

Terms and Conditions

Yaqeen IPO Fund

Yaqeen IPO Fund is an equity open-end public Investment Fund, registered under the laws of the Kingdom of Saudi Arabia

Fund Manager

Yaqeen Capital Company



- The Fund's Terms and Conditions were reviewed and approved by the Fund Board. The Fund Manager and Fund Board members are jointly and severally liable for, and acknowledge and confirm, the accuracy and completeness of the information contained in the Terms and Conditions. The Fund Manager and Fund Board members further also acknowledge and confirm the validity and completeness of the information contained in the Terms and Conditions, and further acknowledge and confirm that the information and statements contained in this Information Memorandum is not misleading.
- The Capital Market Authority (CMA) approved the offering of Investment Fund units. The CMA does not bear any liability for the contents of these Terms and Conditions. The CMA does not make any representation as to the accuracy or completeness of the Terms and Conditions, and disclaims itself from any liability whatsoever or any loss arising from, or incurred in reliance upon, any part of these Terms and Conditions. The CMA does not provide any recommendation on the feasibility of investing in the Fund. Its approval of the offering of Investment Fund units may not be construed as a recommendation to invest in the Fund or acknowledgement of the validity of the information contained in the Terms and Conditions. The CMA further emphasizes that the decision to invest in the Fund is at the discretion of the Subscriber or his/its representative.
- Yaqeen IPO Fund is certified as being an open-end public Investment Fund that is compliant with the Shariah Guidelines permitted by the Investment Fund's Shariah Board.
- The Fund Manager states that the Terms and Conditions of the Fund and all other documents are subject to the Investment Funds Regulations, and include complete, clear, true and non-misleading information about Yaqeen IPO Fund, which is updated and amended.
- Each investor shall read the Terms and Conditions of the Fund and all other documents of the fund.
- The Unit Holder shall sign and accept the fund's Terms and Conditions when subscribing to any of the fund's units.
- The fund's performance can be tracked through reports issued by the Fund Manager and published on the Fund Manager's website and the website of the Saudi Stock Exchange "Tadawul".
- Investors are advised to read and understand the Fund's Terms and Conditions. In the event that the Terms and Conditions of the Fund are not understood, we recommend that you take the advice of a professional advisor.
- Date of issuance of the Fund's Terms and Conditions: 09/06/2008 G .
- It was last updated on: 18/06/2023 G
- Date of the Authority's approval of establishing the Investment Fund and offering its units: 09/06/2008 AD.
- This is the amended version of the Terms and Conditions of Yaqeen Gold Fund, which reflects the Auditor Changing, That according to our letter sent to the Capital Market Authority on 18/06/2023 G.

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Fund Summary

1.	Fund Name: Yaqeen IPO Fund.
2.	Fund Category/Fund Type: An equity open-ended public investment Fund that is compliant with the regulations of the Shariah Board.
3.	Fund Manager Name: Yaqeen Capital Company.
4.	Fund Objective: The Fund aims to develop capital in the long term by investing mainly in shares of public companies during the initial public offering of their shares, and/or in shares of new listed companies, which has not been five years since its listing or the last 30 companies that have been listed in the Saudi Stock Exchange (main and parallel – Nomu). The Fund Manager will not distribute any profits to the participants, as the dividends will be reinvested in the Fund. The Fund also aims to achieve a performance that exceeds the Fund’s indicative index (Yaqeen Initial Offerings) index, whose performance will be announced on the Fund Manager’s website.
5.	Level of risk: The Fund is considered a high-risk investment.
6.	Minimum subscription: none.
7.	Dealing/evaluation days: Mondays and Wednesdays.
8.	Announcement Days: The business days following the dealing day.
9.	Redemption Payment Date: Redemption requests are executed within two business days of the calendar date.
10.	Unit price at the initial offering (the face value): 1,000 Saudi riyals.
11.	Fund currency: Saudi Riyal.
12.	Investment Fund Duration and Fund Maturity Date: Yaqeen Initial IPO Fund is a public open-ended investment Fund, and there will be no specific duration for the Fund’s operation and no maturity date for the Fund.
13.	Fund start date: The date of the Authority's approval of establishing the investment Fund and offering its units 06/09/2008 AD. Offering start date: 06/21/2008 AD. Offering end date: 07/02/2008 AD.
14.	Date of issuance of the terms and conditions, and their last update: Date of issuance of the terms and conditions of the investment Fund 05/06/1429 AH corresponding to 06/09/2008 G . It was last updated on 15/06/2023 G
15.	Early redemption fee: Within three calendar months from the date of subscription, redemption will be made according to the following valuation price minus a 1% redemption fee.
16.	Indicative index: Yaqeen Index for the initial offerings. The provider of the index: The Saudi Stock Exchange Company “Tadawul”. The methodology used to calculate the index: Yaqeen is calculated for the initial offerings by multiplying the index value on the previous day with the percentage change in the market value of the free float shares of the companies included in the index calculation. The equation below shows the mechanism of calculating the index: $\text{Index} = (\text{Total free float market capitalization for the day} / \text{total free float market capitalization for the previous day}) \times \text{index value for the previous day.}$
17.	The name of the Fund operator: Yaqeen Capital Company.
18.	Custodian Name: Albilad Capital Company.
19.	Auditor's name: KPMG
20.	Fund management fees: 1.75% of the Fund's net asset value annually to be paid to the Fund Manager in return for providing investment management services and sponsoring the Fund. Portfolio management fees are calculated as an annual percentage of the Fund's net asset value on each calendar day and are paid to the Fund Manager every three months as accruals.
21.	Subscription and redemption fees: Subscription fees: up to 1.50% of the subscription amount as a maximum, to be paid by the investor once upon subscription or the additional subscription to the offering agent. Redemption Fee: In the case of redemption requests made after the end of the first three months from the date of subscription, they are not subject to redemption fees. Early redemption fee: Within three calendar months from the date of subscription, redemption will be made according to the price of the following calendar minus a 1% redemption fee.
22.	Custodian fees: (to be borne by the Fund): 0.02% borne by the Fund of the value of the assets under custody annually and paid monthly to the Custodian.

23.	Dealing Expenses: Transactions related to the Fund's investments and related to managing its assets portfolio are carried out at cost. Therefore, any dealing expenses recorded in this framework will be borne by the Fund and paid by deduction from its assets.
24.	Other fees and charges: Please view paragraph (a) of Article No. 9 below.
25.	Performance fee: none.

1. Investment Fund

- A) **Fund name and type:** Yaqeen IPO Fund is an equity open-ended public investment Fund that is compliant with the regulations of the Shariah Board and was established in the Kingdom of Saudi Arabia according to the Investment Funds Regulations issued by the Capital Market Authority.
- B) **Date of issuance of the Fund's terms and conditions:** Issue date: 05/06/1429 AH corresponding to 15/06/2023 G.
- C) **And its last update:** 20/09/2022 AD
- D) **Date of the Authority's approval to offer the Fund's units:** 09/06/2008 AD.
- E) **Investment Fund Duration and Maturity Date:** Yaqeen IPO Fund is a public open-ended investment Fund, and there will be no specific period for the Fund's operation and no date for the Fund's maturity.

2. Applicable Law

Yaqeen IPO Fund and the Fund Manager are subject to the Capital Market Law, the Investment Funds Regulations and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

3. Investment Policies and Practice

- A) **Investment objectives of the investment Fund:** The Fund aims to develop capital in the long term by investing mainly in shares of public companies during the initial public offering of their shares, and/or in shares of new listed companies, which has not been five years since its listing or the last 30 companies that have been listed in the Saudi Stock Exchange (main and parallel – Nomu). The Fund Manager will not distribute any profits to the participants, as the dividends will be reinvested in the Fund.
The Fund also aims to achieve a performance that exceeds the Fund's indicative index (Yaqeen Initial Offerings) index, whose performance will be announced on the Fund Manager's website.
- B) **The type of securities, in which the Fund will invest primarily:** Investment mainly in the shares of companies listed during the initial offering period, and shares of companies, which has not been five years since its listing in the Saudi Stock Exchange (main or parallel-Nomu) or the last 30 companies listed in the market and the new shares resulting from the increase in the capital of the companies that are previously listed in the Saudi Stock Exchange (main or parallel) - Nomu, by offering priority rights shares, where the Fund may subscribe to the remaining shares during the period of selling the unsubscribed shares and keep them or sell them at the time of trading . The Fund Manager may also invest no more than 50% of the Fund's net asset value in the shares of Saudi small and medium companies, which means all the shares of companies listed in the Saudi stock market (main and parallel - Nomu) with the exception of companies whose market size exceeds 15 billion riyals Saudi Arabia, and the calculation of the market size is as follows: The product of the share price multiplied by the number of shares of free companies.

C) **Any investment concentration policy:** The Fund follows the following strategy in distributing its assets, shown as percentages to the Fund's net asset value, where the investment field is updated at least quarterly and/or when new companies are offered: In exceptional circumstances, the Fund Manager may resort to keeping its assets in the form of cash 100% temporarily to face sharp fluctuations and declines in the stock market, taking into account the maximum possible protection for the Fund's unit holders.

