

Terms and Conditions of the Fund

Yaqeen Saudi Equity Fund
(Public Open-end Investment Fund)

Fund Manager
Yaqeen Capital (Yaqeen)

(Yaqeen Saudi Equity Fund) has been certified as being Shari'ah compliant by the shariah board appointed for the investment fund.

These are the terms and conditions of Yaqeen Saudi Equity Fund, which is a group investment program opened for participation, as it represents a contractual relationship by and between the Fund Manager and the investors therein. It has been registered at Capital Markets Authority of Saudi Arabia on the date of 12/03/1428 H., corresponding to 31/03/2007. The last update for the terms and conditions has been conducted in **/07/2022. The terms and conditions of the Fund and also the documents affiliated thereto, are subject to the applicable laws in the Kingdom of Saudi Arabia and the provisions of Investment Funds Regulation issued by Capital Markets Authority of Saudi Arabia and any other amendments or directions issued thereby in this regard. As it also contains complete, true, clear information, which are not misleading about the investment Fund.

The investors and the persons receiving these publication, shall read the terms and conditions stated therein, information memorandum, and other documents carefully and take the advice of their professional counselors, as they shall consider any legal requirements before taking any investment decision in regard of the fund.

Issue date of the terms and conditions of the Fund

16/04/2007.

The last update was on the date of

28/07/2022

Date of the authority approval on the establishment of the Investment fund and subscription of its units

31/03/2007

This copy had edited from the T&C of the Yaqeen Saudi Equity Fund has reflected the change of the fund auditor as per our letter sent to CMA on 28/07/2022 AD

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1. General Information		
A	Fund Manager	Yaqeen Capital Co., closed joint-stock Company licensed from Capital Markets Authority of Saudi Arabia under license number 06020-37 and date of 29/04/1427 H. to conduct dealing services in the capacity as principle and agent and underwriter, in addition to management of investment Funds, and private portfolios and provide counsel and custodianship in securities as well.
B	Address of the main office of the Fund Manager	Headquarter – Olaya Main Road P.O. Box 884 – Riyadh 11421 Tele. 8004298888 Fax: +966 (11) 4617268
C	Web Address for the Fund Manager	www.Yaqeen.sa
D	Custodian	Albilad Capital, a Saudi Single closed Joint Stock Company, licensed by Capital Markets Authority of Saudi Arabia, under license number 08100-37 and date of 01/08/1428 H., corresponding to 14/08/2007 to conduct the service of acting as principle and agent and underwriter, in addition to the management of investment funds, private portfolios, arrangement, and Advising and custodianship of securities.
D	Web Address of the Custodian	www.albilad-capital.com
2. Governing Law		
Yaqeen Saudi Equity Fund and the Fund Manager are subject to the Capital Market Law (CML), its implementing regulations and all other related regulations in the Kingdom of Saudi Arabia.		
3. Investment Fund Objectives		
A	A description for the investment fund objectives	It is a Public Open-end investment Fund aims to achieve capital growth in order to achieve capital growth for the long term.

B	Investment policies and practices	<p><u>Assets, in which the Fund invests:</u></p> <p>The Fund invests in securities listed in Saudi Stock Exchange, which are shariah compliant. The Fund grants the investors the opportunity to participate in growth opportunities available in Saudi Market.</p> <table border="1"> <thead> <tr> <th>Assets categories</th> <th>Minimum limit</th> <th>Maximum limit</th> </tr> </thead> <tbody> <tr> <td>Companies stocks listed in Saudi market and are shariah compliant</td> <td>90%</td> <td>100%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> - The Fund invests 90% at least from its net assets in companies' stocks compliant with shariah and listed in Saudi market in normal market conditions. - When the Fund Manager believe that the market conditions, or economic conditions are unfavorable for investment, then he could temporary allocate 100% of the Fund assets in a defensive methods through maintaining all assets in cash form or in form of high quality short or long terms investments and investments in defensive tools temporarily, and it may include short term Murabaha <p><u>Investment Policy and Practices:</u></p> <ul style="list-style-type: none"> - The Fund Manager follow an active investment strategy to achieve the Fund objectives, where it invests directly in stocks listed in the Saudi Stock Exchnage which are shariah compliant. - Yaqeen Asset Management team measure the Fund performance versus Yaqeen Shariah Compliant Index FSI (benchmark indicator), where the asset management team 	Assets categories	Minimum limit	Maximum limit	Companies stocks listed in Saudi market and are shariah compliant	90%	100%
Assets categories	Minimum limit	Maximum limit						
Companies stocks listed in Saudi market and are shariah compliant	90%	100%						

		<p>seeks to achieve performance level that exceeds measurement indicator and through:</p> <ol style="list-style-type: none"> (1) Active distribution at sector levels. (2) Active selection of the shares of the portfolio. <ul style="list-style-type: none"> - The investment is being selected in certain stocks through bottom up analysis based upon long term value. It concentrates on the stocks market value and compare that with the valuation of Fund Manager for its fundamental factors such as; company profits, its assets value, and possible cash flows on long term (usually 5 years) for that company. The Fund Manager also takes into account sustainability of profits, profit margins, and company liquidation value. - When selecting the Fund investments, the Fund Manager believes in the significance of field visits to the site of stock issuer to evaluate significant and fundamental factors such as management strength and local conditions of the Company.
4. Duration of the investment fund		
Yaqeen Saudi Equity Fund in Saudi Riyal is a public Open-end investment fund, there will be no specified term for the Fund, and with no maturity date		
5. Investment Limits / Restrictions		
The Fund Manager during its management of the Fund, shall oblige with limits and restrictions imposed by the Investment Funds Regulation issued by Capital Markets Authority of Saudi Arabia, terms and conditions of the fund, and information memorandum in consistent with shariah standards.		
6. Fund Currency		
The Fund currency is Saudi Riyal. In case of paying for the units with currency other than the Fund currency (Saudi riyal), the Fund Manager shall convert the payment currency to the Fund currency in accordance with the exchange rates prevailing at the time, then the purchase shall be enforced based upon the price after the conversions.		
7. Fees, charges and expenses		
A	Details for all fees imposed on the Fund	<ul style="list-style-type: none"> - Fund Management Fees: 1.75% of Net assets value of the Fund annually. The Fund Manager shall obtain the fees for Fund management, and it shall be calculated proportionally on the year days (365 day), deducted in each valuation day, where it shall be paid every 3 months as dues. The Fund Manager shall retain the right to redeem from the Fund – at any time – any fees, commissions, or legal fees and other expenses paid by the Fund and related to administrative costs in accordance with the laws of Capital Markets Authority of Saudi Arabia. - Auditor Fees: 39.000 Saudi Riyal a year. (Borne by the Fund). - Custodianship Fees: 0.02% of assets value under custody annually. (Borne by the Fund). B - Sharia Committee Fees: none (shall be Borne by the Fund Manager). - Fees of review and follow-up on the disclosure process: 7.500 Saudi Riyal a year. (Borne by the Fund). - Dealing expenses: it has been registered by cost(s) related to stock trade and shall be Borne by the Fund. - Remuneration of the Fund's Board: (will be paid by the Fund Manager for the Fund): 3,000 Saudi Riyals for every meeting and up to 5,000 Saudi Riyal a month in cases of more than a meeting in one month for Independent Board Members - Loan fees: none. - Value Added Tax: Value Added Tax will be applied in accordance with the instructions of implementing regulation issued from General Authority for Zakat and Income Tax on all fees, expenses, charges, and costs.

		All fees and expenses stated in the terms and conditions and other documents do not include Value Added Tax, unless otherwise was stated.
B	charges imposed for subscription and redemption	<ul style="list-style-type: none"> - Subscription fees: 1.50% of the subscription value (Borne by the investor when subscribing). - Redemption fees: none - Early redemption fees: an early redemption fee will be collected with 0.50% of subscription amount on the units' owner, who demands the redemption of the units within thirty (30) days from the subscription date. - Property transfer fees: none. - Value Added Tax: Value Added Tax will be applied in accordance with the instructions of implementing regulation issued from General Authority for Zakat and Income Tax on all fees, expenses, charges, and costs.
C	Details of any special commissions executed by the Fund Manager	Does not apply
8. Valuation and Pricing		
A	Valuation mechanism of fund assets	<ul style="list-style-type: none"> - Listed or traded securities in capital market: it shall be valued with the price of the last executed deal in the market. In case these securities were suspended, it will be valued with last price before the suspension. Unless there was a strong evidence that the value of these securities has declined from the suspension price. - Any other investment: the fair value determined by the Fund Manager based upon the methods and rules approved by the custodian and after checking it by the Fund Auditor
B	Number of valuations points	Yaqeen Saudi Equity Fund will be valued daily at 10:00 AM by using closing rate for the previous day.
C	Action to be taken in case of mis-valuation or mis-pricing	<ul style="list-style-type: none"> - In case of valuating one of Fund assets incorrectly, or calculating the unit price incorrectly, the Fund Manager shall document the error directly and inform the authority immediately about the error in valuation or pricing, which its percentage constitutes 0.5% or more of the unit price, where that shall be disclosed immediately in the website of the Fund Manager, the Market Website and in the Fund reports. - The Fund Manager will compensate all affected unitholders (including the previous units' owners) for all mis-valuations or mis-pricing without postponement.
D	Details of unit price calculation method	<ul style="list-style-type: none"> - The Fund Manager shall calculate the Fund investments in each valuation day. The valuation determination shall be based upon all assets included in the portfolio, deducted therefrom the dues related to the investment Fund in that time and the assets net value shall be calculated for each unit "unit price" based upon the following equation: (total assets – dues – accumulated expenses) ÷ number of existing units during the valuation time. - The Fund assets shall include all assets of any kind and nature and also its valuation method has been demonstrated in paragraph (8/A), in addition to (cash, profits, and distributions due for payment of receipt in form of stocks, or another dues of the Fund). - The Fund obligation shall include all obligation with any kind and nature, including for example without limitation; all loans, payables, all due and accumulated expenses and fees on the Fund, which have been stated in paragraph (7/A) of this publication.

H	Date and place of publishing the units price	Price of Yaqeen Saudi Equity Fund will be published daily on Tadawul Website: www.tadawul.com.sa , the Fund Manager Website: www.Yaqeen.sa and at 10:00 AM at maximum.
9. Dealings		
A	The Fund Manager responsibilities in regard of subscription and redemption applications	<p><u>Subscription Procedures:</u></p> <ul style="list-style-type: none"> - The Fund Manager shall accept the subscription and redemption applications in every work day up to the end of work day that precedes the transaction day directly. The subscriptions application, which has been received and its terms have been fulfilled shall be deemed as irrevocable. - However, regardless of receiving the signed subscription application or any other applications, the Fund Manager shall retain the right to refuse any subscription application without the need to submit any reasons. In this case, the Fund Manager shall return the amounts paid by the investor in exchange for the subscription without deduction or addition within appropriate time. <p><u>Redemption Fees:</u></p> <ul style="list-style-type: none"> - - The investors may redeem all of their investment units or part thereof. If the subscriber redeemed his investment with percentage lead to the decline of his participation from the minimum limit required for participation in the Fund, his investment share will be repaid in full.
B	The maximum period between receiving the redemption application and paying its yields for the units' owner	The redemption proceeds shall be paid with a period up to two work days after the following valuation day.
C	Restrictions of transaction with Fund units	Not applicable.
D	The cases, with which the transaction in units will be postponed or the followed procedures in these cases will be suspended	<ul style="list-style-type: none"> - The Fund Manager is entitled to postponement, suspend the transaction in Fund units in the following cases: <ol style="list-style-type: none"> 1. If the Authority requested so. 2. If the Fund Manager saw that the suspension is in the interest of the Unitholders 3. If the suspension is in the interest of the Unitholders <p>If dealing is suspended in the Main Market in which securities or other Assets are held by the Fund, whether in whole or in respect of Assets of the Fund that the Fund Manager reasonably considers to be material to the Fund's Net Asset Value In case of suspending the Fund valuation, the subscription and redemption applications, which are being submitted in the suspension period or after it, it will be implemented in next day of transaction, when the valuation suspension is ended. The Fund Manager will immediately notify the Authority and the unitholders with any suspension with clarification of the suspension reasons and notify them with the same method used in notifying after the end of suspension and disclose that in the electronic website of the Fund Manager and market website.</p>
E	The procedures under which the selection of redemption application, which will be postponed, is made.	<p>Yaqeen is not obliged to implement the redemption applications to more than 10% of net value of Fund assets in any transaction day. In case the Fund valuation was suspended, the redemption application of Fund units, which is being submitted in the suspension date or after it, will be implemented in the next transaction day, when the valuation suspension is ended.</p> <p>The redemption applications, which will be postponed, shall be selected based upon precedence and redemption size. Where the Fund Manager shall implement the redemption application, which have been received first and that within the limits of 10% of net assets value of the Fund,</p>

