

## Terms and Conditions

### Yaqeen Gold Fund

Yaqeen Gold Fund is a commodity 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.
- The fund manager undertakes to register the fund with the Zakat, Tax and Customs Authority within the statutory period. It also undertakes to submit the declaration of information and data requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the declarations during the statutory period and providing the unitholders in charge with the publishable information necessary for the calculation of the Zakat base. In short, the Zakat, Tax and Customs Authority will terminate the fund within the statutory period for that, and the regulations and rules related to investment funds issued by the Zakat Authority can be viewed: <https://zatca.gov.sa/ar/pages/default.aspx>
- Yaqeen Gold 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 Gold 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: 04/02/2020 G
- It was last updated on: 09/01/2024 G .

- Date of the Authority's approval of establishing the Investment Fund and offering its units: 04/02/2020 AD.
- This is the amended version of the Terms and Conditions of Yaqeen Gold Fund to reflect the 1- Dealing/evaluation days 2- The days of announcing the publication of the unit price 3- Time of submitting and accepting subscription/refund requests, That according to our letter sent to the Capital Market Authority on 09/01/2024 G.

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<b>Fund Summary</b>	
1.	<b>Fund Name:</b> Yaqeen Gold Fund
2.	<b>Fund Category / Fund Type:</b> A commodity open-ended public investment Fund compliant with the regulations of the Shariah Board.
3.	<b>Name of the Fund Manager:</b> Yaqeen Capital Company
4.	<b>Fund Objective:</b> to invest passively in the gold commodity, seeking long-term growth and capital gains by simulating the performance of the gold commodity currency index (XAU/USD spot gold contracts) in US dollars before fees and charges.
5.	<b>Risk Level:</b> The Fund is considered a high-risk investment.
6.	<b>Minimum subscription and recovery:</b> <ul style="list-style-type: none"> <li>The minimum subscription in the Fund is USD 500 and the additional subscription is USD 500. The Unitholders may also redeem all or part of the units belonging to them.</li> <li>The minimum cash recovery is USD 500, and for in-kind recovery 32.15 ounces of gold commodity (1 kg of gold commodity).</li> <li>The minimum ownership balance is USD 500.</li> </ul>
7.	<b>Dealing / Evaluation Days:</b> Monday and Wednesday.
8.	<b>Announcement Days:</b> The business days following the dealing day, which means Tuesday and Thursday.
9.	<b>Recovery Value Payment Date:</b> In the event of a cash recovery, the recovery returns shall be paid to the Unitholder before the business closing date on the fifth day following the evaluation point at which the maximum recovery price was set. In the event of an in-kind recovery of the units, the Fund Manager shall pay to the Unitholders the returns of the in-kind recovery before the business closing date on the thirtieth day following the evaluation point at which the maximum recovery price was set, in the event of the preliminary acceptance by the bank of the “know your customer” requirements, which takes a maximum of five business days. In the event of rejection for reasons such as, but not limited to, the customer's identity proofs are not valid, there is no compatibility between the net wealth and the disclosed source of income, or there is no compatibility between the net income and the disclosed job information, the customer will be informed and the recovery will be limited to the cash recovery and it will be within five business days.
10.	<b>Unit Price at IPO (Nominal Value):</b> USD 1.
11.	<b>Fund Currency:</b> US dollar.
12.	<b>Investment Fund Duration and Fund Maturity Date:</b> Yaqeen Gold Fund is a public open-ended investment fund, and there will be neither specific period for the Fund's work, nor Fund's maturity date.
13.	<b>Fund Start Date:</b> The date of the Authority's approval of establishing the Investment Fund and offering its units is 04/02/2020 AD. Offering start date is 16/02/2020 AD. Offering End Date is 31/03/2020 AD.
14.	<b>Date of issuance of the terms and conditions, and their last update:</b> the date of issuance of these terms and conditions of the Fund is 04/02/2020G . The last update was 09/01/2024 G..
15.	<b>Early Recovery Fee:</b> None.
16.	<b>Indicative Index:</b> The price of the gold commodity currency XAU/USD where the price reflects the value of an ounce of gold of 999.9 purity in US dollars. <b>Index Provider:</b> Bloomberg. <b>The methodology used to calculate the index:</b> This index is calculated based on the average buy and sell prices provided by central banks and international commercial banks. The Bloomberg platform collects this data and calculates the average price of the gold commodity currency XAU/USD. The gold commodity currency “XAU/USD” is an index that reflects Spot gold price in US dollars per ounce of gold. The trading currency in the gold market is the US dollar, while the trading unit for gold in the gold market is an ounce of gold with a purity of 999.9, where the price of the extract from the provider of the index (Bloomberg) reflects the value of an ounce of gold with a purity of 999.9 in US dollars.
17.	<b>Fund Operator's Name:</b> Yaqeen Capital Company.
18.	<b>Custodian Name:</b> Yaqin Capital Company. <b>Sub-custodian:</b> AFG Bank Switzerland.
19.	<b>Auditor's Name:</b> KPMG

20.	<b>Fund Management Fees:</b> 0.5% of the Fund's net asset value annually. The Fund Manager receives the Fund management fees, which are calculated on each evaluation day and deducted on a quarterly basis. No fees will be deducted except for the actual fees.
21.	<b>Subscription and recovery fees:</b> There are no subscription fees. There is also no recovery fee for the investor upon cash recovery. The in-kind recovery fee will be charged only when the investor requests the in-kind recovery as it will be deducted by the fund Manager and paid in full to the sub-custodian.
22.	<b>Custodian Fees: (to be borne by the Fund):</b> The Custodian does not charge the fund any fees, while the fees of the sub-custodian are 0.10% of the total value of the assets under custody. Where the total custodian fees become 0.10% of the total value of the Fund's assets under custody and paid quarterly to the sub-custodian.
23.	<b>Tax and Zakat Advisor Fees: Baker Tilly Company</b> The expenses of the tax and zakat advisor amount to SAR 2,500 paid once for the registration of the fund and borne by the fund, in addition to SAR 6,000 paid annually from the net asset value of the fund. (There are optional fees borne by unitholders in the event that they request a tax and zakat certificate on their investments in the fund documented and approved by the chartered accountant, where the service fee is SAR 3,000)
24.	<b>Dealing Expenses:</b> These are recorded at cost and any costs related to gold trading incurred by the Fund. The Fund also bears brokerage costs when investing in money market tool Funds and gold commodity Funds.
25.	<b>Other Fees and Charges:</b> Please view paragraph (a) of Article 9.
26.	<b>Performance Fees:</b> None.

## 1. Investment Fund

- A) Fund Name and Type:** Yaqeen Gold Fund is a commodity open-ended public investment fund that is compliant with the regulations of the Shariah Board, and was established in the Kingdom of Saudi Arabia in accordance with the Investment Funds Regulations issued by the Capital Market Authority.
- B) Date of issuance of the Fund's terms and conditions:** The date of issuance of these terms and conditions of the Fund is 04/02/2020.  
The last update was on 09/01/2024 G.
- C) Date of the Authority's approval of the Fund's units offering:** 04/02/2020 AD.
- D) Investment Fund Duration and Maturity Date:** The Yaqeen Gold Fund is a public open-ended investment Fund, and there will be neither specific period for the Fund's work, nor Fund's maturity date.

## 2. Applicable Law

Yaqeen Gold 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:** It is an open-ended Shariah-compliant public investment fund that invests passively in the gold commodity, seeking long-term growth and capital gains by simulating the performance of the gold commodity currency index (XAU/USD spot gold contracts) in US dollars before fees and charges. No profits are distributed to Unitholders, but all profits are reinvested in the same fund. All investments of the Fund are outside the Kingdom of Saudi Arabia. The Fund may invest a maximum of 10% of the Fund's total assets in gold commodity Funds (compliant with Sharia standards) that are publicly offered and licensed by a Supervisory Authority with similar standards and regulatory requirements to the Capital Market Authority. To provide liquidity, the Fund maintains cash liquidity that may reach 10% of the Fund's total assets as a maximum, and the Fund may also invest in money market instrument funds (compliant with Sharia

standards) that are publicly offered and licensed by a Supervisory Authority with similar standards and regulatory requirements to the Capital Market Authority, at a rate that may reach 10% of the fund's total assets as a maximum.

