

Terms and Conditions of the Fund

Fund Name

Yaqeen SAR Murabaha Fund

(An Open fund for participation, registered under the laws of Kingdom of Saudi Arabia)

Fund Manager

Yaqeen Capital

Yaqeen SAR Murabaha Fund has been certified as being Shari'ah compliant by the Shari'ah Board appointed for the Investment Fund.

These are the terms and conditions of Yaqeen SAR Murabaha 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 02/05/1428 H., corresponding to 19/05/2007. The last update for the terms and conditions has been conducted in 28/07/2022. The terms and conditions of the Fund and also the Fund's documents are compatible and subject to the provisions of Investment Funds Regulation issued by Capital Markets Authority of Saudi Arabia, as it also contain complete, true, and fair clarifications for all significant and fundamental facts related to this fund.

The potential investors and the persons receiving these terms and conditions, information memorandum, and other documents shall read them 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

19/05/2007

The Last update for the T&Cs

28/07/2022

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

19/05/2007

This amended version of the terms and conditions of the Yaqeen SAR Murabaha Fund, which reflects the following change, change of the fund auditor, according to our letter sent to the Capital Market Authority on 28/07/2022

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1. General Information											
A	Name of the Fund Manager	The Fund Manager is Yaqeen Capital Co., which is a Authorised person under the regulation of capital market institutions, license number 06020-37 and date of 29/4/1427 H. to provide the services of acting as principle and agent and underwriter, in addition to the management of investment funds, private portfolios, arrangement, advice, and custody.									
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	Name of the 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 provide the services of acting as principle and agent and underwriter, in addition to the management of investment funds, private portfolios, arrangement, advice, and custody.									
D	Web Address of the Custodian	www.AlBilad-capital.com									
2. Governing Law											
Yaqeen SAR Murabaha 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	To provide current income and liquidity consistent with short-term money market rates and to preserve the value of unit holder's investments. The Fund provides investors with a Shariah Compliant investment solution that generates competitive market returns from short-term Murabaha investments with a high degree of capital preservation, superior liquidity and no foreign exchange risk. Also all achieved profits are being reinvested in the same fund, which increases the value of its units.									
B	Investment Policies and Practices	<p>Yaqeen SAR Murabaha Fund grants the investor the opportunity to invest in capital markets to achieve current income and stable growth with the highest levels of protection for capital in comparison with other investments and in order to achieve the Fund objectives, the Fund Manager will employ the Fund money by investing in Shariah Compliant Murabaha deals.</p> <p>Investment introduction: the benchmark return that will be used to compare the performance of Yaqeen SAR Murabaha Fund will be the three months Saudi Arabia interbank offered rate (which is determined as the average offer rate offered for three months by Saudi banks in Saudi riyals) The Assets Management team in Yaqeen Company work on achieving performance level that competes against the performance of the benchmark through active management for Fund Portfolio in Murabaha deals.</p> <p><u>The Valuate, by which the Fund Invests:</u></p> <table border="1"> <thead> <tr> <th>Assets categories</th> <th>Minimum limit</th> <th>Maximum limit</th> </tr> </thead> <tbody> <tr> <td>Money market instruments such as money market funds, deposits, Murabaha, and Ijara Contracts in the Kingdom of Saudi Arabia</td> <td>50%</td> <td>100%</td> </tr> <tr> <td>Sukuk issued in Saudi Arabia</td> <td>0%</td> <td>25%</td> </tr> </tbody> </table>	Assets categories	Minimum limit	Maximum limit	Money market instruments such as money market funds, deposits, Murabaha, and Ijara Contracts in the Kingdom of Saudi Arabia	50%	100%	Sukuk issued in Saudi Arabia	0%	25%
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		<p>Money market instruments such as deposits, Murabaha, and Ijara Contracts in GCC countries with exception of Qatar</p>	<p>0%</p>	<p>30%</p>
<p>Investment Strategy:</p> <ul style="list-style-type: none"> - The Fund Managers invests in money market instruments, Murabaha, and Sukuk in accordance with Shariah with financial institutions that have good reputation, sound financial position, and with low risk. - The investments of Fund Manager are concentrated in money market instruments such as deposits, Murabaha and Ijara contracts in the Kingdom of Saudi Arabia with 50% to 100% of the fund net assets, the currency of each investment is dependent on the issuing institution of the instrument. The Fund Manager Depends on the internal classifications and that by investing with institutions that have good reputation, sound financial position, and low risk in the Kingdom of Saudi Arabia, licensed from Capital Markets Authority of Saudi Arabia and/or Saudi Arabia Monetary Authority, as it shall not exceed 25% for single counterparty. - The Fund Manager may invest up to 50% of the value of the Fund net assets in similar funds and with low risks, that are publically held and licensed by Capital Markets Authority of Saudi Arabia and managed by the Fund Manager or other fund managers and The funds' currency shall be determined by the fund managers. - The Fund Manager is entitled to invest up to 25% of the Fund net assets in sukuk in the Kingdom of Saudi Arabia and that in accordance with the available opportunities for the sukuk and the currency shall be determined by the Issuer of the sukuk. The Fund Manager will classify all securities and sukuk internally based upon the financial position and the cash flow from the operations and management. The available investment opportunities shall be evaluated by selecting the best yield in consistent with the Fund objectives and investment strategies. The Fund Manager shall also employ its research and analytical capabilities specialized to reach promising investment opportunities in sukuk, Murabaha Contracts, and similar investment funds that enjoy good reputation in terms of performance. - The Fund Manager may invest up to 30% of the value of the Fund net assets in Money market instruments such as deposits, Murabaha, and Ijara Contracts in GCC countries with exception of Qatar. - The Fund Manager will not invest in securities other than what was stated in Item 3/B. - The Fund Manager may conduct a loan, whereas the loan size shall not exceed 10% of the fund net assets value and the loan term shall not exceed a year. - The Fund Manager shall invest securities and/or deal with bank and financial institutions that work in the Kingdom of Saudi Arabia and GCC countries except Qatar. - In case of investing in other similar funds, whether it was managed by the Fund Manager himself or by other fund managers, where the currency of the investment is determined by the funds the fund manager choses to invest in, and shall 				

