

Albilad CSOP MSCI Hong Kong China Equity ETF
Terms & Conditions

Fund Guide

Fund Manager and Market Maker

Albilad Capital



Custodian

Riyad Capital



Auditor

PwC



Index Provider

MSCI



Exchange

Tadawul Group



Regulator

CMA

Albilad Capital
Albilad CSOP MSCI Hong Kong China Equity ETF
Trading Code 9410

Albilad CSOP MSCI Hong Kong China Equity ETF ("Fund") is an open-ended Exchange Traded Fund that complies with the Shariah Supervisory Committee Standards and is regulated under the rules and regulations of the Capital Market Authority ("CMA") in the Kingdom of Saudi Arabia.

The Fund Manager:

Albilad Investment Company "Albilad Capital".

The Fund's Terms and Conditions has been reviewed and approved by the Fund's Board of Directors. The Fund Manager and the members of the Fund's Board of Directors collectively and individually bear full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the fund board directors and the manager confirm the validity and completeness of the information in the Terms and Conditions, and further confirm that the information and data maintained in the Terms and Conditions are not misleading.

The Capital Market Authority has approved the offering of units in the investment fund. The Capital Market Authority does not, however, take any responsibility for the contents of the Fund's Terms and Conditions, nor does it make any representation as to its accuracy or completeness. The Capital Market Authority does not make any recommendation as to the soundness or otherwise of investing in the investment fund, and the approval of offering the fund does not mean that the Authority recommends to invest in the fund, and the Authority emphasizes that the decision to invest in the Fund is up to the investor or his representative.

Albilad CSOP MSCI Hong Kong China Equity ETF has been certified as being Shariah compliant by the Shariah Committee appointed for the Investment Fund.

The Terms and Conditions of the Investment Fund and all other documents are governed by the Investment Funds Regulations, and include complete, clear, true and non-misleading information about the Investment Fund.

The Investor or his representative must carefully read the Terms and Conditions and other documents and review the information contained therein before making any decision to invest in the Fund.

The Unitholder is deemed to have signed and accepted the Terms and Conditions of the Fund upon purchasing any Unit of the Exchange Traded Fund. Investors can also view the Fund's performance in its reports.

Investors are advised to read and understand the Fund's Terms and Conditions. If in doubt, please consult a professional advisor.

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Fund Summary

Investment Fund Name	Albilad CSOP MSCI Hong Kong China Equity ETF.
Class/type of the Fund	An open-ended Exchange Traded Fund.
Fund Manager	Albilad Investment Company "Albilad Capital" .
Fund Objective	The Fund aims to provide investment results that, before fees and expenses, closely correspond to the performance of the "MSCI HK China Connect Select Index" through CSOP MSCI HK China Connect Select ETF ("Foreign Fund") that is compliant with the standards of the Fund Manager's Shariah Committee of Albilad Capital and managed by CSOP.
Risks Level	High.
Minimum Amount for Subscription and Redemption by the Market Maker in the Primary Market	One Creation Unit, number of Units per One Creation Unit equals 100,000 Units of the Fund (or its equivalent of SAR 1 million). The Creation Unit is defined as the minimum number of the Fund's Units in addition to the cash component necessary to create or redeem the Fund's Units.
Initial Offering Period	The initial offering period will start on Wednesday 20/04/1446 AH corresponding to 23/10/2024 AD for a period of 4 business days. The Fund Manager has the right to extend the initial offering period for 56 working days and / or the right to close it before that date.
Minimum Subscription for the Initial Offering Period	The minimum subscription for the initial offering period is 100,000 units of the Fund or its equivalent in SAR amount.
Days of Dealing/Valuation	Any day on which Subscription to and Redemption of Investment Fund Units can be made, which is the working days for the Saudi Exchange, i.e. from Sunday to Thursday.
Days of Announcement	The days of announcing the Fund's Net Asset Value, the Fund's Indicative Net Asset Value, or any news related to the Fund, which is any working day in the Kingdom according to the official working days of the Saudi Exchange, which are from Sunday to Thursday.
Date for Paying Redemption Amount	For investors, the units are sold through buy and sell offers during trading periods like any security through any of the brokers in the Market. These Units are created and redeemed by appointing one or more licensed Capital Market Institution(s) to engage in the activity of dealing in order to act as a Market Maker for the Fund.
Unit price at Initial Offer (nominal value)	SAR 10.
Currency of the Fund	Saudi Riyal.

Period of the Investment Fund and its Maturity Date (where applicable)	The Fund is a Public Open-Ended Investment Fund with no fixed maturity.
Fund Inception Date	27/04/1446 AH corresponding to 30/10/2024 AD.
Date of Issuing the Terms and Conditions, and Latest Update of it (if any)	14/03/1446 AH corresponding to 17/09/2024 AD, and latest update was on 20/04/1446 AH corresponding to 23/10/2024 AD.
Early Redemption Fees (if any)	Not applicable.
Benchmark	MSCI HK China Connect Select Index.
Fund Operator	Albilad Investment Company (Albilad Capital).
Custodian	Riyad Capital Company.
Auditor	PricewaterhouseCoopers.
Foreign Fund Management Fees	The Fund will bear the Foreign Fund management fees, which are up to 1.2%, and their value will be disclosed in the Fund's periodic reports.
Fund Management Fees	<p>The Fund's annual Management Fees are up to 0.75% of the Fund's Net Asset Value, which includes the following expenses, and any excess of the management fees shall be paid by the Fund Manager:</p> <ul style="list-style-type: none"> • Custodian Fees: The Custodian will receive annual Custodian Fees up to 0.035% of the Fund's Net Asset Value of the listed and unlisted financial securities. The Custodian will receive up to 0.03% of the Fund's Net Asset Value of the money market transactions, to be calculated on each valuation day and deducted on a monthly basis. • Auditor's Fees: The Auditor will receive annual fees amounting to SAR 50,000. • Depository Center Fees: up to 0.08% of the Fund's Net Asset Value per annum. • CMA Regulatory Fees: SAR 7,500 per annum. • Fees for Posts Published on Tadawul Website: SAR 5,000 per annum. • Board of Directors' Remuneration: Independent Members of the Board of Directors will receive a remuneration of up to SAR 20,000 per annum for each member for all funds managed by Albilad Capital. • Zakat declaration preparation, review and submission fees: SAR 3,750 per annum paid to prepare, review and submit Zakat declarations to the Zakat, Tax and Customs Authority. • Other expenses paid based on actual costs, including but not limited to foreign price provider fees, printing and publishing fees

	for periodic reports, etc., the total value of which will be disclosed in the Fund's periodic reports.
Subscription and Redemption Fees	None.
Custodian Fees	The Custodian Fees are mentioned under the Fund Management Fees.
Dealing and Trading Expenses	The Fund will be charged all expenses related to buy or sell transactions, if they are part of the Fund's Investments, Also the fund will be charged based on actual expenses the Foreign Fund charges, and their total value will be disclosed in the fund periodic reports.
Performance Fees (if any)	None.