		as for the remainder Of redemption applications, it shall be postponed to the next transaction day.
F	Property transfer of units to other investors	The Fund Manager shall not allow the property transfer of the units to other investors.
G	The Fund Manager investment in the Fund	Yaqeen Capital as the Fund Manager, may subscribe in the Fund since its offering and then its contribution will be reduced gradually until the level deemed appropriate.
H	Specified date and final dates for the submission of subscription and redemption application	The subscription and redemption is allowed every work day with work hour up to the end of work day prior to the transaction day directly. In case of receiving subscription application or depositing the subscription amount after the specified date, its procedures shall be conducted (unless the Fund Manager decided otherwise) based upon the valuation price in the next transaction day and in case of not receiving the subscription amount at the end of the following transaction day, the subscription application shall be deemed null and void.
I	The procedures of submitting applications related to subscription and redemption	<p><u>Subscription procedures in the units:</u></p> <ul style="list-style-type: none"> - Investors, who wishes to purchase units in the fund, shall do that through filling the form of the subscription application, sign it, and deliver it to any of Yaqeen Branches, in addition to the payment of subscription amount or filling the subscription application and approve the terms and conditions of the Fund through Yaqeen System for E-Services and deposit the subscription amount in the account dedicated for that. - In case of payment or bank remittances, the investment in the Fund will be implemented only through receiving a notification with the liquidation of set-off or remittance. - In case of paying for the units in a currency other than the Fund currency (Saudi Riyal), the currency will be converted to the Fund currency by the Portfolio Manager in accordance with the exchange rates prevailed at the time, then the purchase will be enforced based upon the price after the conversion. <p><u>Procedures of Units' Redemption:</u></p> <ul style="list-style-type: none"> - The units' holder shall fill the form of redemption application, sign, and deliver it to the Fund Manager and through its offices in every work day or fill the redemption application and deliver it through Yaqeen System for E-Service. The redemption applications are being processed in the transaction day following the recipient of redemption applications.
J	The minimum limits for the capital	The minimum limit for capital to start the operation of the Fund is 50 million Saudi Riyal. In case of not collecting the minimum limit during the first subscription period for the Fund Manager and after obtaining the Authority's approval to extend the first subscription period for 21 days at maximum and disclosing that in the Fund Manager website. If the minimum limit was not collected during the first subscription period, the Fund Manager will return the subscription amounts and any returns resulted from its investment to the unitholders without any deduction.
K	The necessary corrective procedures to guarantee the requirement of 10 million Saudi riyals or its equal as minimum for the net value of Fund assets	The Fund Manager shall follow the provisions stated in the regulation of investment funds and circulars issued from the Capital Markets Authority of Saudi Arabia in regard of the necessary requirement to start the Fund work (whenever applicable).
10. Distribution Policy		

The Fund Manager will not distribute any profits on the subscribers, whereas the company profits will be reinvested in the Fund.		
11. Reporting to unitholders		
A	<ul style="list-style-type: none"> - The Fund Manager shall prepare the interim financial reports for every half year within 35 days from the expiration of the period, which has been reviewed by an external auditor, as it shall include the interim financial statements, information about the Fund Manager, and any other information during the period. - The Fund Manager shall prepare an audited annual report, includes the financial data, which is being prepared in accordance with the financial laws and the applicable laws in the Kingdom of Saudi Arabia within 70 days from the end of the Fund fiscal year. The annual financial data shall be audited and approved by the external auditors for the Fund. - Within 30 days from the end of every year, a report shall be sent to the investors in the Fund, clarifies the Fund operation within this period, in addition to the number and value of the units, which the investor owns at the period end and the total charges of services, fees, and expenses deducted from the units' owner. 	
B	<ul style="list-style-type: none"> - These reports shall be delivered when requested, through the offices of Fund Manager without any fees and it will be published on the Fund Manager Website and the Market Website as well. - Any other financial information required to be published including units' prices or announcement for any suspension for the units' valuation will be published in the Fund Manager Website, the Market Website, and it will be available for investors through the Fund Manager offices without any fees. - Any notices for the investors, the Fund Manager shall send it in accordance with the addresses registered in the record of units' holders and when necessary or according to laws requirements, it will be published in the daily newspapers. 	
C	<ul style="list-style-type: none"> - The unitholders shall be provided with annual financial statements when required through the Fund Manager offices without any fees and it will be published in the Fund Manager website and Market Website. 	
12. Unitholder's Register		
The Fund Manager shall prepare and update a record for unitholders and maintain it in the Kingdom of Saudi Arabia.		
13. Meeting of Unitholders		
A	The conditions, in which the unitholders shall be called for a meeting	<ul style="list-style-type: none"> - The Fund Manager may call for a meeting of unitholders through an initiative from it. - The Fund Manager shall call for the meeting of unitholders within (10) days from receiving a written request from the Custodian. - The Fund Manager shall call for a meeting of unitholders within (10) day from receiving a written request from one owner or more of the units' owners, who solely or collectively own 25% at least from the value of the Fund units.
B	The procedures of calling for a meeting of unitholders	<ul style="list-style-type: none"> - The invitation for the meeting of unitholders shall be by announcing that in the Fund Manager website and the Market website and by sending a written notice to all unitholders and the Custodian and that <ol style="list-style-type: none"> 1. Before ten days at least from the meeting. 2. Within a period up to (21) days before the meeting and the notice shall include the date, place, time of the meeting and proposed decisions. - The unitholders meeting shall only be true and correct if it was attended by a number of units' owners, who collectively own 25% at least from the value of the public fund units. - If the stated quorum in the above paragraph was not fulfilled, the Fund Manager will call for a second meeting by announcing that in the Fund Manager Website and the Market Website and send a written notice to all unitholders and the Custodian before the second meeting date with a period not less than (5)

		<p>days. The second meeting shall be deemed true and correct regardless of the represented units in the meeting.</p> <ul style="list-style-type: none"> - Every unit's owner may assign a representative to represent him in the meeting of units' owners.
C	Rights of unitholders vote	Each owner may give one vote in the meeting of unitholders for each units he owns at the time of the meeting.
14. Unitholder's Rights		
		<ul style="list-style-type: none"> - Obtaining the information memorandum and key information summary in Arabic for free from the Fund Manager. - Obtaining the key information summary, which is prepared by the Fund Manager in a brief and simple form and it includes the information related to the Fund features. - Obtaining a summary for the unitholders record (as this summary shall demonstrate all information related to the Owner, who submitted the request only) for free, when requested. - Practicing all rights related to the units including – for example without limitation – right of vote in the meeting of units' owners. - Receiving a notification from the Fund Manager with the details of fundamental changes on the Fund and that before 10 from the application of the change. - Redeeming the units (in the Public Open-end fund) before the application of any fundamental change without redemption fees (if any). - Receiving a written notice from the Fund Manager with any proposed significant changes before (21) days from the change application. - Redeeming units (in the Public Open-end Fund) before the application of any significant change without redemption fees (if any). - Receiving a written notice from the Fund Manager with any change Due for notification in the public Fund before (8) days from the application of the change. - Receiving an immediate notification from the Fund Manager, when it imposes the suspension of subscription or redemption for Fund units in addition to clarification of suspension reasons. - Receiving an immediate notification from the Fund Manager, when it ends the suspension of subscription or redemption for fund units. - The affected unitholders are entitled to obtain a compensation from the Fund Manager for all valuation or pricing errors. - Issue a decision related to demanding the dismissal of any member of the Fund board of Directors, as this request shall be addressed to the Fund Manager. - The Fund Manager shall oblige to apply all requirements of unitholders meeting in accordance with article (70) of investment funds regulations. - The Fund Manager shall oblige to apply all requirement of reports submission to unitholders in accordance with article (71) of investment funds regulations. - In case of merging the funds, the Fund Manager shall oblige to apply all requirements of chapter (7) of investment funds regulations. - Receiving an immediate written notification from the Fund Manager, when it dismisses the Custodian appointed by it. - Receiving a notification from the Fund Manager, when terminating the public fund.
15. Unitholder's Liability		
		The unitholders liability shall be limited to bearing the losses in his investment in the Fund or part thereof, where he shall not be liable towards the Fund debts and obligations.
16. Units Characteristics		
		The Fund Manager may issue unlimited units' number of Yaqeen Saudi Equity Fund units and all units are the same type and each unit represents an equal standard share in the net value of Fund assets.
17. Changes in the Terms and Conditions of the Fund		
A		This Fund subjects to all provision that govern the changes of terms and conditions of public investment funds, approvals, and notifications determined by investment funds regulations.
B		<ul style="list-style-type: none"> - By owning units in the Fund, the participant shall approve that the terms and conditions of the Fund stated in this publication, subscription applications items, and any other documents in relation with the fund, will govern the relation between him and the Fund Manager. - The participant shall also agree that Fund Manager may from time to time, in accordance with the regulative requirements and applicable regulation, amend these terms and conditions or any other documents after obtaining the approval of units' owners, then the approval of Capital Markets Authority of Saudi Arabia on the fundamental changes in the terms and conditions of the Fund.

	<p>In this case the Fund Manager shall notify the unitholders and disclose the details of fundamental changes in its website and Market website and that before (10) days from the application of the change.</p> <ul style="list-style-type: none"> - The Fund Manager shall notify Capital Markets Authority of Saudi Arabia and the unitholders in writing with any proposed changes in the terms and conditions of the Fund. In this case, Fund Manager shall notify the unitholders with the significant changes before (21) days from the change application. Also the Fund Manager will disclose the details of significant changes in its website and the Market website and that before (10) days from the application of the change. - The Fund Manager shall notify Capital Markets Authority of Saudi Arabia and unitholders with any changes needs to be notified and that before (8) days from the application of the change. Also the Fund Manager will disclose the details of changes needs to be notified in its website and the Market website and that before (21) days from the application of the change.
18. Fund Termination	
	<ul style="list-style-type: none"> - The Fund Manager may terminate the Fund, if it noticed that the size of Fund assets under the management is not sufficient to justify the economic operation of the Fund or in case of occurrence of any change in the law or regime or any other conditions, in which the Fund Manager sees that it is an appropriate reason to terminate the Fund. In this case, The Fund Manager shall notify Capital Markets Authority of Saudi Arabia and the unitholders in writing with its desire to terminate the Fund and that within 21 days from the intended date of terminating the Fund. - In case of the Fund termination, the Fund assets shall be liquidated, debts, and obligations related to deductions shall be paid. As for, the remainder assets, it shall be distributed on the participants with proportion represented by their units attributed to the total units. As a conformation shall be issued from the Fund Manager with that and in this case of starting the Fund liquidation, no distributions will be made to the investors, unless all assets are liquidated and collecting the proceeds of the liquidation by the Fund Manager.
19. Fund Manager	
A	<p>Fund Manager tasks, duties, and responsibilities</p> <ul style="list-style-type: none"> - The Fund Manager (Yaqeen Capital) shall assume the Fund management in prudence and justice for the purpose of achieving the investment objective for the Fund included in this publication. Where, it shall consider in all cases the interest of the units' holders in line of the terms and conditions of the Fund. - The Fund Manager shall comply with the controls stated in paragraph (3) (investment fund objectives) of this publication and also with the controls in relation stated within article (41) (investment restrictions) stated in the investment funds regulation. - The Fund Manager shall comply with shariah standards for investment, as it shall periodically make sure of the compatibility of all Fund investments with the legal controls and standards approved by the Fund shariah committee under the supervision of Fund shariah committee and informing the Fund Board of Directors immediately with any fundamental violations. - The Fund Manager, in the context of its tasks, shall make sure of the availability of sufficient liquidity to fulfill any potential redemption applications.
B	<p>The Fund Manager entitlement to appoint a Sub-Fund Manager</p> <p>The Fund Manager is entitled to appoint Sub-Fund Manager if it saw a need for that.</p>
C	<p>Governing provisions for the dismissal of Fund Manager or replacing it</p> <p>The Authority is entitled to dismiss the Fund Manager and take any action it deems necessary to appoint a replacement for the Fund or take any other measure, it deems appropriate and that in the occurrence of any of the following cases:</p>