- B) Type of securities in which the Fund will primarily invest:** The Fund primarily invests in the gold commodity currency with a minimum of 90% of the total assets of the Fund and a maximum of 100% of the total assets of the Fund. The Fund also invests in money market instrument funds (compliant with Shariah controls) that are offered publicly and licensed by a Supervisory Authority with similar standards and regulatory requirements to the Capital Market Authority, with a maximum of 10% of the fund's total assets, and the Fund invests in gold commodity funds (compliant with Shariah controls). Offered publicly and licensed by a supervisory authority with similar standards and regulatory requirements to the Capital Market Authority, with a maximum of 10% of the Fund's total assets. The Fund maintains a cash liquidity of up to 10% of the Fund's total assets as a maximum. All Fund's investments will be outside the Kingdom of Saudi Arabia.
- C) Any Investment Concentration Policy:** The Fund primarily invests in the gold commodity currency with a minimum of 90% of the total assets of the Fund and a maximum of 100% of the total assets of the Fund. The Fund also invests in money market instrument funds (compliant with Shariah controls) that are offered publicly and licensed by a Supervisory Authority with similar standards and regulatory requirements to the Capital Market Authority, with a maximum of 10% of the fund's total assets, and the Fund invests in gold commodity funds (compliant with Shariah controls). Offered publicly and licensed by a supervisory authority with similar standards and regulatory requirements to the Capital Market Authority, with a maximum of 10% of the Fund's total assets. The Fund maintains a cash liquidity of up to 10% of the Fund's total assets as a maximum. All Fund's investments will be outside the Kingdom of Saudi Arabia.
- D) A table showing the percentage of investment in each investment field, with its minimum and maximum:**

Asset Categories	Minimum	Maximum
Gold commodity currency XAU/USD	90%	100%
Money market instrument funds (compliant with Shariah controls) that are offered publicly and licensed by a Supervisory Authority with similar standards and regulatory requirements to the Capital Market Authority	0%	10%
Gold commodity funds (compliant with Shariah controls) that are offered publicly and licensed by a Supervisory Authority with similar standards and regulatory requirements to the Capital Market Authority	0%	10%
Cash	0%	10%

- E) The stock exchange in which the Fund is likely to buy and sell its investments:** The Fund invests in the Swiss gold commodity market, which is a financial market in which the gold commodity is bought and sold by its participants from central banks and commercial banks via communication and computer networks, and is supervised by the Swiss Financial Market Supervisory Authority Market Supervisory Authority, where the Fund invests in the gold commodity through AFG Bank - Switzerland. It is a bank licensed by the Swiss Financial Market Supervisory Authority. It does not invest in gold mining companies or companies that invest or trade in gold.
- F) Disclosure of whether the fund Manager intends to invest in the investment Fund's 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. The details of the fund manager's investments in the fund units will also be disclosed on a quarterly basis through the fund manager's website and the market's website, as well as the reports prepared by the fund manager.

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

- The Fund is managed by an inactive management method when investing in the gold commodity to achieve the Fund's objectives, and it directly invests in the gold commodity and no financial derivatives are used.
- The Fund does not offer any diversification in assets and does not change its investment ratios in the gold commodity based on the gold commodity price forecast. If the price of the gold commodity rises or falls, the fund will simulate this rise or fall in the price of the gold commodity. The trading currency in the gold commodity market is the US dollar, while the trading unit for the gold commodity is an ounce of gold with a purity of 999.9, any change in the price of the gold commodity reflects the change in the value of an ounce of gold with a purity of 999.9 in US dollars.
- The fund seeks to simulate the performance of the index by keeping the margin of deviation from the maximum limit of 1%. Margin deviation is measured as the standard deviation of the difference between the Fund's weekly return compared to the index's weekly return. The Fund index is the gold commodity currency "XAU/USD" which is extracted from the Bloomberg platform and reflects the spot gold price in US dollars per ounce of gold with a purity of 999.9.
- The Fund seeks to achieve a minimum correlation coefficient of 0.85 with the index on an annual basis.
- The Fund Manager maintains a cash ratio of up to 10% of the Fund's total assets in order to comply with the recovery requests.
- Gold commodity selection mechanism: The Fund's indicative index is the price of the gold commodity currency XAU/USD, where the price reflects the value of an ounce of gold of 999.9 purity in US dollars. Since the Fund seeks to simulate the performance of the XAU/USD gold commodity currency index before fees and charges, the Fund invests only in gold commodity of 999.9 purity through the specified gold provider (AFG Bank Switzerland).
- The Fund invests in gold commodity funds that comply with the Sharia standards offered publicly and are licensed by a Supervisory Authority with similar standards and regulatory requirements to the Capital Market Authority.
- Invested gold commodity funds selection mechanism: The Fund in which its expenses are low in relation to the net assets of and is compatible with Sharia standards and whose investments are outside the Kingdom and follows an inactive method when investing in the gold commodity currency XAU/USD only, will be preferred and that the invested Fund does not invest in gold mining companies or companies that trade in gold and is managed by a Fund Manager licensed by a Supervisory Authority that has standards and regulatory requirements similar to those applied by the Capital Market Authority in the Kingdom of Saudi Arabia and has a good reputation, sound financial position and low risks, according to the classification and internal evaluation of the Fund Manager.
- Invested money market instrument funds selection mechanism: The Fund in which its expenses are low in relation to the net assets of and is compatible with Sharia standards and whose investments are outside the Kingdom, is managed by a Fund Manager licensed by a Supervisory Authority that has standards and regulatory requirements similar to those applied by the Capital Market Authority in the Kingdom of Saudi Arabia and has a good reputation, sound financial position and low risks, will be preferred, according to the classification and internal evaluation of the Fund Manager.
- The Fund Manager will not distribute any profits to the subscribers and any profit from the fund's investment in gold commodity, gold commodity funds or money market instrument funds will be reinvested in the Fund.
- All investments of the Fund will be outside the Kingdom of Saudi Arabia.

**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.

**D) Any other restriction on the type(s) of securities or other assets in which the Fund can invest:** None.



- J) The extent to which the Fund's assets can be invested in a fund units or investment funds managed by that manager or other Fund Managers:** The maximum amount that the Fund's assets can be invested in other fund managers' funds is 10% of the total assets of the Yaqeen Gold Fund and not to exceed 25% of the net assets of the fund Yaqeen Gold Fund, where no additional fees will be charged by the Fund Manager (Yaqeen Capital) when investing in any fund managed by another Fund Manager. Yaqeen Gold Fund will not invest in any fund managed by the Fund Manager (Yaqeen Capital).
- K) Powers of the investment fund in lending and borrowing, the Fund Manager's policy regarding the exercise of the powers of lending and borrowing, and a statement of its policy with regard to mortgaging the Fund's assets:** the Fund can borrow up to a maximum of 10% of the Fund's net asset value where it will be borrowed without mortgaging any of the Fund's assets. This loan will be used entirely for liquidity management and will not be used as a means to enhance returns. In the event of resorting to borrowing to manage liquidity, the loan term will not exceed 12 months.
- L) Maximum limit for dealing with any counterparty:** Since the Fund can invest up to 10% of the total value of the Fund's assets only in other gold commodity funds and money market instrument funds that comply with Sharia standards, the upper limit for dealing with any counterparty is 10% of the total assets of the Yaqeen Gold Fund and does not exceed 25% of the net assets of the Yaqeen Gold Fund.
- M) The Fund Manager's policy for managing the Fund's risks:**

The investment in the fund is considered a high-risk investment, and the Fund Manager does not guarantee the success of the strategies adopted in facing potential risks, as the Fund's investments are subject to many risks as mentioned in paragraph (3) ("Main risks of investing in the 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 Unitholders' interest. The following is a review of the strategy used to deal with risks:

Before selecting a gold commodity provider and custodian, the Fund Manager will take the necessary care to ensure that the commodity provider or custodian is licensed by a recognized regulatory body, its regulations comply with those of the Capital Market Authority in the Kingdom of Saudi Arabia, has a good reputation, sound financial position and low risks. According to the classification and internal evaluation of the Fund Manager.