Glossary

Fund	Albilad CSOP MSCI Hong Kong China Equity ETF.
Fund Manager or Company	Albilad Investment Company (Albilad Capital), a company licensed by Saudi Capital Market Authority under License No. 08100-37.
Law	Capital Market Law issued by Royal Decree No. (M/30) dated 2/6/1424 AH.
Regulations	Investment Funds Regulations approved by the CMA Board on 24/12/2006 AD and amended by the Resolution No. (2-22-2021) dated 24/2/2021 AD.
CMA	The Capital Market Authority in the Kingdom of Saudi Arabia.
Terms and Conditions	The Terms and Conditions under which the Fund's activities and the relationship between the Fund Manager and investors are regulated.
Saudi Tadawul Group	Saudi Tadawul Group is the only entity authorized to operate as a stock exchange (the "Exchange") in the Kingdom of Saudi Arabia.
Securities Depository Center or Depository Center (Edaa)	It is a company wholly owned by Saudi Tadawul Group, and it is the only KSA entity authorized to deposit securities traded in the Saudi Stock Exchange and to register and transfer such securities.
Creation Basket	A number of stocks/securities, in addition to any cash component, the value of which is equivalent to the value of one creation unit of the traded Fund Units. The Fund Manager is authorized to publish information about the Creation Basket on each working day.
Board of Directors	Board of Directors of the Fund.
Unit	The owner's share in an investment fund consisting of units, and each unit is treated as a common share in the assets of the investment fund.
Exchange Traded Funds	Investment Funds that follow a specific Index or a Basket of Assets and are divided into equal Units that are traded in the Capital Market during the trading periods. These Funds have combined the advantages of both Mutual Investment Funds and Stocks.
Register	Register of Unitholders, which is kept with the Securities Depository Center (Edaa).

Custodian	A Capital Market Institution licensed under the Capital Market Institutions Regulations to engage in securities Custody activities.
Requests Acceptance Days	Each working day in the Kingdom, as per the official working days in the Kingdom of Saudi Arabia. If it is not a working day for the Fund Manager (Holiday), the Fund Manager will not accept any requests.
Working Day	A working day in the Kingdom according to the official working days in the market.
Calendar Day	Any day, whether or not it is a working day.
Valuation Day	The day on which the Valuation Point occurs, where the Fund assets are being valued, and accordingly, used in the calculation of the Fund's Net Asset Value.
Valuation Points	Point 1: The indicative net asset value of the Unit (iNAV) calculated and published every 15 seconds. Point 2: The net asset value of the Unit (NAV) calculated and published at the end of each trading day.
Subscription Request	The form used to subscribe to the Fund during the Offering Period.
Initial Offering Period	The period during which the Fund's Units are offered for Subscription.
Total Value of Fund's Assets	The value of the Fund's Assets that are being valued/priced, according to the manner of valuating the Assets described in the valuation and pricing.
Fund's Net Asset Value	Total value of the Fund's Assets less the liabilities.
Fees and Expenses	All payments due and payable by the Fund, including, but not limited to, Management Fees, Custodian Fees, Administrative Fees, Auditor's Fees, Remunerations of Independent Members of the Board of Directors, Financing Expenses, and any other fees to be incurred by the Fund.
Total Assets	The market value of the Fund's Assets.
Operation Date	The date on which the Fund starts trading its Units.
Subscriber/Investor or Unitholders	Synonymous terms, each of which is used to refer to a person who holds Units in the Investment Fund.
Shariah Committee Standards	Standards approved by the Shariah Committee appointed for the Fund. Standards are stated in clause No. (25).
Cash Component	Total Fund's Monetary Assets minus the total liabilities divided by the number of existing Units. And it is the cash component necessary to offset the differences between the value of one basket and the Fund's units during the creation and redemption period.
Fund's Cash	Total Monetary Fund's Assets less the total liabilities.
One Basket	It refers to one Basket of the Fund's Assets.
One Creation Unit	It is one Creation Units. It consists of 100,000 (or its equivalent of SAR 1 million) of the Traded Units of the Fund. It is equivalent to One Creation Basket of the Fund's Assets.

Indicative Net Asset Value (iNAV)	The value of one Unit of the Traded Fund at a certain time during the official trading hours in the Market. It is calculated by dividing the Total Value of Fund's Assets - according to the last trading price plus the available cash and subtract any accrued fees which is calculated on the basis of the Net Asset Value of the Fund for the last working day – by the number of existing trading units. The indicative value of the Unit is announced every 15 seconds during the trading hours through the websites of both the Fund Manager and the Saudi Exchange.
Underlying Index	MSCI HK China Connect Select Index.
Index Provider	MSCI.
Exceptional Circumstances	The situations that the Fund Manager believes may negatively affect the fund's assets or objectives as a result of any economic changing and/or political and/or regulatory factors
Market Maker	Albilad Capital or any licensed Capital Market Institution that continuously enters buy and sell orders during trading hours to provide liquidity for the traded units of the Exchange Traded Fund.
Minimum In-Kind Subscription	One Creation Basket of the Fund's Assets, the value of which is equal to one Creation Unit, and it consists of 100,000 Traded Units of the Fund or its equivalent worth of SAR 1 million. The investor through the Fund Manager, shall bear a subscription fee of up to 1% of the total value of the invested amount.
Minimum Cash Subscription	One Creation Basket or SAR 1 million whichever is higher. The subscriber shall bear in cash, through the Fund Manager, a subscription fee of up to 1% of the total value of the invested amount.
Cash Subscription	Direct cash subscription by accepting a cash amount determined by the Fund Manager in exchange for creating fund units.
In-Kind Subscription	Means subscribe in the Fund through in-kind contributions, i.e. non-cash, as the securities must be of a type that the Fund can own according to the portfolio constituents document published on the Fund Manager's website (as a basket of shares).
Portfolio Constituents List	The list that is published on the Fund Manager's website and determines specifications and quantities of the stocks/securities, which the Fund Manager expects to receive upon subscribing to One Creation Unit, or to be delivered by it upon redeeming One Creation Unit, when the in-kind Subscription or Redemption Request is received.
Primary Market Operations	Issuance and cancellation of the Fund's Traded Units by the Fund Manager and through the Market Maker.
Passive Management	It is a management method in which the Fund Manager keeps track of the weights and quantities of a specific Index in order to track the performance of such Index.