		<ol style="list-style-type: none"> 1. The Fund Manager has stopped the practice of management activity without notifying the authority thereby, under the regulation of licensed persons. 2. The annulment of the Fund Manager license in practicing the management activity, withdraw it, or suspend it by the Authority. 3. Submitting a request to the Authority from the Fund Manager to cancel the license in practicing the management activity. 4. If the Authority saw that the Fund Manager has breached – in a way, the authority deems fundamental – the law obligation or its implementing regulations. 5. Death of the investment portfolio manager, who runs the invest fund assets, his disability, or resignation without the existence of another registered person at the Fund Manager, who is capable to manage the investment fund assets or funds' assets ran by the portfolio manager. 6. In any other case, which the Authority – based upon reasonable grounds – see it as fundamental significance.
20. Custodian		
A	Tasks, duties, responsibilities of the Custodian	The Custodian (AlBilad Capital) shall be the authority responsible for the custodianship of the Fund assets and conducting the administrative services related to record keeping, issuance of financial positions, valuation of net assets value, and issuance of net assets value for the Fund unit.
B	The Custodian right to appoint a Sub-Custodian	The Custodian may not appoint a Sub-Custodian.
C	The provisions that govern the dismissal of the Custodian or its replacement	<ul style="list-style-type: none"> - The Authority is entitled to dismiss the Custodian appointed by the Fund Manager or take any measures it deems appropriate in case of the occurrence of any of the following cases: <ol style="list-style-type: none"> 1. The Custodian has stopped the practice of custodianship activity without notifying the authority thereby, under the regulation of licensed persons. 2. The annulment of the Custodian license in practicing the custodianship activity, withdraw it, or suspend it by the Authority. 3. Submitting a request to the Authority from the Custodian to cancel its license in practicing the custodianship activity. 4. If the Authority saw that the Custodian has breached – in a way, the authority deems fundamental – the law obligation or its implementing regulations. 5. In any other case, which the Authority – based upon reasonable grounds – see it as fundamental significance. <p>In this case the Fund Manager will appoint a substitute Custodian and transfer the custodianship responsibilities to the substitute Custodian within 60 days from its appointment.</p> <ul style="list-style-type: none"> - The Fund Manager may dismiss the Custodian under a written notice, if it was in a reasonable manner that the Custodian dismissal will in the interest of units' owners. In this case the Fund Manager will appoint a substitute custodian within (30) days from the date, in which the Custodian received the written notice. The appointment of a substitute Custodian will be disclosed immediately in Fund Manager website and the Market website.
21. Auditor		
A	Name of the Auditor	PricewaterhouseCoopers (pwc).

B	Tasks, duties, and responsibilities of the Auditor	The Auditor shall review the interim and annual financial statements for the Fund.
C	Provisions that governs the replacement of the Auditor of the Fund	<p>In case the Fund Manager desired to appoint any substitute Auditor, it shall take the approval of the Fund Board of Directors. The Members of Board of Director are entitled to refuse the appointment of Auditor or direct the Fund Manager to change the appointed Auditor in any of the following cases:</p> <ul style="list-style-type: none"> - The existence of standing claims about professional misconduct for the Auditor related to the performance of its tasks. - If the Auditor was no longer independent. - If the Fund Board of Directors decided that the Auditor does not possess the sufficient qualifications and expertise to perform the audit tasks correctly. <p>If the Authority requested in accordance with its sole estimation the change of the appointed Auditor in regard of the Fund.</p>
22. Fund Assets		
A	All Fund assets are in custody of the Custodian stated in paragraph (20) of this publication for the interest of Fund.	
B	The Custodian shall separate the Fund assets from the assets of its assets and the assets of its other clients	
C	All Fund assets are owned collectively for the unitholders as common property and the Fund Manager, Sub- Fund Manager, the custodian, Sub-Custodian, the advisor, or the distributor may not have any interest in the Fund assets, or claim in regard of these assets, unless the Fund Manager, Sub- Fund Manager, Custodian, sub-Custodian, advisor, or the distributor is units owner and that within the limits of his ownership or these claims was allowed under the provisions of investment funds regulations and it was disclosed in the terms and condition or information memorandum.	
23. Acknowledgment from the Units' Owner		
By the participation of the units' owner in the Fund, he acknowledges that he has viewed the terms and conditions of the fund, information memorandum, and the summary of key information related to the Fund and he also acknowledges his approval on the units' features, in which he has participated.		

Information Memorandum

Fund Name

Yaqeen Saudi Equity Fund
"Public Open-end Investment Fund"

Fund Manager

Yaqeen Capital

Custodian

AlBilad Capital Company

Date of issuing the information memorandum

16/04/2007

Last update for it, on the date of

28/07/2022

The information memorandum related to Yaqeen Saudi Equity Fund and its contents subject to the provisions of Investment Funds Regulation issued from Capital Markets Authority.

Investors are advised to read and understand the contents of the information memorandum. If in doubt, please consult a professional adviser.

Important Notification

“This Information Memorandum has been reviewed and approved by the fund board. The fund manager and the fund board directors collectively and individually accept full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the fund board directors and the fund manager confirms to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Information Memorandum false or misleading.”.

The Capital Market Authority has approved the establishment of and the offering of units in the investment fund. The Capital Market Authority does not, however, take any responsibility for the contents of this information memorandum, nor does it make any representation as to its accuracy or completeness (complete, clear, accurate, and not misleading), and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. The Capital Market Authority does not make any recommendation as to the soundness or otherwise of investing in the investment fund, and the approval of establishing the fund does not mean that the Authority recommends to invest in the Fund nor confirm the authenticity of the information contained in the terms and conditions and the information memorandum, and the Authority emphasizes that the decision to invest in the fund is up to the investor or his representative.

(Yaqeen Saudi Equity Fund) has been certified as being Shariah compliant by the Shariah Board appointed for the investment fund.

1- **Information about the Investment Fund**

A. Name of Investment Fund

Yaqeen Saudi Equity Fund

B. Issue date of the terms and conditions of the Fund

16/04/2007

C. Date of the Authority approval on the establishment of the Investment Fund and offering of its units.

31/03/2007

D. Fund duration and Fund due date

Yaqeen Saudi Equity Fund is a Public Open-end investment Fund and there will be no specified period for the Fund work and no due date for the Fund.

E. Investment Fund Currency

Saudi Riyal

2- **Investment Policies and Practices:**

a) The Investment Objectives for the Investment Fund

Capital gains to achieve long-term capital growth. The Fund gives investors the opportunity to participate in the growth opportunities available in the Saudi market. The Fund Manager employs an active investment strategy to achieve the objectives of the Fund and invests directly in shariah compliant shares listed on the Saudi stock market.

b) Type of Securities, in which the Fund will invests in primarily

The Fund invests in securities listed on the Saudi stock market in accordance with Shari'ah controls.

c) Any policy to concentrate investment in specific securities, industry, group of sector, certain country, or certain geographic region:

The Fund follows the following strategy in the distribution of its assets, as a percentage of the net asset value of the Fund. The Fund's investment limits will be geographical in Saudi Arabia. In exceptional circumstances, the Fund Manager may retain its assets in the form of 100% cash on a temporary basis to cope with sharp fluctuations and falls in the stock market. Investment in defense tools on a temporary basis may also include short-term Murabaha.

Assets categories	Minimum limit	Maximum limit
Shariah compliant Shares listed on the Saudi market	90%	100%

d) Securities Markets, in which the Investment Fund intends to invest in.

All of the Fund's investments will be in the Saudi financial markets.

e) Transactions, methods, and tools, e)which the Fund Manager can use for the purpose of taking its investment decisions for the Investment Fund:

- The Fund Manager employs an active investment strategy to achieve the Fund's objectives and invests directly in shares listed on the Saudi Stock market in accordance with Shari'ah standards
- Yaqeen Asset Management measures the performance of the Fund against the Yaqeen Shariah Compliant Index FSI (FSI) (benchmark Index). The Asset Management team seeks to achieve a performance that exceeds the performance of the benchmark Index by:
 1. Active distribution at the sector level.
 2. Active selection of the shares of The portfolio.
- The investment in certain shares in this Fund is selected by an bottom up analysis based on long-term value. It focuses on the market value of the shares and compares them with the Fund Manager's valuation of its key elements such as the company's profits, the value of its assets and the potential long-term cash flows (usually 5 years). The Manager also takes into consideration the profit, profit margins and liquidation value of the company.
- In selecting the Fund's investments, the Fund Manager believes in the importance of field visits to the shares issuer's site in order to assess key and significant factors such as the management strength and local circumstances of the company

f) Types of Securities that cannot be included in the Fund investments

The Fund will not invest in securities other than the ones stated in paragraph (2/C).

g) Any other restriction on the type (s) of securities or other assets to which the Fund may invest

The Fund shall abide by the investment restrictions mentioned in paragraph 41 of the Regulations of the Investment Funds issued by the Authority. In addition, the Fund will not invest in any securities that are not in consistent with the approved legal standards from the Fund Shari'ah Supervisory Committee.

h) The limit, in which the Fund assets can be invested in the units of investment Fund(s) managed by other Fund Manager(s).

The Fund Manager shall not invest in any other investment Funds managed by the Fund Manager or other Fund managers.

i) The Competencies of Investment Fund in Fund Manager Loan policy in regard of the practice of this competence and its policy in regard of mortgaging the Fund assets.

Not Applicable

j) Disclosing the Maximum Limit for Dealing with any Counterparty

Not Applicable

k) The Fund Manager policy to manage the Fund risks

- Investment in the Fund is considered to be a high risk investment and the Fund Manager does not guarantee the success of strategies to address potential risks. The Fund investments subject to multiple risks as stated among paragraph (3) (main risks for investment in the Fund). However, the Fund Manager will take all possible actions to deal with risks, to which the Fund may be exposed and reduce its effects in line with the achievement of the unit holders interest. In the following, we display the followed strategy to deal with the risks:
- Complying with Capital Market laws and its implementing regulations, investment Funds regulation issued from Capital Markets Authority of Saudi Arabia, and other relative applicable laws and regulations in the Kingdom of Saudi Arabia.
- Complying with investment limits as stated in the terms and conditions of the Fund.
- Complying with the mechanism of taking the investment decision for the Fund and seek to obtain the largest amount of information related to the investment, which the Fund decides to enter.
- Diversify the investment base by distributing investment to asset categories as a percentage of net asset value to reduce concentration risk.
- Retain assets in the form of 100% cash on a temporary basis to cope with sharp fluctuations and falls in the stock market, taking into account the maximum possible protection for the units of the Fund
- Follow up with the compliance department with the Fund activities and the Fund Manager compliance with its investment limits and its duties towards the client.
- As for the unpredictable risks, Yaqeen will do its best to try and study these risks before taking the investment decisions.

l) Benchmark Index:

- The Fund's **Benchmark** Index is Yaqeen Shariah Compliant Index FSI.
- Index Provider: Yaqeen Capital Company
- Methodology used to calculate the index: Yaqeen Shariah Compliant Index FSI is calculated by multiplying the value of the index of the previous day by the change percentage in the market value of free float shares for the companies included in the calculation of the index

The equation below shows the mechanism of calculating the index:

$$\text{Index} = (\text{total market value of free float shares for the day} / \text{total free float market value of the previous day}) \times \text{the value of the index for the previous day}$$

m) Objective of use of Derivatives Contracts

Not Applicable

n) Any exemptions approved by Capital Markets Authority of Saudi Arabia in regard of investment limits and restrictions:

None.