D) **A table showing the percentage of investment in each investment field, with its minimum and maximum:**

Assets classes	Minimum	Maximum
Money market instruments and Murabaha Funds	%0	%100
Initial Public Offering (Main and Parallel Market - Nomu)	%0	%100
Newly listed shares in the stock market (Main and Parallel - Nomu) up to five years or the last 30 companies listed in the Saudi stock market	%0	%100
Small and medium company shares	%0	%50
New shares resulting from the capital increase of previously listed companies by offering rights shares.	%0	%15
Investment Funds	%0	%25
ETFs	%0	%25
Real estate traded Funds	%0	%25

E) **Stock markets in which the Fund may purchase and sell its investments:** The Fund invests in the Saudi Stock Exchange and money market instruments in the Kingdom of Saudi Arabia.

F) **Disclosure of whether the Fund Manager intends to invest in the investment Fund units:** Yaqeen Capital, in its capacity as a fund manager, may participate in the fund starting from its offering, and it can gradually reduce the value of its participation in the fund to the level deemed appropriate. This measure reflects Yaqeen confidence in the fund and in its investment strategy.

G) **Types of transactions, methods and tools that the Fund Manager can use in order to make his investment decisions for the investment Fund:**

- The Fund seeks to achieve its objectives by investing up to 100% of its net assets in common shares during the initial public offering period and in shares of new listed companies, which has not been five years since its listing or the last 30 companies that have been listed in the Saudi stock market (main or parallel-Nomu). The Fund Manager may also invest no more than 50% of the Fund's net asset value in the shares of Saudi small and medium companies, which means all the shares of companies listed in the Saudi stock market (main and parallel - Nomu) with the exception of companies whose market size exceeds 15 billion riyals Saudi Arabia, and the calculation of the market size is as follows: The product of the share price multiplied by the number of shares of free companies.
- The Fund Manager, for the purposes of liquidity management, may invest the surplus cash and/or keep part thereof in money market instruments issued by Saudi authorities in Saudi riyal. Those issuers of cash market instruments are selected based on the credit rating approved by the company, the Fund Manager will rank them internally based on the financial position and cash flows from operations and management, managed by the Fund Manager himself and/or other Fund Managers and/or indirectly investing liquidity through Murabaha Funds offered in Saudi riyals publicly and licensed by the Capital Market Authority, whether they are managed by the Fund Manager himself and/or another manager at a rate of (100%), provided that the percentage does not exceed 25% with an entity.

- The Fund Manager manages the Fund's operations within the percentages shown above to distribute the Fund's assets to the targeted investments in order to achieve the best results. The Fund Manager employs his specialized research and analytical capabilities to access promising investment opportunities in the primary and secondary markets that achieve the Fund's objectives.
- H) **Types of securities that cannot be included in the Fund's investments:** The Fund will not invest in securities other than the securities mentioned in these terms and conditions.
- I) **Any other restriction on the type(s) of securities or other assets in which the Fund can invest:** The Fund Manager shall abide by the investment restrictions mentioned in Article 41 of the Investment Funds Regulations, and the Fund will not invest in any securities that do not comply with the Shariah standards approved by the Fund's Shariah Supervisory Board.
- J) **The extent to which the Fund's assets can be invested in units of a Fund or investment Funds managed by that manager or other Fund Managers:** The Fund Manager may invest no more than (25%) of its assets in similar Funds publicly offered in Saudi riyals and licensed by the Capital Market Authority, whether it is managed by the Fund Manager himself or another manager, in accordance with Shariah regulations in order to achieve an additional return, provided that the Fund's ownership percentage does not exceed (10%) of the net asset value of the Fund whose units were owned. These Funds are selected based on performance, Fund size and expenses.
- K) **The powers of the investment Fund in lending and borrowing, the policy of the Fund Manager regarding the exercise of the powers of lending and borrowing, and a statement of its policy with regard to mortgaging the assets of the Fund:** taking into account the availability of sufficient liquidity to meet the requirements of potential recovery. The Fund will not resort to requesting financing by borrowing except when necessary, and after the approval of the Fund's Board of Directors, provided that the amount of borrowing, if any, does not exceed 10% of the Fund's net asset value. The Fund shall be financed in accordance with Shariah regulations.
- L) **Maximum limit for dealing with any counterparty:** Not applicable.
- M) **The Fund Manager's policy for managing the risks of the Fund:** the investment in the Fund is considered a category of high-risk investments, and the Fund Manager does not guarantee the success of the strategies adopted in the face of potential risks, as the Fund's investments are subject to many risks as mentioned in paragraph (3) ("the main risks of investing in Fund"). However, the Fund Manager will take all possible measures to deal with the risks to which the Fund is exposed and mitigate their effects in the interest of the unitholders. The following is a review of the strategy used to deal with risks:
- Complying with the Capital Market Law and its implementing regulations, the Investment Funds Regulations issued by the Board of the Capital Market Authority, and other relevant laws and regulations in force in the Kingdom of Saudi Arabia.
 - Complying with the investment limits as stated in the Fund's terms and conditions.
 - Complying with the investment decision-making mechanism of the Fund, and seeking to obtain the largest amount of information related to any investment that the Fund decides to enter into.
 - Diversify the investment base by allocating investment to asset classes as percentages of NAV in order to mitigate concentration risk.
 - Temporarily holding the assets in the form of 100% cash to meet the sharp fluctuations and declines in the stock market, taking into account the maximum possible protection for the Fund's unit holders.

- Follow up on the compliance and conformity department of the Fund's activities and the Fund Manager's commitment to its investment limits, and its duties towards the client.
- As for the unpredictable risks, Yaqeen will make every effort to try to study these risks before making an investment decision.

N) Indicative Index:

Indicative index: Yaqeen the initial offerings index.

The provider of the index: The Saudi Stock Exchange Company "Tadawul".

The methodology used to calculate the index: Yaqeen initial offerings index is calculated by multiplying the index value on the previous day with the percentage change in the market value of the free float shares of the companies included in the index calculation.

The equation below shows the mechanism of calculating the indicator:

Index = (Today's total free float market capitalization / previous day's total free float market capitalization) x previous day index value.

- O) **Derivatives contracts:** Subject to Shariah controls in all Fund operations, the Fund will not invest in financial derivatives.
- P) **Any exemptions approved by the Capital Market Authority regarding any restrictions or limits on investment:** none.

4. The main risks of investing in the Fund

Prospective investors should be aware of the risks that their investment in the Fund may be exposed to. Therefore, the Fund is suitable for investors who realize the magnitude of those risks and have the financial capacity, awareness and knowledge that qualifies them to bear a partial or total loss of the investment value. Given the nature of the investment in the Fund and its investment strategies, it appears that investing in the Fund involves a high degree of risk, including but not limited to the risks referred to below.

The Fund Manager cannot give any assurances that the unit holders will achieve profits on their investment in the Fund, but rather that the money invested in the Fund is subject to total or partial profit or loss. Also, the statements on the risks below do not represent a complete explanation of all the risks involved in investing in the Fund. In addition, as the Fund's investment portfolio evolves and changes over time, the investment in the Units may be subject to other risk factors. Accordingly, each prospective investor should study the terms and conditions in full and consult his professional advisors before deciding to apply for participation in the Units.

- A) The investment in the Fund is considered a high-risk investment in view of its investment in the stocks of emerging and new companies with a limited performance record. However, investing in the Fund is safer than direct investment in the stock market, as the Fund's investment manager has the necessary technical and professional capabilities to manage risks and mitigate their impact on returns.
- B) The past performance of the investment Fund, or the index's past performance does not indicate what the Fund's performance will be like in the future.
- C) The Fund does not guarantee to unit holders that the Fund's performance (or its performance compared to the index) will be repeated or similar to past performance in the future.
- D) The investment Fund is not a deposit with any local bank that markets or sells securities or is affiliated with the investment Fund.
- E) Investors in the Fund may be exposed to the risks of partial or total financial losses resulting from their investments in the Fund units.
- F) The elements of risks that may affect the value of the investment in the Fund are as follows, but are not limited to:

1. Disclosure risks:

Disclosure risks relate to the possibility of incorrect data in the IPO prospectus or the omission of material data in it. In view of the Fundamental reliance of the Fund Manager in making the investment decision on the information contained in the prospectus issued by the companies, the risks of making an improper investment decision remain in the event of omission of material data or the presence of incorrect data in the prospectuses of the companies, despite the supervision of the Market Authority Finance on the operations of the initial and professional issues in which the Fund Manager manages its investment operations.

2. Risks of future financial expectations:

Expectations of future financial results for companies and the availability of the necessary factors to achieve and sustain returns in the future are among the important tools on which the Fund Manager builds his investment decisions. However, these expectations may or may not be achieved as expected, which may lead to a deviation in the results of the Fund's operations from expectations. Also, after announcing the company's financial results, the market price of its shares may move in a direction contrary to those expectations, as in the case of a decrease in the profitability of companies whose shares are listed.

