day he has spent eight years in the UAE as CIO at two of the largest banks and worked at Coutts in Singapore. Gary was voted Private Banker of the year 2015 (MENA) from Wealth Briefing.

Gary has a reputation for making bold calls on the markets. He made major bear calls on equity markets in 1987, at the top of the tech boom and the financial crisis in August 2007, and a bull call on equity markets on March 17th, 2009.

In November 2018 he was appointed the CEO of Purple Asset Management and subsequently founded and launched an outsourced CIO services business on the purple platform called The Global CIO Office. He thus realised his dream of creating an investment business that is driven by investment professionals with the sole focus of producing the best independent financial advice for clients.

- Mr. Bassam Al-Mutairi – Board Member (Non-Independent)

Mr. Bassam Al-Mutairi holds the position of Chairman of the Multi-Assets and Investment Solutions Department at Sedco Capital. He has over 12 years of experience in asset management, during which he has worked at leading firms in liquid and private asset management across regional and international markets, such as Al Ahli Capital and Sedco Capital. Mr. Bassam joined Sedco Capital in 2014, initially working with the regional liquid assets team, where he managed and co-managed fixed income and equity portfolios and funds, including the Sedco Capital Money Market Fund, Sedco Capital Global Sukuk Fund, and Sedco Capital GCC Equities Fund. Later, Mr. Bassam took on the role of Head of Income Assets, where he continued to manage fixed income funds, in addition to private income generation strategies. In 2023, he became the Head of the Multi-Assets and Investment Solutions Department at Sedco Capital, expanding his responsibilities to manage multiple multi-asset portfolios and investment funds across a range of asset classes, including public equities, private equity, fixed income, and private income assets at both the regional and international levels. Mr. Bassam is a member of the Investment Committee and Chairman of both the Multi-Asset Allocation Committee and Chairman of the Product Development Committee at Sedco Capital. He holds a bachelor's degree in finance with honors from King Fahd University of Petroleum and Minerals in Dhahran, Saudi Arabia.

**c) Roles and Responsibilities of the Fund Board**

- Approving all material contracts, decisions and reports to which the Fund is a party, including - without limitation – approving the contracts for providing management services to the Fund and the contracts for providing custody services. This, however, contracts which are executed in accordance with the investment decisions excludes related to any investments which the Fund had made or will make in the future.
- Reviewing the report which contains an evaluation of the performance and quality of the services provided by the parties concerned, so as to ensure that the Fund Manager carries out its responsibilities in the best interest of the Unitholders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Approving a written policy on the voting rights related to the Fund Assets.
- Overseeing and, where appropriate, approving or ratifying any conflict of interest the Fund Manager has identified.
- Meeting at least twice annually with the Fund Manager's compliance officer to oversee the Fund Manager's compliance with all applicable laws and regulations, including – without limitation – the requirements as stipulated in the Investment Funds Regulations.
- Approving all the Fundamental and Non-Fundamental Changes provided in the Investment Funds Regulations, before the Fund Manager receives the approval of the Unitholders and the CMA or before it notifies them (where applicable).
- Ensuring the completeness and accuracy of the Terms and Conditions and any other document, whether contractual or otherwise, that includes disclosures related to the Fund and/or the Fund Manager and its management of the Fund, in addition to ensuring compliance of the foregoing with the provisions of the Investment Funds Regulations.
- Ensuring that the Fund Manager performs its responsibilities in the best interest of the Unitholders, in accordance with the Investment Funds Regulations, the Terms and Conditions and the Shari'ah Supervisory Committee resolutions.
- Evaluating the process in which the Fund Manager deals with the risks related to the Fund's assets, subject to the Fund Manager's policies and procedures on assessment of Fund-related risks and the method of dealing with them.
- Acting with integrity, good intent, due care and diligence and in the best interest of the Unitholders.
- Recording minutes of meetings showing all actions taken during the meetings and the decisions made by the Board.
- Reviewing the report containing all the complaints and action taken in respect of those complaints, which is referred to in the Investment Funds Regulations, so as to ensure that the Fund Manager carries out its responsibilities in the best interest of the Unitholders in accordance with the Fund's Terms and Conditions and the Investment Funds Regulations.
- Approving the distribution of Unitholders.
- Ensuring that the Fund Manager is committed to disclosing material information to Unitholders in accordance with the Terms and Conditions of the Fund and the Investment Funds Regulations.
- Conducting an annual assessment for each independent member to ensure that there are no relationships or circumstances that affect or may affect his/her independency in accordance with the provisions of the Investment Funds Regulations.

**d) Details of the Remuneration of the Fund Board Members**

(5,000) Saudi Riyals per meeting for each member and a maximum of (20,000) Saudi Riyals per annum for each member, payable after each meeting.

**e) Any Actual or Potential Conflict of Interests Between Any Board Member and the Fund**

The Fund Board shall oversee and, where appropriate, approve or ratify any conflict of interest the Fund Manager has identified. The Fund Board shall exercise care and diligence towards the Unitholders and make the utmost effort to resolve any conflict of interest in good faith and in the appropriate manner. The Fund Manager will disclose to the Fund Board all transactions between the Fund and the Fund Manager, its subsidiaries and entities in which SEDCO Capital in its capacity as Fund Manager has direct or indirect interest.

Any conflict of interest will be disclosed by the Fund Manager to the Fund Board as soon as possible and shall be disclosed in the Fund's annual reports.

As of the date of these Terms and Conditions, there is no actual or potential conflict between the interests of the Fund Board members and the interests of the Fund.

**f) All Boards of Other Funds On Which the Fund Board Member Has A Seat**

Name	Other Funds	Fund Manager	Role
Mr. Abdulwahhab Abed	SEDCO Capital Unified Educational Real Estate Development Fund	SEDCO Capital	Fund Board
	SEDCO Capital REIT Fund		
	Rikaz SEDCO Capital Real Estate Fund		
	SEDCO Capital Ajdan Fairmont Real Estate Fund		
	Masar SEDCO Capital Real Estate Fund		
	SEDCO Capital Grand Square Real Estate Fund		
	Asmo SEDCO Capital Real Estate Fund		
	SEDCO Capital Sumo Park Real Estate Fund		
	SEDCO Capital Sumo Al-Rimal Real Estate Fund		
	SEDCO Capital Makkah Towers II Real Estate Fund		
	SEDCO Capital Jeddah B Real Estate Fund		
	SEDCO Darko Al-Shati Real Estate Development Fund		
	SEDCO Capital Arqa Resort Real Estate Fund		
	SEDCO Capital Al-Jada Al-Oula Real Estate Development Fund		
	SEDCO Capital Somoud Real Estate Development Fund		
	SEDCO Capital Rabiah Al-Khalil Real Estate Fund		
	SEDCO Capital Riyadh Valley Real Estate Fund		
	SEDCO Capital Ajdan Lakes Real Estate Fund		
	SEDCO Capital CISBAN Development Fund (Suitability Based)		
	SEDCO Capital Al-Aqoul Real Estate Development Fund		