		<p>not exceed 20% of the Fund net assets value. These funds shall be selected based upon the performance and fund size and expenses.</p> <ul style="list-style-type: none"> - There will be no investment in the securities derivatives. - The Fund may deal with the Fund Manager or its affiliates as a principle for its own account in accordance with article (43) of Investment Fund Regulation. The Fund Manager may use proceeds of Murabaha deals in various operations for example without limitation; financing the margin operations for its clients.
4. Duration of the investment fund		
Yaqeen SAR Murabaha Fund 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 that comply with Shariah Guidelines.		
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	The payments from the Fund assets and its calculation method	<ul style="list-style-type: none"> - <u>Portfolio management fees:</u> 0.50% of assets net value annually, shall be counted as a percentage from fund net assets value, as the management fees will be counted daily and it will be paid every three months as dues. The Fund Manager shall retain the right to redeem from the fund at any time any fees, commissions, legal fees, or other expenses that may be due to the Fund Manager and related to the administrative costs in accordance with regulations of Capital Markets Authority of Saudi Arabia. - <u>Fees of external auditor:</u> (will be paid by the Fund): 25.000 Saudi Riyals annually. - <u>Fees of reviewing and following up the disclosure:</u> (will be paid by the Fund): 7.5000 Saudi Riyals annually. - <u>Custodianship fees:</u> (will be paid by the Fund): 0.02% of the assets value under reservation annually. - <u>Remuneration of the Fund's Board:</u> (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. - <u>Loan Fees:</u> in accordance with applicable prices at the time. - <u>Dealing expenses:</u> the expenses related to the fund investments, shall be registered at cost, in addition to the business expenses. Therefore, any additional cost will be paid by the Fund through a deduction from its assets. - <u>Value Added Tax:</u> 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. <ul style="list-style-type: none"> • 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	There are no subscription fees in the fund or redemption fees from the Fund <ul style="list-style-type: none"> - Early redemption fees: none - Property transfer fees: none
C	Details of any special commissions executed by the Fund Manager	Does not apply
8. Valuation and Pricing		
1	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 done deal in the market. In case these securities were suspended, it will be valued with last price before the suspension. Unless there was a damning evidence that the value of these securities has declined from the suspension price. - Deposits: evaluation based upon the nominal value in addition to accumulated interests/profits. - unlisted sukuk and bonds: the book value shall be used in addition to accumulated interests/profits. <p>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.</p>
B	Frequency of valuation and valuation points	Yaqeen SAR Murabaha Fund shall be evaluated in every dealing day.
C	Actions to be taken in case of mis-valuation or mispricing	<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 unitholder's (including the previous unitholders) for all valuation or pricing errors without postponement.
D	Details of unit price calculation method	The unit net value shall be calculated by dividing the Fund assets net value containing all income including the due income after calculating the administrative fees and any other expenses on the total units' number existing at the valuation time.
9. Dealings		
A	The responsibilities of the Fund Manager regarding subscription and redemption requests	<ul style="list-style-type: none"> - The Fund Manager shall accept the subscription and redemption requests in every dealing day. The subscriptions request, 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 its right in refusing any subscription application / additional forms without the need to submit reasons. In this case, Yaqeen shall return the amounts paid by the investor in exchange for the subscription without deduction, addition, or postponement. - The investors may redeem all of their investment units or part thereof. If investors redeemed a part of their investment and it lead to a drop in ownership below the minimum limit required for investing, their investment share will be repaid in accordance with the Fund Manager estimation.
B	The maximum the period between the Redemption Request and the payment of Redemption Proceeds	Redemptions proceeds shall be paid to Unitholders no later than the close of business on the second Business Day following the Valuation Day at which the Redemption price was set.

C	Restrictions of transaction with Fund units	Does not apply
D	The procedures with which trading units is postponed or suspended and the procedures followed in such cases	<ul style="list-style-type: none"> - The Fund Manager is entitled to postpone, suspend the transaction in Fund units in the following cases: <ol style="list-style-type: none"> 1. If the Capital Market Authority requested so. 2. If the Fund Manager saw that the suspension is in the interest of the Unitholders 3. 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. <p><u>Followed procedures in these cases:</u> In case of suspending the Fund valuation, the subscription and redemption, which are being submitted in the suspension period or after it, will be implemented in next day of dealing, when the valuation suspension is ended. The Fund Manager will immediately notify capital market 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 to decide which redemption requests are deferred	<ul style="list-style-type: none"> - In case of redemption requests that exceeds 10% of total units' number an any valuation day, the redemption request that exceeds the stated above percentage shall be postponed to the next valuation day. - The redemption requests, which will be postponed, shall be selected based upon precedence and redemption size. Where the Fund Manager shall implement the redemption request, which has been received first and that within the limits of 10% of net assets value of the Fund, as for the remainder redemption requests, it shall be postponed to the next dealing day.
F	The provisions regulating the transfer of unit ownership to other investors	The Fund Manager shall not allow the ownership 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 establishment and then gradually reduce their participation until the level deemed is fit.
H	Dates for submitting Subscription and Redemption Requests on any Dealing Day	The subscription and redemption is allowed on every dealing day. The deadline for submitting the subscription and redemption requests is up to the end of the last business day falling prior to the dealing day. 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 receiving the subscription amount at the end of the following transaction day, the subscription application shall be deemed null and void.
I	Subscription and redemption procedures	<u>Subscription procedures:</u> Investors, who wish to purchase units in the fund, shall do that through filling the form of the subscription requests, sign it, and deliver it to any of Yaqeen Branches, in addition to the payment of subscription amount or filling the subscription request and approve the terms and conditions

		<p>of the Fund through Yaqeen System for E-Services and deposit the subscription amount in the account dedicated for that.</p> <p>In case of bank remittances, the investment in the Fund will be implemented only through receiving a notification with the settlement or remittance. In case of paying the remittance 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> <p><u>Redemption procedures:</u> The units' holder shall fill the form of redemption requests, sign, and deliver it to the Fund Manager and through its offices in every work day or fill the redemption requests and deliver it through Yaqeen System for E-Service. The redemption requests are being processed in the transaction day following the recipient of redemption requests. The investors may redeem all of their participation units in the fund or part thereof.</p>
J	The minimum limit for subscription or redemption	None
K	The minimum amount that The Fund Manager intends to collect, and the impact on The Fund of failure to reach the minimum amount.	<p>The necessary minimum amount to start the Fund is 50 million Saudi riyals and in case of not collecting the minimum amount with 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 and the minimum amount was not collected with the first subscription period, the Fund Manager will return the subscription amounts, and any returns resulted due to its investment to the unitholder's without any deduction.</p> <p>The Fund Manager has fulfilled this requirement in the first subscription period for the Fund.</p>
L	The necessary corrective procedures to guarantee the requirement of 10 million Saudi riyals or its equal	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 profits of the fund units will not be distributed to the investors, as the profits generated by the fund will be reinvested in the fund		
11. Reporting to unitholders		
A	<ul style="list-style-type: none"> - The Fund Manager shall prepare the initial financial reports for every half year within 35 days from the expiration of the period, which has been inspected by an external auditor, as it shall include the initial financial statements, information about the Fund Manager, and any other information during the period. - The Fund Manager shall prepare an audited annual report, including 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 accounts. - Within 30 days from the end of every year, a report shall be sent to the investors in the Fund, clarifying the Fund operation within this period, in addition to the number and value of the units, which the investor owns at the end of the period and the total charges of services, fees, and expenses deducted from the unitholders. 	
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. 	