3. Risks of slowing down the initial issuances process:

In accordance with the balanced policy pursued by the Capital Market Authority, companies' offering dates are accepted and determined according to a specific schedule that is compatible with the immediate conditions of the initial issues market. Therefore, there may be a slowdown in the initial release process at times. The slowdown may occur as a result of the macroeconomic conditions of the IPO market.

4. Limited performance record:

The Fund is new in concept, has no previous performance record and depends on the experience of the Fund Manager in managing this type of investment. No assurance can be given that the Fund's investment objectives will be achieved.

5. Possible fluctuations in stock markets:

Stock prices in the secondary markets are exposed to sharp fluctuations that may include a sharp and sudden drop, and no guarantee or assurance of the future performance of the securities can be provided, and the past performance records do not reflect what will be achieved in the future. Stock price fluctuations in emerging markets may be greater than what prevails in developed stock markets, which may pose risks to the Fund's investments in the event of a sharp and sudden drop in the market value of the securities.

6. Risks of IPOs:

Shares of public companies are offered publicly through initial offerings in the primary market. Investment in IPOs may involve the risk of limited shares available for subscription during the IPO period. Also, the investor's knowledge of the company issuing the shares may be insufficient or may have a limited performance history, and the companies issuing securities may belong to new economic sectors, and some companies may be in the development stage and do not achieve operating income in the short term, which increases the risks of underwriting in its shares.

7. Risks of investing in medium and small companies:

Investment in the shares of medium and small companies is subject to more risks than other investments, including the possibility that these companies may not achieve the expected profits and high volatility in their performance, in addition to the lack of experience or poor management of these companies, which may lead to fluctuation in their results and fluctuations in their share prices, which may negatively affect the performance of the Fund and the unit price.

8. Late Listing Risks:

It is possible that there may be a delay in listing the shares of a company whose shares were acquired during the initial offering period for a period that may extend to two

months or more from the date of the initial offering, and this may lead to the Fund's inability to sell those shares.

9. Risks of Participation in Initial Offerings:

The Fund may encounter difficulties related to its participation in the initial offerings of shares of companies, as there is no guarantee for the Fund of receiving an invitation to participate in the initial public offerings of shares of some companies. Since the Fund receives an invitation, among other companies and Funds, to participate in the available initial offerings, this may limit the Fund's ability to invest in shares of some companies during the initial offering period.

10. Investment Concentration Risks:

The market value of the shares of a particular issuer may be more responsive to market fluctuations than what is happening in the market itself. As a result, if the shares of a particular issuer represent an important part of the market value of the Fund's assets, the change in the market value of the shares of that issuer may result in a fundamental fluctuation in the value of the Fund's units compared to what occurs in normal circumstances. Also, the less diversified Fund may suffer from low liquidity in the event that a substantial part of its assets is invested in the shares of a limited number of issuers. Essentially, the Fund may not be able to liquidate its investment with a particular source easily to meet the redemption requirements of the Fund.

11. Market risk:

Market risk relates to the potential fluctuations that may occur in the stock markets in which the Fund invests. The market value of the shares of new and emerging companies is subject to the ups and downs that may occur in the stock markets, sometimes suddenly and unexpectedly. In these cases, the Fund may be exposed to the risks that result from the sudden reverse movement of the stock markets, which can occur in response to any information related to negative economic returns, or a change in investor behavior, or a consensus of opinion that leads to an exaggerated increase in the market value of the shares.

12. Risks related to Shariah controls:

The application of Shariah controls on the Fund's investments generally limits the scope and number of shares available for investment by the Fund. Also, the companies in which the Fund invests after acquiring its shares may exceed the permissible Shariah standards, which prompts the Fund to dispose of the shares of those companies at times that may be inappropriate. The occurrence of such cases may limit the scope of investment opportunities available to the Fund.

13. Risks of Allocation Results:

According to the system of offering initial public subscriptions for shares, subscription may be limited to specific categories that are allowed to subscribe, and minimum and upper limits may be set for subscription, whether for natural or legal persons. Also, in the event that the subscription is met and the demand for the shares offered for subscription increases, a higher ceiling is set for the number of shares for each subscriber, and then the remaining shares are allocated in a limited number to each subscriber, and this may be accompanied by conditions related to the availability of shares offered for subscription. Such restrictions may limit the Fund's freedom to subscribe to companies' shares during the initial public offering period, which may make the Fund lose some investment opportunities that could increase the Fund's returns.

14. Political risks:

The performance of the Fund may be affected by uncertainties that result from inappropriate political changes that may occur on a country, regional or global scale that may affect the performance of secondary markets and the market value of the securities in which the Fund invests. These risks may also result from economic changes and market conditions, and the uncertainties associated with changes in government policies, or from cases of imposing restrictions on the movement of capital, or changes in laws, regulations and tax requirements, and economic recessions that prevail in different markets.

15. Legal risks:

The requirements of regulations and disclosure standards may be lower in some stock markets arising from them in developed countries. Accordingly, the general information available about a particular company that is an issuer of securities may be limited, and the general information related to the financial results and future expansion plans of the companies may be unclear or accurate. It is also possible to omit material data or presence of incorrect data on the basis of which investment decisions may be taken, which may negatively affect performance.

16. Liquidity Risk:

Liquidity risk means the speed and ease with which assets can be converted into cash without a loss in their market value. The Fund may face the risk of not being able to sell some of its investments due to economic or market conditions. However, the Fund will seek to maintain part of its investments within the framework of the Fund's asset allocation determinants mentioned in paragraph (2) "Main Investment Policies" above, in highly liquid investments in the short term to meet potential recovery requirements.

5. Risk Assessment Mechanism

The Fund Manager acknowledges the existence of an internal mechanism to assess the risks related to the Fund's assets. However, no risk control system is without potential errors or failures, and no assurance can be given that any risk control framework used by the Fund Manager will achieve its objective. The target risk limits set by the Fund Manager may be based on past patterns of returns and correlations of the securities in which the Fund invests. No assurance can be given that past patterns give an accurate prediction about future patterns.

6. The target group for investing in the Fund

The Fund mainly targets investors from individuals, institutions, government entities and others who have a desire to invest in the Saudi Stock Exchange, which gives them the opportunity to participate and indirectly invest in the shares of companies during the initial public offering of their shares, and/or in the shares of new listed companies which has not been five years since its listing in Saudi Stock Exchange (main and parallel-Nomu).

7. Investment Restrictions/Limits

The Fund Manager shall abide by the restrictions that apply to the Fund contained in the Funds Regulations, the Fund's Terms and Conditions, the Fund's Shariah Board controls.

8. Fund currency

The Fund's currency is the Saudi Riyal.

9. Consideration for services, commissions and fees

- A) A detailed statement of all payments from the assets of the investment Fund, and the method of calculating them:

Type of fees and charges	Statement
Management Fee	1.75% of the Fund's net asset value annually to be paid to the Fund Manager in return for providing investment management services and sponsoring the Fund. Portfolio management fees are calculated as an annual percentage of the Fund's net asset value on each calendar day and are paid to the Fund Manager every three months as accruals.

Performance Fee	None
Subscription Fee	Up to 1.50% of the subscription amount as a maximum, to be paid by the investor once upon subscription or the additional subscription to the offering agent.
Custodian Fee	0.02% of the value of the assets under custody annually and paid monthly to the custodian.
Auditor's Fees	23,000 Saudi riyals annually to be paid by the Fund as a deduction on its assets.
Shariah Advisor Fees	Borne by the Fund Manager on behalf of the fund
Index Fee	20,000 riyals annually to be borne by the Fund as a deduction on its assets.
Regulatory Fees	The Fund pays a supervisory fee to the Capital Market Authority of 7,500 Saudi riyals annually.
Financing Fees	According to the applicable prices at the time (to be borne by the Fund)
Independent Board of Directors' Fees	3,000 Saudi riyals for each meeting, with a maximum of 5,000 Saudi riyals per month and that in cases where there is more than one meeting per month, to be borne by the Fund Manager on behalf of the Fund.
Dealing Fees And Charges	The operations related to the Fund's investments and related to managing its assets portfolio are carried out at cost. Therefore, any transaction expenses recorded in this framework will be borne by the Fund and will be paid by deduction from its assets.
Other Operating Expenses	<p>The Fund shall bear the following regular expenses incurred after the start of the Fund's operation from its assets, after obtaining the necessary approvals of the Authority:</p> <ol style="list-style-type: none"> 1. Fees and expenses of the Fund's external auditors. 2. Expenses of publishing unit price details in newspapers, electronic means and other information systems, and listing the Fund's units in the stock markets (if any). 3. Expenses of the liquidator in the event of liquidation. 4. All transaction costs including regular fees, investment liquidation fees and fees payable to third parties for providing services to the Fund. 5. Expenses related to publishing annual reports. <p>Other management and operating expenses payable to other persons dealing with the Fund.</p>

All fees and expenses mentioned in these terms and conditions for the Fund do not include value added tax unless otherwise stated.