	SEDco Capital Logistics Fund I SEDco Capital Shiyad Real Estate Development Fund SEDco Capital Azdan Al-Narjis Real Estate Fund SEDco Capital Main Square Real Estate Fund SEDco Capital Mobco Income-Generating Fund SEDco Capital Al-Awali Real Estate Fund SEDco Capital Darko Al-Naeem Real Estate Fund SEDco Capital Al-Lami Real Estate Development Fund SEDco Capital Thakher Real Estate Fund SEDco Capital Siyad Al-Munsiyah Real Estate Fund SEDco Capital Rawabi Al-Hijaz Real Estate Fund SEDco Capital Wahat Al-Qaswa Real Estate Fund SEDco Capital Madinah Towers Real Estate Fund SEDco Capital Al-Basateen Makkah Towers Real Estate Fund SEDco Capital Eastern Gateway Real Estate Fund SEDco Capital SNASCO Logistics Development Fund SEDco Capital Arabian Horses Development Fund SEDco Capital Al-Obeikan Makkah Towers Real Estate Fund SEDco Capital Al-Salamah Park Development Fund SEDco Capital Afaq Al-Mohammadiyah Development Fund SEDco Capital Al-Khumrah Logistics Development Fund I SEDco Capital Al-Kaaki Towers Real Estate Fund SEDco Capital Rasf Income-Generating Real Estate Fund SEDco Capital Multi-Asset Traded Fund SEDco Capital IPO Fund SEDco Capital Monthly Distributions Fund SEDco Capital U.S. Equity Feeder Fund SEDco Capital Al-Freestyle Saudi Equity Fund SEDco Capital China Equity Feeder Fund SEDco Capital Global Sukuk Feeder Fund SEDco Capital Global Technology Equity Feeder Fund		
Bassam Almutairi	SEDco Capital IPO Fund SEDco Capital Monthly Distribution Fund SEDco Capital U.S. Equity Feeder Fund SEDco Capital Al Freestyle Saudi Equity Fund SEDco Capital China Equity	SEDco Capital	Fund Board

	Feeder Fund SEDCO Capital Global Sukuk Feeder Fund SEDCO Capital Global Technology Equity Feeder Fund		
Mr. Savio Tung	NA	-	-
Mr. Gary Dugan	NA	-	-

## 25. Shari'ah Supervisory Committee

SEDCO Capital (the Fund Manager) will act as the Shari'ah Controller of the Fund. SEDCO Capital has a Shari'ah Supervisory Unit, an internal Shari'ah advisor and a Shari'ah Supervisory Committee.

As the Shari'ah Controller, SEDCO Capital assumes the following responsibilities:

- Ensure that the Fund's investments are compatible with Shari'ah Guidelines and Controls.
- Arranging Shari'ah audit by an independent firm.
- Disclosure of any Sharia violations to the Shari'ah Supervisory Committee.

Appendix (2) of these Terms and Conditions clarifies Shari'ah Guidelines and Controls. The Shari'ah Supervisory Committee has reviewed these Terms and Conditions and approved the Fund's structure and the offering of Units. The Shari'ah Controller of the Fund (the Fund Manager) will be responsible for the fees and expenses of the Shari'ah supervision of the Fund, including the fees of the Shari'ah Supervisory Committee, the Sharia'a auditors, the operations of the Shari'ah Supervisory Committee supervision, investments and financing to ensure compliance with the Shari'ah Guidelines and Controls. In the event that any returns or other amounts received by the Fund do not comply with the Shari'ah Guidelines and Controls, the Shari'ah Controller of the Fund (the Fund Manager) calculates the purification amounts according to the methodology followed by the Sharia advisor, and the Investors will be notified of that on a regular basis, and the responsibility for paying the purification amounts falls on the Investors.

### a) Names and Qualifications of the Members of the Shari'ah Supervisory Committee

#### - Dr. Mohammed bin Ali Elgari – (Chairman)

Education	Experience
(1) Bachelor of Economics and Management from King Abdulaziz University in Jeddah.	(1) Professor of Islamic Economics at King Abdulaziz University
(2) Master of Economics from the University of California, USA.	(2) Former Director of the Islamic Economics Research Center.
(3) Ph.D. in Economics from the University of California, USA.	(3) Expert at the International Islamic Fiqh Academy, Organization of Islamic Cooperation.
	(4) Chairman and member of a group of Shariah boards and boards of many financial institutions in the Kingdom of Saudi Arabia and at the global level.

#### - Dr. Mohammed Dawood Bakr – (Member)

Education	Experience
(1) First university degree in Shari'ah from Kuwait University.	(1) Chairman of the Shari'ah Advisory Board of the Central Bank of Malaysia.
(2) PhD from the University of St Andrews in the	(2) Chairman of the Securities Commission of

Education	Experience
United Kingdom.  (3) He then completed his external bachelor's degree in jurisprudence at the University of Malaya.	Malaysia.  (3) Founder and CEO of Amani Group.

- **Dr. Abdulaziz bin Khalifa Al-Qassar – (Member)**

Education	Experience
(1) Bachelor's degree in Shari'ah from Kuwait University.  (2) Master's degree from Al-Azhar University.  (3) PhD in Law and Sharia from Al-Azhar University.	(1) Professor at the Department of Comparative Jurisprudence and Shari'ah Politics at the College of Sharia and Islamic Studies at Kuwait University.  (2) Member of the Shari'ah Supervisory Board for a number of investment companies in the Gulf countries.

**b) Roles and Responsibilities of the Shari'ah Supervisory Committee**

The roles and responsibilities of the Shari'ah Supervisory Committee include:

- Study and review the Fund's investment objectives and policies and the Fund's documents to ensure their compliance with Shari'ah Guidelines and Controls.
- Periodic Shari'ah supervision of the Fund.
- Determine the Shari'ah Guidelines and Controls necessary for the business, operations and investments of the Fund and the financing related to the Fund in accordance with the Shari'ah Guidelines and Controls set out in Appendix (2) of these Terms and Conditions.

**c) Remuneration of the Shari'ah Supervisory Committee Members**

The Fund pays Sharia supervision fees, which are a lump sum of SAR 30,000 annually as agreed upon between the Fund Manager and the Shariah Controller. The aforementioned fees are paid in equal instalments on a quarterly basis. The fees are paid to the Shariah Controller, who is responsible for paying the fees to the Sharia Supervision Committee and any other party in relation to any matters related to Shariah Guidelines and Controls.

**d) Details of the Shari'ah Guidelines and Controls and the Periodic Review**

Please refer to the Shari'ah Guidelines and Controls set out in Appendix (2) of these Terms and Conditions.

**26. Investment Advisor**

Not applicable.

**27. Distributor**

Not applicable.

**28. Auditor**

**a) Auditor Name**

Ernst & Young.



**b) Registered Address and Business Address of the Auditor**

Al Faisaliah Office Tower – 14th Floor  
King Fahad Road  
P.O. Box 2732 Riyadh 11461  
Kingdom of Saudi Arabia  
Tel: +966 (11) 215 9898  
+966 (11) 273 4740  
Fax: +966 (11) 273 4730  
Website: ey.com  
Email: ey.ksa@sa.ey.com

**c) Key Roles and Responsibilities of the Auditor**

The Auditor shall:

- Conduct an audit of the Fund's accounts with the aim of expressing an opinion on the financial statements to the Unitholders, and whether the financial statements reflect fairly, in all material respects, the financial position, results of operations, and cash flow information in accordance with generally accepted accounting standards in the Kingdom.
- Evaluate the adequacy of the accounting policies followed and the reasonableness of the accounting estimates made by the Fund, in addition to evaluating the overall presentation of the financial statements.
- Studying the internal controls related to the preparation of the Fund's financial statements to establish appropriate procedures under the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls.
- Review the interim financial statements of the Fund in accordance with the standards of the Saudi Organization for Auditors and Accountants to review the interim financial information.