Money Market Transactions	These are short-term debt instruments that are regulated by the Saudi Central Bank (SAMA) or a similar supervisory authority outside the Kingdom. The main function of these instruments is to create liquidity for companies, individuals and governments in order to meet their short-term cash needs, including the Shariah-compliant contracts, e.g. Murabaha, Mudarabah, Agency, Ijarah and Musharakah, and any other contract that complies with Shariah Regulations of the Fund.
Money Markets Funds	These are Investment Funds with a public offering and approved by the CMA or Gulf and/or foreign regulatory bodies in accordance with the regulation of another country subject to a regulation that is at least equal to the one that is applicable to Investment Funds in the Kingdom. They mainly invest in Money Market Transactions and comply with the Fund's Shariah controls.
Investment Class	It means a credit rating that indicates a high level of credit worthiness and minimal credit risk according to the different credit rating agencies, i.e. at least (BAA3) according to Moody's, and (-BBB) according to Standard & Poor's and Fitch Ratings.
Reconciliations	These are Fund's operations made on a daily basis by the Custodian, in order to ensure that the Fund's Assets are equivalent to the number of the issued Units.
Rebalancing Operations	These are operations that are quarterly carried out by the Fund Manager to ensure that the Fund conforms to the Index Constituents and the availability of sufficient cash in the Fund to meet expenses and any other commitments.
Dealing and Trading Costs	The Fund bear trading commission and fees resulting from transactions of buying and selling securities according to the commissions prevailing in the markets and paid to brokers, financial markets and regulatory authorities.
Tracking Error	It is the ratio of the Fund's performance deviation from the performance of the underlying Index during the annual comparison period.
Primary Market	It is also known as the new issues market, which is the market in which Units are issued or redeemed by the Market Maker.
Secondary Market	It is where issued securities and Units are bought and sold in the Primary Market, where stocks can be bought and sold directly in the market.
Fund's Units Trading in the Secondary Market	The willing investors have the right to buy and sell the Fund's Units that are traded in the Secondary Market (Tadawul), based on the trading price, which is determined by the Market and uses Indicative Value of Units in the Market "iNAV" as an indicative price.
Investment grades	It means a credit rating that indicates a high level of credit worthiness and minimal credit risk according to the different credit rating agencies, i.e. at least (BAA3) according to Moody's, and (-BBB) according to Standard & Poor's and Fitch Ratings.

<p>CSOP Asset Management</p>	<p>The Foreign Fund Manager is CSOP Asset Management Limited (“CSOP”). Headquartered in Hong Kong, CSOP Asset Management Limited (“CSOP”) was established in January 2008 as the first offshore Chinese entity by a leading Chinese asset manager. Its parent company, China Southern Asset Management, manages a portfolio of assets under management in China. As a gateway to the Chinese market, CSOP is a specialist provider of index investment solutions to build an integrated ETF ecosystem in Asia. CSOP is licensed by the Hong Kong Securities and Futures Commission (“SFC”) to carry out Type 9 (asset management), Type 4 (advising on securities) and Type 1 (dealing in securities) licensed activities.</p>
<p>Foreign Fund</p>	<p>CSOP MSCI HK China Connect Select ETF.</p>
<p>SAWP Contracts</p>	<p>It is a type of derivatives contracts, as it is a financial instrument or contract whose value is derived from the value of other real or financial assets (stocks, foreign currencies, commodities, and gold). These financial contracts have a specific time period in addition to a specific price and conditions that are determined when the contract is drawn up between the seller and the buyer. Swap contracts, in particular, are agreements on a future exchange of cash flows or a specific asset owned by one party in exchange for a flow or asset owned by the other party according to a formula that has been arranged in advance, provided that it is compliant with the Sharia standards of the Fund and according to the standards approved by the Sharia Committee the Albilad Capital.</p>

1) Investment Fund:

a) Investment Fund's Name, Class and Type:

Albilad CSOP MSCI Hong Kong China Equity ETF is an open-ended Exchange Traded Fund that complies with the Shariah Committee Standards and is regulated under the rules and regulations of the Capital Market Authority in the Kingdom of Saudi Arabia.

b) Investment Terms and Conditions of the Fund Issue Date and the Latest Update:

14/03/1446 AH corresponding to 17/09/2024 AD, and latest update was on 20/04/1446 AH corresponding to 23/10/2024 AD.

c) Date of the CMA's Approval on Offering the Investment Fund's Units:

14/03/1446 AH corresponding to 17/09/2024 AD.

d) Investment Fund Duration and Maturity Date:

There will be no fixed period for the Fund's operations. The Fund has no maturity date.

2) Governing Laws:

Albilad CSOP MSCI Hong Kong China Equity ETF and the Fund Manager are governed by the Investment Funds Regulations, Executive Regulations, and other relevant laws and regulations in force in the Kingdom of Saudi Arabia.

3) Investment Policies and Practices:

a) The Investment Objective of the Investment Fund:

The Fund seeks to achieve long-term growth and capital appreciation through passive management of a basket of shares of companies of the People's Republic of China that are listed on the Hong Kong Exchange, by investing in the Foreign Fund listed on the Hong Kong Exchange which invests in the components of the underlying index, which is compliant with the standards of the Fund Manager's Shariah Committee. For the purpose of seeking to achieve a performance level that mimics the performance of the underlying index before calculating any distributions, fees or expenses.

b) Type or Types of Securities in which the Investment Fund will Invest in Primarily:

The Fund will invest in shares of companies of the People's Republic of China that comply with the standards of the Fund Manager's Shariah Committee and are listed and traded in the Hong Kong market within the index portfolio by investing in the Shariah compliant Foreign Fund listed in the Hong Kong Exchange. For the purposes of liquidity management and to meet the Fund's periodic obligations, the Fund may invest its available cash in money market transactions and money market funds that comply with the standard of the Sharia Committee at the discretion of the Fund Manager and within the framework of the Fund's investment objectives. The Fund may also invest in SWAP contracts that comply with the standard of the Sharia Committee of an issuer subject to

the financial adequacy rules issued by the Authority or issued by a regulatory body similar to the Authority and in accordance with the structure approved by the Sharia Committee of the country's financial institution for the purpose of mimicking the performance of the index. in addition to providing liquidity to the Fund.

The Fund Manager selects the Foreign Fund based on several criteria, including but not limited to, the compatibility of the Foreign Fund's objective with the Fund and the compatibility of the investment policy, which reflects exposure to the Chinese market through an index compatible with the Sharia Committee's standards, provided that the Foreign Fund is listed and traded in the target market and subject to a regulatory body similar to the Capital Market Authority. The competence and experience of the Foreign Fund manager is also taken into consideration.

c) Any Concentrated Policy of Investment in Specific Securities, or in an Industry or Group of Sectors, or in a Specific Country or Geographic Region, Provided that it Includes the Minimum and Maximum for Such Securities:

The Fund will invest at least 95% of its net asset value in shares of companies of the People's Republic of China that comply with the Shariah Committee standards of the Fund Manager and are listed and traded on the Hong Kong Stock Exchange through investment in the Foreign Fund. For liquidity purposes, the Fund will invest a maximum of 5% of the Fund's net asset value in investment grade money market transactions concluded with a party regulated and licensed by the Saudi Central Bank or a regulatory body similar to the Central Bank outside the Kingdom, and money market funds licensed by the Capital Market Authority or a regulatory body similar to the Authority and offered publicly and complying with the Shariah Committee standards, including those funds managed by the Fund Manager, to pay any expenses or financial obligations of the Fund. The Fund may invest in SWAP contracts that comply with the Shariah Committee standards of an issuer subject to the financial adequacy rules issued by the Authority or issued by a regulatory body similar to the Authority and in accordance with the structure approved by the Shariah Committee of the country's financial institutions. The Fund Manager will seek to achieve a low deviation (maximum 3% per annum) between the Fund's performance and the Index's performance, and there are no guarantees that the Fund Manager will be able to match the Index's performance.

d) A Table Showing the Percentage of Investment in Each Investment Field, with its Minimum and Maximum limits:

Investment Type	Minimum	Maximum
CSOP MSCI HK China Connect Select ETF that complies with Shariah committee standard and managed by CSOP	95%	100%
Money Market, Money Market Transactions and Money Market Funds that are compliant with the Shariah Committee Standards	0%	5%

<p>The Fund may invest in SWAP contracts that comply with the standards of the Sharia Committee of an issuer subject to the financial adequacy rules issued by the Authority or issued by a regulatory body similar to the Authority and in accordance with the structure approved by the Sharia Committee of the financial country for the purpose of mimicking the performance of the index and providing liquidity to the Fund.</p>	<p>0%</p>	<p>5%</p>
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e) The Markets in which the Investment Fund Intends to Invest In:

The fund will invest in both Hong Kong and Saudi markets.

f) Disclosure if the Fund Manager Intends to invest in the Investment Fund:

The Fund Manager or his affiliates or employees have the right to invest in the Fund without this investment having a special treatment from other investments of the rest of the subscribers in the fund units.

g) Specific Techniques and Instruments that the Fund Manager Can Use to Make Investment Decisions for the Investment Fund:

The Fund Manager will invest in the Index Constituents as distributed in the Index by investing in the Foreign Fund, bearing in mind that the Fund is managed on a Passive Management basis in order for the Fund's performance to be in line with the performance of the Index. If a market decline occurs, the Fund Manager will not change his method or management.

h) Types of Securities that Cannot be Included in the Fund's Investments:

The Fund Manager will not invest in any securities other than the ones mentioned in the Terms and Conditions of the Fund.

i) Any other Restriction on the Type(s) of Securities or other Assets the Fund can Invest in:

The Fund Manager will not invest in any securities that do not comply with the Shariah Committee's Standards. The Fund Manager is committed to the investment restrictions mentioned in the Investment Funds Regulations, as applied to the type of the Fund.

j) The Limit that Investment of the Fund's Assets can be in a Unit of an Investment Fund or Units of Investment Funds Managed by that Manager or by Managers of other Funds:

The Fund invests in the Foreign Fund from 95% to 100% of its assets, and the Fund's investment in any other investment fund, whether managed by the Fund Manager or other managers, will not exceed 5% of the Fund's net asset value. Management fees will be applied when investing in an investment fund managed by the Fund Manager or other managers.

k) The Investment Fund Lending and Borrowing Powers, and Fund Manager Policy on the Exercise of the Lending and Borrowing Powers, and a Statement of Fund Manager Policy with Respect to Pledging Assets of the Fund:

The Fund may obtain financing that is compatible with the Sharia Committee's standards, provided that the financing amount does not exceed 15% of the Fund's net asset value, and that the duration of this financing does not exceed one year, with the exception of financing from the Fund Manager or its affiliates to cover redemption. The Fund Manager will not pledge the Fund's assets in exchange for borrowing.

l) Disclosure of the Maximum Limit to Deal with any Counterparty:

The Fund Manager will be bound by the restrictions imposed by the Investment Funds Regulations, as applied to the type of the Fund.

m) Statement on the Fund Manager Policy for the Management of Investment Fund Risks:

The Fund Manager will apply the internal risk policies that are in line with the nature of the Fund, through the Passive Management that achieves the Fund's Objectives referred to in the Terms and Conditions of the Fund. This includes the fact that the Fund Manager shall exert necessary effort to ensure that: The Fund does not bear any investment risk that is disproportionate to the nature of the Fund, without prejudice to the aforementioned Investment Objectives and Policies. Also, the Risk Management Department shall, if any accidents or incidents occur, provide the Fund's Board of Directors with a report discussing the risks related to the Fund. Accordingly, such risks shall be assessed, and necessary measures shall be taken to protect the interests of the unitholders, in line with the applicable laws and regulations and the Fund's Investment Objectives and nature.

n) The Index, as well as information about the provider of the benchmark and the bases and the methodology used to calculate the benchmark:

- **Index:** "MSCI HK China Connect Select Index" is the index tracked by the Foreign Fund which is a Shariah Compliant Index that is a free-float adjusted market capitalization weighted index. The Underlying Index reflects Shariah Compliant Investment Principles and is designed to measure the performance of the largest companies of the People's Republic of China in terms of full market capitalization included in the MSCI China and MSCI Hong Kong Indices listed on the Hong Kong Exchange. The Index, which includes approximately 30 companies – as of the date of the Terms and Conditions – applies policies to exclude non-Shariah Compliant securities based on two types of criteria: the Business Activities of the companies and Financial Ratios derived from the average market capitalization of the issuer.
- **Index Provider:** MSCI. Investors can follow-up the Index performance on the website of the Fund Manager: www.albilad-capital.com. Index service and details are provided through www.msci.com.
- **Index Calculation Bases and Methodology:** MSCI Global Islamic Indexes Methodology adopts Shariah-compliant investment principles and does not permit investing in companies that directly conduct prohibited business or gain more than 5% of their revenues from prohibited business, e.g. alcohol, tobacco, pork-related products, and conventional finance, or defense

and weapons or gambling and other prohibited activities. In addition, MSCI Global Islamic Indexes do not allow investment in companies deriving significant income from interest or companies that have excessive leverage.

- MSCI uses three financial ratios to screen for such companies: 1) total debt over average issuer market capitalization for the last 36 months; 2) the sum of a company's cash and interest-bearing securities over average issuer market capitalization for the last 36 months; and 3) the sum of a company's accounts receivables and cash over average issuer market capitalization for the last 36 months. None of these financial ratios may exceed 33.33%, 33.33%, and 49.00% respectively.
- If a company derives part of its total income from interest income and/or from prohibited activities, Shariah investment principles of the index state that this proportion must be deducted from the dividends. The Fund Manager will get rid of the prohibited return periodically and the same will be declared in the periodic reports of the Fund.
- **Rebalancing:** MSCI will fully reassess the composition of "MSCI HK China Connect Select Index" that are compliant with Shariah principles by applying the business activity screening and financial screening mentioned in the part of the Index Calculation Bases and Methodology which is used to calculate the index in the period of the Semi-Annual and Quarterly Index Review.
 - Semi-Annual Index Review: MSCI will fully reassess the composition of the MSCI HK China Connect Select Index by applying the Business Activity Screening and the Financial Screening mentioned in the Index Calculation Bases and Methodology on an annual basis during the month of May and end of year for Semi-Annual Index Review.
 - Quarterly Index Review: MSCI will also reassess the composition of MSCI HK China Connect Select Index by applying the Financial Screening mentioned in the Index on a quarterly basis.
- **Index Calculation Methodology:** the total return on the index that measures the market performance, this includes price performance and income from dividends. This income is reinvested in the index and thus forms a part of the index's overall performance, after deducting any withholding tax.