B) A table showing all fees and expenses, along with how to calculate the consideration for services, commissions and fees, and the time of their payment by the investment Fund:

Type of fees and charges	Imposed rate	Calculation basis	Calculation timing	Payment basis
Management fees	Portfolio management fee 1.75% of NAV	Annually	Every calendar day	To be paid every 3 months as accruals
Custodian fees	0.02% of the asset value	Annually	Calculated at the end of the period	To be paid monthly
Auditor's fees	23,000 Saudi riyals annually	Fixed amount deducted annually	Every calendar day	To be paid annually
Legal advisor fees	To be borne by the Fund Manager for the Fund			
Capital Market Authority fees	7,500 Saudi riyals annually	Fixed amount deducted annually	Every calendar day	Once annually

Independent board of directors' fees	To be borne by the Fund Manager for the Fund			
Indicator fee	20,000 Saudi riyals annually	To be borne by the Fund by deduction on its assets	Every calendar day	To be paid annually
Dealing fees and charges (brokerage)	The operations related to the Fund's investments and related to the management of its assets portfolio are borne by the Fund and paid by a deduction from its assets	It shall be recorded at cost	Every calendar day	To be paid at request
Financing expenses in accordance with the regulations of the Shariah Board	To be charged to the Fund, if any.	According to the prevailing market prices and according to the financing bank	Every calendar day	To be paid at request

All fees and expenses mentioned in these terms and conditions for the Fund do not include value added tax, unless otherwise stated.

C) The following is a hypothetical example of the Fund's fees and expenses, calculated on the basis of the unit holder's subscription of 50,000 riyals for a year, and the total value of the Fund's assets is 10 million riyals, assuming that the Fund did not realize any gains or losses during the year.

	Fund	Unit holder
Assets value at the beginning of the year	SAR 10,000,000	SAR 50,000
Type of fees	Fee ratio of net asset value	Amounts paid annually (SAR)
Subscription fee	-	SAR 750
Management fees	SAR 175,000	SAR 875
Custodian fees	SAR 2,000	SAR 10
Auditor fees	SAR 23,000	SAR 115
Supervisory fees	SAR 7,500	SAR 38
Index fees	SAR 20,000	SAR 100
Dealing expenses	If any	
Total fees and expenses	227,500	1,888
Closing net assets value	9,772,500	48,862
Fund expenses to total value ratio*	2.3%	2.3%
Recurring expenses ratio*	2.3%	2.3%
Non-recurring expenses ratio**	0%	1.5%

*Total fees and expenses (excluding subscription fee) divided by the closing net asset value.

**Subscription fee divided by the closing net asset value.

D) Consideration for transactions imposed on subscription, redemption and transfer of ownership paid by unitholders, and the method of calculating that consideration:

Item	How to calculate it
1 Subscription Fees (payable by the investor at the time of subscription or addition)	1.50% of the subscription amount

2	Redemption Fees	Redemption requests made after the end of the first three months of the subscription date are not subject to redemption Fees
3	Early redemption fees (payable by the investor)	Upon redemption within three calendar months from the date of subscription, the redemption shall be in accordance with the following, nominal price minus 1% redemption fee
4	Ownership Transfer fees	None

E) **Special discounts and commissions:** The fund manager has the right to exempt some subscribers from the subscription fees or part of them as he deems appropriate in the interest of the fund and unit owners without stating the reasons for that.

F) **Information related to zakat and/or tax:**

The value added tax will be applied according to the instructions of the executive regulations issued by the General Authority of Zakat and Income on all fees, expenses, charges and costs subject to value added tax. All fees and charges mentioned in these terms and conditions do not include value added tax, unless otherwise stated. The Fund Manager is not responsible for paying the zakat on the investment units from the investors, and the unitholder is responsible for paying the zakat on the units he holds.

G) **Any special commission entered into by the Fund Manager: none.**

H) **A hypothetical example showing all fees, expenses, and consideration for transactions that were paid from the Fund's assets or by the unit owner on the basis of the Fund's currency.**

	Fund	Unit holder
Assets value at the beginning of the year	SAR 10,000,000	SAR 50,000
Type of fees	Fee ratio of net asset value	Amounts paid annually (SAR)
Subscription fee	-	SAR 750
Management fees	SAR 175,000	SAR 875
Custodian fees	SAR 2,000	SAR 10
Auditor fees	SAR 23,000	SAR 115
Supervisory fees	SAR 7,500	SAR 38
Index fees	SAR 20,000	SAR 100
Dealing expenses	If any	
Total fees and expenses	227,500	1,888
Closing net assets value	9,772,500	48,862

10. Assessment and Pricing

A) **The method of valuation of each asset owned by the Fund:**

1. Securities listed or traded in the stock market: They are valued at the price of the last transaction made in that market. In the event that those securities are pending, they will be evaluated according to the last price before the suspension, unless there is conclusive evidence that the value of these securities has fallen below the suspended price.
2. Any other investment: The fair value determined by the Fund Manager based on the methods and rules approved by the custodian and after verification by the Fund's auditor.

B) **The number of evaluation points, and their frequency:** The Fund units are evaluated and the net asset value is calculated on a daily basis "evaluation days".

C) **A statement of the actions to be taken in the event of an error in evaluation or error in pricing:**

1. In the event that one of the Fund's assets is erroneously evaluated or the unit price is erroneously calculated, the Fund Manager documents the error directly and informs the Authority immediately of the error in the valuation or pricing, which constitutes 0.5% or more of the unit price and this is immediately disclosed in the Fund Manager's website, the market's website, and the Fund's reports.
 2. The Fund Manager will indemnify all affected Unitholders (including previous Unitholders) for all valuation or pricing errors without delay.
- D) **The method of calculating the unit price for the purposes of implementing subscription and redemption requests:** The value of the net assets of the unit is evaluated by the administrator in accordance with the accepted and recognized accounting standards, using the equation:
- The total value of the assets, including the income due to the Fund, minus the total liabilities, divided by the total number of existing units of the Fund at the time of valuation.
 - The value of the Fund's net assets as well as the value of its units are expressed in Saudi riyals, and any other elements expressed in currencies other than the Saudi riyal are converted based on the exchange rate prevailing at the time of conversion.
- E) **Place and time of publishing the unit price, and its frequency:** The net value of the Fund unit is available to investors free of charge through the offices of the Fund Manager or through electronic publication on the “announcement days” which are the working days following the dealing day (Monday and Wednesday) of each week on Tadawul website: www.tadawul.com.sa and the Fund Manager’s website: www.yaqeen.sa.

11. Transactions

- A) **Initial offering details:**
- Offering start date: 06/21/2008 AD
 - Offering End Date: 07/02/2008 AD
 - Initial price: 1,000 SAR
 - The Fund Manager has the right to extend the initial offering period of the Fund's units for an additional month, after obtaining the approval of the Capital Market Authority. Participants whose entries have been accepted before extending the offering period will be notified of the new closing date.
- B) **The specific date and deadlines for submitting subscription and redemption requests on any dealing day and the Fund Manager’s responsibilities regarding subscription and redemption requests:**
- Subscription and redemption can be made on each business day no later than the end of the business day immediately preceding the dealing day. Subscription shall be made at the calculated valuation price on Monday and Wednesday of each week (“Dealing Days”). In the event that the subscription request or the subscription amount is received after the specified date, it shall be processed (unless the Fund Manager decides otherwise) on the basis of the next dealing day.
- C) **Subscription and redemption procedures:**
- **Subscription procedures:**
- Participants willing to purchase units in the Fund must fill out the subscription request, sign it and deliver it to any of Yaqeen’s branches or fill out the subscription request and agree to the terms and conditions of the Fund through Yaqeen’s electronic services system and deposit the subscription amount in the account designated for that.
- In the case of bank transfers, the acceptance of subscription and the start of investing in the Fund will be executed only upon receipt of a notification of the settlement of the clearing or the transfer at the next valuation price.

In the case of payment in a currency other than the Fund's currency (the Saudi Riyal), the subscription value will be converted into the Fund's currency according to the prevailing exchange rates in effect at the time of conversion, and then the subscription will be effective based on the unit value on the next dealing day.

- Redemption procedures:

The participant fills out the redemption request form, signs it and delivers it to the Fund Manager through his offices every working day, or fills out the redemption request and delivers it through the Yaqeen system for electronic services, and the redemption requests are processed on the dealing day following the receipt of the redemption requests.

There is no minimum subscription or redemption limit, and the Fund Manager may, at its discretion based on the interest of the Fund, amend the minimum participation or minimum balance, with the approval of the Capital Market Authority.

- Maximum period between receiving the redemption request and paying its proceeds to the unit owner: Within two working days.

- Exact date and deadlines for submitting subscription and redemption requests:

Subscription and redemption can be made on each business day, no later than the end of the business day immediately preceding the dealing day. Subscription shall be made at the calculated calendar price on Monday and Wednesday of each week ("Dealing Days"). If the subscription request or the subscription amount is received after the specified date, it shall be processed (unless the fund manager decides otherwise) on the basis of the next dealing day.

D) Any restrictions on dealing in the units of the Fund: There are no restrictions on dealing in the units of the Fund.

E) Cases in which dealings in units are postponed or suspended, and the procedures followed in those cases:

The Fund Manager has the right to postpone or suspend dealing in the Fund units in the following cases:

1. If requested by the Authority.
2. If the Fund Manager believes that the suspension is in the interests of the unitholders.
3. If dealing in the main market in which the securities or other assets owned by the General Fund are dealt is suspended, either in general or in relation to the Fund's assets that the Fund Manager reasonably considers to be material to the net asset value of the General Fund.