3. Main Risks for Investment in the Fund:

- a. Investment in the Fund is considered to be a high risk investment because of its investment in listed companies in the Saudi stock market, and the Fund is likely to be exposed to high fluctuations due to the nature of the Fund's investments.
- b. The previous performance for the investment Fund or the previous performance for the index do not refer to the future performance of the Fund.
- c. The Fund does not guarantee to the unit holders that the Fund performance in the future (or its performance comparing to the index) will be repeated or will be similar to the previous performance.
- d. The investment in the Fund is not deemed as a deposit at any local bank that markets or sales its securities or follows the Investment Fund.
- e. The Fund investors may be exposed to the risks of partial or total financial losses for their investment in the Fund units.
- f. Main possible risks related to the investment in the Fund.

There is always the risk of losing money to the investor. Mutual Funds are not excluded from this risk, but the degree of risk varies greatly from one Fund to another. Therefore, the investor must be aware of these risks related to his investment and determine his investment position from those risks, and also realize that the horizon of short-term investment may result in the sale of investments in unfavorable circumstances.

Money market Funds have minimum fluctuations but their returns are low, while equity Funds have usually more fluctuations but tend to achieve higher returns. The value of the Fund's net assets may change from day to day because the values of the shares it invests in may be affected by changes in interest rates, economic factors, financial market movements and corporate news. As a result, when the investor redeems his units in the investment Fund, their value may be more or less than the purchase price.

Elements of risk that may affect the value of investing in the Fund, to name, for example but not limited, are:

- **Capital Decline Risk:**

In case of decline of the market and not redeeming in a proper time, the net asset value of the Fund is likely to decrease as the market declines. Long-term decline in net asset value, The Fund Manager may have to temporarily reduce distributions in an attempt to bring the net asset value closer to the initial unit price in order to avoid a significant decrease in capital as well as the Fund's ability to achieve long-term returns.

- **Credit Risk:**

Credit risk is the possibility that the borrower or counterparty in a debt contract, repurchase agreement or reverse repurchase agreement is unable or unwilling to repay or commit to the loan either on time or not totally paying. All companies and borrowing countries are subject to credit evaluations. Securities are also subject to credit evaluations. Credit tools issued by companies or governments in emerging markets are usually subject to higher credit risk than others. Credit tools issued by state-owned or well-established companies in developed countries are subject to lower credit risk and higher evaluation. A decline in issuer's credit evaluations or negative news may affect the market value of its securities.

- **Securities Risk:**

Funds that invest in stocks listed on the market are affected by the movements of the stock market in general. When the economy is strong, the outlook for many companies is good and stock prices may rise in general as well as the value of the Funds that own these stocks. On the other hand, stock prices generally fall in times of deflation or economic or industrial recession and the shares of certain companies or companies of a sector such as the industrial sector may fluctuate differently than the stock market as a whole because of changes in the sector and the investment outlook of those companies in those Sectors.

- **Risk for Issuer of Specific Shares:**

The market value of a given stock can have more fluctuations than the market as a whole. As a result, if the shares of a particular issuer were a large part of the market value of the assets of the Fund, the change in the market value of the shares of that issuer would cause significant fluctuations in the value of the Fund's unit, as in the normal circumstances. If the Fund is less diversified, it may also suffer from low liquidity if a large portion of its assets has been invested in shares of a single issuer. In particular, the Fund may not be in a position to liquidate its investment in that issuer's shares to meet any redemption requests.

- **Shari'ah Risks:**
The risk is that the Fund invests in a limited range of shares compliant to Shari'ah standards compared to traditional equity Funds. If a company in which the Fund invests is not in compliance with Shari'ah standards, the Fund's disposal of the shares of those companies by sale may result in losses in case of selling those shares at a low price or in case of loss of opportunity to achieve a higher performance level for those shares.
- **Risks of Major Investors:**
The Fund's units can be purchased and sold by major investors, other mutual Funds or private investment portfolios. In the event that a major unit holder has redeemed part or all of its investment in the Fund, the Fund may incur the cost of capital loss and other transaction costs during the redemption process, and some shares may be sold at an inappropriate price and thus reduce the potential return on the portfolio. On the other hand, if a major unit holder increases his investment in the Fund, the Fund may maintain a relatively large amount of cash until there is an investment opportunity which may adversely affect the performance of the Fund.
- **Systematic Risk:**
Systematic risk may cause financial risks that companies may encounter due to system changes or uncertainties in the application of systematic laws, regulations or procedures. The main legal risks may arise from the companies in which the Fund invests, and the possibility of being exposed to trial and legal accountability, thereby reducing the market value of its shares. Legal risk prevails between commercial entities that provide products and services mainly to consumers and on certain occasions may be subject to litigation and legal issues
- **Liquidity Risk:**
Liquidity refers to the speed and ease with which the asset can be sold and converted into cash without losses in its fair market value. For high fluctuations markets such as volatility in periods of political instability or sudden changes in interest rates, some stocks become less liquid which means they cannot be sold quickly and easily, and some stocks can be illiquid due to legal restrictions or the nature of investment Or certain designated aspects such as guarantees or lack of buyers who have an interest in a particular shares or market. This makes it difficult to sell the shares at a fair price, resulting in a loss or decrease in the Fund's income
- **Market Risk:**
Market risk is the risk of investing in capital markets. The market value of the Fund's investments increases and decreases due to developments in investee companies, general market conditions or interest rates. The value of the market also changes due to changes in economic and financial conditions.
- **Shares Risk:**
The prices of some stocks tend to rise and fall sharply due to factors affecting companies or a particular sector or the stock market as a whole, and the recession in the economic environment or slowdown of growth can have a negative impact on the prices of various shares owned by the Fund.
- **Sector Specific Risks:**
At certain times, the Fund may focus its investments on a particular sector, which may make the value of the Fund's assets vulnerable to change based on the change in the value of that segment. This focus can boost returns if the sector represents good potential investments, and it also means that the Fund may be more risky than the more diversified Funds.
- **Small Companies Risks**
Small companies stocks tend to be less tradable and smaller in size than large companies. As a result, small companies stocks tend to be less stable compared to large companies, and their value rises or falls more sharply than large companies. Buying or selling them may be more difficult than others. As small companies may provide a good opportunity for capital growth, they are also exposed to substantial risks and should be considered as speculative shares. Historically, small companies stocks have more fluctuations in comparison to large companies, especially in the short term.
The low growth earnings of small companies, their low liquidity and their high sensitivity to changing economic conditions are the main reasons for the fluctuations of their shares prices. In addition, small companies may be affected by the lack of effective management, which makes them unable to provide the necessary Funds for growth and development or may be productive and able to develop products and services that do not have or will not exist.

- **Following the index Risk:**

The Fund seeks to achieve similar or better returns than the benchmark index, however the ability of the Fund to exceed the performance of the Index is affected by the operating and management expenses incurred by the Fund. These expenses are affected by several factors including the size of the Fund's assets, the Fund Manager's skill and the level of the Fund's activity. The level of unusual transaction results in additional expenses that hinder the ability of the Fund to achieve the same or higher returns than the benchmark.

4. General Information:

A) Targeted Categories to invest in the Fund:

The Fund mainly targets the investors of individuals, institutions, governmental authority, and others who have the desire to invest in the Saudi stock market, which allows them to participate and indirect investment in the shares of companies listed in the Saudi stock market

B) Distribution of Profits Policy:

The Fund Manager will not distribute the profits on the subscribers. Whereas the distributed profits will be reinvested in the Fund.

C) The previous performance of the Fund:

1. The total return:

Accumulated return – 31 st December 2021	One year	3 years	5 years	Since establishment
Fund	30.00%	97.18%	88.64%	255.46%

2. Total annual returns for the past ten years:

Annual return	Fund
For 2011	3.65 %
For 2012	9.45 %
For 2013	39.07 %
For 2014	-5.08 %
For 2015	-13.34 %
For 2016	2.62 %
For 2017	-1.62%
For 2018	-2.75 %
For 2019	29.46 %
For 2020	17.16%
For 2021	30.00%

3. The Fund performance in comparison with the indicator index during the last five years or since the establishment

	2017	2018	2019	2020	2021
Fund	-1.62 %	-2.75%	29.46 %	17.16%	%30.00
Benchmark	-2.71 %	2.40 %	6.51 %	9.19%	%28.56

4. Date of profits distribution over the last three years

Not Applicable.

5. The Fund reports are available for the investors through the Fund Manager Website.

D) Unit Holders Rights:

- Obtaining the information memorandum and key information summary in Arabic for free from the Fund Manager.

- Obtaining the key information summary, which is prepared by the Fund Manager in a brief and simple form and it includes the information related to the Fund features.
- Obtaining a summary for the unitholders record (as this summary shall demonstrate all information related to the holder, who submitted the request only) for free, when requested.
- Practicing all rights related to the units including – for example without limitation – right of vote in the meeting of unit holders.
- Receiving a notification from the Fund Manager with the details of fundamental changes on the Fund and that before 10 days from the application of the change.
- Redeeming the units (in the Public Open-end Fund) before the application of any fundamental change without redemption fees (if any).
- Receiving a written notice from the Fund Manager with any proposed significant changes before (21) days from the change application.
- Redeeming units (in the Public Open-end Fund) before the application of any significant change without redemption fees (if any).
- Receiving a written notice from the Fund Manager with any change due for notification in the public Fund before (8) days from the application of the change.
- Receiving an immediate notification from the Fund Manager, when he imposes the suspension of subscription or redemption for Fund units in addition to clarification of suspension reasons.
- Receiving an immediate notification from the Fund Manager, when he ends the suspension of subscription or redemption for Fund units.
- The affected unit holders are entitled to obtain a compensation from the Fund Manager for all valuation or pricing errors.
- Issue a decision related to demanding the dismissal of any member of the Fund board of Directors, as this request shall be addressed to the Fund Manager.
- The Fund Manager shall oblige to apply all requirements of unit holders meeting in accordance with article (70) of investment Funds regulations.
- The Fund Manager shall oblige to apply all requirement of reports submission to unit holders in accordance with article (71) of investment Funds regulations.
- In case of merging the Funds, the Fund Manager shall oblige to apply all requirements of chapter (7) of investment Funds regulations.
- Receiving an immediate written notification from the Fund Manager, when he dismisses the Custodian appointed by him.
- Receiving a written notification from the Fund Manager before a duration not less than (21) days from the intended date to terminate the public Fund.

E) Unit holders Liability

The liability of unit holders shall be limited to incurring the losses in its investment in the Fund or part thereof, where he shall not be liable towards the Fund debts and obligations.