The Fund Manager's commitment to 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.

Commitment to the investment restrictions mentioned in the investment funds regulations, terms and conditions and the Fund information memorandum.

Commitment to 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.

Follow up on the conformity and compliance department of the Fund's activities and the Fund Manager's commitment to its investment limits, and its duties towards the customer.

As for the unpredictable risks, Yaqeen Capital will make every effort to study these risks before making an investment decision.

Fund Manager's risk management policy at the Fund level:

The investment committee will work to ensure the fund's compliance with the indicative regulations and limits of the investment policy, implement the strategy and procedures, and review performance, especially in achieving the Fund's objective of simulating the index.

Fund Manager's market risk management policy:

Regarding the fluctuations in the price of the gold commodity, the Fund Manager will not take any measures to mitigate this risk. As the Fund follows an inactive



strategy in investing in the gold commodity and does not change its strategy when the price of the gold commodity changes due to market risks, and accordingly the investor is fully aware that the unit price depends on the price movement of the gold commodity.

Fund Manager's credit risk management policy:

The Company's control and risk management department is responsible for approving the gold commodity provider. The department will conduct a credit risk assessment of the gold commodity provider before selecting it and the assessment will be annually updated. The Company's control and risk management department will approve and review the counterparties with which the fund can invest through money market instrument funds or in other gold commodity funds. The department will set risk limits and guidelines, evaluate various risks and report on the Fund's position based on assessed risks, and continue to monitor and provide feedback.

Fund Manager's liquidity risk management policy:

In order to provide liquidity to the Fund, the Fund will allocate a maximum of 10% of the Fund's total assets in money market instrument funds (compliant with Sharia standards) that are publicly offered and licensed by a Supervisory Authority with similar standards and regulatory requirements to the Capital Market Authority.

Fund manager's policy for managing other risks:

Additionally, to provide diversification, the Fund Manager can also invest in other approved gold commodity funds.

**N) Indicative Index:**

Index	Index Provider	Calculation Method
Price of the gold commodity currency against the US dollar XAU/USD	Bloomberg	This index is calculated based on the average buy and sell prices provided by central banks and international commercial banks. The Bloomberg platform collects this data and calculates the average price of the gold commodity currency XAU/USD. The gold commodity currency "XAU/USD" is an index that reflects Spot gold price in US dollars per ounce of gold. The trading currency in the gold market is the US dollar, while the trading unit for gold in the gold market is an ounce of gold with a purity of 999.9, where the price of the extract from the provider of the index (Bloomberg) reflects the value of an ounce of gold with a purity of 999.9 in US dollars.

- 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. Investment Fund

- A)** Investment in the Fund is considered a high-risk investment in view of its investment in buying and selling gold, and the fund is likely to be exposed to fluctuations in gold prices due to the nature of the Fund's investments.
- B)** The past performance of the investment Fund or the index's past performance does not indicate what the Fund's or index's performance will be like in the future.
- C)** The Fund does not guarantee to Unitholders that the Fund's performance (or its performance compared to the index) will be repeated or be similar to past performance in the future.

- D)** Investment in the Fund is not considered 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's units.
- F)** A list of the main potential risks associated with investing in the investment Fund, the risks to which the investment Fund is exposed, and any circumstances that may affect the Fund's net asset value and returns:
- **Undervalued investment risks:**  
If the price of the gold commodity drops substantially and the gold commodity does not recover to its previous prices, the Fund's net asset value will decrease according to the decrease in the price of the gold commodity.
  - **Demand for the gold commodity risk:**  
The gold commodity market, like any other commodity market, goes through periods in which the demand for it increases and goes through periods of stagnation. The supply and demand of the gold commodity is affected by several factors, including: the forward sale of gold by the mines and producers of the gold commodity, the purchase and sale of gold by central banks, the factors of production of gold commodity mines including energy costs and wages, and all economic and political conditions in the major gold-producing countries. When the demand for the gold commodity decreases or the supply increases, this will lead to a decrease in the price of the gold commodity and thus a decrease in the value of the Fund's assets.
  - **Currency risk:**  
The Fund's currency is the US Dollar and all the Fund's investments are in US Dollars. When the investor subscribes in a currency other than the fund currency, it will be converted into the US dollar. The price of the gold commodity currency XAU/USD is affected by changes in currency exchange rates, which negatively affect the value of the Fund's investments and the unit price. For a subscriber whose base currency is not the US dollar, fluctuations in the exchange rate of the US dollar against its base currency will negatively affect the value of its investments in the Fund in the base currency.
  - **Sharia risk:**  
These risks are represented in the fact that the Fund invests in the gold commodity and investment Funds that are compatible with Sharia standards compared to traditional investment funds. In the event that one of the funds in which the Fund invests does not comply with some Sharia standards, the Fund will dispose of it by redeeming it, which will result in losses in the event that it is sold at a price lower than the price at which it was subscribed.
  - **Systemic risk:**  
Systemic risk arises as a result of the issuance of new regulations, legislation or laws, or changes in the current legislation or laws in the countries of the gold commodity providers or the Funds' countries in which the Fund invests, which negatively affects the Fund's investments.
  - **Liquidity risk:**  
Liquidity refers to the speed and ease with which an asset can be sold and converted into cash without losses in its fair market value. For markets with high fluctuations such as fluctuations in periods of political instability or sudden changes in interest rates and prices, this leads to difficulty in selling the gold commodity or investments at a fair price which results in a loss or a decrease in the fund's return.
  - **Inability of recovery risk:**  
It is possible that the Fund Manager will not be able to meet all the requests for recovery if the total value of those requests reaches 10% or more of the Fund's net asset value, or if it is unable to liquidate some of its investments as a result of weak or lack of trading in the markets designated for those investments. The delay in fulfilling the recovery requests negatively affects the Fund's size and continuity.
  - **Market risk:**  
Market risk is the risk of investing in the financial and gold commodity markets. Where the prices of the gold commodity or the market value of the Fund's investments rise and fall due to developments that occur in the gold commodity markets or in the markets invested by other funds, general market conditions, interest rates, or exchange rates. The market value also changes due to changes in general economic and financial conditions. When economic

conditions occur that lead to a decline in gold commodity prices, this will negatively affect the value of the Fund's assets.

- **Counterparty risk:**  
These are the risks related to the possibility that any of the contracted financial institutions will not fulfill their contractual obligations with the Fund Manager in accordance with the agreed terms, and these risks apply to the Fund during investing in money market instrument fund operations or buying and selling the gold commodity. Any failure by the parties the Fund deals with will negatively affect the Fund's investments and performance.
- **Gold commodity quality risk:**  
The Fund Manager is not specialized in dealing in gold commodity, and since gold commodity bullion vary in purity (percentage of impurities), the provider of gold commodity (AFG Bank Switzerland) will be relied upon to provide gold commodity bullion (based on the specification of gold commodity specified by the indicative index followed by the Fund) of 999.9 purity, bearing in mind that the non-compliance of the gold commodity provider or its failure to deliver the quantity of gold commodity of 999.9 purity, which is equal to the net quantity of the gold commodity recovered and owed to the seekers of in-kind recovery will result in claims by Unitholders.
- **Preservation and storage risk:**  
These are the risks that arise because gold commodity bullion held by the sub-custodian on behalf of the Fund may be damaged as a result of natural events (e.g., earthquake) or as a result of human actions (e.g., terrorist attack or theft). Any of these events will have a negative impact on the Fund's investments and the value of its units.
- **Natural disaster risks:**  
Volcanoes, earthquakes, hurricanes, floods and other natural phenomena cause property damage and cannot be controlled, which negatively affects economic sectors, the gold market and the Fund's performance.
- **Gold Commodity Provider Risks:**  
These are the risks related to the possibility that the contracted gold commodity provider will not fulfill its contractual obligations with the Fund manager in accordance with the terms agreed upon between them, as its non-compliance will have a negative impact on the Fund's investments.
- **Tax and Zakat risks:**  
Tax and zakat risk is the possibility that the Fund will pay or account for an incorrect amount of tax or zakat, in addition to the risk of changing the rules and regulations related to calculating taxes or zakat, which will lead to losses on the Fund due to the increase in the value of taxes or zakat higher than expected.
- **Risks of in-kind recovery:**  
The provider of gold commodity (AFG Bank Switzerland) will be relied upon for in-kind recovery requests to provide the gold commodity bullion. In the event of the inability to deliver the gold commodity bullion as a result of the conditions of the gold commodity market or the non-fulfillment or failure of the gold commodity provider, which negatively affects the Fund's reputation and its continuity.
- **Risks of investing in other mutual Funds:**  
In the event that the Fund invests in other investment Funds, all the previously mentioned risks also apply to those Funds.