In the event of suspension of the Fund's calendar, redemption or subscription requests submitted on or after the date of suspension, it will be executed on the next dealing date when the valuation suspension is terminated. Redemption requests are executed within two business days of the calendar date. The minimum amount to be redeemed is SAR 5,000 for all participants.

F) Procedures by which redemption requests to be deferred are selected: Yaqeen is not obligated to implement redemption requests for more than 10% of the Fund's net asset value on any dealing day. In the event that the valuation of the Fund has been suspended, the request to redeem the Fund's units that is submitted on or after the suspension date shall be executed on the next dealing date when the valuation suspension is terminated. Redemption requests that are postponed are selected based on the priority and redemption volume, as the Fund Manager implements the received redemption requests first, within 10% of the Fund's net asset value. As for the remaining reFund requests, they will be postponed to the next dealing day.

G) The Fund Manager does not allow the transfer of ownership of units to other investors.

H) The minimum number or value of units that a unitholder must subscribe to, transfer or redeem: None.

- D) **Minimum Fund Offering:** The minimum required to start the Fund's operation is 5 million Saudi riyals.

In the event that the minimum amount was not collected during the Fund Manager's initial offering period and after obtaining the Authority's approval, the initial offering period would be extended to a maximum of 21 days and disclosed on the Fund Manager's website. If the minimum was not collected during the initial offering period, the Fund Manager will return the subscription amounts and any returns resulting from its investment to the unitholders without any deduction and the Fund Manager has fulfilled this requirement during the initial offering of the Fund.

Corrective actions necessary to ensure meeting the requirement of 10 million Saudi riyals or its equivalent as a minimum net asset value of the Fund: The Fund Manager shall follow the provisions contained in the Investment Funds Regulations and Circulars issued by the Capital Market Authority regarding the requirement to start the Fund's business (where applicable).

12. Distribution Policy

The Fund Manager will not distribute any profits to the subscribers, as the profits will be reinvested in the Fund.

13. Reporting to Unit Holders

- A) **Financial reports:**

Yaqeen prepares initial financial reports every half year within 30 days of the end of the period examined by the Fund's External Auditor. These reports shall contain preliminary financial statements, information on the Fund Manager and any other information on the Fund's activities during the period. This is in addition to 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 3 months after the end of the Fund's financial year, including details of the financial position and performance of the Fund. In addition to information on the Fund Manager and Custodian as at the end of the financial year which is at 31 December of each year. The annual financial statements are audited and approved by the external auditor of the Fund.

The fund manager shall prepare the quarterly statement in accordance with the requirements of Annex (4) of the Investment Funds Regulations, within a period not exceeding (10) days from the end of each quarter, and it shall be published on the website of the market and the fund manager.

- B) **Place and means of making reports available as prepared by the Fund Manager:**
These reports will be delivered through the Fund Manager's office at no charge and will be posted on the Fund Manager's website, www.yaqeen.sa, and on the Capital market website (Tadawul) www.saudiexchange.sa.
- C) **Means of providing unit holders with annual financial statements:**
The annual financial statements will be delivered through the Fund Manager's office at no charge and will be posted on the Fund Manager's website, www.yaqeen.sa, and on the Capital market website (Tadawul) www.saudiexchange.sa.
- D) **The Fund Manager acknowledges providing all audited financial statements for the Fund at the end of each fiscal year since its establishment, noting that the fund's first financial statement is for the year 2008 AD.**
- E) **The Fund Manager acknowledges providing the fund's audited annual financial statements free of charge when requested by unit holders. The Fund Manager makes the current net asset value of the Public Fund that he manages available for examination by unit holders free of charge, and all previous NAV figures are available at the Fund Manager's registered offices.**

14. Register of Unit Owners

- A) The Fund Manager shall prepare and maintain a register of unit holders in the Kingdom of Saudi Arabia, and this register shall be conclusive evidence of the ownership of the units installed therein. The Fund Manager provides a summary of the register of unit holders to each unit holder free of charge upon request by writing to the Fund Manager directly or through one of the Fund Manager's offices.
- B) Fund Operator also provides a summary of the unit holders record to any unit owner free of charge upon request (provided that the summary shows all information related to the relevant unit holder only) By writing to the fund manager directly or through one of the fund manager's offices.

15. Meeting of unit holders

- A) **Conditions in which unit holders are called for a meeting:**
 - 1. The Fund manager may call for a meeting of unit holders.
 - 2. The Fund Manager shall call for a meeting of Unit Holders within (10) days of receiving a written request from the Custodian.
 - 3. The Fund Manager shall call for a meeting of the Unit Holders within (10) days of receiving 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.
- B) **Procedures for convening a meeting of unit holders:**
 - 1. The call for the unit holders' meeting shall be announced on the website of the Fund Manager and on the Market website and any other website available to the public according to the regulations set by the Authority, and by written notice to all unit holders and custodian according to the regulations set by the Authority at least ten days prior to the meeting and for a period not exceeding (21) days before the meeting. The notification will include the date, place, time and decisions proposed. If the Fund Manager sends a notification to the unit holders after any meeting of the unit holders, he shall send a copy of it to the Authority.
 - 2. The Fund Manager may amend the agenda of the unit holders meeting during the announcement period, provided that it is announced on its website and any other website available to the public according to the regulations set by the Authority and by sending a written notice to all unit holders and the custodian at least ten days prior to the meeting and no later than (21) days prior to the meeting.
 - 3. If the unit holders agree to any of the proposed decisions at the unit holders meeting, and this necessitates amending the Terms and Conditions of the Fund. The Fund Manager shall amend these Terms and Conditions in accordance with the approved decision.
 - 4. The meeting of unit holders shall not be valid unless attended by a number of unit holders who collectively own at least 25% of the value of the units of the public fund.
 - 5. If the quorum mentioned in the preceding paragraph is not met, the Fund Manager shall call for a second meeting by posting on the website of the Fund Manager and the Market website and by sending written notice to all Unitholders and Custodian prior to the second meeting of not less than (5) days. The second meeting is valid regardless of the percentage of units represented at the meeting.
- C) **A statement of voting rights of unit holders:**
 - 1. Each Unit Holder may appoint a representative to represent him at the meeting of unit holders.
 - 2. Each Unit Holder may make one vote at the meeting of unit holders for each unit held by the meeting time.
 - 3. It is permissible to hold unit holders' meetings, participate in their deliberations and vote on their decisions by means of modern technology in accordance with the controls set by the Authority, provided that the announcement of this is on the website of the Fund Manager and the website of the market.

16. Rights of Unit Holders

- A) **List of rights of unit holders:**
 - 1. Obtain a copy of the Fund's terms and conditions in Arabic or any update thereon free of charge.
 - 2. Obtain a summary of the unit holders' register (this summary should show all information related to the applicant owner only) for free upon request.

3. Exercise all rights related to units including but not limited to the right to vote in meetings of unit holders.
 4. Receive notification from the Fund Manager of details of the Fund's fundamental changes. (10) Days after the change takes effect.
 5. Vote on any proposed fundamental change to the Fund.
 6. Recover units (in the open-end public fund) before any significant change takes effect without any recovery fees (if any).
 7. Receive notice from the Fund Manager of any non-fundamental changes proposed before (10) days after the change takes effect.
 8. Recover units (in the open-end public fund) before any non-fundamental change takes effect without any recovery fees (if any).
 9. Receive immediate notification from the Fund Manager when he imposes a suspension or recovery of subscription of the Fund's units and explains the reasons for the suspension.
 10. Receive immediate notification from the Fund Manager when he terminates the suspension or recovery of subscription of Fund Units.
 11. Owners of affected units shall have the right to receive compensation from the Fund Manager for all assessment or pricing errors.
 12. Issuing a special decision to dismiss any member of the Board of Directors of the Fund. This request shall be directed to the Fund Manager.
 13. The Fund Manager shall comply with all requirements of the unit holders' meetings in accordance with Article (75) of the Investment Funds Regulations.
 14. The Fund Manager shall comply with all requirements of reporting to the unit holders in accordance with Article (76) of the Investment Funds Regulations.
 15. In the event of merger of funds, the Fund Manager shall comply with all requirements of Part 7 of the Investment Funds Regulations.
 16. Receive an immediate written notice from the Fund Manager when he deposes the Custodian appointed by him.
 17. Receiving a written notice from the fund manager no less than (21) days before the date on which the public fund is intended to be terminated.⁵
 18. Any other rights approved by the regulations and executive regulations issued by the Board of the Capital Market Authority and the instructions for investment funds.
- B) **Policy of the Fund Manager in respect of voting right associated with any assets of the public Fund that it manages:**
In accordance with inside Falcon's regulations of voting rights, in cooperation with the Board of Directors of the Fund, Conformity, 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 Conformity, Compliance and Risk Management group.