Total Return Index Level: As a general principle, today's Index level is obtained by applying the change in the market performance to the previous period Index level:

"Total Return Index Level (T) = Total Return Index Level (T-1) * (Index Adjusted Market Cap (T) + Index Dividend Impact) / Index Initial Market Cap (T)"
- The main index was launched on April 3, 2024 and the index level was 1000 as of November 30, 2017. As of (March 28, 2024), the total market capitalization of the index was \$241,626,528,609 and 30 companies.

o) The purpose of using Derivatives Contracts, if any:

The Fund may invest in SWAP contracts that comply with the standards of the Sharia Committee of an issuer subject to the financial adequacy rules issued by the Authority or issued by a regulatory body similar to the Authority and in accordance with the structure approved by the Sharia Committee of the financial country for purpose of mimicking the performance of the index and providing liquidity to the Fund, provided that these contracts comply with the Sharia standard, while adhering to what is stipulated in the Investment Funds Regulations..

p) Any waivers approved by the Capital Market Authority for any investment limits and restrictions:

The Capital Market Authority has approved the exemption of Albilad CSOP MSCI Hong Kong China Equity ETF from parts of Article 41 of the Investment Funds Regulations “Investment Limitations”, when the Fund invests in exchange-traded funds only, which are as follows:

- Exemption from Paragraph (b), sub point number (3), from Article (41) whereby the Fund’s assets and funds may be invested up to 100% of its net asset value in units of another investment fund, or in units of different investment funds issued by the same Capital Market Institution.
- Exemption from Paragraph (g) of Article 41, whereby it is permissible to own up to 100% of the net asset value of the Fund whose units have been owned.

4) The Main Risks of Investing in the Fund:

- a. It is likely that the Investment Fund will be exposed to high fluctuations because of the formation of its investments.
- b. The historical performance of the investment fund or the index is considered irrelevant in terms of future performance of the fund.
- c. The Fund does not guarantee for the unitholders that its absolute performance will be repeated or identical to the previous performance.
- d. Investing in the Investment Fund does not constitute a deposit with any local bank that markets or sells securities or is affiliated to the Investment Fund
- e. Investors are exposed to money loss risk upon investing in the Fund.
- f. A List of the potential main risks associated with investing in the Investment Fund, the risks to which the Investment Fund is exposed too, and any circumstances that may affect the Fund’s net asset value and revenues:
 1. Reinvestment Risks: The risk arises from reinvesting a portion or all of the fund’s capital gains and dividends resulting from the fund’s investments. This process implies a risk of investing in overpriced securities that may result in depreciating the investment value and therefore, the fund units’ value.
 2. Units against Cash Creation Risks: The Fund Manager may accept issuing Units for cash. Accordingly, the purchaser may be exposed to additional fees, including, but not limited to,

trading, issuance and transfer fees. Value of the Fund's assets may decrease or increase, which negatively affects the number or value of Units issued against Cash Subscription.

3. Reliance on the Fund Manager's Employees Risks: The success of the Fund's Assets investment substantially relies on the skills and experiences of the professional employees working for the Fund Manager, and consequently, the Fund's returns are negatively affected as a result of the change of the persons assigned to manage the Fund.
4. Custodian's Settlements Risks: The Custodian and the Sub-Custodian are exposed to making mistakes or delaying the Fund's settlements due to the difference in working times between the local Custodian and the Sub-Custodian, which may negatively affect the liquidity of the Fund, which, in turn, reduces the Fund's returns.
5. Political and Legal Risk: These risks are represented in political instability, issuance of new legislations or laws, or change of applicable legislations or laws, which will negatively affect the Fund's Investments and the Unit price.
6. Economic Risks: The Capital Markets in which the Fund invests are linked to the general economic situation, which affects the profitability of companies, the level of inflation, interest rates and unemployment. Therefore, the economic fluctuations may negatively affect the performance of the Fund.
7. Natural Disaster Risks: Volcanoes, earthquakes, hurricanes and other natural phenomena that may cause massive uncontrollable destruction of property, and negatively affect the performance of all economic and investment sectors and thus affect the performance of the Fund, which will have a negative impact on the Fund's Investments and the Unit price.
8. Market Maker Risks: The potential risks involve the market maker's tasks, such as providing liquidity and pricing units close to the indicative value, failure in these tasks or depletion of allocated units may affect trading liquidity and unit prices, causing fluctuations.
9. Market Maker's Pricing Risks: They are the risks related to differences between the indicative price of the Unit and the prices that the Market Maker can provide, as it may differ from the indicative price of the Unit and there is no guarantee for maintaining a narrow margin between the two prices, which in turn may affect the Units purchase or sale costs in the market.
10. Risks of Concentrating the Creation and Redemption units with a Single Market Maker: Only the licensed parties, e.g. the Market Maker, are allowed to create and redeem units. If the Fund has a single Market Maker, the Fund may experience risks represented in that, the Market Maker may cease its business or be unable to create or redeem the baskets and there is no other substitute Market Maker. Accordingly, the Fund's Units may be traded at a value that is higher or lower than the Fund's Net Asset Value per Unit (NAV).
11. Passive Management Risks: The fund follows the passive management strategy by mimicking a specific index, that means the fund manager will reflect the index performance at his best

- regardless of the change in market conditions or the feasibility of investing in those components, which will negatively affect the performance of the fund and the unit price.
12. Correlation Coefficient Decrease Risks: The Fund's returns may not match the returns of the Index due to the exposure to a number of operating expenses that are inapplicable in the case of the Index, and the Fund may bear some supplementary expenses in the case of purchase and sale upon carrying out Rebalancing Operations in order to reflect the changes that occur to the Index Portfolio. The Fund's Investments may not be entirely in HK stocks because of cash flows or the cash reserves that the Fund maintains in order to meet any expenses or liabilities.
 13. Shariah Standards Risks: These risks are represented in concentrating the Fund's Investments in specific assets that are compatible with the Fund's Shariah standards. Moreover, these risks may limit the investment opportunities available to the Fund Manager to invest therein. The risks may also include the fact that some of these assets may not comply with the Fund's Shariah standards, to the extent that such assets should be disposed of at unsuitable prices, which may negatively affect the Fund's Net Asset Value.
 14. Conflict of Interest Risks: Conflict of Interest Risk is the risk that may arise in which the interests of the fund manager or related parties' conflict with the interests of fund participants, which limits the capabilities of the fund manager to perform his duties objectively.
 15. Trading Suspension Risks: Suspension of trading in the market as a whole or a group of securities may lead to the risk of unavailability and loss of some investment opportunities resulting from the inability to buy or sell, which may negatively affect the Fund's investments and the unit price.
 16. Credit and Counterparty Risks: Counterparty risk is the risk that one or more of the ETF's counterparties will fail to deliver the terms of contract.
 17. Tax, VAT and Zakat Risks: Tax Authorities may assess additional taxes on investing in the Fund. Such taxes include, but not limited to, VAT or capital profits tax on dividends of HK companies' stocks, some of which may apply to the Fund and its investments, and others may apply to the Investor. If zakat is deducted or tax is imposed on the Fund, the Fund's Assets will decrease, which will negatively affect the Fund's performance and the Fund's Unit price.
 18. Liquidity Risks: Liquidity risk is the risk that the Fund may be unable to meet short-term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.
 19. Purification of Prohibited Revenues Risks: If prohibited revenues are present in the investment activities, the fund manager will eliminate the based on the Shariah committee's decisions. This process negatively impacts the fund's asset size, performance, and unit price.