#### **5. Risk Assessment Mechanism**

The Fund Manager acknowledges that there is an internal mechanism to assess the risks related to the Fund's assets.

#### **6. The target group for investing in the Fund**

The Fund mainly targets investors from individuals, institutions, government agencies and others who have a desire to invest in the gold commodity.

#### **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 US dollar. In the event that investors wish to subscribe to the Fund in a currency other than the Fund currency (the US dollar), the subscription value is converted into the Fund's currency according to the prevailing exchange rates in effect at the time of transferring the subscription amount.

## 9. Consideration for services, commissions and fees

### 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
<b>Management Fees</b>	0.5% of the Fund's net asset value annually. The Fund manager receives the Fund management fees, which are calculated on each assessment day and deducted on a quarterly basis. No fees will be deducted except for the actual fees
<b>Performance fees</b>	Not applicable.
<b>Subscription fees</b>	Not applicable.
<b>Custody fees</b>	The custodian does not charge the Fund any fees, while the fees of the sub-custodian are 0.10% of the total value of the assets under custody. Where the total custodian fees become 0.10% of the total value of the Fund's assets under custody and paid quarterly to the sub-custodian.
<b>Auditor fees</b>	8,000 USD per year, where fees are due on a daily basis and paid semi-annually.
<b>Regulatory fees</b>	2,000 US dollars (7,500 Saudi riyals) paid to the Capital Market Authority annually and deducted on a daily basis. No fees will be deducted except for the actual fees.
<b>Sharia financing fees</b>	The Fund shall bear the actual and direct financing expenses according to the prevailing market price
<b>Independent Board Members fees</b>	800 US dollars for each independent member for each meeting and a maximum of 1,600 dollars annually for each independent member (the total fees for independent members will not exceed 3,200 US dollars annually) where the fees are due on a daily basis and paid at the end of the year.
<b>Dealing expenses and fees</b>	These are recorded at cost and any costs related to trading gold shall be incurred by the Fund. The Fund also bears brokerage costs when investing in Money Market Instruments Funds and Gold Commodity Funds.
<b>Tax and Zakat Advisor Fees</b>	The expenses of the tax and zakat advisor are borne by the fund in the amount of SAR 2,500 paid once to register the fund, in addition to SAR 6,000 paid annually from the net value of the fund's assets, and fees of SAR 3,000 borne by unitholders when they request a tax and zakat certificate on their investments approved by the chartered accountant.
<b>Posting fees on Tadawul website</b>	\$1,333.33 (5,000 Saudi Riyals) accrued on a daily basis and paid for Tadawul annually.

*\*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. All fees and expenses mentioned in these terms and conditions and other documents of the Fund do not include value added tax unless otherwise stated.*

### A) A table showing all fees and expenses, along with the method of calculating the consideration for services, commissions and fees, and the time of their payment by the Investment Fund:

Type of fees and charges	Prescribed ratio	Calculation basis	Calculation timing	Payment Basis
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<b>Management Fees</b>	0.50% of net asset value	Annually	Every calendar day	It is deducted quarterly. No fees will be deducted except for the actual fees
<b>Custody fees</b>	The custodian does not charge the Fund any fees while the fees of the sub-custodian are 0.10% of the total value of the assets	End of period	Every calendar day	Paid quarterly
<b>Auditor fees</b>	8,000 USD	Fixed amount deducted annually	Every assessment day	Paid half yearly
<b>Tax and Zakat Advisor Fees</b>	\$666.66 (SAR 2,500)	Fixed amount deducted	When registering the fund	Paid once
	\$1,600 (SAR 6,000)	Fixed amount deducted annually	Every calendar day	Paid annually
<b>Capital Market Authority fees</b>	2,000 USD (7,500 SAR)	Fixed amount deducted annually	-	Paid annually
<b>Independent Board Members fees</b>	800 USD per independent member for each meeting and a maximum of 1,600 USD annually for each independent member (the total fees for independent members shall not exceed 3,200 USD annually)	Fees accrued on daily basis	Attendance fees are calculated after the meeting	It is paid at the end of the year
<b>Financing expenses in accordance with the regulations of the Shariah Board</b>	They are charged to the Fund, if available, according to the prevailing market prices	According to prevailing market prices of contracting according to the financing bank	On maturity	Pay on demand
<b>Dealing Expenses (Brokerage)</b>	These are recorded at cost and any costs related to trading gold are incurred by the Fund. The Fund also bears brokerage costs when investing in Money Market Instruments Funds and Gold	It is calculated at cost	Every calendar day	Pay on demand

	Commodity Funds.			
<b>Posting fees on Tadawul website</b>	\$1,333.33 (5,000 SAR)	Fixed amount deducted annually	Every calendar day	Annually

Note: All payments referred to above are subject to value added tax, the rate of which may change from time to time.

**A) A hypothetical table showing the ratio of the Fund's costs to the total value of the Fund's assets at the level of the Fund and the Unit Holder during the life of the Fund:**

Calculated on the basis of the unit holder's subscription of \$50,000 for a year, and the total value of the Fund's assets is \$10 million. Assuming that the return of the Fund in this hypothetical year is 10.00		
	Fund	Unit holder
Currency	USD	USD
<b>Total value of assets at the beginning of the year</b>	<b>10,000,000</b>	<b>50,000</b>
Subscription fees	-	-
Management fees	(50,000)	(250)
Sub-Custody fees	(10,000)	(50)
Auditor fees	(8,000)	(40)
Capital Market Authority fees	(2,000)	(10)
Independent Board Members fees	(3,200)	(16)
Posting fees on Tadawul website	(1,333.33)	(6.67)
Tax and Zakat Advisor Fees	(1,600)	(8)
Tax and Zakat Advisor registration fees, one time	(666.66)	(3.33)
Dealing expenses	If exists	
<b>Total fees and charges in USD</b>	<b>(76,799.99)</b>	<b>(384)</b>
Hypothetical return 10% + Capital	11,000,000.00	55,000.00
Net asset value at the end of the year	10,924,533.33	54,627.33
* Recurring fee as %	0.7%	0.7%
* Non-Recurring fee as %	-	-

\*Total fees and charges divided by the net asset value of the fund at the end of the year.

**D) Consideration against transactions prescribed on subscription, recovery and transfer of ownership paid by unit holders, and the method of calculating that consideration:**

Consideration	How to calculate it
<b>Subscription fees</b>	Not applicable.
<b>Recovery fee</b>	There is no recovery fee for the investor when redeeming cash
<b>Physical redemption:</b>	Fees will be imposed only upon the investor's request for physical redemption, as it is deducted by the fund manager and paid in full to the sub-custodian, as follows:
1) Transfer fee for recovered gold	Not applicable. The customer will bear any expenses if he requests the transfer of gold within Switzerland. Whereas: <ul style="list-style-type: none"> <li>Total in-kind recovery value in US dollars = the US dollar price of the gold commodity per ounce at the assessment point after the day of the recovery multiplied by the total recoverable quantity of the gold commodity in ounces.</li> <li>Net recovery value in US dollars = total recovery value in US dollars - fees and charges for in-kind recovery in US dollars.</li> <li>Net Quantity of Commodity Gold Recovered in ounces = Net in kind recovery value in US dollars / Price of Commodity Gold in US Dollars per ounce at the point of assessment.</li> <li>The net amount of commodity gold recovered in ounce must be no less than 32.15 ounce, which is equivalent to 1 kilogram of commodity gold.</li> </ul>