17. Responsibilities of unit holders

Except for the unit holder's loss of his investment in the Fund or part of it, the unit holder is not responsible for the Fund's debts and obligations, and unit holders are responsible for paying zakat on their invested units.

18. Characteristics of units:

The Fund Manager may issue an unlimited number of Fund units, all of which are of the same type and have the same value, features and rights, and have no voting rights. Each unit represents a standard undivided share of equal relative value in the Fund's assets and investments.

19. Changes in the Terms and Conditions of the Fund

- A) This Fund shall be subject to all provisions governing the change in the Terms and Conditions of the Public Investment Funds and the approvals and notices set forth in the Investment Funds Regulations:

The provisions regulating changing the Terms and Conditions of the Fund are divided into two parts according to the Investment Funds Regulations, based on the quality of the information to be changed in accordance with Articles 62 and 63, respectively, as follows:

First: The approval of the Authority and the Unit Holders on the fundamental changes

1. The Fund Manager must obtain the approval of the unit holders in the Fund for the proposed basic change through an ordinary Fund resolution.
2. The Fund Manager must obtain the approval of the unit holders in the Fund for the proposed fundamental change, which is the change in the maturity or termination date of the closed public Fund through a special resolution for the fund.
3. The Fund Manager must, after obtaining the approval of the unit holders, obtain the approval of the Authority on the proposed basic change for the public fund.

The term "fundamental change" means any of the following cases:

- A significant change in the objectives, nature or category of the Public Fund.
 - A change that may have a negative and material effect on the unit holders or on their rights in relation to the closed public fund.
 - The change that has an impact on the degree of risk of the Public Fund.
 - Voluntary withdrawal of the Fund Manager from the position of Fund Manager.
 - Any change that would normally cause Unitholders to reconsider their participation in the Closed Public Fund.
 - Any change that leads to an increase in payments from the assets of the closed public Fund to the Fund Manager or any member of the fund's board of directors or any affiliate of any of them.
 - Any change that introduces a new type of payment shall be made from the assets of the Closed Public Fund.
 - Any change that substantially increases the other types of payments that are paid from the assets of the closed public fund.
 - A change in the maturity or termination date of a closed public fund.
 - Increasing the total value of the closed public fund's assets by accepting contributions in cash or in kind or both.
 - Any other cases decided by the Authority from time to time and reported to the Fund Manager.
4. The Fund Manager must obtain the approval of the fund's board of directors before making any fundamental change.
 5. The Fund Manager must announce the details of the basic changes on his website, the market website and any other website available to the public according to the regulations set by the Authority (10) days before the change takes effect.
 6. The details of the basic changes must be stated in the Public Fund reports prepared by the Fund Manager.

Second: Notifying the Authority and unit holders of any non-fundamental changes

1. The Fund Manager must notify the Authority and announce that on its website, the market's website and any other website available to the public according to the controls set by the Authority about any non-fundamental changes in the public Fund that it manages 10 days before the change takes effect.
 2. The Fund Manager must obtain the approval of the fund's board of directors before making any non-fundamental change.
 3. For the purposes of the Investment Funds Regulations, "non-fundamental change" means any change that does not fall within the basic changes.
 4. The details of the non-fundamental changes must be stated in the Public Fund reports prepared by the Fund Manager.
- B) **A statement of the procedures to be followed for notification of changes in the Terms and Conditions of the Fund:**
- C)

1. The Fund Manager must announce the details of the fundamental changes on his website, the market website and any other website available to the public according to the controls set by the Authority (10) days before the change takes effect.
2. The Fund Manager must notify the Authority and announce that on its website, the market's website and any other website available to the public according to the controls set by the Authority about any non-fundamental changes in the public Fund that it manages 10 days before the change takes effect.

20. Termination and liquidation of the Investment Fund

- A) **Cases requiring the termination of an Investment Fund, and the relevant procedures in accordance with the provisions of the Investment Funds Regulations:** If the Fund Manager notices that the amount of the fund's assets under management is insufficient to justify the permanent operation of the fund, or in the event of any change in the law, regulation or any other circumstances In which the Fund Manager deems it an appropriate reason to terminate the fund, the Fund Manager shall notify the Capital Market Authority and notify the unit holders in writing of his desire to terminate the fund, for a period of no less than 21 days from the date on which the Fund is intended to be terminated if the Fund Manager wishes to terminate the fund.

Procedures for liquidating an Investment Fund:

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

- The Fund Manager must complete the stage of selling the fund's assets and distributing the dues of unit holders to them before the end of the fund's term.
 - For the purpose of terminating the fund, the Fund Manager must prepare a plan and procedures for terminating the Fund in the interest of the unit holders, and the approval of the fund's Board of Directors must be obtained on this plan before taking any action in this regard.
 - In the event that the Fund Manager wishes to terminate the fund, he must notify the Authority and announce on its website, the market's website or any other website available to the public, according to the controls set by the Authority, no less than 21 days before the date on which the public Fund is intended to terminate, without prejudice to Terms and Conditions of the fund.
 - The Fund Manager must notify the Authority and the unit holders in writing of the end of the Fund within (10) days from the end of the Fund term in accordance with the requirements set forth in the Investment Funds regulation
 - The fund manager must terminate the fund immediately if the fund manager notices that the amount of the fund's assets under management is insufficient to justify the permanent operation of the fund, or in the event of any change in the law, regulation or any other circumstances that the fund manager considers to be an appropriate reason to terminate the fund and notify the Authority Unitholders in writing within (5) days from the occurrence of the event that requires the termination of the Fund.
 - The Fund Manager must abide by the Fund termination plan and procedures approved by the fund's Board of Directors.
 - The Fund Manager must treat all unit holders equally during the Fund termination process.
 - The Fund Manager must distribute the entitlements of the unit holders to them immediately upon the expiry of the fund's term without delay and in a manner that does not conflict with the interest of the unit holders and the fund's Terms and Conditions.
 - For the purpose of terminating the fund, the Public Fund Manager must announce on his website, the market's website or any other website available to the public, according to the regulations set by the Authority, about the expiry of the fund's term.
 - The Fund Manager must provide the unit holders with a report on the termination of the Fund within a period not exceeding (70) days from the date of completion of the termination of the fund, including the final audited financial statements of the Fund for the period following the last audited annual financial statements.
- B) **In the event of the expiry of the fund's term, the Fund Manager shall not charge any fees deducted from the fund's assets.**

21. Fund Manager

A) Name, duties and responsibilities of the Fund Manager:

The Fund Manager is Yaqeen Capital Company, which is an entity authorized under the Regulations of Financial Market Institutions, Yaqeen Capital Company in its capacity as a Fund Manager, the Fund Manager (Yaqeen Capital Company) manages the Fund wisely and fairly in order to achieve the investment objectives of the Fund included in this prospectus, and in all cases takes into account the interests of the unit holders under the Terms and Conditions of the fund.

The Fund Manager shall abide by the controls set forth in paragraph (3) (the "Fund Investment Policies and Practice") of this prospectus, as well as the relevant controls contained in Article (41) ("Investment Restrictions") contained in the Investment Funds Regulations.

The Fund Manager shall also observe the Shariah controls for investment, and periodically checks that all the fund's investments comply with the Shariah standards and controls approved by the Shariah Board of the Fund under the supervision of the fund's Shariah Board, along with informing the fund's Board of Directors in a timely manner of any material violations.

As part of its duties, the Fund Manager shall ensure that sufficient liquidity is available to meet any potential recovery requests.

B) License number and date issued by the Capital Market Authority:

License No. 37-06020, dated 29/04/1427 AH to carry out the services of dealing as principal, agent, underwriting, managing Investment Funds and private portfolios, arranging, advising and custody in securities.

C) The registered address and main office of the Fund Manager:

Kingdom Saudi Arabia
Olaya Main Road, Al Wurud District
Yaqeen Company Building,
Tel: 800 429 8888

D) The address of the Fund Manager's website and any linked website that contains information about the Investment Fund:

The Fund Manager's website: www.yaqeen.sa
Saudi market website (Tadawul): www.saudiexchange.com

E) The paid-up capital of the Fund Manager:

A Saudi closed joint stock company with a paid-up capital of 150 million Saudi riyals

F) A summary of the Fund Manager's financial information with an explanation of the revenues and profits for the previous fiscal year:

Statement of financial position (000) Saudi riyals	Yaqeen Capital Company
Description	Dec-21
Assets	401,492
Liabilities	181,626
Shareholders' equity	219,866
Net liabilities and shareholders' equity	401,492

Income statement (000) Saudi riyals	Yaqeen Capital Company
Description	Dec-21
Total sales	132,435