F) Cases that require the Termination of the Fund:

- If the Fund Manager noticed that the size of Fund assets under the management is not sufficient to justify the economic operation of the Fund or in case of occurrence of any change in system or any other conditions, in which the Fund Manager sees that it is an appropriate reason to terminate the Fund. The Fund Manager shall notify Capital Markets Authority of Saudi Arabia and the unit holders in writing with his desire to terminate the Fund and that within 21 days from the intended date of terminating the Fund.
 - In this case the Fund assets shall be liquidated and the debts related to the deductions shall be paid, where the remainder of net asset shall be distributed on the participants within 30 (thirty) days from the liquidation start and with the percentage held by their units attributed to the units' total. The Fund Manager shall issue a confirmation with that. In case of starting the Fund liquidation, no distribution will be made for the investors, unless all Fund assets were liquidated and the liquidation outcome was received by Fund Manager.
- G) The Fund Manager shall evaluate the Fund risks periodically in accordance with the internal mechanism for the valuation of risks related to Fund assets.

5. Charges of services, commissions and fees:

A) All types of payments from the Fund assets:

- 1- **Fund Management Fees:** 1.75% of net asset value annually paid for the Fund Manager on the Fund management fees as a proportionately calculated on the days of the year (365 days) shall be deducted in each valuation day and paid every 3 months as dues and the Fund manager maintains the right to redeem from the Fund, at any time, any fees or commissions or legal fees and other expenses incurred by the Fund relating to administrative costs in accordance with Capital Market Authority regulations.
- 2- **Auditor Fees:** SR 39,000 annually, (borne by the Fund).
- 3- **Custody Fees:** 0.02% of the value of the assets under the Custody, (borne by the Fund).
- 4- **Shari'ah Committee Fees:** borne by the Fund Manager for the Fund.
- 5- **Audit and Follow up of disclosure Fees:** SR 7,500 annually (borne by the Fund)
- 6- **Dealing Expenses:** Carried at cost and any expenses related to Shares Trading will be payable by the Fund.
- 7- **Board of Directors' Fees:** SR 3,000 for each meeting, up to a maximum of SR 5,000 per month in cases where more than one meeting per month. (borne by the Fund Manager)
- 8- **Borrowing Fees:** None

B) Fees and Expenses

	Type of fees and expenses	How to calculate it	Payment time
1	Fund management fees	Calculated proportionately on the days of the year (365 days) deducted on each valuation day.	Shall be paid every 3 months as dues
2	Custodian fees	0.02%, shall be calculated at the end of the period	Shall be paid monthly
3	Auditor fees	39,000 Saudi riyals	Shall be paid annually
4	Audit and Follow up of disclosure Fees	7,500 Saudi riyals	Shall be paid annually
5	Dealing expenses	Shall be registered with the cost or any costs related to the shares trading (payable by the Fund)	Paid at its time

b) Details of deals charges imposed on subscription and redemption:

	How to calculate it	Counter
1	Subscription Fees (payable by the investor at the time of subscription or addition)	1.50% of the subscription amount
2	Redemption Fees	None
3	Early redemption fees (payable by the investor)	0.50 % of the amount of early redemption (in cases where redemption is made within 30 days of participation). Redemption fees are redeemed to the Fund
4	Ownership Transfer fees	None

c) Special Commissions executed by the Fund Manager (if any):

None

- d) In the following a hypothetical example for the fees and expenses of the Fund calculated based upon the grounds of the Units' holder with the amount of 50,000 Riyal for a year and total Fund assets value 10 million Riyals. By assuming the non-achievement of profits or losses for the Fund during the years.**

	Fund	Units' holder
Total of assets value at the year start	10,000,000 SR	50,000 SR
Deducted:		
Subscription fees	-	-750 SR
Fund management fees	-175,000 SR	-875 SR
Custodian fees	-2,000 SR	-10 SR
Auditor fees	-39,000 SR	-195 SR
Control fees	-7,500 SR	-38 SR

Dealing fees	In case it exists	
Fees and expenses total at the year end	-223,500 SR	-1,868 SR
Assets net value at year end	9,776,500	48,133SR

6. **Pricing and Valuation:**

A) **Valuation of the Assets owned by the Fund:**

- Listed or traded securities in capital market: it shall be valued with the price of the last executed deal in the market. In case these securities were suspended, it will be valued with last price before the suspension. Unless there was a strong evidence that the value of these securities has declined from the suspension price.
- Any other investment: the fair value determined by the Fund Manager based upon the methods and rules approved by the custodian and after checking it by the Fund Auditor.

The Fund's assets are valued in two stages:

- Stage 1: Total assets are calculated using current market prices. All costs, whether paid, accumulated or aggregated, are deducted for the net total asset value.
- Stage 2: The net asset value of the Fund's unit is calculated by dividing the net asset value of the Fund on the valuation date by the number of Fund units present on the valuation day

B) **Number of Valuation Points:**

Yaqeen Saudi Equity Fund is valued daily at 10:00 am using the closing price of the previous day.

C) **The procedure, which will be taken in case of an error in Valuation or Pricing:**

- In case of valuing one of Fund assets incorrectly, or calculating the unit price incorrectly, the Fund Manager shall document the error directly and inform the authority immediately about the error in valuation or pricing, which its percentage constitutes 0.5% or more of the unit price, where that shall be disclosed immediately in the website of the Fund Manager, the Market Website and in the Fund reports.
- The Fund Manager will compensate all affected unitholders (including the previous unitholders) for all valuation or pricing errors without Postponement.

D) **Method of calculating Unit Price for the purposes of execution of applications for subscription and redemption**

- The Fund Manager shall calculate the investments of the Fund on each valuation day and the determination of the calendar shall be based on all the assets of the Fund less the Fund's investment receivables at that time. The net asset value of each Unit "price of the unit" is calculated based on the following equation: (Total Assets – dues - Accumulated Expenses) / Number of Units present on the valuation day.
- The assets of the Fund shall be inclusive of all assets of any kind and nature, as explained in paragraph (6/A), in addition to (cash, due distributions in the form of shares, cash or other dues to the Fund).
- The obligations of the Fund shall be inclusive of all liabilities of any kind and nature, including but not limited to all loans and payables, all expenses and charges due or accumulated on the Fund as explained in paragraph (5/B) of this Memorandum.

E) **Place, Time and Frequency of publishing of the Unit Price**

The prices of Yaqeen Saudi Equity Fund will be published daily on Tadawul website www.tadawul.com.sa and Yaqeen website www.Yaqeen.sa at a maximum of 10:00 am.

7. **Dealing**

A. **Initial Offering**

- Date of launch: on 22/04/2007. The initial offering period has been completed.
- Initial unit price: SR 1

B. The date set and the deadline for submission of requests for subscriptions and redemptions

Subscription and redemption can be made every working day by the end of the working day immediately prior to the trading day. If the subscription request is received or the subscription amount is deposited after the specified date, (unless otherwise decided by the Fund Manager) it shall be carried out on the basis of the valuation price on the next trading day. In the event that the subscription amount is not received by the end of the next trading day, the subscription application is canceled.

C. Subscription and Redemption Procedures

A) Subscription Procedures

- Investors who wish to buy units in the Fund must fill in the application form, sign it, and deliver it to any branch of Yaqeen, paying the amount of the investment. Alternatively, to fill out the application form and to approve the terms and conditions of the Fund through the Yaqeen Electronic Services System, and deposit the amount of participation in the dedicated account.
- In the case of payment or bank transfers, the investment in the Fund shall be executed only upon receipt of notice of liquidation clearing or transfer.
- In the case of payment to units in a currency other than the currency of the Fund (the Saudi Riyal), the Fund Manager shall transfer the Currency of Payment to the Currency of the Fund at the exchange rate prevailing at the time of subscription and the purchase shall be based on the price after the conversion.
- Notwithstanding the receipt of the signed Subscription Application or any other requirements, the Fund Manager reserves the right to refuse any application for participation in any Fund without the need to submit any reasons. In this case, the Fund Manager shall return the amount of the subscription amount paid by the Investor in return for the subscription without any delay.

There is no minimum subscription or redemption in the fund

D. Redemption Procedures

- The unit holder will fill out, sign and deliver the redemption application form to the Fund Manager through its offices on each business day, or fill out the redemption request and deliver it via the Yaqeen Electronic Services system. The redemption requests shall be processed on the next trading day to receive redemption requests.

Investors may redeem all or part of their investment units. In the event that the subscriber withdraws his investment by a percentage that leads to his subscription being less than the minimum required to participate in the Fund, his entire investment will be refunded. The redemption proceeds shall be paid within a maximum of two working days after the next trading day.

E. Register of unit holders

The Fund Manager prepares and maintains a record of unit holders in Saudi Arabia. This record is conclusive proof of the ownership of the units installed in it. The Fund Manager shall provide a summary of the register of unit holders to each owner of the units free of charge upon request by contacting the Fund Manager directly or through a Fund Manager's office.

- F. The proceeds of the contributions received during the initial offering period of the Fund's units in cash or equivalent or in low risk investments such as cash market transactions with a party subject to SAMA regulation or a similar regulatory body outside the Kingdom and compliant with Islamic Shari'ah until the end of the Initial Offering Period.

G. The minimum amount of offering and the impact of not reaching this limit

The minimum capital to start the fund is SR 50 Million. The Fund Manager has fulfilled this requirement in the Fund's initial offering period.

H. Corrective measures necessary to ensure that the requirement of SR 10 million or its equivalent is met as a minimum net asset value of the Fund

The Fund Manager shall follow the provisions of the CMA Regulations issued by the Capital Market Authority regarding the requirements for the commencement of the Fund (where applicable).

I. Cases that delay or suspend the dealing in units and the procedures followed in those cases

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

- 1) If requested by the Authority.
- 2) If the Fund Manager considers that, the suspension serves the interests of the unit holders.
- 3) Where the dealing in the primary market in which the securities or other assets held by the General Fund are dealt with has been suspended, either in general or in respect of the Fund's assets, which the Fund Manager reasonably considers material to the net assets of the General Fund.

If the Fund calendar is suspended, redemption or subscription requests submitted on or after the suspension date shall be executed on the next trading date when the calendar suspension is terminated. The Fund Manager shall immediately notify the Authority and the owners of the Units of any suspension, indicating the reasons for the suspension, and notify them in the same manner as the suspension notice immediately after the suspension. The disclosure is posted on the Fund Manager's website and the market location.

J. Procedures under which redemption requests to be deferred are selected

Yaqeen is not obligated to execute redemption requests for more than 10% of the net asset value of the Fund on any trading day. If the Fund's calendar has been suspended, the redemption request for the Fund Units submitted on or after the Suspension Date shall be executed on the next trading date when the suspension of the Calendar is terminated. Redemption requests that are deferred on the basis of precedence and redemption volume are selected where the Fund Manager performs the redemption requests received first within 10% of the net asset value of the Fund. The remaining redemption requests are deferred to the next trading day.

8. Characteristics of units:

The manager may issue an unlimited number of units in the Yaqeen Saudi Equity fund and all of them are the same type, and each unit represents a standard share of equal value in the fund's net asset value.

9. Accounting and reporting

A) Financial Reports

Yaqeen prepares interim financial reports every half year within 35 days of the end of the period examined by the External Auditor of the Fund. These reports contain the preliminary financial statements, information about the Fund Manager and any other information on the Fund's activities during the period. As well as an audited annual report covering the financial statements prepared in accordance with the financial laws and regulations applicable in the Kingdom of Saudi Arabia within 70 days after the end of the Fund's fiscal year, including details of the Fund's financial position and performance as well as information on the Fund Manager and Custodian as at the end of the fiscal year. The annual financial statements are audited and approved by the external auditor of the Fund.

B) Places and means of making financial reports available

These reports will be delivered upon request through the Fund Manager's offices and will be posted on the Fund Manager's website and on the CMA website. Any other financial information required for publication, including unit prices or announcement of any suspension of the units' valuation, will be posted on the Fund Manager's website or on the CMA website and will be available to investors through the Fund Manager's offices at no charge.

Any notices to investors shall be sent by the Fund Manager to investors according to their addresses registered in the unit holders register. When necessary or in accordance with the requirements of regulations, they will be published in the daily newspapers.

C) The end of the Fund's first fiscal year shall be on 31/12/2007. The Fund Manager shall also acknowledge the availability of the financial statements for the Fund's first fiscal year and every calendar year thereafter.