**d) Provisions Governing the Replacement of the Auditor of the Fund**

The Fund's Board of Directors shall reject the appointment of the Auditor or instruct the Fund Manager to replace the appointed Auditor in any of the following events:

- If strong allegations exist concerning the professional misconduct of the Auditor regarding the performance of its duties.
- If the Auditor of the Fund is no longer independent.
- If the Auditor is no longer registered with the CMA.
- If the Fund's Board of Directors decides that the Auditor no longer has sufficient qualifications and experience to perform the review and audit functions satisfactorily.
- If the CMA requests, at its discretion, requests changing the appointed Auditor of the Fund.

## **29. Fund Assets**

**a) A Statement that the Fund Assets are held by the Custodian for the benefit of the Fund**

The Fund Assets are held by the Custodian for the benefit of the Fund.

**b) A Statement Clarifying that the Custodian Must Segregate the Fund Assets**

The Custodian shall segregate the assets of the Fund from its own assets and the assets of its other clients.

**c) A Statement on the Ownership of the Fund Assets**

The Fund Assets are collectively owned by the Unitholders (common ownership). The Fund Manager, sub-manager, Custodian, sub-custodian, advisor or distributor, may not have any interest in the assets of the Fund or any claim against those assets, unless the Fund Manager, sub-manager, Custodian, sub-custodian, advisor or distributor, is a Fund Unitholder, and in such case, within the limits of its ownership, or if such claims are permitted under the Investment Fund Regulations and disclosed in these Terms and Conditions.

### **30. Processing of Complaints**

The procedures for handling complaints will be provided upon request free of charge, and Unitholders can contact the Fund Manager in the event of any complaint that may arise at the following address:

**Compliance and Anti-Money Laundering  
Saudi Economic and Development Securities Company (SEDCO Capital)**

P.O. Box 4384 Jeddah 21491  
Jeddah, Al Murjan Dist., King Road  
Red Sea Markets Center  
Phone: 2151500  
Fax: +966 12 690 6599  
Website: [www.sedcocalpital.com](http://www.sedcocalpital.com)

The Subscriber shall be entitled to submit his complaint to the Capital Market Authority (CMA). The Subscriber may also submit the complaint to the Committee for the Resolution of Securities Disputes after (90) Business Days following the date of submission of complaint to the CMA, unless the CMA has notified the complainant to file the complaint to the Committee prior to the expiration of such period.

### **31. Other Information**

**a) Conflicts of Interest Policies and Procedures**

The policies and procedures to be followed in addressing conflict of interest and any potential and/or actual conflict of interest, will be provided upon request free of charge.

**b) Competent Judicial Authority**

The Committee for Resolution of Securities Disputes is the judicial department having jurisdiction over any dispute which may arise out of, or in relation to, investing in investment funds.

**c) List of Documents Available to Unitholders**

The list includes the following documents:

- Fund's Terms and Conditions.
- Contracts mentioned in the Terms and Conditions.
- Fund Manager Financial Statements.

**d) Any Other Information**

There is no other information to the knowledge of the Fund Manager and the Fund Board that is

not included in these Terms and Conditions

**e) CMA-Approved Exemptions**

There are no exemptions from the restrictions of the Investment Funds Regulations approved by the CMA.

**f) Anti-Money Laundering**

Further documents and information may be required alongside subscription application in compliance with the Saudi Anti-Money Laundering Law and its Implementing Regulations, along with verifying the investors' identity (Know Your Client), noting that such information shall remain confidential. The Fund Manager has the right to request other necessary documents or information from the investor. Failure to provide required documents or information can lead to the subscription being rejected.

Unitholders hereby confirm that the amounts used to subscribe to the Fund are not coming from any suspicious or illegal sources. If the Fund Manager has reason to suspect the legal source of the Funds associated with the investor's investment transactions, it shall suspend or reject the transaction, investigate the same, and report it to AML/CFT competent authority in the Kingdom, furnish it with information and documents necessary to complete the required investigation. However, according to the Saudi Law, the Fund Manager may not inform Unitholders of any suspected transactions.

**g) Confidentiality of information**

The Fund's business shall be conducted with the utmost confidentiality at all times, and this should not be construed as limiting access of the regulatory authority (CMA) of the Fund's records for the purposes of regulatory supervision, and the information necessary to open the investor's account, carry out its operations and comply with the regulations applicable to the necessary limit will be shared between the Fund Manager and other parties appointed by the Fund Manager, and the Unitholder also agrees that this information may be shared with the competent regulatory authorities.

**h) Death of Unitholder**

The Investor's acceptance of these Terms and Conditions means that the Investor agrees that such Terms and Conditions remain in force in the event of the Investor's death or disability until the heirs, personal representatives, trustees or successors submit the required documents determined by the Fund Manager in the event that the Unitholder is an individual. If the Investor is a legal person, these Terms and Conditions will not expire in the event of any of the above to any partner or shareholder therein, and accordingly, the Fund Manager has the right to suspend any transactions related to these Terms and Conditions until the Fund Manager receives an order issued by a competent court or authority or other sufficient data to prove the validity of the aforementioned persons before allowing them to dispose of such Units.

**i) Accuracy of Information**

Subscribers shall be responsible for providing the Fund Manager with their correct postal and email addresses at all times and shall notify the Fund Manager immediately of any change in such addresses. In case subscribers fail to provide the Fund Manager with the correct address, or if they ask the Fund Manager not to send mail including notices related to their investments in the Fund, subscribers hereby agree to protect the Fund Manager and relieve him from any liability, and to waive their rights and claims against the Fund Manager which may arise, whether directly or indirectly, from not being provided with the data, notices, or any other information related to investment in the Fund or the other ones arising from inability to reply or to verify the accuracy of information, correcting any errors or alleged errors in any of the statements or notices.

**j) Disclaimer**

Any information, registers, or notices served by the Fund Manager shall not be intended to provide any advice or valuation and shall not be considered as an advice for any subscriber or investor to invest or buy Units in the Fund. In addition, the Fund Manager shall not provide any advice to subscribers regarding the Fund or investing therein. Every Investor shall be responsible for conducting his/her own independent investigations and valuation of the Fund creditworthiness and investing therein. The Fund Manager recommends that all prospective investors should seek the advice of an independent, financial advisor.

**k) Seeking Advice**

Any information, registers, or notices served by the Fund Manager shall not be intended to provide any advice or valuation and shall not be considered as an advice for any subscriber or investor to invest or buy Units in the Fund. In addition, the Fund Manager shall not provide any advice to subscribers regarding the Fund or investing therein. Every Investor shall be responsible for conducting his/her own independent investigations and valuation of the Fund creditworthiness and investing therein. The Fund Manager recommends that all prospective investors should seek advice of an independent financial advisor licensed by the CMA.

**l) Partial Invalidity**

No invalidity or non-enforceability of any provision stated herein shall affect the validity and enforceability of the remaining provisions of these Terms and Conditions.

**m) Official Language**

The Fund Manager shall prepare these Terms and Conditions in English and Arabic. If there is a difference in meanings between the two texts, the Arabic text shall prevail being the official and prevailing text as per the CMA laws, regulations, and instructions.