	<ul style="list-style-type: none"> <li>• The transportation fee for the in-kind recovery is deducted from the total value of the in-kind recovery in US dollars.</li> <li>• The quantity of the gold commodity in ounces = the quantity of the gold commodity in kilos * 32.15</li> <li>• The net amount recovered from the gold commodity in the form of gold bars shall be delivered to the applicant for in-kind recovery, as one bar of the gold commodity contains 1 kilogram of the gold commodity.</li> <li>• In the event that the net quantity recovered from the gold commodity in kilograms (the quantity of the gold commodity in ounces /32.15) contains fractions (that is, it is not sufficient to recover the value of the gold commodity/one gold bar), the value of the fractions will be paid in cash to the applicant for in-kind recovery according to the price of the gold commodity in US dollars per ounce in assessment point. The amount paid in cash to the in-kind recovery applicant is calculated as follows: <ul style="list-style-type: none"> <li>- Fractions in the net recoverable amount of the gold commodity in kilograms * 32.15* the price of the gold commodity in US dollars per ounce at the assessment point.</li> </ul> </li> </ul>
2) In-kind custody fees	<ul style="list-style-type: none"> <li>• 0.5% of the total value of the in-kind recovery in US dollars calculated for each assessment day, from the assessment day following the day of the in-kind recovery request to the day when the customer's account is opened in the bank to receive the quantities of the gold commodity due to the applicant for in-kind recovery, where the value of the in kind custody fees is deducted out of the total value of the in kind recovery in US dollars.</li> <li>• In-kind custody fees are calculated for the period from the assessment day that follows the day of the in-kind recovery request to the day the customer's account is opened in the bank as follows: Total value of the in kind recovery in US dollars* 0.5% * (number of assessment days from the assessment day to the day the customer's account is opened in the bank/365)</li> <li>• Any day on which the in-kind recovery applicant fails to receive the net quantity of gold commodity due to him on the recovery day specified by the Fund manager, he will be charged 0.5% of the total value of the in-kind recovery in US dollars calculated for each assessment day and paid by the in-kind recovery applicant in cash. The Fund manager is obligated to pay the unit holders the returns of the in-kind recovery before the closing time of the work on the thirtieth day following the assessment point at which the recovery price was set as a maximum, in the event of the initial acceptance by the bank of the “know your customer” requirements, which takes a maximum of five working days, and in the event of rejection for reasons such as, but not limited to, the customer’s identity proofs are not valid, or there is no compatibility between the net wealth and the disclosed source of income, or there is no compatibility between the net income and the disclosed job information, the customer will be informed and the recovery will be limited to cash recovery and it will be within five working days.</li> <li>• The in-kind preservation fee is calculated during the delay period of the in-kind recovery applicant for receiving the quantities of gold commodity due to him as follows: Total In-Kind Recovery Amount in USD* 0.5% * (Number of Assessment Delay Days/365)</li> </ul>
3) Dealing fees	It may reach 0.5% of the total value of the in-kind recovery in US dollars, depending on market conditions, as it is deducted from the total value of the in-kind recovery in US dollars.

<b>Transfer Fee</b>	The fund manager does not allow the transfer of ownership of units to other investors.
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The following is a hypothetical example of physical redemption fees and expenses calculated on the basis that the price of the gold commodity in dollars per ounce on the valuation day following the physical redemption request is \$ 1,500. The number of calendar days from the valuation day to the day that was determined to receive the net recovered gold commodity is 25 days, and total quantity of the recovered gold commodity is 600 ounce:

<b>The first step: The net redemption value physical is calculated in US dollars:</b>	
The total value of physical redemption is in US dollars	900,000.00
Fees and expenses of physical redemption in US dollars:	
Physical custody fees	(308.219)
Dealing fees	(4,500.000)
Transport and insurance fees	(279.938)
Total redemption fees and expenses physical	(5,088.157)
Transport and insurance fees	894,911.843

The second step: the quantity of the gold commodity that will be delivered to the physical redemption requester is calculated in kilograms and the amount of fractions that will be paid to the physical redemption requester in cash in case there are fractions in the net recovered quantity in kilograms:

<b>The first step: The net redemption value physical is calculated in US dollars:</b>	
The net amount of the gold commodity redemption in ounce	596.608
The net amount of gold commodity redemption in kilo	18.557
The quantity that will be delivered to the redemption applicant physical, in kilo (number of gold bars)	18
Fractions	0.557
The amount of fractions that will be paid to the physical requester in cash, in USD	26,862

\* The numbers mentioned in the hypothetical example have been rounded to the nearest thousands, except for the amount of fractions that will be paid to the redemption applicant in cash in US dollars, as they have been rounded to the nearest whole number.

**E) Special discounts and commissions:** Not applicable.

**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 Unit Holder is responsible for paying the zakat on the units he owns.

- The fund manager undertakes to register the fund with the Zakat, Tax and Customs Authority within the statutory period. It also undertakes to submit the declaration of information and data requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the declarations during the statutory period and to provide the unitholders in charge with the publishable information necessary for the calculation of the Zakat base upon request in accordance with the executive regulations for the collection of Zakat issued by the Zakat, Tax and Customs Authority. Taxpayers subject to the: <https://zatca.gov.sa/ar/pages/default.aspx>

**G) Any special commission concluded by the Fund Manager:** Not applicable.

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

Calculated on the basis of the unit holder's subscription of \$50,000 for a year, and the total value of the Fund's assets is \$10 million. Assuming that the return of the Fund in this hypothetical year is 10.00		
	Fund	Unit holder
Currency	USD	USD

<b>Total value of assets at the beginning of the year</b>	<b>10,000,000</b>	<b>50,000</b>
Subscription fees	-	-
Management fees	(50,000)	(250)
Sub-Custody fees	(10,000)	(50)
Auditor fees	(8,000)	(40)
Capital Market Authority fees	(2,000)	(10)
Independent Board Members fees	(3,200)	(16)
Posting fees on Tadawul website	(1,333.33)	(6.67)
Tax and Zakat Advisor Fees	(1,600)	(8)
Tax and Zakat Advisor registration fees, one time	(666.66)	(3.33)
Dealing expenses	If exists	
<b>Total fees and charges in USD</b>	<b>(74,533.33)</b>	<b>(372.67)</b>
Hypothetical return 10% + Capital	11,000,000.00	55,000.00
<b>Net asset value at the end of the year</b>	<b>10,925,466.67</b>	<b>54,627.33</b>

## 10. Assessment and Pricing

### A) How to assess each asset owned by the Fund:

The Fund is evaluated by evaluating all the Fund's assets, of whatever type and nature, minus all the Fund's obligations of any kind and nature. The Fund's assets are valued using the following methods:

- Gold commodity: The gold commodity will be evaluated at the assessment point (twice a week, on Monday and Wednesday). According to the closing price of the gold commodity on the assessment point.
- In case of investing in Money Market Instruments Funds or Gold Commodity Funds, it will be valued at the assessment point based on the last price announced for the unit by the manager of the Fund in which it is invested on the relevant assessment day.

**B) Number and Frequency of Assessment Points:** The Fund manager will evaluate the Fund twice a week, on Monday and Wednesday.

### C) Actions to be taken in case of error in assessment or error in pricing:

1. In the event that one of the Fund's assets is evaluated incorrectly or the unit price is calculated incorrectly, the Fund manager documents the error directly and informs the Authority immediately of the error in the assessment or pricing, which constitutes 0.5% or more of the unit price, and this is disclosed immediately on the Fund manager's website, the market's website, and in the Fund's reports.
2. The Fund Manager will compensate all affected Unit holders (including previous Unit holders) for all assessment or pricing errors without delay.

### D) Method of calculating unit price for the purposes of execution of applications for subscription and recovery:

The Fund manager calculates the Fund's investments on each assessment day, and the assessment is determined based on all the assets included in the portfolio, minus the dues of the investment Fund at that time. The net asset value for each unit "unit price" is calculated based on the following equation:

$(\text{Total assets} - \text{fixed fees} - \text{variable fees}) / \text{number of existing units at the time of assessment}$

The Fund's assets shall be inclusive of all assets of any kind and nature, as well as the method of their assessment was clarified in paragraph (10/a) of the term and condition (assessment and pricing), in addition to cash or any other entitlements to the Fund.