D) The audited annual financial statements of the Fund are provided free of charge upon request.

10. Board of Directors of the Fund

A) Members of the Board of Directors of the Fund

The Board of Directors of the Fund is as follows:

- 1) Mr. Moath bin Qassem Al-Khasawneh (Chairman of the Board)
- 3) Mr. Saleh Bin Nasser Al-Omair (dependent Member)
- 4) Mr. Abdulkreem Bin Hammed Al-Njeedy (Independent Member)
- 5) Mr. Mohammed Bin Msfer Al-Malky (Independent Member)

B) Qualifications of the Board of Directors of the Fund

Mr. Moath bin Qassem Al-Khasawneh (Chairman of the Board)

Mr. Moath Al-Khasawneh is the General Director of Yaqeen. He has more than ten years of experience in the field of financial advisory and investment, during which he worked in a number of sectors, notably: banking, industry, real estate and health, as well as the retail sector. Before he took over the tasks of the General Director, he worked as Chairman of Investment Banking Group in Yaqeen he has also worked as a consultant to senior management and members of the Board of Directors in many companies in Saudi Arabia. Mr. Moaz has joined Yaqeen in 2008 after he worked as a consultant for Deloitte Canada, where he had the opportunity to deal with a number of leading companies through the provision of advisory services in risk management, corporate governance and financial advisory services. He also holds a bachelor's degree in both finance and banking as well as in information systems from St. Mary's University in Canada, in addition to the Master's degree in Business Administration from the Dalhousie University in Canada.

Mr. Saleh Bin Nasser Al-Omair (dependent Member):

Mr. Saleh Al-Omair holds a master degree in change management from Swansea University, Britain, in 2010, in addition to a bachelor's degree in business administration from the University of South Florida, United States, in 1981. He also has an American Medical Insurance Associate (HIA) certificate from the American Health Insurance Association in addition to a Certificate of Specialization in Managed Health Care (MHP) from the American Health Insurance Association and a Certificate in General Insurance from the Royal British Insurance Institute, London. Mr. Saleh has extensive experience of more than 38 years, and he is currently a member of the Board of Directors of Nayifat Finance Company.

Mr. Abdulkreem Bin Hammed Al-Njeedy (Independent Member):

Mr. Abdulkreem Bin Hammed Al-Njeedy holds a master degree in Executive Management from King Fahad for Petroleum and Engineering in 2012 and holds a degree of doctor in languages from Oklahoma States, United States in 2013 he has more than 32 years experience in addition his board member and CEO of Maharah Human Resources.

Mr. Mohammed Bin Msfer Al-Malky (Independent Member)

Mr. Mohammed Bin Msfer Al-Malky holds a master degree in business administration from AlFaisal University – 2013, he has certificates as compliance approval from American Academy Management Finance – 2008, and he has experience more than 27 years in Financial Sector in Financial Markets and Banking and supervises business and regulatory oversight, beside he is deputy director of Finance in small and medium authority, board member at export-import bank Saudi, board member in Saudi Fintech, board member of executive and audit committees in fund of funds company under public investment fund, chairman of the credit committee in direct lending initiative in private sector, board member in Saudi Venture Capital in initiative of private sector, board member and credit committee in supporting sustainability in initiative private sector, board member in Kafalah program under credit guarantee, board member in Swan Trade Co., board member auditing in Arab Sea Information Technology.

A. Roles and Responsibilities of the Board of Directors of the Fund:

The responsibilities of Board members include, but are not limited to, the following:

1. Approve all contracts, resolutions and material reports to which the Fund is a party.
2. Adopt a written policy regarding voting rights relating to the Fund's assets.
3. Supervise and, if appropriate, approve any conflict of interest disclosed by the Fund Manager in accordance with the Investment Funds Regulations.
4. Meeting at least twice a year with the compliance and risk (Compliance and risk Committee) officer with the fund manager, the money laundering and terrorist financing reporting officer to ensure that the fund manager complies with all applicable laws and regulations.
5. Approve any recommendation made by the liquidator in case of his appointment.
6. Ensure that the terms and conditions of the Fund, the Memorandum of Information and any other document of the Investment Funds Regulations are complied with.
7. Ensure that the Fund Manager carries out its responsibilities to the benefit of the unit holders in accordance with the terms and conditions of the Fund and the provisions of the Investment Funds Regulations.
8. Work honestly and for the benefit of the investment fund and unit holders therein.
9. Record the minutes of the meetings that reflect all the proceedings of the meetings and the decisions taken by the Council.

B. Remuneration of Board Members:

Independent Directors of the Fund shall be granted a remuneration of SAR 3,000 for one meeting up to a maximum of SR 5,000 riyals per month if more than one Board meeting is held during the month.

C. Conflicts of Interest:

Any Member shall disclose to the Board of Directors of the Fund about the existence of any conflict of interest in the event of voting on any decision taken by the Board of Directors of the Fund, in which the Board Member may have directly or indirectly a special interest.

D. All fund boards in which the relevant member of the Board of Directors participates:

Members of the Board of Directors of the Fund are members of the Board of Directors of the following funds:

- Yaqeen SAR Murabaha Fund.
- Yaqeen IPO Fund.
- Yaqeen Saudi Equity ETF.
- Yaqeen Petrochemical ETF.

The fund board hold the same positions in the following private funds:

- Yaqeen Murabaha Financing Fund.
- Yaqeen Arar hills Fund.

11. Shari'ah Supervisory Committee:

A. Committee members and their qualifications:

The Shari'ah advisor to the Fund is the members of the legal board of Yaqeen, which consists of the following scholars:

▪ **His Excellency Sheikh Abdullah bin Suleiman Al-Manea:**

Sheikh Abdullah Al-Manea is a member of the Council of Senior Scholars in the Kingdom of Saudi Arabia since its establishment, a consultant in the Royal Court, a member of the Shura Council and a former judge of the Court of Cassation in Makkah. Sheikh Al-Manea is the Vice Chairman of the Shari'ah Council of the Accounting and Auditing Organization for Islamic Financial Institutions and the Chairman and Member of several Shari'ah Committees in Saudi and Gulf Banks. He has many publications in Islamic banking.

▪ **Dr. Mohammed bin Ali Al-Qari:**

Dr. Mohammed Al-Qari holds a master's degree and a PhD in economics from the University of California. He is Professor of Islamic Economics at King Abdul Aziz University in Jeddah, and an expert of Fiqh Academy of the Muslim World League. Dr. Al-Qari is a member of many Shari'ah boards of Islamic banks in many banks around the world.

▪ **Sheikh / Abdulrahman bin Abdulaziz Al-Nafeesh:**

Master of Islamic Economics, more than ten years of experience in the field of Shari'ah supervision, Islamic financial dealings, a lecturer in cooperation at Imam Muhammad bin Saud Islamic University, He is a member of a number of Shari'ah boards in the Kingdom of Saudi Arabia. He participated in the research of SABIC Chair for Financial Market Studies and Islamic Economics magazine in King Abdulaziz University in Jeddah. He has a number of research papers, including: Book of investment funds (Shari'ah regulations and statutory provisions).

B. Roles and Responsibilities of the Shari'ah Supervisory Committee:

1. Study and review the Fund's investment objectives, policies, and the Fund's documents to ensure that they comply with Shari'ah standards.
2. Provide advice to the Fund Manager on matters related to Shari'ah compliance, if requested by the Fund Manager.
3. Provide advice in determining the Shari'ah criteria necessary for the selection of securities and companies or any other investments in the primary or secondary market in which the Fund is expected to invest.
4. Periodic monitoring of the compliance of the Fund's investments with Shari'ah standards.
5. Provide Shari'ah view on the extent to which the work of the Fund is in compliance with Shari'ah standards and to be included in the annual audited report of the Fund.

The Fund Manager shall abide by the standards and recommendations issued by the Shari'ah Supervisory Committee and shall ensure that they are applied to all investments of the Fund at all times.

C. Remunerations of Shari'ah Supervisory Committee Members:

To be borne by the Fund Manager for the Fund.

D. The criteria applied to determine the legitimacy of assets prepared for investment, the periodic review and the procedures followed in case of non-compliance with Shari'ah standards:

The following are the Shari'ah standards adopted by the Shari'ah board of Yaqeen for the selection of shares of companies:

▪ **Company Objectives:**

The shares of companies engaged in one or more of the following activities shall not be dealt with:

- Dealing with interest rates or illegal financial instruments, including activities of forbidden traditional banks.
- Production, distribution and marketing of forbidden goods such as tobacco, alcohol, drugs, pigs meat and meat of other than those mentioned in Shari'ah, gambling, resorts, hotels and restaurants with forbidden activities.
- Producing and disseminating means and publications that call for pornography.
- Derivatives that include futures, options, carry trades and traditional equities.
- Dealing in futures contracts for currencies.
- Securities issued by companies whose sources of income are related to the following sectors:
 - Traditional banks and insurance companies or activities related to interest rates.
 - Production and distribution of alcohol products.
 - Production and distribution of weapons.
 - Gambling.
 - Production and distribution of pork or any related illegal activities.
 - Hotels and resorts offering illegal services.
 - Production and distribution of alcohol and drugs, and so on.

The committee carry out periodic reviews. If one of the Fund's assets does not comply with Shari'ah standards, the Fund Manager shall liquidate the asset, taking into consideration that the unit holders are not harmed by liquidating the asset.

12. Fund Manager

A. Name of Fund Manager.

Yaqeen Capital.

B. License No. issued by the Capital Market Authority.

The company is licensed by the Capital Market Authority under license No. 06020-37 to carry out dealings and agent services, pledge to hedge and manage investment funds and portfolios, arranging, advising and custody of securities.

C. Registered address and address of the Fund Manager.

Yaqeen Capital

Al Olaya Street

P.O. 884 Riyadh 11421

Phone: 8004298888

Fax + 966 (11) 4617268

D. The date of the license issued by the Capital Market Authority.

The date of the license was 29/4/1427 H corresponding to 27/05/2006.

E. Paid up capital for the Fund Manager.

SR 150,000,000.

F. Financial information of the Fund Manager.

مؤكف للعمفمف الففلف (شركة مسفمفة مسعودفة مملوكة) قائمة الدخل (مجموع المبالغ بالآلاف الرففالف السعودفة ما لم فذكر فخر ذلك)		
السفة الفففة فف ٣١ فففسفر		إفصافف
٢٠١٦	٢٠١٧	
		العمفمف المسفمفة
		الإرفافف:
٢١,٠٦٧	١٣,٨٧٦	عسولاف على عفمفمف وسافف
١٥,٢٢٢	١١,٦٩٧	أعباف إرفرفة ورسوم اشرفف فف صفافف اسفمفرفة
١,٤١٦	١٣,٠٩٣	دعفل من عفمفمف اسفمفرفة
(٨,٥٠٦)	(٣٠٥)	عسافرة من اسفمفمفمف صفاف
٢٩,٢٠٩	٣٨,٢٦١	
		مصافرف:
(٣٥,٥٣١)	(٢٧,٧٧٧)	روافب ومكافافف فافف علفة
(٥,٧٩٦)	(٩,٠٠٩)	لكففة السوفف
(١٨,٦٩٩)	(١١,٠٦٤)	الفصاف فف قفمة اسفمفمفمف مئاففة للبع
(٢٠,٩٨٧)	(١١,٨٥١)	مصافرف العمومفة وإرفرفة افرف
(١١١,٠١٣)	(٥٩,٧٠١)	
(٨١,٨٠٤)	(٢١,٢٤٠)	المسافرة من العمفمف
٣,٧٧٤	٣,٠٧٧	إرفافف افرف
(٧٨,٠٣٠)	(١٨,٢٦٢)	المسافرة قبل الرفكفة
(٦,٥٢٨)	-	رفكفة
(٨٤,٥٥٨)	(١٨,٢٦٢)	صفاف الدخل للسفة من العمفمف المسفمفة
		عمفمف مرفوكة
٨٩,٧٥٢	١٩,٨٨٢	المسفة فف صفاف دخل شركات الرفمفة والمئاففة
٥,١٩٥	١,٥٨٩	صفاف الدخل للسفة
		رفمفة السهم:
(٢٠٠٨)	(٢٠٠٥)	المسافرة من العمفمف (رففالف مسعودفة)
٢٠٠٠	٢٠٠٦	صفاف الدخل للسفة - (رففالف مسعودفة)

فعدر الإفصافف المرفوكة فف الصففمف من رقم ١٠ إلى رقم ٤٤ فرففا لا ففجرأ من هذفة القوائم الففلف.