20. IT Risk: Information security risk comprises the impacts to the Fund and its unit holders that could occur due to the threats and vulnerabilities associated with the operation and use of information systems and the environments in which those systems operate.
21. Time Zone Difference Risk (Hong Kong Market): Time zone difference risk is the extent that the underlying securities and/or other assets held by the Fund trade on foreign exchanges or in foreign markets that may be closed when the securities exchange on which the Fund's shares trade is open, Also the business days in Saudi market is different from the Hong Kong market (excluding public holidays), there are likely to be deviations between the current price of such an underlying security and the last quoted price for the underlying security (i.e., the Fund's quote from the closed foreign market). The impact of a closed foreign market on the Fund is likely to be greater where a large portion of the Fund's underlying securities and/or other assets trade on that closed foreign market or when the foreign market is closed for unscheduled reasons. These deviations could result in premiums or discounts to the Fund's NAV that may be greater than those experienced by other ETFs.
22. Foreign Exchange Risk: Foreign exchange risk refers to the losses that an international financial transaction may incur due to currency fluctuations or the possibility that an investment's value may decrease due to changes in the relative value of the involved currencies.
23. Investing in the Foreign Fund Risk: There are risks that may affect the CSOP MSCI HK China Connect Select ETF, in which the fund invests in, and which may be subject to short- and medium-term fluctuations and volatility in the unit price. And this may negatively impact the fund's performance, which could have an adverse effect on the fund's net asset value and unit price.
24. Concentration Risk: The fund manager at his best will be accurately defining thresholds across various concentrations to minimize the combined risks across concentrations. Moreover, the fund manager follows a concentration policy in regards of the investments of the fund, and as this is an ETF the fund manager will follow the index weights passively.
25. Price Volatility risk between markets: The fluctuation of the prices of securities and/or assets held by the Fund is not limited to a price fluctuation limit as is the case in the Saudi market, which is limited to (+/- 10%), up or down. Accordingly, the unit price may rise or fall by more than the daily fluctuation percentage permitted in the Saudi market for the Fund's trading price. Accordingly, the trading price may not reflect the true value of one unit (NAV) in the market, and this may lead to the Fund's units being traded at a value higher or lower than the Fund's net asset value per unit (NAV).
26. Dealing with a third-party Risk: The fund may engage in transactions with a third party that might fail to meet its contractual obligations, potentially negatively impacting the fund's net asset value and unit price.

27. Trading in International Capital Markets: may involve additional risks related to those markets or countries from economic, political, regulatory, or market conditions. Economic fluctuations may negatively impact the fund's performance and the unit price.
28. Different Trading Days Risk: Due to the differences in trading days between markets, securities and/or other assets held by the fund may be traded in the Hong Kong market, which could be closed while the Saudi market, where the fund's units are traded, is open, or vice versa. As a result, there may be a discrepancy between the official unit price and the trading price of the units compared to the Net Asset Value (NAV) per unit. These discrepancies may lead to differences between the trading price and the NAV of the fund's units. Consequently, units of the fund may trade at a price higher or lower than the NAV per unit.
29. Holidays and Official Public Holidays Risk: Securities and/or other assets held by the fund may be traded in the Hong Kong market, which might be closed while the Saudi market, where the fund units are traded, is open, or vice versa, during public holidays and national celebrations. As a result, there may be a discrepancy between the official unit price and the trading price of the units compared to the Net Asset Value (NAV) per unit. These discrepancies may lead to differences between the trading price and the NAV of the fund's units. Consequently, units of the fund may trade at a price higher or lower than the NAV per unit.
30. Fund's Assets Valuation Risks: The components of the fund's portfolio are valued based on the latest Hong Kong market closing prices. Therefore, the indicative unit price announced in the market will reflect the closing prices of the last hour closing price in that market, which may differ from the unit's trading price.
31. In-Kind Subscriptions Risk: When an investor subscribes in-kind, the value of the basket of assets they wish to contribute to the fund may be higher or lower than the Net Asset Value (NAV) of the fund. As a result, this could negatively impact the fund's NAV and the investor's unit price.
32. Index Provider Termination Risk: There are risks associated with the termination of the index account by the index provider. If the fund manager is forced to change the index and its provider, this could negatively impact the Net Asset Value (NAV) of the fund and the unit price.
33. Securities Performance Risk: The fund primarily invests in units of the CSOP MSCI HK China Connect Select ETF listed and traded in the Hong Kong market, as well as other instruments such as cash, money market transactions, and money market funds, as mentioned in section 3 of the investment policies and practices, paragraph (b). The market risks include the decline in the value of securities in which the fund invests on a passive basis, including the possibility of a sharp and unexpected decline. Selection risks refer to the risk where the If there are multiple selections in which other securities selected by the Registrar Administrator

underperform or underperform the market, underperform the relevant indices or underperform the self-selected securities intended for a similar investment and investment strategies which may negatively affect the fund's performance, the net asset value, and the unit price.

34. Replacing the Foreign Fund Risk: This is the risk arising from the termination of the Foreign Fund and the possibility of replacing it with another fund, which could have a negative impact on the net asset value of the fund and the unit price.
35. Fundamental Change in the Foreign Fund Risk: The performance of the fund could be significantly impacted by fundamental changes in the Foreign Fund. These changes might negatively affect the fund's net asset value and, consequently, the unit price.
36. Investing in the Foreign Fund Risk: Since the fund primarily invests in the Foreign Fund, the previously mentioned risks also apply to the Foreign Fund.
37. Insufficient Data Availability Risk: Given that the fund's investments are focused on a recently listed Foreign Fund, the available performance data is relatively limited. This may create challenges for the fund manager and investors in adequately analyzing the fund's performance and reviewing its historical data.
38. Foreign Fund Recent Establishment Risk: The fund primarily invests in a recently listed Foreign Fund, which presents challenges for the fund manager regarding investment in a newly established fund. These challenges are related to the uncertainty of fully achieving the Foreign Fund's primary objectives, which could negatively impact the net asset value of the fund and the unit price.