	<ul style="list-style-type: none"> - 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	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 unitholder's and maintain it in the Kingdom of Saudi Arabia.		
13. Meeting of Unitholders		
A	The circumstances in which a meeting of unitholders is called	<ul style="list-style-type: none"> - The Fund Manager may call for a meeting of unitholders through an initiative from him. - The Fund Manager shall call for the meeting of unitholder's within (10) days from receiving a written request from the Custodian. - The Fund Manager shall call for a meeting of unitholder's within (10) days from receiving a written request from one owner or more of the unitholders, who solely or collectively own 25% at least from the value of the Fund units.
B	The procedures of calling for a meeting of unitholder's	<ul style="list-style-type: none"> - The invitation for the meeting of unitholder's shall be by announcing that in the Fund Manager website and the Market website and by sending a written notice to all unitholder's and the Custodian (if any) <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 unitholder's meeting is valid only if it was attended by a number of unitholders, who together 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 unitholder's and the Custodian before the second meeting date with a period not less than (5) days. The second meeting shall be considered valid regardless of the the percentage value owned by the attendees (Unitholders). - Every unitholder may assign a representative to represent him in the meeting of unitholders.
C	Unitholder's vote	Each unitholder may give one vote in the meeting of unitholder's 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 unitholder's 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 unitholders. - Receiving a notification from the Fund Manager with the details of key changes on the Fund and that before 10 from the application of the change. - Redeeming the units (in the open public fund) before the application of any key 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. 		

	<ul style="list-style-type: none"> - Redeeming units (in the open public 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. - In case of not collecting the minimum amount with the first subscription period. The unitholder's will be entitled to redeem the subscription amounts and any other returns resulted due to its investment in accordance with paragraph (C) and (D) of article (59) of investment funds regulation without any deduction. - Obtaining the proceeds of redemption operation prior to the closing of the fifth business day following the valuation point, during which the redemption price was determined as a maximum limit. - 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 unitholder's 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 unitholder's meeting in accordance with article (70) of investment funds regulations. - The Fund Manager shall oblige to apply all requirement of reports submission to unitholder's 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 unitholder's liability shall be limited to bearing the losses in its 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 SAR Murabaha Fund's units in Saudi Riyal and all units are the same type and each unit represents an equal standard share in the Fund assets equal to all other units.	
17. Changes to the Fund's Terms and Conditions	
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 unitholders, then the approval of Capital Markets Authority of Saudi Arabia on the key changes in the terms and conditions of the Fund. In this case the Fund Manager shall notify the unitholder's and disclose the details of key changes in its website and 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 the unitholder's in writing with any proposed changes in the terms and conditions of the Fund. In this case, Fund Manager shall notify the unitholder's with the significant changes before (21) days from implementing the change. Also the Fund Manager will disclose the details of significant changes in its website and the Market website and that before (10) days from implementing 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 implementing 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 implementing the change.
18. Fund Termination	
<ul style="list-style-type: none"> - If the Fund Manager noticed that the size of Fund assets is not sufficient to justify the permanent operation of the Fund or in case of occurrence of any change in the law or regime or any other 	

	<p>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 unitholder's in writing with its desire to terminate the Fund and that within 21 days from the intended date of terminating the Fund.</p> <p>- 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.</p>
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 reasonable care 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 unitholders 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 for investment, as it shall periodically make sure of the compatibility of all Fund investments with shariah 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 solvency 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, its 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 sufficiently material.
20. Custodian	
A	<p>Tasks, duties, responsibilities of the Custodian</p> <p>Custodian's roles and responsibilities:</p> <ol style="list-style-type: none"> (1) The preserving and protecting for the fund assets including funds, documents, agreements in relations.

		<ul style="list-style-type: none"> (2) Opening the Fund accounts at local banks. (3) Opening the records of participants and Fund accounts. (4) Calculating the financial positions and make sure of its examination and review. (5) Valuation of net value of Fund assets. (6) Issuance of financial reports.
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: <ul style="list-style-type: none"> 1. The Custodian ceases to provide custody services without notice to the CMA in accordance with the Authorized Persons Regulations. 2. The Custodians' license to practice custody activity is canceled, revoked or suspended by the CMA. 3. The Custodian submits an application to the CMA to cancel its license to provide custody services; 4. The Custodian is deemed by the CMA to have committed any material violation of the Capital Market Law or its implementing regulations; 5. Any other case that the CMA considers - on reasonable grounds - to be sufficiently material. <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 unitholders. 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 dismissal of the Auditor	<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. - If the Authority requests, at its sole discretion, the auditor appointed for the fund to be changed.
22. Fund's 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 assets of each investment fund from its assets and from the assets of its other clients.
C	The assets of the investment fund are owned collectively for the unitholder's 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 its 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. Unitholder declaration	
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 its approval on the units' features, in which he has participated.	

Information Memorandum

Fund Name

Yaqeen SAR Murabaha Fund
(Public Open-end Investment Fund)

Fund Manager

Yaqeen Capital

Custodian

AlBilad Capital

Date of issuing the information memorandum

19/05/2007

Last update for it, on the date of

28/07/2022

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

"investors are advised to read and understand the contents of the Information Memorandum, if in doubt, please consult a professional advisor"

Important notice

The Information Memorandum has been reviewed and approved by the Fund board. The Fund Manager and the fund Board of Directors collectively and individually accept full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the fund Board of 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.

Capital Markets Authority of Saudi Arabia has approved the establishment of the investment fund and the subscription of its units and it relieve itself from any liability and from any loss resulted due to what was stated in the information memorandum or depending on any part thereof. Capital Markets Authority of Saudi Arabia does not give any recommendation in regard of investment feasibility in the Fund and its approval on the establishment of Fund does not mean its recommendation with investment therein or confirmation of information validity stated in the terms and conditions and information memorandum. It also assures that the decision of investment in the Fund returns to the investor or its representative.

1- **Information about the Investment Fund**

A. Name of Investment Fund

Yaqeen SAR Murabaha Fund

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

The terms and conditions of the Fund was issued in 19/05/2007.

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

02/05/1428 H. corresponding to 19/05/2007.