Expenses	62,648
Net income	67,215

- G) **The basic roles and responsibilities of the Custodians in relation to the Investment Fund:**
1. The Fund Manager must act for the benefit of the unit holders in accordance with the provisions of the Investment Funds Regulations, the Financial Market Institutions Regulations, the Terms and Conditions of the Fund and the decisions of the Shariah Board.
 2. It is the responsibility of the Fund Manager to abide by all the principles and duties stipulated in the Financial Market Institutions Regulations, including the duty of trust towards unit holders, which includes working to achieve their interests and exercising reasonable care.
 3. **The Fund Manager shall be responsible for the following:**
 - The Fund Manager shall manage the Fund wisely and fairly in order to achieve the investment objectives of the Fund included in this memorandum, and in all cases takes into account the interests of unit holders within the framework of the fund's Terms and Conditions.
 - The Fund Manager shall abide by the controls set forth in paragraph (2) ("investment policies and practices") of this memorandum, as well as with the relevant controls contained in Article (41) ("investment restrictions") contained in the Investment Funds regulations.
 - The Fund Manager shall also take into account the Shariah standards for investment, and periodically checks that all the fund's investments comply with the Shariah standards and controls approved by the Shariah Supervisory Committee of the fund, and informs the fund's Board of Directors in a timely manner of any material violations.
 - As part of his duties, the Fund Manager ensures that sufficient liquidity is available to meet any potential recovery requests.
- H) **There are no other business activities or interests of the Fund Manager that are of material importance, or that may conflict with the activities of the Investment Fund.**
- I) **The Fund Manager has the right to appoint a sub-Fund Manager if he deems it necessary.**
- J) **A statement of the provisions regulating the dismissal or replacement of the Fund Manager:**

The Authority shall have the right to dismiss the Fund Manager and take any action it deems appropriate to appoint an alternative Fund Manager for the Fund or to take any other measure it deems appropriate in case of any of the following cases:

1. If the Fund Manager ceases to exercise management activity without notice to the Authority in accordance with the list of authorized persons.
2. In the case of revocation of the license of the Fund Manager to exercise management activity or its withdrawal or suspension by the Authority.
3. In the case of a request to the Authority from the Fund Manager to cancel his license to exercise management activity.
4. If the Authority considers that the Fund Manager has violated – as the Authority deems material – the obligation of the law or its executive regulations.
5. In the case of the death, deficit or resignation of the investment portfolio manager who manages the fund's assets, with no other person registered with the Fund Manager able to manage 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.

22. Fund Operator

- A) **Name of the Fund operator:** Yaqeen Capital Company performs the tasks assigned to the Fund operator according to the Investment Funds regulations.
- B) **License number issued by the Capital Market Authority, and its date:** The company is licensed by the Capital Market Authority under license number 06020-37 issued on 29/04/1427 AH corresponding to 05/27/2006 AD.
- C) **The address of the Fund Operator:**
 Yaqeen Capital Company
 Olaya Main Road
 PO Box 884 Riyadh 11421

Tel: 8004298888

Fax: +966 (11) 4617268

- D) **Basic roles and responsibilities of the Fund operator in relation to the Investment Fund:**
- Operation of the fund.
 - Maintain books and records related to the operation of the fund.
 - Preparing and updating the register of unit subscribers and keeping it in the Kingdom in accordance with the requirements of the Investment Funds regulation.
 - The Fund Operator is responsible for the process of distributing profits, if any, according to the distribution policy stipulated in these Terms and Conditions.
 - Evaluating the Fund's assets fully and fairly, and calculate the price of the fund's units.
- E) **The Fund Operator may assign one or more third parties or any of its affiliates licensed to practice the activity of operating the funds to work as a sub-operator of the fund.**
- F) **The tasks assigned to the Fund operator by a third party:** Not applicable, with the possibility of appointing the Fund Operator one or more third parties or any of its affiliates licensed to practice the activity of operating the funds to work as a sub-operator of the fund.

23. Custodian

- A) **Name of the custodian:** Albilad Capital Company.
- B) **License number issued by the Capital Market Authority, and its date:** Albilad Capital is a Saudi company with one person, closed joint stock, licensed by the Capital Market Authority under License No. 37-08100, dated 01/08/1428 AH to carry out the services of dealing as principal, agent, underwriting, managing Investment Funds and private portfolios, arranging, advising and custody in securities.
- C) **The registered address and business address of the custodian:**
 King Fahd Road, Al Olaya
 PO BOX, 140 Riyadh 11411
 Tel No. 920003636
 Fax: + 966 (11) 2906299
- D) **The basic roles and responsibilities of the Custodians in relation to the Investment Fund:** Keeping the assets of the fund and carrying out administrative services related to keeping records, issuing financial positions, evaluating the net asset value, and issuing the net asset value of the fund unit.
- E) **The custodian is not entitled to appoint a sub-custodian.**
- F) **Tasks assigned to a third party by the custodian in relation to the Investment Fund:** Not applicable.
- G) **A statement of the provisions regulating the dismissal or replacement of the custodian:**
 The Authority may dismiss the custodian appointed by the Fund Manager or take any measure it deems appropriate in the event of any of the following cases:
1. The custodian stops carrying out custodian activities without notifying the Authority of that in accordance with the Financial Market Institutions Regulations.
 2. Cancelling the custodian's license to practice custody activity, withdrawal or suspension by the Authority.
 3. Submitting a request to a custodian authority to cancel his license to practice custodian activity.
 4. If the Authority considers that the custodian has fundamentally breached, according to the Authority, the obligations of the Law or its executive regulations.

In this case, the Fund Manager will appoint a replacement custodian and transfer custodian responsibilities to the new custodian within 60 days of his appointment.

The Fund Manager may also dismiss the custodian by written notice if it reasonably considers that the removal of the custodian is in the interest of the unit holders. In this case, the Fund Manager will appoint a replacement custodian within (30) days of the custodian receiving the written notification. The Fund Manager's website and the market's website will immediately disclose the appointment of a replacement custodian.

24. Fund Board of Directors

A) **The names of the members of the fund's Board of Directors, with mentioning the type of membership:**

Mr. Ahmad Ibrahim Alshabanah (Chairman of the Board of Directors of the Fund - Non-Independent)

Dr. Abdul Karim bin Hamad Al-Nujaidi (Independent Member)

Mr. Muhammad Bin Misfer Al-Maliki (Independent Member)

B) **Qualifications of the Fund Board Members:**

Mr. Ahmad Ibrahim Alshabanah (Chairman of the Board of Directors of the Fund - Non-Independent)

Deputy CEO of Yaqeen Capital, holds a master's degree in business administration from the Swiss Business School and a bachelor's degree in business administration from King Faisal University. More than twenty two years of experience in the banking and investments, experience in treasury, Money Market and foreign exchange trading, his most prominent previous experiences: He worked at Alawwal Bank (SABB) and Gulf International Bank. He also held the position of Treasury Manager at Yaqeen Capital, then he joined the Asset Management from 2017 until November 2022.

Dr. Abdul Karim bin Hamad Al-Nujaidi (Independent Member)

He holds an Executive MBA from King Fahd University of Petroleum and Minerals in 2011 and a Ph.D. in Linguistics from Oklahoma Stillwater State University, Oklahoma Stillwater, USA in 2003. He has experience of more than 32 years, and he is currently a board member of Abdullah Al Othaim Markets Company, a board member and a member of the Nominations and Remunerations Committee of the Arab Group for Education and Training Holding Company, Member of the Board of Directors, Chairman of the Nominations Committee and member of the Risk Committee in Aljazira Takaful Company and previously the CEO of Maharah for Human Resources And CEO of the National Gas and Industrialization Company.

Mr. Muhammad Bin Misfer Al-Maliki (Independent Member)

He holds a master's degree in business administration from Al-Faisal University in 2013. He has more than 30 years of experience in the financial sector in financial markets, banks, business and construction supervision, business and business supervision, construction, investment, board of directors, member of the board of directors and a member of the management committee And nominations and rewards in Kwara Finance, and a member of the audit committee of the "The Riq" project of the Public Investment Fund, a member of the board of directors and a member of the nominations and rewards committee of the Saudi Real Estate Company, and a member of the board of directors and a member of the audit committee of the Saudi Al-Benj Industrial Company for Industrial and Agricultural Investment (Sapenko), a member of the Board of Directors, a member of the Board of Directors, a member of the Board of Directors, and a member of the Board of Directors of Al Anson Trading Company

C) **Roles and Responsibilities of the Board of Directors of the Fund:**

1. Approve all contracts, resolutions and material reports to which the Fund is a party.
2. Adopt a written policy regarding voting rights relating to the Fund's assets.
3. Supervise and, if appropriate, approve any conflict of interest disclosed by the Fund Manager in accordance with the Investment Funds Regulations.
4. Meeting at least twice a year with the compliance and conformance (Compliance and Conformance Committee) officer with the Fund Manager, the money laundering and terrorist financing reporting officer to ensure that the Fund Manager complies with all applicable laws and regulations.
5. Approve any recommendation made by the liquidator in case of his appointment.
6. Ensure that the Terms and Conditions of the Fund, the Memorandum of Information and any other document of the Investment Funds Regulations are complied with.