The Fund's obligations shall be inclusive of all obligations of any kind and nature, including but not limited to all loans and payables, all expenses and fees due or accrued on the Fund, which were clarified in paragraph (9/b) of this memorandum.

**E) Place and time of publication of the unit price, and its frequency:** The net value of the fund unit is available to investors free of charge through the fund manager's offices or via electronic publication on "announcement days," which are the business days following the dealing day,

which means Tuesday and Thursday of each week on the Fund manager's website [www.yaqeen.sa](http://www.yaqeen.sa) and the Saudi Stock Exchange website "Tadawul" [www.tadawul.com.sa](http://www.tadawul.com.sa)

## 11. Transactions

### A) Details of the initial offering:

- Yaqeen Gold Fund offering will start from 16/2/2020 till 31/3/2020, the period will be 45 days. If the minimum, which is \$ 3,000,000, is not collected during the initial offering period, the fund manager will return the subscription amounts and any returns from its investment to the unit owners without any deduction. If the minimum amount is collected before the end of the offering period, the fund manager will close the offering period and start the fund's operation.
- Initial unit price: 1 USD

### B) Specific date and deadlines for submitting subscription and recovery requests on any trading day and the Fund manager's responsibilities regarding subscription and recovery requests:

- C) Subscriptions and redemptions may be made each Business Day and no later than the end of the Business Day immediately preceding the Dealing Day. Subscription is made at the valuation price calculated on Monday and Wednesday of each week "dealing days". If the subscription request or subscription amount is received after the specified date, the necessary action will be taken (unless the Fund Manager decides otherwise) on the basis of the next dealing day.

### Subscription and recovery procedures:

#### Procedures of cash subscriptions in units:

- Units in the Fund can be purchased for cash only, as no in-kind subscriptions are accepted. In the event that units are purchased in a currency other than the Fund currency (the US dollar), the currency will be converted into the Fund currency by the Fund manager according to the prevailing exchange rates in effect at the time of the transfer of the amount, and then the unit purchase process will take place based on the amount in dollars after the conversion.
- Those wishing to purchase units in the Fund must complete and sign the subscription application form, sign the terms and conditions of the Fund and the information and deliver them to any branch of Yaqeen Capital Co. during any working day, or fill out the subscription application and agree to the terms and conditions of the Fund through Yaqeen system, and deposit the subscription amount in the account designated for this, with the obligation for individual investors to show their valid national identity card (for Saudis), the national card/passport (for Gulf nationals) and valid residency (for residents), and with regard to the legal investor, he must submit an approved letter from the company/institution in addition to a copy of the commercial register .
- The Fund manager may, based on anti-money laundering reports and "know your customer" or any instructions issued by any government supervisory authority, reject subscription applications, and the Fund manager may reject any subscription application that he deems to be in violation of the Capital Market Authority regulation. In this case, the subscription amount will be refunded without deduction of any fees or deductions within a period of 5 working days from the date of rejection.
- The Fund manager processes all subscription requests without any delay, and priority in subscription is given to requests received by the Fund manager first.

#### Recovery Procedure (Cash):

- The unit holder fills in the recovery application form, signs it and delivers it to the Fund manager through its branches every working day (with individual investors showing the valid national identity card (for Saudis), the national card/passport (for Gulf nationals) and valid residency (for residents), and with regard to the legal investor, he must Submit a letter approved by the company/institution in addition to a copy of the commercial register), or fill out a recovery request and deliver it through Yaqeen system. Recovery requests are processed twice a week on Monday (for requests received until the end of work on Sunday) and Wednesday (for requests received Until the end of work on Tuesday) until the end of the working day .
- In the event of a cash recovery, the returns of the recovery shall be paid to the unit holder before the closing time of the work on the fifth day following the assessment point at which the recovery price was set as a maximum.

#### In-kind recovery procedures:

- In the event of an in-kind recovery of the units, the Fund manager shall pay to the unit holders the returns of the in-kind recovery before the closing time of the work on the thirtieth day following the assessment point at which the recovery price was set as a maximum, in the event of the initial acceptance by the bank of the “know your customer” requirements, which takes a maximum of five working days. In the event of rejection for reasons such as, but not limited to, the customer’s identity proofs are not valid, or there is no compatibility between the net wealth and the disclosed source of income, or there is no compatibility between the net income and the disclosed job information, the customer will be informed and the recovery will be limited to cash recovery and within five working days. During this period, the sub-custodian is notified of the request for in-kind recovery, and after the review process and acceptance of the request, the sub-custodian is obligated to provide the quantity of the recovered gold commodity at the headquarters of the sub-custodian (1211, Geneva 2, Switzerland).
- The applicant for recovery will be notified of the specific day on which the quantities of the gold commodity due to him are deposited.
- The sub-custodian is obligated to provide a quantity of gold commodity of purity of 999.9 equal to the quantity of gold commodity required for recovery by the applicant for recovery.
- The recovered in-kind gold will be deposited through a sub-custodian located outside the Kingdom in Switzerland, through a special account opened to the customer when he requests in-kind recovery after the review process and acceptance of the request.
- In-kind recovery fees will be imposed only upon the investor's request for in-kind recovery, as it will be deducted by the Fund manager and paid in full to the sub-custodian, as follows:
  - **Transfer fee for recovered gold**
    - Not applicable. The customer will bear any expenses if he requests the transfer of gold within Switzerland.

Whereas:

Total in-kind recovery value in US dollars = the US dollar price of the gold commodity per ounce at the assessment point after the day of the recovery multiplied by the total recoverable quantity of the gold commodity in ounces.

Net recovery value in US dollars = total recovery value in US dollars - fees and charges for in-kind recovery in US dollars.

Net Quantity of Commodity Gold Recovered in ounces = Net in kind recovery value in US dollars / Price of Commodity Gold in US Dollars per ounce at the point of assessment.

The net amount of commodity gold recovered in ounce must be no less than 32.15 ounce, which is equivalent to 1 kilogram of commodity gold.

The transportation fee for the in-kind recovery is deducted from the total value of the in-kind recovery in US dollars.

The quantity of the gold commodity in ounces = the quantity of the gold commodity in kilos \* 32.15

The net amount recovered from the gold commodity in the form of gold bars shall be delivered to the applicant for in-kind recovery, as one bar of the gold commodity contains 1 kilogram of the gold commodity.

In the event that the net quantity recovered from the gold commodity in kilograms (the quantity of the gold commodity in ounces /32.15) contains fractions (that is, it is not sufficient to recover the value of the gold commodity/one gold bar), the value of the fractions will be paid in cash to the applicant for in-kind recovery according to the price of the gold commodity in US dollars per ounce in assessment point. The amount paid in cash to the in-kind recovery applicant is calculated as follows:

- Fractions in the net recoverable amount of the gold commodity in kilograms \* 32.15\* the price of the gold commodity in US dollars per ounce at the assessment point.
- **In-kind preservation fee**
- 0.5% of the total value of the in-kind recovery in US dollars calculated for each assessment day, from the assessment day following the day of the in-kind recovery request to the day when the customer's account is opened in the bank to receive the quantities of the gold commodity due to the applicant for in-kind recovery, where the value of the in kind custody fees is deducted out of the total value of the in kind recovery in US dollars.
- In-kind custody fees are calculated for the period from the assessment day that follows the day of the in-kind recovery request to the day the customer's account is opened in the bank as follows:  
Total value of the in kind recovery in US dollars\* 0.5% \* (number of assessment days from the assessment day to the day the customer's account is opened in the bank/365)
- Any day on which the in-kind recovery applicant fails to receive the net quantity of gold commodity due to him on the recovery day specified by the Fund manager, he will be charged



0.5% of the total value of the in-kind recovery in US dollars calculated for each assessment day and paid by the in-kind recovery applicant in cash. The Fund manager is obligated to pay the unit holders the returns of the in-kind recovery before the closing time of the work on the thirtieth day following the assessment point at which the recovery price was set as a maximum, in the event of the initial acceptance by the bank of the “know your customer” requirements, which takes a maximum of five working days, and in the event of rejection for reasons such as, but not limited to, the customer’s identity proofs are not valid, or there is no compatibility between the net wealth and the disclosed source of income, or there is no compatibility between the net income and the disclosed job information, the customer will be informed and the recovery will be limited to cash recovery and it will be within five working days.