**n) Force Majeure and Emergencies**

Subject to these Terms and Conditions regarding force majeure and emergencies, the Fund Manager shall not be deemed to be in breach of its obligations under these Terms and Conditions and shall not be liable for any direct or indirect losses arising out of force majeure events and emergencies, or actions accompanying any of the same due to matters and circumstances beyond the control of the Fund and/or Fund Manager. Force majeure events include without limitation, acts of God, diseases and epidemics, pandemics, government decisions and orders related to precautionary and protective measures, wars, civil strikes, civil disobedience, natural disasters, economic embargoes, trade boycotts, legislative decisions of markets, suspension of trading or inability to communicate with the market for any reason, such as a breakdown of the computer system or for any other reason beyond the control of the Fund Manager. In the event of any force majeure event or emergency, the dates related to the performance of the obligations shall be postponed as required by such circumstances and events. The Fund Manager shall endeavour in every way to limit the effects of any force majeure events and emergencies.

**o) Sharing Information**

Information relating to the opening of Unitholders' accounts, completion of transactions and compliance with applicable laws shall be shared between the Fund Manager and third parties selected by the Fund Manager which provide services to the Fund. Unitholders shall also agree that such information can be shared with related governmental and regulatory authorities, agencies, and bodies.

**p) Legal Counsel**

The Fund Manager has appointed Khalid Nassar & Partners Law Firm Lawyers and Legal Consultants to provide legal advice and services to the Fund Manager and the Fund in connection with the Offering of the Fund, in addition to providing legal advice to the Fund whenever the Fund deems the need for that.

The Legal Counsel Letter has been submitted by the Legal Counsel in accordance with the requirements of the Investment Funds Regulations as set out in Appendix (5) of these Terms and Conditions.

**q) Increase the Total Asset Value of the Fund**

The increase of the total value of the Fund's assets by accepting cash and/or in-kind contributions (or both) shall be in accordance with the requirements of the Investment Funds Regulations.

**r) Fund Buy-Back and Sale of its Units**

The Fund may buy-back and sale of its Units in accordance with the requirements of the Investment Funds Regulations.

**32. Additional Information Required for Other Types of Funds**

Not applicable.

**33. Declaration of the Unitholder**

By subscribing to the Fund, the Unitholder hereby declares and confirms that he/she has duly examined these Terms and Conditions and agrees to the Units characteristics to which he/she has subscribed. Further, the Unitholder declares that he fully understands these Terms and Conditions and therefore confirms and undertakes to comply therewith alongside the relevant documents and the offering of Fund Units.

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Name:

Signature:

Date:

## Appendix 1 – Financial Disclosure Summary

Type of Fees	Description
<b>Management Fees</b>	<p>The Fund Manager is entitled to a management fee of 1% per annum of the net asset value for the Fund management services ("<b>Management Fees</b>") across all asset classes that the Fund will invest in, except for the Private Equity Funds which are managed by the Fund Manager, and the Management Fees shall be paid semi-annually.</p> <p>Management Fees calculated on each Valuation Day and paid by the Fund on a semi-annual basis starting from the date of operation of the Fund. Management Fees shall be paid on a pro rata basis taking into account the days that have passed from the period on which the Management Fees are calculated.</p>
<b>Subscription Fees</b>	<p>The Fund Manager shall be entitled to a subscription fee up to (2%) of the cash subscription amounts ("<b>Subscription Fees</b>"), provided that the Subscription Fees are paid in addition to the subscription amount subscribed by the Unitholder in the Fund and paid upon subscription to the Fund.</p>
<b>Custodian Fees and Fund Operator</b>	<p>The Fund pays the Custodian and Fund Operator fees which are equivalent to (0.06%) of the net value of assets under custody annually and with a minimum of SAR 50,000 and the Custodian's fees are paid semi-annually.</p>
<b>Auditor Fees</b>	<p>The Fund shall pay the Auditor a fee in the amount of SAR 95,000 for the first year of the Fund to be paid on a semi-annual basis and the Auditor's fees are subject to change.</p>
<b>Shariah Controller Fees</b>	<p>The Fund pays Sharia supervision fees, which are a lump sum of SAR 30,000 annually as agreed upon between the Fund Manager and the Shariah Controller. The aforementioned fees are paid in equal instalments on a quarterly basis. The fees are paid to the Shariah Controller, who is responsible for paying the fees to the Sharia Supervision Committee and any other party in relation to any matters related to Shariah Guidelines and Controls.</p>
<b>Units Listing Fees</b>	<p>SAR (50,000) is paid by the Fund in favour of the Market once and when listing the Units of the Fund in the Market.</p>
<b>Listing Continuation Fees</b>	<p>(0.03%) of the market value of the Fund (up to a maximum of (300,000) Saudi Riyals and a minimum of (50,000) Saudi Riyals) paid by the Fund in favour of the Market annually.</p>
<b>Annual Control Fees imposed by the CMA</b>	<p>The Fund pays the control fees imposed by the CMA in the amount of (7,500) Saudi Riyals annually.</p>
<b>Unitholders Register Fees</b>	<p>(50,000) Saudi Riyals paid by the Fund in favour of the Depository Center in addition to (2) Saudi Riyals for each subscription application (up to a maximum of (500,000) Saudi Riyals), paid once before listing and trading the Units.</p>
<b>Annual Publishing Fees</b>	<p>(5,000) Saudi Riyals paid by the Fund for the benefit of the Market annually.</p>
<b>Managing Shareholder Register (Unitholders)</b>	<p>SAR (300,000) (if the paid-up capital of the Fund is SAR (500,000,000) and SAR (400,000) if the paid-up capital of the Fund is more than SAR (500,000,000) to SAR (2,000,000,000) paid by the Fund in favour of the Depository Center annually.</p>
<b>Remuneration of Independent Directors</b>	<p>5,000 Saudi Riyals for each meeting for each member and a maximum of 20,000 Saudi Riyals</p>

Type of Fees	Description
<b>Dealing Fees &amp; Expenses</b>	The brokerage expenses (including the Intermediary Fees) or any other trading fees shall be paid by the Fund directly at levels determined in accordance with the laws or by the Intermediary in the markets where the Fund deals. Such amounts vary commensurate with the types of deals, the nature of investments and the size of transactions.
<b>Shariah Compliant Finance Costs</b>	The Shariah compliant financing costs (if any) shall be borne by the Fund based on the prevailing market rates. They shall be calculated as at each Valuation Day and paid in accordance with the requirements of the financier bank. In addition, the Fund bears arranging financing fees to be paid to the Fund Manager, with a maximum of (1.25%) of any financing obtained by the Fund (if any).
<b>Other Fees &amp; Expenses</b>	<p>The Fund will bear other expenses and fees, which are expenses due to third parties dealing with the Fund, including but not limited to insurance fees, consultant fees and Government Fees.</p> <p>The Fund will bear all fees that may be imposed by the official authorities in the Kingdom of Saudi Arabia or abroad as a result of the Fund's performance of its obligations under these Terms and Conditions. The Fund will bear all marketing expenses for its production in accordance with the best marketing offers approved by the Fund's Board of Directors.</p> <p>It is noteworthy that such fees are not paid to the Fund Manager and cannot be estimated in advance and will be deducted based on the actual expenses and shall be disclosed.</p> <p>The total of such expenses expected to be (0.5%) of the Fund's total asset value annually (maximum).</p>
<b>Zakat</b>	The Fund Manager shall not be responsible for paying the Zakat of the Units for the Investors. Unitholders shall be responsible for paying the Zakat of their own Units in the Fund and Zakat is subject to the Zakat Collection Rules for Investing in Investment Funds.
<b>Value Added Tax (VAT)</b>	All fees, charges, commissions, and management fees mentioned herein do not include VAT unless otherwise specified. If VAT is imposed or may be imposed on any service provided to the Fund, the Fund shall pay the service provider (in addition to any other charges or expenses) a sum equal to the VAT value on the VAT invoice of the service concerned. If VAT is imposed or may be imposed on any service provided by the Fund, the Customer shall pay the Fund (in addition to any other charges or expenses) a sum equal to the value of such VAT.