D. Fund term and Fund due date

Yaqeen SAR Murabaha Fund is an public open-ended 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 objective for the investment Fund
- The Fund aims to achieve current income in addition to the provision of liquidity and maintaining the capital through investment in Murabaha deals.
 - Yaqeen SAR Murabaha Fund invests in financial instruments with low risk and compatible with shariah in order to achieve a competitive profit for the instruments of traditional financial markets at minimum risk levels and achieve a high degree of protecting the capital, in addition to the provision of a liquidity and avoid any potential risks related to the exchange rate.
 - Also, all achieved profits are being reinvested in the same fund, which increases the value of its units.

B) type of securities, in which the Fund will mainly invests

The Fund Managers invests in capital market instruments, Murabaha, and sukuk in accordance with the shariah of the Fund with financial institutions that enjoy good reputation, sound financial position, and with low risk.

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

Assets categories	Minimum limit	Maximum limit
Money market instruments and money market funds such as deposits, Murabaha, and Ijara Contracts in the Kingdom of Saudi Arabia	50%	100%
Sukuk issued in Saudi Arabia	0%	25%
Money market tools such as deposits, Murabaha, and Ijara Contracts in GCC Countries , with exception of Qatar	0%	30%

- The investments of Fund Manager are concentrated in money market instruments such as; deposits, Murabaha and Ijara contracts in the Kingdom of Saudi Arabia with 50% to 100% of the fund net assets, the currency shall be determined by the Issuer of the investment instrument. The Fund Manager Depends on the internal classifications and that by investing with institutions that enjoy good reputation, sound financial position, and low risk in the Kingdom of Saudi Arabia, licensed from Capital Markets Authority of Saudi Arabia and/or Saudi Arabia Monetary Authority, as it shall not exceed 25% for single counterparty.

- The Fund Manager may invest up to 50% of the value of the Fund net assets in similar funds and with low risks, that are publically held and licensed by Capital Markets Authority of Saudi Arabia and managed by the Fund Manager or other fund managers. and The funds' currency shall be determined by the fund managers.
- The Fund Manager is entitled to invest up to 25% of the Fund net assets in sukuk in the Kingdom of Saudi Arabia and that in accordance with the available opportunities for the sukuk and the currency shall be determined by the sukuk Issuer. The Fund Manager will classify all securities and sukuk internally based upon the financial position and the cash flow from the operations and management.
- The Fund Manager is entitled to invest up to 30% of the fund net assets in money market instruments such as deposits, Murabaha contracts and Ijara in gulf countries, with exception of Qatar.
- The Fund may deal with the Fund Manager or its affiliates as a principle for its own account in accordance with article (43) of Investment Fund Regulation. The Fund Manager may use proceeds of Murabaha operations in various operations for example without limitation; financing the margin operations for its clients.

D) Securities Markets, in which the Fund may sell or purchase its investments

The Fund invests in the instruments of monetary market in the Kingdom of Saudi Arabia and GCC countries except Qatar, where the Fund Managers invest securities and/or deal with banks and financial institutions, which operate in the Kingdom of Saudi Arabia and GCC countries except Qatar.

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

- The work team in Assets Management in Yaqeen Capital Company works on achieving performance level that competes against the performance of the benchmark and that through active management for Fund Portfolio in Murabaha deals.
- The available investment opportunities shall be evaluated by selecting the best yield in consistent with the Fund objectives and investment strategies. The Fund Manager shall also employ its research and analytical capabilities specialized to reach promising investment opportunities in sukuk, Murabaha Contracts, and similar investment funds that enjoy good reputation in terms of performance.

F) Types of Securities that cannot be listed among the Fund investments

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

G) Investment Restrictions:

The Fund Manager shall comply with the investment restrictions stated by the regulation of investment funds and other regulations issued from Capital Markets Authority of Saudi Arabia. Also 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).

In case of investing in other similar funds, whether it was managed by the Fund Manager himself or by other fund managers where the currency of the investment is determined by the funds the fund manager choses to invest in, and shall not exceed 20% of the Fund net assets value. These funds shall be selected based upon the performance and fund size and expenses.

I) The Fund's borrowing rights, the Fund Manager's policy regarding the exercise of these rights, and its policy with respect to pledging assets of the Fund.

The Fund Manager may conduct loans, whereas the loan size shall not exceed 10% of the net value of Fund assets and the loan term shall not exceed a year.

J) Disclosing the Maximum Limit for Dealing with any Counterparty

Does not apply.

K) The Fund Manager policy to manage the fund 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 alleviate its effects in line with the achievement of the unitholder's interest. In the following, we display the followed strategy to deal with the risks:
- In order to ensure that the investment risks will remain on minimum levels, the Fund only invests in Murabaha deals with those parties, who possess sound financial position and low risk.
- 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 biggest amount of information related to the investment, which the Fund decides to enter.
- Follow up with compliance department, the Fund activities and the Fund Manager comply 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:

the benchmark return that will be used to compare the performance of Yaqeen SAR Murabaha Fund will be the three months Saudi Arabia interbank offered rate (which is determined as the average offer rate offered for three months by Saudi banks in Saudi riyals)

Derivative Contracts

Taking into account the shariah in all Fund operations. There will be no investment in securities derivatives.

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. The Fund is deemed from the class of low risk investment, whereas the Fund operations are limited to trading operations in commodities with Parties, who enjoy good reputation and sound financial positions.
- B. The previous performance for the investment fund or the previous performance for the benchmark do not refer to the future performance of the Fund.
- C. The Fund does not guarantee to the unitholder's that the Fund performance (or its performance comparing to the benchmark) will be repeated or will be similar to the previous performance in the future.
- D. The investment in the Fund is not deemed as a deposit at any local bank that markets or sells its units or is related to 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 in the investment.
Risk elements that may affect the investment value in the Fund are as follows, for example without imitation:

- **Non-payment risks:**
It is the risk that may result due to the non-compliance of the other party in Murabaha Contract to pay on specified time or suspend the payment indefinitely due to the inability of other party of the Agreement to fulfill its obligations.
- **Interest Rate Risk:**
The profits of Murabaha deals in the Fund are related to the interest rate on Saudi Riyal. Therefore, any changes on interest rate for Saudi riyal will have effects on the Fund profits.
- **Market Risks:**
The changes that may occur and extreme volatility in commodities and merchandise prices in global markets may have an impact on the Fund performance.
- **Credit Risks:**
Risks resulted through dealing with the Fund Manager or other Financial Institutions for example without limitation; deposits or Murabaha deals. Whereas the other party may not comply with its contractual obligations, which could result failure, or distress in payment of the invested amount, which may cause a loss in the fund and negatively impact the Fund performance, in addition to reduction of investment of unitholders.
- **Liquidity Risks:**
Risks that may result due to the inability of selling the assets and convert them to cash, when the payment obligations are due without needing to incurring unreasonable expenses or losses. The risk resulted from liquidity is represented in the inability to circulate in certain Murabaha Contract with enough speed to avoid realized losses, which could negatively impact the Fund and lead to reduction of investment of unitholders.
- **Conflict of Interest Risks:**
These risks arise in situations, in which the independency and objectivity of the Fund Manager decision is affected with personal material or moral interest that concern it over the Fund interest, which could negatively impact the investments of Fund unitholders.
- **Return on Investment Risks:**
Return on investments is usually affected by change of interest rate on financing and Murabaha deals. Whereas the investment may be conducted based upon unchangeable fixed profit rate. in case of interest rate increase, the return may be less than the market price, which could negatively impact the investments of Fund unitholder's comparing to the interest rate in the market.
- **Classification Risks:**
The Fund Manager will classify the securities such as; deposits, Murabaha Contracts, and sukuk internally. This classification may be inaccurate due to unavailability of the necessary information, which could lead to possibility of investment with other parties, who do not possess financial adequacy to fulfill their contractual obligations with the Fund, which could have a negative reflection on the Fund performance and reduction of investments of unitholders.
- **Political Risks:**
The Fund performance may be affected due to the cases of uncertainty resulted due to unfavorable political events that may occur on global or regional level, which may negatively impact the Fund performance. The political risks could happen due to change in government policies or imposing new legislations that may affect the cash flows through boarders and also change in tax laws and legislations.
- **Legal Risks:**
The scope, in which the Fund invests, is being limited in accordance with the permitted by Shariah standards, which could limit the expansion of investment of Fund Manager. In case one of the institutions or authorities, in which the Fund invests, has become incompatible with some Shariah, the Fund will dispose this company, which means its sale in investment conditions that may be inappropriate or with low price, which will have a negative reflection on the Fund performance.
- **Risks of Investing in Other Funds:**
The Fund Manager may invest in similar Funds, which could be exposed to the same risks or other risks, which could negatively impact the Fund.
- **Natural Disasters Risks:**

Volcanos, earthquakes, hurricanes, floods, and other natural Phenomena may cause destruction for properties that cannot be controlled, which could negatively impact the Fund and the performance of all economic and investment sectors.

- **Currency Risks:**

The main currency is Saudi Riyal, but the investments of Fund Manager with other parties could be dealt with other currencies other than the main Fund currency, which could impact the Fund value negatively or positively with volatility of currency exchange rate.

- **Concentration Risks:**

The risks of centering the investments in a certain sector or a number of small sectors, which leads to lack of diversification, which could have negative impact on the Fund performance.

- **Regulative Risks:**

The Fund may be exposed to regulative risks due to change in rules, laws, or tax. Whereas any change could affect the Fund investment strategy or increase the costs such as, fess, which could have negative impact on the Fund performance.

- **The Risks of Depending on the Fund Manager Employees:**

The Fund performance completely depends on the expertise and skills of the Fund Manager and employees. Consequently, the Fund may be affected by the loss of executive managers and employees related to the Fund works and the difficulty of providing an alternate on the same level of experience, which could negatively impact the Fund.

4. **General Information:**

A. Targeted class:

The Fund mainly targets the investors of individuals, institutions, governmental authority, and others, who have the desire to achieve current income with the provision of liquidity and maintaining the capital through investment in capital markets.

B. **Distribution of Profits:**

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

C. The previous performance of the Fund:

1- The total return for one year, three years, and five years or since the establishment.

Cumulative return – 31 st December 2021	One year	3 years	5 years	Since establishment
Fund	1.77%	7.03%	11.81%	30.68%

2- Total annual returns for the past ten years or since establishment

Annual return	Fund
For 2009	1.61%
For 2010	0.72%
For 2011	0.66%
For 2012	1.35%
For 2013	1.60%
For 2014	1.55%
For 2015	1.25%
For 2016	2.70%
For 2017	2.02%
For 2018	2.40%
For 2019	2.92%
For 2020	2.15%
For 2021	1.77%

3- The Fund performance in comparison with the benchmark during the last five years or since the establishment

	2017	2018	2019	2020	2021
The Fund	2.02%	2.40%	2.92%	2.15%	1.77%
The Index	1.86%	2.52%	2.71%	1.22%	0.82%

- 4- Date of profits distribution over the last three years
Does not apply.
- 5- The Fund reports are available for the unitholder's through the Fund Manager Website.

G. Units Owner 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 characteristics.
- Obtaining a summary for the unitholder's 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 unitholders.
- Receiving a notification from the Fund Manager with the details of key changes on the Fund and that before 10 days from the implementation of the change.
- Redeeming the units (in the public open-ended) before the application of any key 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 implementation.
- Redeeming units (in the open public 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 implementation 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 unitholder's are entitled to obtain a compensation from the Fund Manager for all valuation or mis-pricing.
- 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 unitholder's meeting in accordance with article (70) of investment funds regulations.
- The Fund Manager shall oblige to apply all requirement of reports submission to unitholder's 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 written notification from the Fund Manager before a duration not less than (21) days from the intended date to terminate the public Fund.

H) Unitholder's Liability

The liability of unitholder's shall be limited to bearing the losses in its investment in the Fund or part thereof, where he shall not be liable towards the Fund debts and obligations.

I) **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 permanent 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. The Fund Manager shall notify Capital Markets Authority of Saudi Arabia and the unitholder's in writing with its 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.
- J) 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- **Portfolio management fees:** 0.50% of assets net value annually, shall be counted as a percentage from fund net assets value, as the management fees will be counted daily and it will be paid every three months as dues. The Fund Manager shall retain the right to redeem from the fund at any time any fees, commissions, legal fees, or other expenses that may be due to the Fund Manager and related to the administrative costs in accordance with regulations of Capital Markets Authority of Saudi Arabia.
- 2- **Fees of external auditor:** (shall be beard by the Fund): 25,000 Saudi Riyals annually.
- 3- **Custodianship fees:** (shall be beard by the Fund): 0.02% of the assets value under custodianship annually.
- 4- **Fess of reviewing and following up the disclosure:** (shall be beard by the Fund): 7,500 Saudi Riyals annually.
- 5- **Independent managers Remuneration:** (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.
- 6- **Loan Fees:** in accordance with applicable prices at the time.
- 7- **Dealing expenses:** the expenses related to the fund investments, shall be registered with cost, in addition to the dealing expenses. Therefore, any additional cost will be will be paid by the Fund through a deduction from its assets.