G. Members of the Board of Directors of the Fund Manager.

• **Abdulmehsen bin Mohammad Al Saleh (Chairman and Dependent member)**

He enjoys with experience over 40 years in business and investments and consultant and management through working in Samba and City Bank. He holds Bachelors degree in business and economy from Witter University in California State in 1967. Additionally, he holds several positions in many companies as below.

- Board member and head of audit committee and member in remuneration committee of Malath Insurance.
- Chairman/Owner of Masader Holding.

- **Abdul Mohsen bin Abdul Rahman Al-Suwailem (Vice President)**

Mr. Abdul Mohsen Al Suwailem has more than 20 years of experience in the financial and banking sector and a financial and administrative consultant licensed by the Ministry of Commerce. He holds a Bachelor of Science in Administrative Sciences from King Saud University in 1992. Mr. Abdul Mohsen Al Swailem is currently the CEO and Managing Director of Al-Nayifat Financing Company, and is a member of several boards of directors as shown below:

- Member of the Board of Directors - FALCOM Holding Company
- Member of the Board of Directors - Nayifat Financing Company.
- Member of the Board of Directors – Stores & Support Services Company.
- Member of the Board of Directors – Guld Integrated Industries Company.

- **Mr. Moath bin Qasim Al-Khasawneh (Executive Managing Director/CEO)**

Mr. Moath Al-Khasawneh is the General Director of Yaqeen Financial Services. He has more than ten years of experience in the field of financial advisory and investment, during which he worked in a number of sectors, notably: banking, industry, real estate and health, as well as the retail sector. Before he took over the tasks of the General Director, he worked as Chairman of Investment Banking Group in Yaqeen; he has also worked as a consultant to senior management and members of the Board of Directors in many companies in Saudi Arabia. Mr. Moath has joined Yaqeen in 2008 after he worked as a consultant for Deloitte Canada, where he had the opportunity to deal with a number of leading companies through the provision of advisory services in risk management, corporate governance and financial advisory services. He also holds a bachelor's degree in both finance and banking as well as in information systems from St. Mary's University in Canada, in addition to the Master's degree in Business Administration from the Dalhousie University in Canada.

- **Fahed bin Ibrahim Al Mufarej (Board Member)**

He enjoys with an experience in handling monetary policy. He holds a bachelor degree in Administration from King Abdulaziz in 1986. In addition, he has completed many courses in monetary policy, banking, and financial analysis and has trained in an international entity, IMF. In addition he is a board member of the following companies.

- -Board member and Chairman of the Audit Committee - Samba Bank
- -Board member and member of the Audit Committee - Saudi Printing & Packing Company

- **Mohammad Ibrahim Abu Jabal (Board Member)**

He has more than 15 years of experience in financial and monetary, consulting and financial sector. He commenced his career at External Audit at EY Jordan, and then working as a consultant and an external auditor at Price Water House Coppers in Qatar and Saudi Arabia. He has obtained good experience in audit for commercial transaction and financial sector in GCC and Jordan markets. He has commenced financial accounting at Yaqeen, and he has been appointed the CFO Yaqeen Capital and FALCOM Holding Company. In addition, he is board member and a member of the audit committee of several companies.

He has experience in the financing department and consultant at several business units, and been responsible to reviewing and performance financial reports and administration. He holds a bachelor degree from Jordan Private. In addition, he has many courses, programs, and training in financial analysis, financial controlling and corporate governance.

- **Salman Bin Shehween (Dependent Member)**

Mr.Salman bin Shahween has more than 37 years of experience in various fields in several government sectors. He holds a bachelor's degree in Shariah sciences from Imam Mohammed bin Saud Islamic University in 1400AH. He also currently is: A member of the board of directors of FALCOM Holding. A member of the nominations and remuneration committee of FALCOM Holding.

H. Roles, Responsibilities and Duties of the Fund Manager.

- The Fund Manager manages the Fund wisely and fairly to achieve the investment objectives of the Fund included in this statement and in all cases takes into consideration the interests of the Unit Holders in accordance with the terms and conditions of the Fund.
- The Fund Manager shall abide by the controls set out in paragraph (2) ("Investment Policies and practices") of this Prospectus and the relevant controls set forth in Article (41) ("Investment Restrictions") contained in the Investment Funds Regulations.
- The Fund Manager shall also abide by the Shari'ah Rules for Investment and shall periodically ensure that all of the Fund's investments are in compliance with Shari'ah standards and controls approved by the Shari'ah Board of the Fund under the supervision of the Fund's Shari'ah Board and notify The Fund's Board of Directors of any material irregularities at the time.
- The Fund Manager shall, within the framework of its functions, ensure that sufficient liquidity is available to meet any potential redemption requests.
- The Fund Manager may appoint a Sub-Fund Manager if he deems it necessary.

I. Tasks assigned to a third party by the Fund Manager in respect of the Fund.

None.

J. Any other business activities or interests of the Fund Manager that are of fundamental importance.

None.

K. Provisions governing the removal or replacement of the Fund Manager.

The Authority may dismiss the Fund Manager and take any action it deems appropriate to appoint an alternate Fund Manager for the Fund or to take any other measures it deems appropriate in case of any of the following cases:

1. The Fund Manager ceases to exercise the activity of the Administration without the Authority's notice to do so under the list of authorized persons.
2. Cancellation of the license of the Fund Manager to exercise or withdraw or suspension of the activity by the Authority.
3. The Fund Manager submits an application to the Authority to cancel its license of the exercise of management activity.
4. If the Authority considers that, the Fund Manager has violated - in the form that the Authority deems essential - the obligation of the system or its executive regulations.
5. The death of the manager of the investment portfolio that manages the investment Fund's assets, its disability or its resignation, with no other person registered with the Fund Manager capable of managing the assets of the investment Fund or the assets of the Funds managed by the portfolio manager.
6. Any other case that the Authority considers - on reasonable grounds - that it is of fundamental importance.

13. The Custodian

A. Name of the Custodian

AlBilad Capital Company

B. License No. issued by the Capital Market Authority.

AlBilad Capital Company is a single person Saudi company with closed shareholding licensed by the Capital Market Authority under license no. 08100-37 dated 01/08/1428 H corresponding to 14/08/2007 to carry out transactions and agent services, pledge to hedge and manage investment Funds and portfolios, arranging, advising and custody of securities.

C. Registered address and work address of the Custodian.

AlBilad Capital Company
King Fahd Road, Al Olaya
P.O. 140 RIYADH 11411
Phone: 920003636
Fax + 966 + (11) 2906299

D. The date of the license issued by the Capital Market Authority.

The date of the license is 01/08/1428 H corresponding to 14/08/2007

E. The basic roles and responsibilities of the Custodians in relation to the investment Fund.

Preserving the assets of the Fund and carrying out the administrative services related to record keeping, issuance of financial positions, valuation of Net Asset Value and issuance of Net Asset Value to the Fund Unit.

F. The tasks entrusted to a third party by the Custodian in respect of the investment Fund.

Not Applicable.

G. Provisions regulating the dismissal of the Custodian.

- The Authority may dismiss the Custodian designated by the Fund Manager or take any measure it deems appropriate in the event of any of the following cases:
 1. The Custodian ceases to exercise the activity of custody without the Authority's notice to do so under the list of authorized persons.
 2. Cancellation of the license of the Custodian to exercise or withdraw or suspension of the activity by the Authority.
 3. The Custodian submits an application to the Authority to cancel its license of the exercise of management activity.
 4. If the Authority considers that, the Custodian has violated - in the form that the Authority deems essential - the obligation of the system or its executive regulations.

In this case, the Fund Manager shall appoint an alternate Custodian and transfer the custody responsibilities to the alternate Custodian within 60 days of its appointment.

- The Fund Manager may also dismiss the Custodian by written notice if he reasonably considers that the Custodian is to be dismissed in the interest of the unit holders. In this case, the Fund Manager shall appoint an alternate Custodian within 30 days of receiving the written notice by the Custodian. Appointment of an alternate Custodian will be disclosed on the website of the Fund Manager and the e-Market website.

14. Investment Consultant

Not Applicable.

15. Distributor

Not Applicable.

16. **Auditor.**

A. **Name of the Auditor.**

PricewaterhouseCoopers (pwc).

B. **Registered address and work address of the Auditor.**

PricewaterhouseCoopers
Kingdom Tower - 24th floor
King Fahd Highway
Riyadh 11414, Saudi Arabia
Tel: +966 11 211 0400
Fax: +966 11 211 0401
Pwc.com

C. **Core roles and responsibilities of the Auditor in relation to the Investment Fund.**

The Auditor reviews the Fund's primary and annual financial statements.

17. **Other Information**

- a. The Fund grants unit holders the right to have access to policies and procedures to address conflicts of interest and any potential or actual conflict of interest upon request and without charge.
- b. Special discounts and commissions

The Fund Manager shall be entitled to exempt some participants from the subscription fees or any part thereof as may be appropriate for the benefit of the Fund and the unit's holders without giving reasons for such.

c. **Zakat or Tax.**

- The Fund Manager shall not pay Zakat for the Fund
- Value Added Tax: The Value Added Tax will be applied in accordance with the executive regulations issued by the General Authority for Zakat and Income Tax on all fees, expenditure, expenses and costs. All fees and expenditure mentioned in the Fund's documents do not include Value Added Tax unless otherwise stated

d. **Information and details of meeting of unit holders**

1. The Fund Manager shall convene the meeting of the unit holders within 10 days of receipt of a written request from the Custodian.
2. The Fund Manager shall convene the meeting of the unit holders within 10 days of receipt of a written request from one or more of the unit holders who together or individually own at least 25% of the value of the units of the Fund
3. Invitation to the meeting of the unit owners shall be announced on the website of the Fund Manager and the website of the Market and by sending a written notice to all unit holders and Custodian (if any)
 - 1) At least ten days prior to the meeting.
 - 2) Not more than (21) days prior to the meeting.The notification will include the date, place, time and decisions proposed
4. The meeting of the unit holders shall not be valid unless attended by a number of unit holders having together at least 25% of the value of General Fund units.
5. In case of not meeting the quorum stated in Clause 4. The Fund Manager will convene a second meeting by announcing this on the Fund Manager's website and the website of the market and by sending written notice to all unit holders and Custodian prior to the second meeting by five days at least. The second meeting shall be valid regardless of percentage of the units represented at the meeting
6. Each unit holder may appoint an agent to represent him at the meeting of the unit holders:
7. Each unit holder may make one vote at the meeting of unit holders of each unit held by him on the meeting time

e. Termination of the Fund

- The Fund Manager may terminate the Fund if he finds that the value of the Fund's assets under management is insufficient to justify the economic operation of the Fund or in the event of any change in regulations or other circumstances which the Fund Manager deems sufficient to terminate the Fund. In this case, the Fund Manager shall notify the Capital Market Authority and notify the unit holders in writing of its desire to terminate the Fund not less than 21 days from the date on which the Fund is to be terminated
 - In the case of termination of the Fund, the assets of the Fund are liquidated and the debts and liabilities relating to the liabilities are repaid and the remaining assets from liquidation are distributed to the participants for the percentage represented by them and attributed to the total units. In the event of liquidation of the Fund, no distributions will be made to investors unless all the Fund's assets have been liquidated and the liquidation proceeds received by the Fund Manager
- f. The Fund Manager will submit complaints processing procedures upon request and free of charge. The Unit Owner may, in the event of any complaint or comment about the Fund, send them to the following address:
- Yaqeen Capital
Compliance and Risk Management Group
Al Olaya Street
P.O. Box: 884 Riyadh: 11421
Phone: +966 (11) 2114722 – Fax: +966 (11) 2032546
Comments can also be sent to the following e-mail:
Addingvalue@yaqeen.sa
- g. The Judicial Agency Competent to solve any dispute

The Committee for the Resolution of Securities Disputes in the Kingdom of Saudi Arabia is the Judicial Agency Competent to solve any dispute arising out of or in respect of investment Funds.