5) Mechanism for Assessing Risks:

The Fund Manager acknowledges that there is an internal mechanism to assess the risks related to the Fund's assets. The Fund Manager periodically reviews the investment flow compared to the Fund Index, bearing in mind that this does not reduce the degree of the Fund's risks, but it constitutes as a means to assess the Fund's Investments-related risks.

6) Targeted Class for Investing in the Fund:

The Fund targets individual and corporate investors, as well as government agencies that are desirous to actively invest in Hong Kong market and meet the Fund's investment conditions, taking into account the Fund's Investment Objectives and Risks, which the potential investor must carefully consider and understand before taking any decision with regard to investing in the Fund. It is recommended to obtain an advice from a licensed professional advisor if the investor fails to understand and verify feasibility of the Fund's Investments.

7) Investment Restrictions/Limitations:

Upon managing the Fund, the Fund Manager will abide by the restrictions and limitations imposed by the Investment Funds Regulations, the laws and instructions issued by the CMA, and the Terms and Conditions of the Fund as applicable to the Fund's type.

8) Currency:

The Fund's currency is Saudi Riyal, with which the Fund's Investments and Units are denominated. where the underlying securities are denominated in HKD. The unitholder bears the risks exchange rate fluctuations of those currencies when investing and buying units.

9) Fees, Charges and Expenses:

a) Statement of details on all payments from the assets of the investment fund, and the method for calculating them: **The Fund shall bear all fees and payments mentioned herein below:**

Foreign Fund Management Fees	The Fund will bear the foreign fund management fees, which are up to 1.2%, and their value will be disclosed in the Fund's periodic reports.
Fund Management Fees	<ul style="list-style-type: none"> • The Fund's annual Management Fees is up to 0.75% of the Fund's Net Asset Value, and any excess of the management fees shall be paid by the Fund Manager, calculated every calendar day and deducted monthly, which includes the following expenses: <ol style="list-style-type: none"> 1. Custodian Fees: The Custodian will receive annual Custodian Fees up to 0.035% of the Fund's Net Asset Value of the listed and unlisted financial securities and Investment Fund Units. The Custodian will receive up to 0.030% of the Fund's Net Asset Value of the money market transactions, to be calculated on each calendar day and deducted on a monthly basis. 2. Auditor's Fees: The Auditor will receive annual fees amounting to SAR 50,000. 3. Depository Center Fees: The Depository Center will receive up to 0.08% of the Fund's Net Asset Value per annum. 4. CMA Regulatory Fees: SAR 7,500 per annum. 5. Fees for Posts Published on Tadawul Website: SAR 5,000 per annum.

	<p>6. Board of Directors' Remuneration: Independent Members of the Board of Directors will receive a remuneration of up to SAR 20,000 per annum for each member for all funds managed by Albilad Capital.</p> <p>7. Zakat declaration preparation, review and submission fees: SAR 3,750 per annum paid to prepare, review and submit Zakat declarations to the Zakat, Tax and Customs Authority.</p> <p>8. Other expenses paid based on actual costs, including but not limited to foreign price provider fees, printing and publishing fees for periodic reports, etc., the total value of which will be disclosed in the Fund's periodic reports.</p>
Dealing and Currency Exchange Fees and Charges (Dealing Fees)	Any fees paid to execute transactions for the Fund shall be paid by the Fund based on actual costs, and their total value shall be disclosed each quarter in the Fund's quarterly report.

*All the mentioned fees, commissions and expenses due to the fund manager or other parties do not include value added tax (VAT), and the tax will be charged separately according to the rates stipulated in the value added tax system on the fund and its assets and on the subscriber in case of subscription.

* Only the actual Fund fees will be deducted.

b) A table showing all fees and expenses, how the fees, charges and expenses are calculated and when it is paid by the investment fund.:

Type of Fees	Imposed Percentage/amount	Calculation Method	Payment Frequency
Foreign Fund Management Fees	The Fund will bear the foreign fund management fees, which are up to 1.2%, and their value will be disclosed in the Fund's periodic reports.		
Dealing and Currency Exchange Fees and Charges (Dealing Fees)	Any fees paid to execute transactions for the Fund shall be paid by the Fund based on actual costs, and their total value shall be disclosed each quarter in the Fund's quarterly report.		
Fund Management Fees	0.75%	To be calculated on each calendar day in a accumulative manner	To be deducted and paid once a year

- c) Hypothetical table that shows the percentage of the fund expenses against the total fund asset value for the fund and the unitholder throughout the lifespan of the fund. Such fund shall include percentage of recurring non-recurring expenses:

Expenses that are charged to the Fund, assuming that the Subscription amount is SAR 100,000 and the Fund size is SAR 10 million, divided into one hundred thousand Units, and the potential return before fees and expenses is 7%:

Type of Fees	Percentage	Fund's Fees and Expenses	Investor Fees and Expenses
Foreign Fund Management Fees (up to)	1.2%	120,000	1,200
Fund Management Fees	0.75%	75,000	750
Total Recurring Costs	1.95%	195,000	1,950
Total Investment Return (Hypothetical)	10%	1,000,000	10,000
Net Value of Investment before VAT		10,805,000	108,050
Net Hypothetical Investment	8.05%	10,805,000	108,050

*There are no non-recurring costs, and if there are, they will be mentioned in the reports in accordance with Article (76) of the Investment Funds Regulations.

*All above fees are exclusive of VAT.

- d) Statements of details on charges imposed for subscription, redemption and ownership transfer, paid by unit holders, and the method for calculating it: Except for what is stated in clause 11 "Transactions", there no subscription, redemption, or ownership transfer fees.

Not applicable.

- e) Information on rebates and special commissions and explanation of the fund manager's policy on rebates and special commissions:

None. Any special commission, if any, concluded by the Fund Manager will be subject to the Capital Market Institutions Regulations, and it will be disclosed at the end of the Fund's fiscal year.