## **Appendix 2 – Shariah Guidelines and Controls**

### **Liquid Strategy Funds**

*Page 1 of 2*

#### **A. Investment selection**

No Fund may invest in:

1. companies whose total conventional debt divided by the trailing 24-month average market capitalisation or total assets (whichever is the greater as the denominator) is greater than or equal to 33 per cent (where: "total debt" = short-term debt + current portion of long-term debt + long-term debt; excluding preferred Shares where there is a financial preference);
2. companies whose sum of cash and interest bearing securities divided by the trailing 24-month average market capitalisation or total assets (whichever is the greater as the denominator) is greater than or equal to 33 per cent (where "cash and interest bearing securities\*" = cash in banks + short-term bank deposits + long term deposits + short-term saving certificates + investment in money market instruments + investment in non-compliant securities + investment in bonds + unidentified short-term investments + short-term notes receivable + long-term notes receivable);



\*excluding Islamic deposits and Sukuk.

3. companies whose accounts receivables divided by the trailing 24-month average market capitalisation or total assets (whichever is the greater as the denominator) is greater than or equal to 33 per cent; or
4. companies whose amount of revenue generated from any of the following Non-Permissible Activities is exceeding 5% of its total revenue irrespective of the income being generated by undertaking a Non-Permissible activity. If a source of income is not properly disclosed then more effort is to be exerted for identification thereof giving due care and caution in this respect:
  - the manufacture and/or sale/distribution of alcohol, tobacco, pork, music and pornographic productions;
  - restaurant or hotel/motel businesses, except those not selling alcohol;
  - operators of gambling casinos or manufacturers of gambling machines;
  - operators of movie theatres and cable television companies;
  - conventional financial services (i.e. non-Shariah compliant banks, investment funds, brokerage firms, non-corporative insurance businesses or any other interest-based financial services activity); or
  - the manufacture of military defense equipment or weaponry.

### Liquid Strategy Funds (cont.)

Page 2 of 2

#### **B. Financial Instruments**

No Fund may invest in or use any of the following instruments or any derivatives thereof:

- futures;
- options;
- swaps;
- preferred shares (where there is financial preference);
- short sales; or
- other instruments where any of their components involve the payment or receipt of interest.

### **C. Borrowing, Leverage and Hedging**

No Fund shall employ conventional borrowing, leverage or hedging.

### **D. Purification of Non-Permissible Income**

Any dividends received from companies Non-Permissible Activities or Preferred Shares must be purified according to SEDCO Capital's purification process.

## **Illiquid Strategy Funds Private Equity Companies and Funds**

*Page 1 of 3*

### **A. Investment Selection:**

No investment may be made in:

1. Existing companies whose conventional Leverage Ratio is more than 33% for existing businesses on a post money valuation basis and Zero for companies yet to be formed, where Leverage Ratio is calculated as per the formula below:

$$\text{Leverage Ratio} = \frac{\text{Total Interest Bearing Debt}}{\text{Equity Value} + \text{Total Debt}}$$

Where:

Equity Value is:

- a. the Book Value of Equity; or
  - b. Fair Market Value of Equity, where applicable, as per the most recent round of equity financing or other market based transaction such as share sale, as determined by the Shariah Monitor at his sole discretion.
2. For companies yet to be formed and seeking interest-bearing debt;
  3. Companies whose amount of revenue generated from any of the following Non-Permissible Activities is exceeding 5% of its total revenue irrespective of the income being generated by undertaking the Non-Permissible activity. If a source of income is not properly disclosed then more effort is to be exerted for identification thereof giving due care and caution in this respect:
    - the manufacture and/or sale/distribution of alcohol, tobacco, pork, music and pornographic productions;
    - restaurant or hotel/motel businesses, except those not selling alcohol;
    - operators of gambling casinos or manufacturers of gambling machines;
    - operators of movie theatres and cable television companies;
    - conventional financial services (i.e. non-Shariah compliant banks, investment funds, brokerage firms, non-corporative insurance businesses or any other interest-based financial services activity); or
    - the manufacture of military defense equipment or weaponry.

## Illiquid Strategy Funds

### Illiquid Strategy Funds Private Equity Companies and Funds (cont.)

Page 2 of 3

4. Companies whose total amount of interest-taking deposits, whether short, medium or long term, is exceeding 30% of Equity Value (as defined in Clause 1 above), knowingly that interest-

taking deposits are prohibited whatsoever the collective amount is unless it is Shariah compliant. If any income is recognized from interest-taking deposits, it will be purified immediately.

## **B. Financial Instruments**

No Fund may invest in or use any of the following instruments or any derivatives of them:

- futures;
- options;
- swaps;
- preferred shares;( where there is financial preference);
- short sales; or
- other instruments where any of their components involve the payment or receipt of interest.

## **Illiquid Strategy Funds**

### **Illiquid Strategy Funds Private Equity Companies and Funds (cont.)**

Page 3 of 3

## **C. Majority Shareholding or Managerial Control:**

If at any time a Fund becomes a majority shareholder in or gains managerial control over a company which is not fully Shariah compliant, a clear Shariah approved plan must be adopted to transform the company into a fully Shariah compliant company.

**D. Borrowing, Leverage and Hedging**

No Fund shall employ conventional borrowing, leverage or hedging.

**E. Purification of Prohibited Income**

Any incidental income from Non-Permissible Activities or Preferred Shares must be purified according to SEDCO Capital's purification process.

## Appendix 3 – Internal Risk Assessment Process

### Risk Assessment Process

The Fund's overall risk management program focuses to provide qualitative and quantitative risk analysis to support investment decisions and identify, analyze, and assess business risks. The frequency of periodic risk assessments is dependent on nature of assets i.e., liquid versus illiquid. For illiquid asset classes, which do not allow any redemptions, there is more emphasis on initial due diligence. Whereas, for liquid asset classes, the initial due diligence as well as ongoing monitoring are key requirements for risk management framework.