- h. The Fund Manager grants unit holders the right to review the terms, conditions of the Fund, the summary of key information and each contract stated in the Information Memorandum and financial statements of the Fund Manager
- i. All assets of the Fund are collectively held by the unit holders. The Fund Manager, the Sub-Fund Manager, the Custodian, the Sub-Custodian, the Consultant or the Distributor may not have any interest in the Fund's assets or claim in respect of such assets, unless the Fund Manager, Sub-Fund Manager, the Custodian, the Sub-Custodian, the Consultant or the Distributor are holders of the units of the Fund, within the limits of its ownership, or if such claims are permitted under the provisions of these Regulations and disclosed in the terms and conditions of the Fund or the Information Memorandum.
- j. There is no other known information that may enable existing or potential unit holders or their professional advisors to make a decision to invest in the Fund contrary to what is stated in the Terms and Conditions and the Information Memorandum.
- k. Any exemptions from investment regulation restrictions have been approved by the Committee in advance, contrary to what has been stated in the investment policies and practices
None.

l. Voting Rights Policy

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

18. Additional information requirements for certain types of Funds

Not Applicable.

Summary of Key Information

Name of Fund

Yaqeen Saudi Equity Fund
(Public Open-end investment Fund)

Fund Manager

Yaqeen Capital

Last updated on

28/07/2022 AD

This information summary is mainly prepared for investors to enable them to study the opportunity available to them to purchase units in the Yaqeen Saudi Equity Fund and potential investors to read the terms, conditions and other documents thoroughly before making any decision on investing in this Fund.

A. Key Information

1. Name of Investment Fund

Yaqeen Saudi Equity Fund
(Public Open-end investment Fund)

2. Investment Objectives of the Fund

Capital gains to achieve long-term capital growth. The Fund gives investors the opportunity to participate in the growth opportunities available in the Saudi market. The Fund Manager employs an active investment strategy to achieve the Fund's objectives and invests directly in equities listed on the Saudi Stock Exchange in accordance with Shari'ah principles.

3. Investment Policies and Practices

The fund invests in securities listed on the Saudi stock market that comply with Shari'ah principles and all the fund's investments will be in the Saudi markets.

Asset Categories	Minimum	Maximum
Shares of companies listed on the Saudi market and compliant with Shari'ah controls	90%	100%

- The fund invests at least 90% of its net assets in Shari'ah-compliant companies listed in the Saudi market under normal market conditions.
- When the Fund Manager believes that market conditions or economic conditions are unfavorable to investment, it temporarily makes investments up to 100% of the assets of the Fund in a defensive manner by keeping all assets in the form of cash or in the form of short-term or long-term investments of high quality. Investment in defense instruments on a temporary basis may also include short-term murabaha.

4. The Main Potential Risks Associated With Investing In The Fund

Elements of risk that may affect the value of investing in the Fund, to name but a few, are:

▪ Risk of Capital decline:

In case of decline of the market and not redeeming in a proper time, the net asset value of the Fund is likely to decrease as the market declines. Long-term decline in net asset value, The Fund Manager may have to temporarily reduce distributions in an attempt to bring the net asset value closer to the initial unit price in order to avoid a significant decrease in capital as well as the Fund's ability to achieve long-term returns.

▪ Credit Risk:

Credit risk is the possibility that the borrower or counterparty in a debt contract, repurchase agreement or reverse repurchase agreement is unable or unwilling to repay or commit to the loan either payment on time or non-payment entirely. All companies and borrowing countries are subject to credit ratings. Securities are also subject to credit ratings. Credit instruments issued by companies or governments in emerging markets are usually subject to higher credit risk than others. Credit instruments issued by state-owned or well-established companies in developed countries are subject to lower credit risk and higher evaluation. A decline in the credit rating of the issuer or negative news may affect the market value of its securities.

▪ Securities Risk::

Funds investing in shares of listed companies are affected by the movements of the stock market in general. When the economy is strong, the outlook for many companies is good and stock prices may rise in general as well as the value of the funds that own these stocks. On the other hand, stock prices generally fall in times of deflation or economic or industrial recession, and the shares of certain companies or companies of a certain sector such as the industrial sector may fluctuate differently than

the stock market as a whole because of changes in the sector and the investment outlook of those companies in those Sectors.

- **The Risk For Certain Shares:**

The market value of a given stock can be more volatile than the market as a whole. As a result, if the shares of a particular issuer were a significant part of the market value of the assets of the Fund, the change in the market value of the shares of that issuer would cause significant fluctuations in the value of the Fund's unit, as is normally the case. If the fund is less diversified, it may also suffer from low liquidity if a large part of its assets has been invested in one issuer's shares. In particular, the fund may not be in a position to liquidate its investment in that issuer's stock to meet any redemption requests.

- **Shari'ah Risks::**

The risk is that the Fund invests in a limited range of Shari'ah-compliant stocks compared to traditional equity funds. If a company in which the Fund invests does not comply with Shari'ah rules, the Fund's disposal of the shares of those companies may result in losses in case of selling those stocks at a low price or in case of loss of opportunity to achieve a higher performance level for those stocks.

- **Risks of Major Investors:**

The Fund's units can be purchased and sold by major investors, other mutual Funds or private investment portfolios. In the event that a major unit holder has redeemed part or all of its investment in the Fund, the Fund may incur the cost of capital loss and other transaction costs during the redemption process, and some shares may be sold at an inappropriate price and thus reduce the potential return on the portfolio. On the other hand, if a major unit holder increases his investment in the Fund, the Fund may maintain a relatively large amount of cash until there is an investment opportunity which may adversely affect the performance of the Fund.

- **Regulatory Risks::**

Regulatory risk may result in financial risks that companies may encounter due to regulatory changes or uncertainties in the application of laws, regulations or procedures. The main legal risks may arise from the companies in which the Fund invests, and the possibility of being exposed to trial and legal accountability, thereby reducing the market value of its shares. Legal risk prevails between commercial entities that provide products and services mainly to consumers and on certain occasions may be subject to litigation and legal issues.

- **Liquidity Risk:**

Liquidity refers to the speed and ease with which the asset can be sold and converted into cash without losses in its fair market value. For highly fluctuating markets such as fluctuations in periods of political instability or sudden changes in interest rates and prices, some stocks become less liquid which means they cannot be sold quickly and easily, and some stocks can become illiquid due to legal restrictions or the nature of investment or certain designated aspects such as guarantees or lack of buyers who have an interest in a particular stock or market. This makes it difficult to sell the shares at a fair price, resulting in a loss or decrease in the Fund's income.

- **Market Risk::**

Market risk is the risk of investing in financial markets. The market value of the Fund's investments increases and decreases due to developments in investee companies, general market conditions or interest rates. The value of the market also changes due to changes in economic and financial conditions.

- **Equity Risk:**

The prices of some stocks tend to rise and fall sharply due to factors affecting companies, a particular sector, or the stock market as a whole, and the recession in the economic environment or slowing growth can have a negative impact on the prices of various shares owned by the Fund.

- **Sector Specific Risks:**

At certain times, the Fund may focus its investments on a particular sector, which may make the value of the Fund's assets vulnerable to change based on the change in the value of that sector. This focus can boost returns if the sector represents good potential investments, and this means that the Fund may be face more risk compared to the more diversified funds.

- **Small Business Risks:**

Small companies stocks tend to be less tradable and smaller in size than large companies. As a result, small companies stocks tend to be less stable compared to large companies, and their value rises or falls more sharply than large companies. Buying or selling them may be more difficult than others. As small companies may provide a good opportunity for capital growth, they are also exposed to substantial risks and should be considered as speculative shares. Historically, small companies stocks have more fluctuations in comparison to large companies, especially in the short term. The low growth earnings of small companies, their low liquidity and their high sensitivity to changing economic conditions are the main reasons for the fluctuations of their shares prices. In addition, small companies may be affected by the lack of effective management, which makes them unable to provide the necessary Funds for growth and development or may be productive and able to develop products and services that do not have or will not exist.

- **Following the index Risk:**

The Fund seeks to achieve similar or better returns than the benchmark index, However, the ability of the Fund to exceed the performance of the Index is affected by the operating and management expenses incurred by the Fund. These expenses are affected by several factors, including the size of the Fund's assets, the Fund Manager's skill and the level of the Fund's dealing activity. The level of unusual dealing results in additional expenses that hinder the ability of the Fund to achieve the same or similar return that exceeds the performance of the benchmark index.

5. Previous Performance of the Investment Fund

A. Total Return:

Cumulative Return – 31 December 2021	One year	Three years	Five years	Since established
The Fund	30.00%	97.18%	88.64%	255.46%

B. Total Annual Return for each of the past ten years

Annual Return	The Fund
For the year 2011	3.65 %
For the year 2012	9.45 %
For the year 2013	39.07 %
For the year 2014	- 5.08 %
For the year 2015	- 13.34 %
For the year 2016	2.62 %
For the year 2017	- 1.62 %
For the year 2018	-2.75%
For the year 2019	29.46%
For the year 2020	17.16%
For the year 2021	30.00%

C. The Fund's performance compared to the guiding Index over the past five years

	2017	2018	2019	2020	2021
The Fund	-1.62%	-2.75%	29.46%	17.16%	%30.00
The Index	-2.71%	2.40%	6.51%	9.19%	%28.56

B. Services, Commissions and Fees:

- **Fund Management Fees:** 1.75% of the net asset value of the Fund annually, the Fund Manager shall receive the management fees of the Fund calculated pro rata to the 365 days of the year, which shall be deducted on each calendar day and payable every 3 months as dues. The Fund Manager reserves the right to redeem from the Fund, at any time, any charges, commissions or legal fees and other expenses incurred by the Fund in respect of management costs in accordance with CMA regulations.
- **Auditor Fees:** SR 39,000 per year. (Borne by the Fund)
- **Custodian's fees:** 0.02% of the value of assets under custody (to be borne by the Fund).
- **Fees of the Shari'ah Committee:** None. (Borne by the Fund Manager)
- **Disclosure audit and follow-up fees:** SR 7,500 per year. (Borne by the Fund)
- **Dealing (Brokerage) expenses:** Are recorded at cost and any costs related to the trading of shares are borne by the Fund.
- **Board of Directors' fees:** SR 3,000 for each meeting and up to a maximum of SR 5,000 per month in cases where more than one meeting per month. (Borne by the Fund Manager)
- **Borrowing fees:** None.

C. **For additional information about the " Yaqeen Saudi Equity Fund" and its other documents, please view the company's website www.Yaqeen.com.sa or the nearest Yaqeen Capital branch or call our customer service number 8004298888.**

D. Name and Address of the Fund Manager

Yaqeen Capital
Al Olaya Street
P.O. Box: 884 Riyadh: 11421
Phone: 8004298888
Fax: +966 (11) 4617268
www.Yaqeen.sa

E. Name and Address of the Custodian

AlBilad Capital Company
King Fahd Road, Al Olaya
P.O. Box: 140 Riyadh: 11411
Phone: 920003636
Fax: +966 (11) 2906299

F. Name and Address of the Distributer

Not Applicable