7. Ensure that the Fund Manager carries out its responsibilities to the benefit of the unit holders in accordance with the Terms and Conditions of the Fund and the provisions of the Investment Funds Regulations.
 8. Review the report evaluating the performance and quality of services provided by the parties concerned with providing essential services to the Fund in order to ensure that the Fund Manager carries out its responsibilities in the interest of the unit holders in accordance with the Terms and Conditions of the Fund.
 9. Evaluate the Fund Manager's mechanism of dealing with risks related to the fund's assets in accordance with the Fund Manager's policies and procedures regarding monitoring risks related to the Fund and how to deal with them.
 10. Act in honesty and in the interest of the Investment Fund and its unit holders.
 11. Record the minutes of the meetings that show all the minutes of the meetings and the decisions taken by the Board.
 12. Review the report that includes all complaints and the measures taken in respect of them, in order to ensure that the Fund Manager is carrying out his responsibilities in a manner that serves the interests of Unit Holders in accordance with the Terms and Conditions of the Fund and what is stated in the Investment Funds Regulations.
- D) **Details of the remuneration of the members of the fund's Board of Directors:**
Board remuneration is payable to the independent directors in the amount of 3,000 Saudi riyals per meeting, with a maximum of 5,000 Saudi riyals per month if more than one meeting is held per month.
- E) **There is no actual or potential conflict between the interests of a member of the fund's board of directors and the interests of the fund.**
- F) **The members of the fund's Board of Directors are members of the boards of directors of other funds managed by the Fund Manager as described below:**

Fund name	Ahmad Ibrahim Alshabanah	Abdul Karim bin Hamad Al-Nujaidi	Muhammad Bin Misfer Al-Maliki
Yaqeen Petrochemical ETF	✓	✓	✓
Yaqeen Saudi Equity ETF	✓	✓	✓
Yaqeen Saudi Equity Fund	✓	✓	✓
Yaqeen SAR Murabaha Fund	✓	✓	✓
Yaqeen Gold Fund	✓	✓	✓
Yaqeen Murabaha Financing Fund	✓	✓	✓
Yaqeen Arar Hills Fund	✓	✓	✓

25. Shariah Supervisory Committee

- A) **Names of the members of the Shariah Supervisory Committee, and their qualifications:**
The Shariah Board of Yaqeen Capital will play the role of the Shariah Board of the Fund to ensure that the Fund adheres to Shariah regulations. The Shariah Board of Yaqeen Capital is composed of the following members:

HE Sheikh/ Abdullah bin Suleiman Al-Manea - Chairman of the Authority

He is a member of the Council of Senior Scholars in the Kingdom of Saudi Arabia since its inception, an advisor to the Royal Court, a member of the Shura Council and a former judge of the Court of Cassation in Makkah. He is a member of the Islamic Fiqh Academy, a member of the Shariah Council of the Accounting and Auditing Organization for Islamic Financial Institutions, and the head and member of several Shariah committees in Saudi and Gulf banks. He wrote many books on Islamic banking.

Sheikh Dr. Muhammad bin Ali Al-Qari bin Eid – Member

He holds a master's and PhD degrees in economics from the University of California. He is a professor of Islamic economics at the former King Abdulaziz University in Jeddah, and an expert at the Fiqh Academy of the Muslim World League. Dr. Al-Qari is a member of several Shariah Boards of Islamic Banking in many banks around the world.

Sheikh Dr. Abdul Rahman bin Abdulaziz Al-Nafisah - Secretary and member of the Authority

He holds a Bachelor's degree in Sharia, a Master's and a Ph.D. in Islamic economics, more than 15 years of experience in the field of Shariah supervision, and Islamic financial transactions, a collaborating lecturer at Imam Muhammad bin Saud Islamic University, a member of a number of Shariah boards in the Kingdom of Saudi Arabia, has published researches and multiple participations in the field of Islamic finance.

B) A statement of the roles and responsibilities of the Shariah Supervisory Committee:

1. Studying and reviewing the fund's investment objectives and policies and the fund's documents to ensure their compliance with the Shariah standards.
2. Advising the Fund Manager on issues related to Shariah compliance, if requested by the Fund Manager.
3. Giving advice in determining the legal criteria necessary for selecting securities, companies or any other investments in the primary market or the secondary market in which the Fund is expected to invest.
4. Periodic monitoring of the extent to which the Fund's investments conform to Shariah standards.
5. Expressing the Shariah opinion on the extent to which the Fund's business conforms to the Shariah standards for inclusion in the Fund's annual audited report.
 - The Fund Manager abides by the standards and recommendations issued by the Shariah Supervisory Committee and ensures that they are applied in all the fund's investments at all times.

C) The remunerations of the members of the Shariah Supervisory Committee shall be borne by the Fund Manager on behalf of the fund.**D) The standards applied to determine the legality of the assets intended for investment and the periodic review of those assets and the procedures followed in the event of non-conformity with the Shariah standards.**

The following are the Shariah controls approved by the Shariah Board of Yaqeen for selecting company shares:

- Objectives of the company:
It is not permissible to deal in shares of companies involved in one or more of the following activities:
 - Dealing with the interest rate or illegal financial instruments, including the prohibited activities of conventional banks.
 - Producing, distributing and marketing prohibited goods such as smoke and the like, alcohol, drugs, pigs and their meat, and meat not slaughtered according to Shariah, and the gambling industry, resorts, hotels and restaurants with prohibited activities.
 - Producing and publishing media and publications that call for pornography.
 - Derivatives including futures instruments, options, carry contracts and conventional preferred shares.
- Dealing in currency futures contracts.
- Securities issued by companies whose sources of income are related to the following sectors:
 - Conventional banks, 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 that provide illegal services.
 - Production and distribution of liquor and drugs and the like.

The committee reviews periodically and in the event that one of the fund's assets does not comply with the Shariah standards, the Fund Manager will liquidate this asset, taking into account that the unit holders will not be harmed as a result of the liquidation of the asset.

26. Auditor

- A) **The name of the auditor:** KPMG
- B) **Registered address and business address of the auditor:**
Kingdom of Saudi Arabia
KPMG Tower

Riyadh Front – Airport Road, P.O.Box 92876,

Tel: +966 11 874 8500

Fax: +966 11 874 8600
- C) **A statement of the primary roles and responsibilities of the auditor:** The auditor reviews the initial and annual financial statements of the Fund.
- D) **The provisions regulating the replacement of the auditor of the Investment Fund:** If the fund manager wants to appoint or change the fund auditor, he must obtain the approval of the fund's board of directors. The members of the board of directors shall have the right to refuse to appoint or direct the fund manager to change the appointed auditor, in any of the following cases:
1. Existing and important allegations about the auditor's professional misconduct related to the performance of his duties.
 2. If the auditor of the Public Fund is no longer independent.
 3. If the auditor of the public Fund is no longer registered with the Authority.
 4. If the fund's Board of Directors decides that the auditor does not have sufficient qualifications and experience to perform the audit tasks satisfactorily.
 5. If the Authority, at its sole discretion, requests a change of the appointed auditor in relation to the Public Fund.

27. Fund assets

- A) **The assets of the Investment Fund are held by the custodian for the benefit of the Investment Fund.**
- B) **The custodian must separate the assets of each Investment Fund from its own and from the assets of its other clients.**
- C) **The Fund Manager acknowledges that the assets of the Investment Fund are collectively owned by the unit holders (common ownership). The Fund Manager, Fund sub-manager, Fund operator, custodian, sub-custodian, advisor or distributor has no interest in, or claim in, the assets of the fund, unless the Fund Manager, Fund sub-manager, Fund operator, custodian, sub-custodian, advisor, or distributor owns units in the fund, within the limits of his ownership, or if such claims are permitted under the provisions of the Investment Funds Regulations and disclosed in these Terms and Conditions.**

28. Handling complaints

The Fund Manager states that the procedures for handling complaints will be provided upon request, free of charge. Unit holders can also write to the Fund Manager in the event of any complaint that may arise at the following address:

Yaqeen Capital Company
Compliance Officer
Kingdom Saudi Arabia
Olaya Main Road, Al Wurud District
Yaqeen Company Building,
Tel: 8888 429 800
Website: www.yaqeen.sa
Email: Addingvalue@yaqeen.sa

29. Other information

- A) The policies and procedures that will be followed to address the conflict of interest and any potential or actual conflict of interest will be provided upon request free of charge.**
- B) The judicial authority competent to consider any dispute arising from or from investing in Investment Funds is the Securities Dispute Resolution Committee.**
- C) List of documents available to unit holders:**
The list includes the following documents:
- Terms and Conditions of the Fund.
 - The contracts mentioned in the Terms and Conditions.
 - The financial statements of the Fund Manager.
- D) There is no other information, to the knowledge of the Fund Manager and the board of directors, that was not included in the prospectus of the Terms and Conditions.**
- E) There are no exemptions from the restrictions of the Investment Funds Regulations approved by the Capital Market Authority, except for those mentioned in the investment policies and practices.**

30. Additional information requirements for certain types of Funds

Not applicable.

31. Acknowledgment of the Unit Holder

By signing this Terms and Conditions, I/we acknowledge that I/we have obtained a copy of this prospectus containing the Terms and Conditions of Yaqeen IPO Fund and its annexes. I/we have also reviewed it, understood and approved it, and I am aware that the financial summary of this prospectus is updated annually, and accordingly I/we have signed it:

Investor's name: _____

Investor account number: _____

Investor's signature: _____

Date: ... /... /....

On behalf of Yaqeen Capital:

Name: _____

Job title: _____

Office address: _____

Date: ... /... /....