- The in-kind preservation fee is calculated during the delay period of the in-kind recovery applicant for receiving the quantities of gold commodity due to him as follows:  
Total In-Kind Recovery Amount in USD\* 0.5% \* (Number of Assessment Delay Days/365)
- **Dealing Fee**
- It may reach 0.5% of the total value of the in-kind recovery in US dollars, depending on market conditions, as it is deducted from the total value of the in-kind recovery in US dollars.
- The minimum amount of in-kind recovery after deducting the fees and expenses of in-kind recovery is 32.15 ounces, which is equivalent to 1 kilogram of gold commodity.
- The assessment takes place twice a week, on Monday and Wednesday, as the price of the gold commodity reflects the price of an ounce of gold of purity of 999.9 in US dollars.

**D) Any restrictions on dealing in the units of the Fund: None.**

**E) Cases where units trading is postponed or suspended and procedures followed in those cases:**

**Postpone recovery requests:**

- Execution of any recovery request may be postponed until the next trading day if the total percentage of all recovery requests for unit holders on any dealing day is 10% or more of the Fund's net asset value.
- Fair and equitable procedures will be followed when choosing the recovery requests to be postponed, as the postponed requests will be implemented by delivering the in-cash and in-kind recovery requests in order of priority in submitting the recovery request.

**Cases in which subscription or recovery of Fund units is suspended:**

- The Fund manager must suspend subscription or recovery of units if the Authority so requests.
- The Fund manager may suspend subscription or recovery if he reasonably considers that the suspension serves the interests of the unit holders of the public Fund.
- The Fund manager may suspend subscription or recovery if trading in the main market in which the securities or other assets owned by the Fund are traded is suspended, either in general or in relation to the Fund assets that the Fund manager reasonably deems to be material to the net asset value of the general Fund.

**Procedures to be followed in the event of any suspension imposed by the Fund manager:**

- Ensure that any suspension continues only for the necessary and justified period, taking into account the interests of the unit holders.
- Regularly reviewing the comments and consulting with the Fund’s board of directors and the custodian on this on a regular basis.
- Notify the Authority and unit holders immediately of any suspension with an explanation of the reasons for the suspension, and notify the Authority and unit holders immediately upon the end of the suspension in the same manner used in the notification of the suspension and the disclosure of this on the Fund manager's website and the market's website.

**F) Procedures under which recovery requests to be postponed will be selected:** If the total amounts of recovery requests submitted amount to 10% or more of the Fund’s net asset value, the Fund manager will extend the schedule for transferring the proceeds until a period of up to 21 working days, calculated from the next day of the assessment day. In the event of an in-kind recovery, the Fund manager will fulfill the request within 30 working days, in the event of the initial acceptance by the bank of the “know your customer” requirements, which takes a maximum of five working days. In the event of rejection for reasons such as, but not limited to, the customer’s identity proofs are not valid, or there is no compatibility between the net wealth and the disclosed source of income, or there is no compatibility between the net income and the disclosed job information, the customer will be informed and the recovery will be limited to cash



recovery and it will be within five working days as described in paragraph (7/c) of the information memorandum. The fund manager will take fair and equitable procedures when selecting recovery requests to be postponed. In-cash and in-kind recovery requests will be delivered in the order in which the recovery request was submitted.

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

**H) Minimum number or value of units to which the Unit Holder must subscribe, transfer or recover:** Minimum subscription 500 USD, and the minimum additional subscription is 500 USD. The unit holders may also recover all or part of the units belonging to them. The minimum amount for cash recovery is 500 USD, and for in-kind recovery 32.15 ounces of gold commodity (1 kilogram of gold commodity) after deducting in-kind recovery fees and expenses. The minimum ownership balance is 500 USD.

**I) Minimum Fund offering:**

- If the minimum amount of \$3,000,000 is not collected during the initial offering period, the Fund manager will return the subscription amounts and any returns resulting from their investment to the unit holders without any deduction. If the minimum amount is collected before the end of the offering period, the Fund manager will close the offering period and start the Fund's operation.
- Corrective actions necessary to ensure meeting the requirement of 10 million Saudi riyals (equivalent to 2,666,667 USD) as a minimum net asset value of the Fund: do not apply based on the circulation issued by the Capital Market Authority No. 18/7733/6/1/ص dated 21/03/1440 AH (corresponding to November 29, 2018 AD), in which public Fund managers were exempted from the minimum size of Funds' assets.

## 12. Distribution Policy

The Fund Manager will not distribute any profits to the subscribers.

## 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](http://www.yaqeen.sa), and on the Capital market website (Tadawul) [www.saudiexchange.sa](http://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](http://www.yaqeen.sa), and on the Capital market website (Tadawul) [www.saudiexchange.sa](http://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 2020.**

- 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 Holders

- 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) The register of unit holders is ready for the Authority to inspect upon its request, and the 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).

#### 15. Meeting of unit holders

- A) **Conditions in which unit holders are called for a meeting:**
1. The Fund Manager shall call for a meeting of Unit Holders within (10) days of receiving a written request from the Custodian.
  2. 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 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.
  2. 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.
  3. 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.
  4. The Fund Manager shall, when preparing the agenda for the unit holders meeting, take into consideration the topics that the unit holders wish to include. Unit holders who own at least (10%) of the value of the Public Fund units have the right to add one or more topics to the agenda of the unit owners meeting, provided that the proposed topic does not interfere with the Fund Manager's responsibilities and duties under the provisions of these Regulations.
  5. The Fund Manager may amend the agenda of the unit holders meeting during the announcement period referred to in paragraph (D) of this Article, provided that it is announced on its website and any other website available to the public according to the controls determined by the Authority, and by sending a written notice to all unit holders and the custodian at least ten days before the meeting and no more than (21) days before the meeting.
  6. In the event that the unit holders agree to any of the proposed decisions in 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.
- 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 fundamental 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. Issuing a special decision to request the dismissal of any member of the Board of Directors of the Fund.
14. The Fund Manager shall comply with all requirements of the unit holders' meetings in accordance with Article (75) of the Investment Funds Regulations.
15. The Fund Manager shall comply with all requirements of reporting to the unit holders in accordance with Article (76) of the Investment Funds Regulations.
16. In the event of merger of funds, the Fund Manager shall comply with all requirements of Part 7 of the Investment Funds Regulations.
17. Receive an immediate written notice from the Fund Manager when he deposes the Custodian appointed by him.
18. In addition to any other rights mentioned in the Investment Funds Regulations.

### 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 Yaqeen 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, and unit holders will be provided with the system upon their request, and it can also be accessed by visiting the fund manager's website. 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

It is the responsibility of the unit holders to bear the loss of their investment in the Fund or part thereof, and shall have no liability for the debts and obligations of the Fund. The unite holder shall not incur any liabilities beyond the purchase price paid for the units and shall not incur any other liabilities as a result of the acquisition of the units.