B) **Fees and expenses**

	Type of fees and expenses	How to calculate it	Payment time
1	Fund management fees	Shall be calculated daily from assets value during the year	Shall be paid every 3 months as due
2	Custodian fees	0.02%, shall be calculated at the end of the period	Shall be paid monthly
3	Auditor fees	25.000 Saudi riyals	Shall be paid annually
4	Fess of reviewing and following up the disclosure	7.500 Saudi Riyals	Shall be paid annually for Capital Markets Authority of Saudi Arabia
5	Dealing expenses (Dealing)	Shall be registered at the cost or any costs related to the stocks circulation (will be paid by the Fund)	Paid at the time
6	Financing expenses	According to the prevailed price at the market	Paid at the time

C) **Details of transaction charges imposed on subscription and redemption:**

- Subscription or redemption fees: none

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- Early redemption fees: none
 - Property transfer fees: not applicable.
- D) **Special commissions executed by the Fund Manager:**
None

E) **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	-	0 SR
Fund management fees	-50,000 SR	-250 SR
Custodian fees	-2,000 SR	-10 SR
Auditor fees	-25,000 SR	-125 SR
Regulatory fees	-7,500 SR	-38 SR
Dealing fees	In case it exists	
Fees and expenses total at the year end	-84,500 SR	-423 SR
Assets net value at year end	9,915,500 SR	49,578 SR

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 done deal in the market. In case these securities were suspended, it will be valued with last price before the suspension. Unless there was a damning evidence that the value of these securities has declined from the suspension price.
- Deposits: evaluation based upon the nominal value in addition to accumulated interests/profits.
- unlisted sukuk and bonds: the book value shall be used in addition to accumulated interests/profits.
- 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 valuation points:**

Yaqeen SAR Murabaha Fund is being evaluated in every workday.

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

- 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 unitholder's (including the previous unitholders) for all valuation or pricing errors without Postponement.

D) Details of the unit price calculation method

Unit net value is calculated by dividing the net asset value of the fund including all income including accrued income after deducting the management fees and any other expenses by the total number of units outstanding at the time of the valuation.

E) Place and time of publishing the unit price

Murabaha Rates in Saudi Riyal are published daily on Tadawul and Yaqeen websites.

7. Dealing

A) Details of the initial offering

The date of acceptance of the subscription is 02/06/2007 AD. The first offering period has been completed.

Initial price: SAR 1

B) The exact date and deadlines for applications for subscription and redemption

- The deadline for receipt of applications for subscription and redemption: 12:00 pm every working day.
- Subscription and redemption can be made every working day by the end of the working day immediately prior to the transaction day. (Unless the Fund Manager decides otherwise) on the basis of the price of the valuation on the next transaction day. In the event that the subscription is not received by the end of the next transaction day, the Subscription Application shall be void.

C) Subscription and Redemption Procedures

Subscription procedures:

Investors who wish to purchase units in the Fund must do so by filling out the subscription application form, signing it and handing it over to any of the Yaqeen branches, with the payment of the investment amount or to fill out the subscription application form and to approve the terms and conditions of the Fund through the Yaqeen Electronic Services System and deposit the amount of Subscription in the dedicated account.

In case of bank transfers, the investment in the Fund will be executed only upon receipt of notice of liquidation of the clearing or transfer. In the case of payment to units in a currency other than the currency of the Fund (Saudi Riyal), the currency of payment shall be transferred to the Fund Currency by the Fund Manager at the exchange rates prevailing at the time. The purchase will then be based on the price after the conversion.

Redemption Procedures:

The unit holder will complete the redemption application form, sign it and hand it over to the Fund Manager through its offices on each working day, or fill out the redemption application and deliver it via the Yaqeen Electronic Services system. The redemption applications will be processed on the transaction day next to the receipt of the redemption applications. Investors may redeem all units participating in their Fund or part thereof.

Minimum Subscription and Redemption:

- The minimum participation in the Fund is 5,000 (Five thousand Saudi riyals)
- And the minimum additional subscription and redemption is 2,000 (Two Thousand Saudi Riyals).
- The minimum balance is 2,000 (Two Thousand Saudi Riyal).
- And the Fund Manager has the right to amend the minimum limits at its discretion based on the investor interest in the Fund

D) Unit Holders Register

The Fund Manager prepares and maintains a register of unit holders in the Kingdom of Saudi Arabia. This register is a conclusive proof of the ownership of the listed units. The Fund Manager shall provide a summary of the unit

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holders register to each unit owner, free of charge upon by contacting the Fund Manager directly or through a Fund Manager's office.

E) The proceeds of the subscriptions received during the period of the Initial Public Offering have been retained in cash, cash equivalent or low risk investments such as money market dealings with a party regulated by SAMA or a similar regulatory body to the institution outside the Kingdom and is in compliance with Shariah until the expiry of the initial offering period.

F) The minimum amount of the Fund's offering and the extent of the impact of not reaching that limit

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

G) Corrective actions necessary to ensure that a requirement of SR 10 million or its equivalent is met as a minimum net asset value;

The Fund Manager shall follow the provisions of the CMA's Investment Funds and Circulars Regulations in respect of the requirement to commence the Fund (where applicable).

H) Cases in which the dealings in units are postponed or suspended and the procedures followed in that case.

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

1. If requested by the CMA.
2. If the Fund Manager considers that the suspension serves the interests of the unit holders.
3. If the dealing is suspended in the primary market in which the securities or other assets held by the General Fund are transacted, either in general or in respect of the assets of the Fund that the Fund Manager reasonably considers to be material to the net assets of the General Fund.

- Procedures in those cases

If the Fund valuation is suspended, redemption or subscription requests submitted on or after the suspension date will be executed on the next dealing date when the valuation 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 notifying them in the same manner as the suspension notice immediately after the suspension end. And disclosure on the website of the Fund Manager and the Market Website.

I) Procedures for selecting redemption requests to be deferred

Yaqeen is not required to execute redemption requests for more than 10% of the net asset value of the Fund on any transaction day. If the Fund's valuation has been suspended, the redemption request for the Fund Units submitted on or after the suspension date is executed on the next dealing date when the valuation suspension ends. The postponed redemption requests are selected based on the axiom and redemption volume. The Fund Manager will execute the redemption requests received first, which are less than 10 million Saudi riyals within 10% of the net asset value of the Fund. The remaining redemption requests are deferred to the next transaction day.