In general, the risk assessment process focuses on the most significant risk factors, which include but are not limited to:

Main Risks	Description	Assessment
Market Risk	Market Risk arises from external factors such as macroeconomic conditions, monetary and fiscal backdrop, competition, supply & demand, political changes, FX etc.	The Fund Manager monitors on a regular basis the fluctuation and changes in the overall economic environment. The Fund Manager believes that the impact of current market factors is mitigated through diversification of assets that adds stability to the portfolio while reducing vulnerability to economic fluctuations. Market research is also conducted to avoid any economic constraints as much as possible.
Credit risk	Credit risk is the risk of potential loss resulting from the counterparty's failure to repay or fulfill its contractual obligations.	All local and regional Counterparties are assessed before investment, and exposure limits will be set to ensure non-concentration with a particular counterparty. The exposures are monitored periodically to ensure that it remains within the approved limits.
Liquidity Risk	The Fund Manager's inability to liquidate the investments of the lack of sufficient cash liquidity to fulfill its obligations.	It will be constantly ensured that minimum liquidity is held in the Fund's portfolio to allow for payment of any required amounts that fall due.
Concentration Risk	Concentration risk is the risk related to the degree of diversification of investments, geographically or by sector. Thus, any deterioration in the circumstances which affect the foregoing may have an adverse effect on operation or financial results.	Fund investments will be diversified across several types of assets to avoid concentration of the Fund's investments in limited assets.
Currency Risk	This risk arises from the change of the price of a currency compared to another. The Fund's investments are made in different international markets, this may adversely affect the NAV per Unit.	Exposures to foreign currencies are monitored and assessed in the Fund Manager's risk management process. Most of the Fund's investments will be made in U.S. Dollars, U.S. Dollar-pegged currencies and in the currencies of major global economy countries (i.e., EURO etc.).
Interest Rate Risk	The possibility of a loss that could result from a change in interest rates.	Fund manager performs detailed assessment of interest rate risk for all income strategies. Additionally, in the event the Fund obtains financing, the Fund Manager ensures that its cost is in line with the target returns, so as to minimize any adverse effect of increased cost of financing or lower investment returns.
Shariah Compliance Risk	Risks related to investing in non-Shariah compliant securities, part of the revenues of which may include non-Shariah compliant income.	Fund Manager is experienced in Shariah monitoring and has established processes around monitoring and minimizing non-compliant investments. Relevant controls also enable the Fund Manager to dispose of any unintentional prohibited income through the purification process.

Risks related to Governance and Conflict of Interests	Conflict of interest risks occur when the interests of Fund decision makers conflict with the interests of the Fund, and as such, the decision may be adversely affected by other interests.	The Fund Manager takes into consideration the required governance rules and standards when forming the Fund Board. The Board oversees any conflict of interest and approve its corrective process, in addition to approving a written Fund governance policy and the Fund's investment policy.
Risk of Investing in Other Funds	The risks of funds in which the Fund invests are the risks of total or partial loss of the Fund's investment in the other funds, as their valuations decline below the acquisition price.	Fund Manager is experienced in the due diligence, selection and monitoring of external funds. The performance and the risks of each fund targeted by the Fund Manager to be invested in, is assessed. In addition, the Fund Manager monitors the performance of those funds and evaluate them periodically using performance indicators for each underlying fund.
Sub-Manager Risk	These risks arise in the event of reliance on Sub-Managers with limited experience or who do not implement the investment strategies or have substandard governance process and poor related professional standards.	The Fund Manager appoints sub-managers only after conducting comprehensive due diligence including investment, AML, operational and legal and continues periodic monitoring after investments.
Risks related to geopolitical events, natural catastrophes, terrorism and health pandemics	Geopolitical events, instability, terrorism, natural catastrophes and events such as health pandemic may negatively impact assets from valuation as well as income perspective.	The escalation of geopolitical conflicts, such as the Ukraine war, may be reflected in the risk premia of global risk assets and thus may impact the Fund, too. Given the fact that these events are highly uncertain and unpredictable and therefore the Fund as well as the Manager may be negatively impacted by the occurrence of any such event.





## **Appendix 4– Application Form**



• سعر الوحدة: ١٠ ريال سعودي للوحدة (غير شاملة رسوم الاشتراك وضريبة القيمة المضافة)  
• رسوم الاشتراك: ٢% من مبلغ الاشتراك  
• الحد الأدنى للاشتراك: ٥٠٠ ريال سعودي  
• الحد الأدنى للطلح: لا يوجد  
• تاريخ بدء فترة الطرح الإجمالي: ١٤٤١/١١/٢٢  
• التاريخ: ٢٠٢٢/٠١/٢٢  
• الحد الأدنى للطلح: لا يوجد

## نموذج طلب اشتراك في صندوق سدكو كابيتال متعدد الأصول المتداول

رمز الفرع: ..... التاريخ: ..... رقم الطلب: ..... رمز الجهة المستفيدة: .....

معلومات المشترك للأفراد:			
الاسم الأول:	الاسم الأخير:	الاسم الأوسط:	الاسم الكامل:
الجنس: ( ) ذكر ( ) أنثى:	تاريخ الميلاد:	مكان الميلاد:	الهوية الوطنية:
رقم الهوية:	الجنسية:	الرمز الوطني:	الجنسية:
ص م:	الجنسية:	الرمز الوطني:	الجنسية:
رقم الجوال:	البريد الإلكتروني:	البريد الإلكتروني:	البريد الإلكتروني:
الاشتراك الأفراد العائلية:			
أفراد الأسرة الخاضعون للطلب والمحمولون في سجل الأسرة:	صلة القرابة:	رقم الهوية:	رقم الهوية:
١.			
٢.			
٣.			
٤.			
٥.			
للشركات والمؤسسات والشركات الاستثمارية:			
اسم الشركة:	نوع الهوية: ( ) سجل تجاري ( ) ترخيص ( ) صندوق استثماري ( ) أخرى:	تاريخ الإصدار:	تاريخ الانتهاء:
رقم الهوية:	الجنسية:	الرمز الوطني:	الجنسية:
ص م:	الجنسية:	الرمز الوطني:	الجنسية:
رقم الهاتف:	رقم الجوال:	البريد الإلكتروني:	البريد الإلكتروني:
تفاصيل الاشتراك النقدي:			
الطوابع:	رقماً:	كتابة:	الوحدة:
عدد الوحدات:			وحدة:
مبلغ الاشتراك:			ر م:
رسوم الاشتراك:			ر م:
إجمالي المبلغ:			ر م:
ملاحظة: في حال اختلاف القيمة المدخلة رقمياً وكتابةً، سيتم اعتماد القيمة المدخلة كتابةً. *شامل مبلغ الضريبة المضافة على رسوم الاشتراك.			
معلومات الحساب البنكي:			
اسم البنك:	اسم صاحب الحساب:	رقم الحساب البنكي (أبجدي):	رقم الحساب البنكي (أبجدي):
رقم الحساب البنكي (أبجدي):	رقم الحساب البنكي (أبجدي):	رقم الحساب البنكي (أبجدي):	رقم الحساب البنكي (أبجدي):
تفاصيل المحفظة المراد إيداع الوحدات فيها:			
اسم شركة الوساطة المرخص لها:	رقم الحساب الاستثماري:	رقم المحفظة:	رقم المحفظة:
في حالة الوكالة:			
اسم الوكيل:	رقم الوكالة:	رقم الوكالة:	رقم الوكالة:
رقم السجل المدني للوكيل:	الجنسية:	الرمز الوطني:	الجنسية:
ص م:	الجنسية:	الرمز الوطني:	الجنسية:
رقم الهاتف:	رقم الجوال:	البريد الإلكتروني:	البريد الإلكتروني:
الموافقة والتوقيع:			
أقر بصحة البيانات المسجلة والموافق التي تم تقديمها لتجهة المستفيدة، وأقر/تقر بأنني/أنا قد حصلت/حصلت على نسخة من الملحق التكميلي لزيادة إجمالي قيمة أصول صندوق سدكو كابيتال ردت وملتزمة/ملتزمة بالاطلاع عليها وإلزامها بما جاء فيها وقبولها.	التاريخ:	التوقيع:	التوقيع:
ملاحظة: لن يستطيع المستثمر تعديل البيانات الواردة في نموذج الاشتراك بعد إرساله أو تسليمه لتجهة المستفيدة.	الاسم:	التاريخ:	التوقيع:
مدير الصندوق:			
مدير الطرح وجهة مسئلة:	الجهة المستفيدة:	الجهة المستفيدة:	الجهة المستفيدة:
سدكو كابيتال SEDCO CAPITAL	الجزيرة كابيتال ALJAZIRA CAPITAL	مصرف الراجحي Saudi Rajhi Bank	البنك الأهلي السعودي Saudi National Bank