## 18. Characteristics of units:

All units of the Fund are of the same kind and have the same value, privileges and rights. Each unit represents an undivided common 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:**
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) ("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. 37-20060, 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: 8888 429 900

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](http://www.yaqeen.sa)  
Saudi market website (Tadawul): [www.saudiexchange.com](http://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	<b>Dec-22</b>
Assets	319,377
Liabilities	97,085
Shareholders' equity	222,292
Net liabilities and shareholders' equity	319,377



Income statement (000) Saudi riyals	Yaqeen Capital Company
Description	Dec-22
Total sales	99,032
Expenses	(82,715)
Net income	3,818

- 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 (3) ("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 37-06020 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:** Yaqeen Capital Company..
- B) **License number issued by the Capital Market Authority, and its date:** License Number: 37-06020.
- C) **The registered address and business address of the custodian:**  
 Olaya Main Road  
 PO BOX 884 Riyadh 11421  
 Tel: 8004298888  
 Fax: + 966 (11) 4617268
- D) **The basic roles and responsibilities of the Custodians in relation to the Investment Fund:**
1. Opening a local bank account and depositing all cash proceeds from offering the Fund's units and subscriptions to customers.
  2. Supervising the sub-custodian to ensure that he performs his roles in the fullest manner in accordance with the agreement signed with him and the tasks assigned to him.
- 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:**  
 EFG Bank SA is a Swiss bank authorized by the Swiss Financial Market Supervisory Authority under license No. (CHE-245.681.319) to undertake private banking, custody services and asset management. As a sub-custodian to do the following:
- Keeping the Fund's assets separately from any securities or other assets belonging to the sub-custodian or Fund Manager.
  - Maintaining all records in relation to the assets keeping.
  - Carrying out all necessary administrative procedures in relation to the assets keeping.
- 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:** 800 US dollars for each independent member for each meeting and a maximum of 1,600 dollars annually for each independent member (the total fees for independent members will not exceed 3,200 US dollars annually) where the fees are due on a daily basis and paid every end of the year.
- 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 Saudi Equity ETF	✓	✓	✓
Yaqeen IPO Fund	✓	✓	✓
Yaqeen Saudi Equity Fund	✓	✓	✓
Yaqeen SAR Murabaha Fund	✓	✓	✓
Yaqeen Petrochemical ETF	✓	✓	✓
Yaqeen Murabaha Fund	✓	✓	✓
Yaqeen Arar Hills Fund	✓	✓	✓
Yaqeen Income Generating 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.
    - o 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 general Sharia controls approved by the Yaqeen Sharia Board for selecting the gold commodity:

- Selling gold with gold is permissible if they are equal in weight, whether new or old, and the exchange must be legally required.
- Selling gold for other than gold, silver, and cash is permissible at any price without requiring exchange, such as if gold is sold for a good, benefit, or service.
- It is not permissible for the contract to sell gold to be conditional on the fulfillment of an order or added to the future, just as the condition option is not valid.
- It is not permissible to sell gold contracts in which the substitutions are postponed, including what has been termed as “forward” or “futures” sales, because the legally required exchange is not fulfilled.

- The sale of gold bars with cash is conditional on the receipt of the two allowances in the contract place
- It is permissible to own gold on a common basis, whereby each partner owns a common share of a specified percentage in a specific total quantity that meets the conditions mentioned in the previous point.
- The owner of the common share may request the segregation of his share, if possible, without prejudice to the partners, and he may sell it to others as it is without being sorted.
- The bullion is stored in a specific store, if it is not distinguished by numbers, then by mixing it takes the rule of the common, and if it is distinguished by numbers, then it is owned by each owner.

The committee carries out periodic reviews, and in the event that any of the fund's assets do not comply with the Shari'a controls, the fund manager will liquidate this asset, taking into account not to harm unit holders as a result of liquidating the asset.

## 26 Tax & Zakat Advisor

a) Name of Tax and Zakat Advisor

Baker Tilly Company

b) The registered address and working address of the tax and zakat consultant

Kingdom of Saudi Arabia, Riyadh, Othman Bin Affan Branch Road, Al Taawun District

c) Description of the basic roles and responsibilities of the tax and zakat advisor in relation to the investment fund: review and submit the zakat returns of the fund at the end of the fiscal year

Registration with the Tax and Zakat Authority for each fund

- Provide tax and zakat certificate from the Chartered Accountant (CPA) to investors upon request

## 26. Auditor

A) **The name of the auditor:** KPMG

B) **Registered address and business address of the auditor:**

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. These assets must be independently identified by registering the securities and other assets of each Investment Fund in the name of the custodian for the benefit of that fund, and the investment assets of the Fund should be registered in the name of a company affiliated with the custodian, and all necessary records and other necessary records that support the performance of contractual obligations should be kept.**
- 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: 800 429 8888  
 Website: [www.yaqeen.sa](http://www.yaqeen.sa)  
 Email: [Addingvalue@yaqeen.sa](mailto:Addingvalue@yaqeen.sa)

If a settlement cannot be reached within 20 working days, the subscriber has the right to submit a formal complaint to the Investor Protection Office at the Capital Market Authority through:

1. Send it to the CMA website: [www.cma.org.sa](http://www.cma.org.sa) or through the CMA application for smartphones.
2. Send it to the Authority postal address: PO Box (87171) Riyadh(11642)
3. Submit it to the Investor Protection Office at the Capital Market Authority (Riyadh - King Fahd Road).
4. Send it to the fax number(00966114906470)
- 5.

The subscriber has the right to file a complaint with the Committee for Resolution of Securities Disputes after the elapse of 90 calendar days from the date of filing the complaint with the Authority unless the

Authority notifies the complainant that it is possible to file it with the Committee before the expiration of the period.

## 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) **The fund obtained an exemption from the Capital Market Authority regarding paragraph (e) of Article 65 of the Investment Funds Regulations, which states: "The fund operator must pay the unitholder proceeds of redemption no later than the close of business on the fifth day at the latest of the following the valuation point at which the price for the redemption was determined." in relation to the in-kind redemption returns only, provided that the fund operator pays the unit holders the in-kind redemption returns only before the business closing date on the thirtieth day following the evaluation point at which the maximum redemption price was set**

## 30. Additional information requirements for certain types of Funds

### Index Fund:

- 1) **There is no guarantee of the accuracy or conformity of the Fund's performance and the performance of the Index.**
- 2) **Circumstances that may lead to errors in tracking the performance of the index, and strategies used to reduce such errors:**

The Fund is managed in a passive management style when investing in the gold commodity to achieve the Fund's objectives, and it invests directly in the gold commodity and no financial derivatives are used. The Fund does not offer any diversification in assets and does not change its investment ratios in the gold commodity based on the gold commodity price forecast. If the price of the gold commodity rises or falls, the Fund will simulate this rise or fall in the price of the gold commodity. The trading currency in the gold commodity market is the US dollar while the trading unit for the gold commodity is an ounce of gold with a purity of 9.999, any change in the price of the gold commodity reflects the change in the value of an ounce of gold with a purity of 9.999 in US dollars.

- 3) **Methodology / rules of the index and the means by which unit holders can obtain the latest information, news and components of the index:**

The Fund's benchmark is the gold commodity price XAU/USD where the price reflects the value of an ounce of gold of 999.9 purity in US dollars. Since the Fund seeks to simulate the performance of the XAU/USD commodity currency index before fees and charges, the Fund invests only in commodity gold of 999.9 purity through the specified gold provider (AFG Bank Switzerland).

This Index is calculated based on the average of buying and selling quotations provided by central banks and international commercial banks, where the Bloomberg platform collects this data and calculates the average price of the gold commodity currency. XAU/USD Gold Commodity Currency "XAU/USD" is an index that reflects the spot gold price in US dollars per ounce of gold. The trading currency in the gold market is the US dollar, while the trading unit for gold in the gold market is an ounce of gold with a purity of 999.9, where the price of the (Bloomberg) Index provider reflects the value of an ounce of gold with a purity of 999.9 in US dollars.

The latest information on the index can be obtained from the Bloomberg platform.

4) **A statement of any circumstance or circumstances that may affect the accuracy and completeness of the Index calculation:**

Exceptional cases that may affect the accuracy and completeness of the Index calculation may take place as a result of malfunctions in the technical systems in transferring and updating prices directly and accurately. In the event of any circumstance that may affect the accuracy and completeness of the Index calculation, the Fund Manager will take the necessary measures in a manner that does not conflict with the rights of the unit holders.

5) **The Fund Manager's plan in case the index account is suspended by the service provider:**

In this case, the Fund Manager will rely on another service provider. In the event that the given index differs from the alternative service provider, the Fund Manager will take all the required procedures and obtain the necessary approvals from the Unit Holders and the concerned parties to use the new index.

6) **Deviation Coefficient Margin for the Index:**

The Fund seeks to simulate the performance of the index by keeping the margin of deviation from the maximum limit of 1%. Margin deviation is measured as the standard deviation of the difference between the Fund's weekly return compared to the index's weekly return. The Fund Index is the gold commodity currency "XAU/USD" issued from the Bloomberg platform and reflects the spot gold price in US dollars per ounce of gold with a purity of 999.9..

**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 Gold 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: ... /... /....