8. Characteristics of units

The Fund Manager may issue an unlimited number of Yaqeen SAR Murabaha Fund Units in Saudi Riyals. All units are of the same type. Each unit shall represent an equal standard share of the Fund's assets equal to all other Units and shall not have the right to vote.

9. Accounting and reporting

A) Information related to 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

1) Mr. Moaz bin Qassem Al Khasawneh (Chairman of the Fund):

Mr. Moath Al-Khasawneh is the General Director of Yaqeen Capital . 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 Capital ; 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.

3) 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.

4) 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 of experience in addition his board member and CEO of Maharah Human Resources.

5) 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 compliance (Compliance 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 its 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 Fund for Saudi Equity.

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- Yaqeen Fund for Initial Public Offerings.
- 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 Capital , 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 conformity 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 conformity with Shari'ah standards and to be included in the annual audited report of the Fund.

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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:

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-conformity with Shari'ah standards:

The following are the Shari'ah controls 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 Non-shariah 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.

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Yaqeen Capital Company

Al Olaya General Road

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.

G. Yaqeen Capital

H. (Saudi Closed Joint Stock Company)

I. Consolidated Income Statement

J. (All amounts are in SAR unless otherwise specified)

As of 31 December

صندوق فالكيم للمراجحة بالريال السعودي		
قائمة الدخل الشامل		
للسنة المنتهية في ٣١ ديسمبر ٢٠١٨		
(جميع المبالغ بالريال السعودي ما لم يذكر غير ذلك)		
للسنة المنتهية في ٣١ ديسمبر		
٢٠١٧	٢٠١٨	إيضاح
		الدخل
		عوائد عقود مرابحة
٢٢,٥٣٦,٣٠٢	٢٨,١٥٨,٨٤٤	ربح بيع الموجودات المالية بالقيمة العادلة من
٤٣٠,٧٧٣		خلال الربح أو الخسارة
١٨٩,٤٠٤	٧٣١,٦٨٦	ربح غير محقق في التغير في القيمة العادلة
		للموجودات المالية بالقيمة العادلة من خلال
		الربح أو الخسارة
	١٨٧,٥٤٨	بمجموع الدخل
٢٣,١٥٦,٤٧٩	٢٩,٠٧٨,٠٧٨	
		المصاريف
(٤,٦٢٧,٢٩٨)	(٥,١٦٧,٣٣٠)	٨ أتعاب إدارة وأخرى
(٣٢,٦٠٠)	(١٩٠,٠٩٠)	٨ مصاريف أخرى
(٤,٦٥٩,٨٩٨)	(٥,٣٥٧,٤٢٠)	بمجموع المصاريف
١٨,٤٩٦,٥٨١	٢٣,٧٢٠,٦٥٨	صافي الربح التشغيلي للسنة
-	-	الدخل الشامل الآخر للسنة
١٨,٤٩٦,٥٨١	٢٣,٧٢٠,٦٥٨	بمجموع الدخل الشامل للسنة

K. 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. In addition 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-Naifat 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 Capital . 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 Capital ; 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 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 Capital , 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 hold 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 conformity 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 an authorised 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 dealing services, underwrite 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 key roles and responsibilities of the Custodians in relation to the investment Fund.

1. Physical preservation of the Fund assets including money, documents and related agreements.
2. Opening the Fund accounts in local banks.
3. Opening the accounts registers of the Fund and the participants.
4. Calculating the financial positions and ensuring their review and auditing.
5. Valuation of the net value of the Fund assets.
6. Issuance of financial reports.

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 provide custody services without notice to the CMA in accordance with the Capital Market Institutions Regulations.
 2. The Custodians' license to practice custody activity is canceled, revoked or suspended by the CMA.
 3. The Custodian submits an application to the CMA to cancel its license to provide custody services.
 4. If the Custodian is deemed by the CMA to have committed any material violation of the Capital Market Law or its implementing regulations.

In this case, the Fund Manager shall appoint an alternate Custodian and transfer the conservation 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

Not Applicable

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 Company
Compliance and Risk Management Group
Al Olaya General Road
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.com.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

1. 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

A) In the case of the Money Market Fund:

- 1. Investment in the Fund shall not be considered as a deposit in any local bank.
- 2. The Fund Manager is not obliged to accept requests for redemption of units at the subscription price and the value of units and their revenues are subject to rise and fall.
- 3. The methodology used by the Fund Manager to classify the Fund's investments.

The Fund Manager shall rely on the internal classification by investing in institutions with good reputation, sound financial status and low risk in the Kingdom of Saudi Arabia licensed by the Capital Market Authority and / or the Saudi Arabian Monetary Agency

- 4. In the case of dealing with any source of money market transactions outside the Kingdom, the Fund Manager acknowledges that this source is subject to a similar control body of the Saudi Arabian Monetary Agency.
- 5. Investments in securities derivatives will not be made.

Summary of Key Information

Name of Fund

Yaqeen SAR Murabaha Fund
(public open-ended investment Fund)

Fund Manager

Yaqeen Capital Company

Last updated on

28/07/2022

This information summary is mainly prepared for investors to enable them to study the opportunity available to them to purchase units in the Yaqeen SAR Murabaha 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 about the Investment Fund

1. Name of Investment Fund

Yaqeen SAR Murabaha Fund (Public open-ended investment fund)

2. Investment Objectives of the Fund

- The Fund aims to achieve current income while providing liquidity and maintaining capital by investing in Murabaha transactions
- Yaqeen SAR Murabaha Fund invests in low risk financial instruments that comply with Shari'ah principles with the aim of achieving competitive profits to the traditional money market instruments at low risk levels and maintaining a high degree of capital preservation with providing liquidity and avoiding any potential exchange rate risk.
- All realized profits are reinvested in the same fund, increasing the value of its units.

3. Investment Policies and Practices

- The Fund Manager invests in money market instruments, Murabaha and sukuk in accordance with the Shari'ah principles of the Fund with well-known financial institutions with sound financial status and low risk.

Asset Categories	Minimum	Maximum
Money market instruments and money market funds such as deposits, Murabaha and Ijara contracts in Saudi Arabia	50%	100%
Sukuk issued in Saudi Arabia	0%	25%
Money market instruments such as deposits, Murabaha and Ijara contracts in GCC countries, with the exception of Qatar	0%	30%

- the benchmark return that will be used to compare the performance of Yaqeen SAR Murabaha Fund will be the three months Saudi Arabia interbank offered rate (which is determined as the average offer rate offered for three months by Saudi banks in Saudi riyals), The Assets Management team in Yaqeen Company work on achieving performance level that competes against the performance of the benchmark through active management for Fund Portfolio in Murabaha deals.
- The Fund may also deal with the Fund Manager or any of its Affiliates as a principle on its own account in accordance with Article 43 of the Investment Funds Regulations. The Fund Manager may use the proceeds of Murabaha transactions in various operations, including but not limited to margin financing for its clients

4. The Main Potential Risks Associated with Investing in the Fund

The Fund is a low-risk investment category where the Fund's operations are limited to trading in commodities with reputable and well-performing counterparties. In order to ensure that the investment risks are kept to a minimum, the Fund invests only in Murabaha transactions with those parties.