نموذج طلب اشتراك في صندوق سدكو كابيتال متعدد الأصول المتداول (صندوق استثمار مغلقي متداول ومتو افق مع ضوابط الشريعة الإسلامية)

مدير الصندوق: الشركة السعودية للاستثمار والتمويل للأصول المالية (سدكو كابيتال)

مؤسسة سوق مالية مرخص لها من قبل هيئة السوق المالية ترخيص رقم: ١١١٥٧-٣٧

الشروط العامة للاشتراك في صندوق سدكو كابيتال متعدد الأصول المتداول

- الاطلاع على شروط وأحكام الصندوق.
- توفر معلومات استثمارية دقيقة ونشطة للمستثمر.
- توفر رقم حساب بنكي آمان مسجل باسم المشترك، على أن يقوم المشترك بتحويل قيمة الاشتراك منه وسيتم رد الفائض إليه بعد التخصيص.

معلومات الاشتراك

المستندات المطلوبة من جميع المستثمرين:

- صورة الهوية الوطنية صادرة من حساب بنكي باسم المستثمر، موضح بها لمبلغ الاشتراك قيمة الاشتراك ورسوم الاشتراك، في حال تقديم طلب الاشتراك إلكترونياً.
- المستندات المطلوبة من الأفراد:
- صورة من الهوية الوطنية للسعوديين أو لوائح دول مجلس التعاون الخليجي أو صورة من هوية مقيم للسعوديين خارجة من الدول.
- المستندات المطلوبة للأفراد القاصرين:
- صورة من الهوية الوطنية للسعوديين أو لوائح دول مجلس التعاون الخليجي أو صورة من هوية مقيمة أو دفتر العائلة بن أمهاتهم دون ١٩ سنة هجرية.
- صورة من هوية مقيم للسعوديين أو صورة من هوية مقيم للسعوديين دون ١٨ سنة هجرية.
- صورة من الهوية الوطنية للسعوديين أو صورة من هوية مقيم للسعوديين لولي الأمر سارية المفعول.
- صورة من صك الوصاية الصادر عن الجهات المختصة.
- المستندات المطلوبة للشركات:
- صورة من السجل التجاري، مع ختم الشركة.
- صورة من عقد التأسيس والنظام الأساسي مع ختم الشركة.
- صورة من هوية الممثلين بالتوقيع مع ختم الشركة، وموقعة من الممثلين.
- نسخة من هويات أعضاء مجلس الإدارة للشركة.
- المستندات المطلوبة للشركات الاستثمارية:
- صورة من السجل التجاري، مع ختم الشركة.
- صورة من عقد التأسيس والنظام الأساسي مع ختم الشركة.
- صورة من ترخيص ممارسة النشاط الاستثماري، مع ختم الشركة.
- صورة من الشروط والأحكام الخاصة بالصندوق الاستثماري، مع ختم الشركة.
- صورة من موافقة هيئة السوق المالية على طرح الصندوق الاستثماري، مع ختم الشركة.
- صورة من هوية الممثلين بالتوقيع مع ختم الشركة، وموقعة من الممثلين.
- المستندات المطلوبة للشركات الاستثمارية:
- صورة من هوية صاحب المحفظة الاستثمارية.
- صورة من السجل التجاري، مع ختم الشركة.
- صورة من عقد التأسيس والنظام الأساسي مع ختم الشركة.
- صورة من ترخيص ممارسة النشاط استثماري، مع ختم الشركة.
- صورة من موافقة إدارة المحفظة الاستثمارية.
- صورة من هوية الممثلين بالتوقيع مع ختم الشركة، وموقعة من الممثلين.

ملاحظات هامة

أكدت استلام الاشتراك، وتقوم الجهة المستفيدة لطبقات الاشتراك بإرسال تأكيد استلام طلب الاشتراك في الصندوق للعميل عبر البريد الإلكتروني وأو من خلال رسالة نصية إلى رقم الجوال المسجل لديه، فور طلب الاشتراك، يتم مراجعة طلب الاشتراك خلال ثلاثة أيام عمل في حال كان الطلب مكتوباً سيتم إتمامه للمستثمر بحلول طلب الاشتراك في حال عدم استيفاء طلب الاشتراك كامل المتطلبات أو وجود أي ملاحظات، سيتم إتمامه إشعار العميل عبر البريد الإلكتروني وأو من خلال رسالة نصية إلى رقم الجوال المسجل من خلال عاصمة الاشتراك الإلكتروني لاستكمال المتطلبات خلال يوم عمل من إشعار المشترك.

الإعلان عن نتائج الطرح: ١٠ أيام عمل من انتهاء فترة الطرح كحد أقصى.

تخصيص الوحدات للمستثمرين ورد الفائض (إن وجد): ١٥ يوم عمل من انتهاء فترة الطرح كحد أقصى.

إدراج وحدات الصندوق الإضافية: ١٠ يوم عمل من تاريخ انتهاء فترة الطرح كحد أقصى.

يجب على العميل التأكد من صحة البيانات المسجلة والموافق التي يتم تقديمها، ولا تتحمل الشركة السعودية للاستثمار والتمويل للأصول المالية (سدكو كابيتال) أو الجهة المستفيدة لطبقات الاشتراك ما قد ينتج من أي أخطاء في وثائق العميل أو معلوماته التي قد تم تقديمها.

يجب على العميل مراجعة تطابق قيمة طلب الاشتراك مع الحسابات البنكية الملتزمة، ووجود رخص طلب الاشتراك في حال وجود اختلافات بأكبر أو نقص.

يتم دفع/تحويل/عدم قبول أي مبلغ يتم تحويله من حساب غير الحساب المسجل لدى الجهة المستفيدة عند الاشتراك في الصندوق، ويجب أن يكون الحساب البنكي باسم العميل.

يجب تلبية حوالة بنكية مستقلة لكل فرد قاصر من نفس الحساب البنكي لولي القاصر في حال عدم وجود حساب بنكي أو محفظة للقاصر.

إن يتم قبول أي طلب اشتراك أو تحويل بنكي بعد انتهاء يوم العمل الأخير لفترة الطرح، يمكن للمستثمر الاشتراك تعديل البيانات الواردة في نموذج الاشتراك بعد إرساله أو تسليمه، ويمكن إلغاء الاشتراك والتقدم بطلب جديد، بينما لا يمكن إلغاء الاشتراك بعد الموافقة عليه وتأكيده، وفي جميع الحالات، يجب على المشتركين بخصف قائم مزايا تسليم واستكمال متطلبات الاشتراك والوثائق أو تحمليها عبر البريد الإلكتروني.