The elements of risk that can affect the value of investment in the Fund are as follows:

- **Risk of Non-Payment**

The risk that may arise from the non-compliance of the other party in the Murabaha contract with payment on time or a final cessation of payment as a result of the inability of the other party to fulfill its obligations

– **Interest Rate Risk:**

The profit of Murabaha transactions in this fund is linked to the interest rates on the Saudi riyal. Accordingly, any changes in the normal interest rates of the riyal will have an impact on the profits of the fund.

– **Market Risk:**

Changes and sharp fluctuations in the prices of goods and commodities on world markets have an impact on the performance of the Fund.

– **Credit Risk:**

The risks arising from dealing with the Fund Manager or other financial institutions, but not limited to deposits or Murabaha transactions, where the other party may not comply with its contractual obligations which may result in delay and / or default in the payment of the invested amount, causing the loss of the Fund And adversely affect the performance of the Fund and the decrease in investments of unit holders.

– **Liquidity Risk:**

A risk that can arise from the inability to sell assets and convert them into cash when these obligations are due to be paid without having to incur unacceptable expenses or losses. The liquidity risk is the inability to trade in a particular Murabaha contract quickly enough to avoid losses, which adversely affects the performance of the Fund and may result in lower investment of unit holders.

– **Conflict of Interest Risk:**

These risks arise in situations where the objectivity and independence of the Fund Manager's decision is affected by a material or moral personal interest contrary to the Fund interest, which may adversely affect the investments of the Fund's unit's holders.

– **Return on Investment Risk:**

Return on investment is affected by changes in interest rates on financing and Murabaha transactions. Where the investment may be based on a constant profit rate. And if interest rates rise, the return may be lower than the market return, which will adversely affect the performance of the fund and may lead to a decrease in the investments of the Fund units holders compared to the market interest rates.

– **Classification Risk:**

The classification of securities, such as deposits, Murabaha contracts and Sukuk, will be classified internally by the Fund Manager. This classification may be inaccurate due to the lack of the necessary information, leading to the possibility of investing with other parties that do not have the financial margin to meet their contractual obligations with the Fund. This may have a negative impact on the Fund's performance and lower the investment of unit holders.

– **Political Risk:**

The performance of the Fund may be affected by the uncertainties resulting from unfavorable political events that may occur at the regional or global level and which have a negative impact on the Fund performance. Political risks can also occur as a result of changes in government policies or new legislation that may affect cross-border cash flows as well as changes in tax regulations and legislation.

– **Shari'ah Risk:**

The scope in which the Fund invests shall be limited to the extent permitted by the Shari'ah standards and controls, which may limit the investments of the Fund Manager. In the event that one of the institutions or entities in which the Fund continues to be inconsistent with some Shari'ah controls, the Fund shall dispose of such Company, which means selling in conditions of investment that may be inappropriate or at a low price, which reflects negatively on the performance of the Fund

– **Investment in Other Funds Risk:**

The Fund Manager may invest in similar funds that may be exposed to the same risks or other risks that adversely affect the performance of the Fund.

- **Natural Disaster Risk:**
Volcanoes, earthquakes, hurricanes, floods and other natural phenomena that can cause damage to property cannot be controlled, which negatively affects the performance of the Fund and the performance of all economic and investment sectors.
- **Currency Risk:**
The principal currency is the Saudi Riyal, but the Fund Manager's investments with other parties may be in currencies other than the Fund's principal currency and the value of the Fund's assets may be adversely affected by fluctuations in currency exchange rates.
- **Concentration Risks:**
It is the Concentration risk in a particular sector or small sectors that lie in non-diversification and have a negative impact on the performance of the fund.
- **Systematic Risk:**
The Fund may be exposed to systemic risk due to changes in rules, laws and regulations, as any change may affect the Fund's investment strategy or increase the cost of fees and other factors that affect the performance of the Fund.
- **Relying on the Fund Manager's Staff Risk:**
The Fund's performance is fully dependent on the expertise and skills of the Fund Manager and staff, and therefore, the Fund has been affected by the loss of executives and staff associated with the work of the Fund and the difficulty of providing an alternative at the same level of experience, which adversely affects the performance of the Fund.

5. Previous Performance of the Investment Fund

1. Total Return:

Cumulative Return – 31 December 2021	One year	Three years	Five years	Since established
The Fund	1.77%	7.03%	11.81%	30.68%

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

Annual Return	The Fund
2009	1.61%
2010	0.72%
2011	0.66%
2012	1.35%
2013	1.60%
2014	1.55%
2015	1.25%
2016	2.70%
2017	2.02%
2018	2.40%
2019	2.92%
2020	2.15%
2021	1.77%

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

	2017	2018	2019	2020	2021
The Fund	2.02%	2.40%	2.92%	2.15%	1.77%
The Index	1.86%	2.52%	2.71%	1.22%	0.82%

B. Services, Commissions and Fees:

- **Portfolio Management Fees:** 0.50 % of net asset value annually. Calculated as an annual percentage of the net asset value of the Fund. Management fees will be calculated on a daily basis and will be paid every three months as receivables. The Fund Manager reserves the right to redeem at any time, any fees, commissions, legal fees and other expenses that may be due to the Fund Manager from the Fund in respect of the management costs in accordance with the Capital Market Authority Regulations.
- **Fees of the External Auditor (Will be paid by the Fund):** SR 25,000 annually.
- **Custody costs** (will be paid by the Fund): 0.02% of the value of assets held annually.
- **Disclosure Audit and follow-up fees** (will be paid by the Fund): SR 7500 annually.
- **Independent Directors Remunerations (Will be paid by the Fund Manager for the Fund):** SR 3000 for each meeting and a maximum of 5000 SR per month in cases where more than one meeting per month.

Transaction expenses: Expenses relating to the investments of the Fund are recorded at cost plus transaction expenses. Any additional cost will be borne by the Fund against its assets.

Loan Fees: in accordance with applicable prices at the time.

Dealing expenses: the expenses related to the fund investments, shall be registered with cost, in addition to the dealing expenses. Therefore, any additional cost will be paid by the Fund through a deduction from its assets.

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

D. Name and Address of the Fund Manager

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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