في حال وجود أي استفسارات يرجى التواصل معنا عبر رقم الهاتف ١٤٤٥-١٦٦٦ (٠١) ١٦٦٦ أو من خلال البريد الإلكتروني [info@sedco-capital.com](mailto:info@sedco-capital.com)

يجوز تمديد فترة الطرح بعد الحصول على موافقة هيئة السوق المالية

تفويض الجهات المستفيدة

لن لديه حساب بنكي:

أقرض الجهة المستفيدة بصح المبلغ من حسابي لديها لتحويله للشركة/الوكيل:

للاستعمال الرسمي

استلمت من المشترك أعلام مبلغاً وقدره: ..... ريال سعودي فقط كتابةً:

خضعت من حسابي لديها رقم:

تمت مراجعة المعلومات الشخصية للشركة/المستثمرين الواردة في هوية/هوياته والتعليمات الخاصة بهذا الاشتراك:

الجهة المستفيدة:

اسم الفرع:

اسم الموظف المسؤول:

التوقيع:

ختم الجهة المستفيدة:

## Appendix 5– Letter of the Legal Counsel



شركة خالد، عبد الناصر نصار وشريكه للمحاماة والاستشارات  
القانونية – ترخيص شركة مهنية رقم (٨٩٧/١٢/٣٢٣) بتاريخ  
٢٦/٨/١٤٤٤ هـ - هيد كوارترز بيزنس بارك، الدور ٣٦ مكتب  
٣٦٠٢، الكويزيش، حي الشاطئ، جدة ٢٣٥١١ – التخصيصي  
٧٠٦٠ – الدور الأول - مكتب ١٠٨ الرياض – المملكة العربية  
السعودية - هاتف: ٠١٢-٩٦٦١٢٦١١١ - .

التاريخ: ١٤٤٤/١٢/٣٠ هـ، الموافق: ٢٠٢٣/٠٧/١٨ م

السادة هيئة السوق المالية

الرياض - المملكة العربية السعودية

السلام عليكم ورحمة الله وبركاته وبعد،

بصفقتنا مستشاراً قانونياً للشركة السعودية للاقتصاد والتنمية للأوراق المالية (مذكور كإبتال) ("مدير الصندوق") في ما يخص طلب مدير الصندوق طرح وحدات صندوق استثمار مغلق متداول وإدراجها في السوق المالية السعودية (تداول) ("السوق") (صندوق مذکور كإبتال متعدد الأصول المتداول للدخل (صندوق استثمار مغلق متداول ومتوافق مع المعايير والضوابط الشرعية ومؤسس وفقاً لأحكام لائحة صناديق الاستثمار الصادرة عن مجلس هيئة السوق المالية في المملكة العربية السعودية) - تحت التأسيس ("الصندوق").

نشير إلى الشروط والأحكام المعدة بخصوص الصندوق (رأس مال الصندوق المستهدف: مليار (١,٠٠٠,٠٠٠,٠٠٠) ريال سعودي والحد الأدنى لبداء الصندوق هو ثلاثمائة مليون (٣٠٠,٠٠٠,٠٠٠) ريال سعودي، إجمالي عدد الوحدات: مئة مليون (١٠٠,٠٠٠,٠٠٠) وحدة والحد الأدنى لبداء الصندوق هو ثلاثون مليون (٣٠,٠٠٠,٠٠٠) وحدة، سعر الوحدة في الطرح الأولي: عشرة (١٠) ريالاً سعودياً، وبصفة خاصة فيما يتعلق بطلب طرح وحدات الصندوق وإدراجها في السوق المقدم إلى هيئة السوق المالية ("الهيئة")، وحول متطلبات نظام السوق المالية ولائحة صناديق الاستثمار، وبصفة خاصة، فقد قدمنا المشورة إلى مدير الصندوق حول المتطلبات التي يجب أن تشمل عليها الأقسام القانونية من الشروط والأحكام، وحول إستيفاء الأصول لجميع المتطلبات النظامية. وفي هذا الخصوص، قمنا بإجراء دراسة وتحريات إضافية نرى أنها ملائمة في تلك الظروف.

وبهذه الصفة الاستشارية، نؤكد أننا لا نعلم عن أي مسألة جوهرية تشكل إخلالاً من قبل مدير الصندوق بالتزاماته لمتطلبات نظام السوق المالية أو بالشروط المفروضة بموجب لائحة صناديق الاستثمار بالنسبة إلى طلب طرح وحدات الصندوق وإدراجها، بما في ذلك المتطلبات المتعلقة بمحتوى الشروط والأحكام كما هي في تاريخ هذا الخطاب.

وتقبلوا وافر التحية والتقدير،،،

شركة خالد نصار وشريكه

للمحاماة والاستشارات القانونية

المحامي/ محمد بن أحمد النافع - شريك



## **Appendix 6 – Letter of the Fund Manager**

#### خطاب مدير الصندوق

التاريخ: ١٤٤٤/١٢/٣٠ هـ

الموافق: ٢٠٢٣/٠٧/١٨ م

الى: هيئة السوق المالية

بصفتنا مدير صندوق سدكو كابتال متعدد الأصول المتداول فيما يخص طرح الصندوق استثمار مغلق متداول باسم صندوق سدكو كابتال متعدد الأصول المتداول وتسجيل و ادراج وحداته في السوق المالية السعودية (تداول)، نحن الشركة السعودية للاقتصاد والتنمية للأوراق المالية (سدكو كابتال) نؤكد، بحسب معرفتنا، و بعد (القيام بالدراسة الواجبة) و اجراء التحريات اللازمة على الصندوق، ان الصندوق قد استوفى جميع الشروط المطلوبة لتسجيل وحدات الصندوق وإدراجها واستوفى جميع المسائل الأخرى التي تطلبها هيئة السوق المالية (الهيئة) حتى تاريخ هذا الخطاب. وتؤكد الشركة السعودية للاقتصاد والتنمية للأوراق المالية (سدكو كابتال) أنه، بحسب علمه وفي حدود صلاحيته مديراً للصندوق، قد قدم إلى الهيئة جميع المعلومات والتوضيحات بحسب الصيغة المطلوبة وخلال الفترة الزمنية المحددة وفقاً لملا طلبته الهيئة لتمكينها من التحقق من أن (مدير الصندوق) والصندوق قد التزما بنظام السوق المالية ولائحة صناديق الاستثمار.

وبصفة خاصة يؤكد (مدير الصندوق) ما يلي:

- أنه قد قَدّم جميع الخدمات ذات العلاقة التي تقتضيها لائحة صناديق الاستثمار، بالعناية والخبرة المطلوبة.
- أنه قد اتخذ خطوات معقولة للتحقق من أن أعضاء مجلس إدارة الصندوق يفهمون طبيعة ومدى مسؤولياتهم وفقاً لنظام السوق المالية ولوائحه التنفيذية.
- أنه قد توصل إلى رأي معقول، يستند إلى تحريات كافية وخبرة مهنية، بأن:
  - الصندوق قد استوفى جميع المتطلبات ذات العلاقة بلائحة صناديق الاستثمار (بما في ذلك الأحكام المتعلقة بالشروط والأحكام):
  - جميع أعضاء مجلس إدارة الصندوق المرشحين تنطبق عليهم متطلبات التأهيل الواردة في لوائح هيئة السوق المالية وقواعدها، وأن أعضاء مجلس الإدارة المستقلين ينطبق عليهم تعريف "عضو مجلس إدارة صندوق مستقل" الوارد في قائمة المصطلحات المستخدمة في لوائح هيئة السوق المالية وقواعدها، ولائحة صناديق الاستثمار:
  - جميع المسائل المعلومة للشركة السعودية للاقتصاد والتنمية للأوراق المالية (سدكو كابتال) التي يجب على الهيئة أن تأخذها بعني الاعتبار عند دراستها لطلب الطرح قد أفصح عنها للهيئة

الشركة السعودية للاقتصاد والتنمية للأوراق المالية (سدكو كابتال)