- f) Information relating tax and/or zakat:

The unitholder shall pay zakat due and payable by the unitholder from his Units value. As to VAT, any fees that include VAT shall, according to the Executive Regulations of VAT Law, be solely borne by the Fund, as the unitholder does not pay additional periodic amounts after subscribing to the Fund. The fund manager is not responsible for paying Zakat on the units on behalf of the investors. It is the responsibility of each unitholder to pay Zakat on the units they own in the fund. The fund manager also undertakes to provide the Zakat, Tax and Customs Authority with all reports and requirements regarding Zakat declarations. Additionally, the fund manager will provide

unitholders with Zakat declarations upon their request in accordance with the rules. It is incumbent upon the accountable investors who are subject to the regulations outlined in these rules and own investment units in the fund to calculate and pay Zakat on these investments. For further details and to access to the rules and regulations of the Zakat, Tax and Customs Authority, you can visit their official website at:

<https://zatca.gov.sa/ar/Pages/default.aspx>.

g) **Statement of any special commission concluded by the fund manager:**

There is no special commission concluded by the Fund Manager.

h) **Hypothetical example that illustrate all fees, charges and expenses, paid from the fund's assets or unitholders on the currency of the fund.**

Type of Fees		Fund's Fees and Expenses	Investor Fees and Expenses
Invested Amount		10,000,000	100,000
Foreign Fund Management Fees		120,000	1,200
Fund Management Fees	Remuneration for Members of the Board of Directors	4,000	40
	Custodian Fees	3,500	35
	Auditor's Fees	50,000	500
	Depository Center Fees	8,000	80
	CMA Regulatory Fees	7,500	80
	Tadawul Fees	5,000	50
	Zakat declaration and preparation	3,750	38
	Fund Manager's Net Fees	10,250	103
Other Fees		0	0
Total Recurring Costs	-	195,000	1,950
Dealing Fees		-	-
Total Non-recurring Costs		-	-
Total Investment Return	-	1,000,000	10,000
Net Hypothetical Investment		10,805,000	108,050

*There are no non-recurring costs, and if there are, they will be mentioned in the reports in accordance with Article (76) of the Investment Funds Regulations

* Dealing and trading expenses are paid by the fund based on the actual costs, and their total value will be disclosed in the fund's periodic reports.

*All above fees are exclusive of VAT.

10) Valuation and Pricing:

a) A statement of the valuation method of each asset held by the Fund:

- Most of the assets in which the Fund invests are denominated in Hong Kong dollars, but for the purpose of calculating the total and net asset value of the Fund and the unit, all of the Fund's assets will be denominated in Saudi Riyals, and the valuation will be determined based on all of the assets included in the portfolio, minus the Fund's dues at the time of valuation.
- The Fund trades in Saudi Riyals while most of the Fund's investments will be denominated in Hong Kong Dollars and will therefore be subject to currency risks. Fluctuations in the exchange rate will lead to increases or decreases in the unit price and may negatively affect the price of the Fund's units, which will negatively affect the Fund's performance and the unit price.
- The valuation method depends on the type of each asset, and the Fund operator may rely on reliable systems for determining values, prices, and exchange rates.
- The following principles will be adopted to denominate the Fund's assets:
 1. If the assets are securities listed or traded in any regulated Stock Market or on an automated pricing system, the closure price in that market or system will be used.
 2. If the securities are suspended, they should be evaluated at the last price of the suspension, unless there is conclusive evidence that the value of these securities has become less than the suspended price.
 3. For Investment Funds, the last published NAV per Unit.
 4. For deposits, the nominal value in addition to the accrued interests/profits.
 5. Any other investment, the fair value to be determined by the Fund Manager based on the methods and rules disclosed in the Terms and Conditions of the Fund, and after being verified by the Fund's Auditor.

b) A statement Frequency of valuation and number of valuation points: The Fund has two valuation points:

1. The Fund's Net Asset Value and the Fund's Net Asset Value per Unit at the end of the day (NAV): by calculating the Total Value of the Fund's Assets on the basis of the daily closing prices in the Hong Kong Market and the available cash Item less the due fees, and the result is divided by the number of existing Units. The Fund's assets are evaluated on the official working days of the Saudi Market. Announcement shall be made before the end of every day of trading in the Saudi Market. When that day is not a business day for the Saudi market, the valuation will be on the next business day for the Saudi market. For example, the valuation of

unit prices for each Sunday of each week will be based on the closing prices of each Friday (or the last available prices) of the previous Hong Kong stock market.

2. The Fund's Indicative Net Asset Value of the Units and Indicative Net Asset Value per Unit (iNAV): Will be announced during Saudi market trading hours. The iNAV is calculated by taking the total value of the fund's assets based on the latest closing price(s) of the Foreign Fund and the available cash, then deducting accrued expenses as of the end of the last Saudi market business day and dividing the result by the number of outstanding units. The iNAV will be variable during the first hour of trading on the Saudi market, from 10:00 AM to 11:00 AM, as the Hong Kong market is still open during this time. It will not change during trading on the Saudi market from 11:00 AM to 3:00 PM due to non-overlap of working hours between the two markets. If there is an overlap between the two markets, the iNAV will be updated. For example, the iNAV for a Sunday will be based on the closing prices of the Hong Kong market on the previous Friday.

Announcement of the Unit price	Callender Day in Saudi market	Last available prices in Hong Kong market
Monday	Monday	Monday
Sunday	Sunday	Friday

The Fund's Net Asset Value per Units and the Fund's Indicative Net Asset Value per Unit will be announced on the Fund Manager's website and the following website: www.albilad-capital.com. The accurate and update information of Saudi Exchange www.saudiexchange.com.sa and unitholders will be kept with Securities Depository Center (Edaa).

c) A statement of actions to be taken in case of mis-valuation or mis-pricing:

- If one of the Fund's Assets is mispriced or the Unit is mispriced, the Fund Operator will record the same.
- The Fund Operator will compensate all the affected unitholders (including former unitholders) for all errors in valuation or mispricing without delay.
- The Fund Manager will immediately notify the CMA of any errors in valuation or mispricing that constitutes 0.5% or more of the Unit price, and immediately disclose the same on its website and the Market's website and in the Fund's reports to be prepared by the Fund Manager in accordance with Article (73) of the Investment Funds Regulations.
- The Fund Manager shall provide in the Fund reports to the unitholders and in Fund reports to the CMA in accordance with Article (76) of the Investment Funds Regulations a summary of all valuation and pricing errors.

d) **A statement of the method for calculating the unit price for the purposes of executing subscription and redemption requests:**

The Fund's Net Asset Value and the Fund's Net Asset Value per Unit will be calculated by the following equation: $(\text{Total Assets} - \text{Liabilities} - \text{Accrued Expenses}) / \text{number of existing Units at the time of valuation}$. The Fund's Indicative Net Asset Value per Unit will be calculated as follows: $((\text{Total Assets} - \text{Liabilities} - \text{Accrued Expenses}) / \text{number of existing Units at the time of valuation})$ at the valuation point during the trading hours.

e) **The publications time and place of the unit price, and its frequency:**

The Fund's indicative net asset value per unit will be announced during trading hours and the Fund's net asset value per unit will be announced at the end of trading hours for the Saudi Market, The Fund's indicative net asset value of the units and the Fund's indicative net asset value per unit will change during the first trading hour in the Saudi market from 10:00 am to 11:00 am as the Hong Kong market is still open for trading during this time, and will not change during trading in the Saudi market from 11:00 am to 3:00 pm due to the non-overlap of working hours between the two markets, and if there is an overlap between the two markets, the indicative net asset value of the Fund per unit will be updated periodically every 15 seconds or as stipulated in the Investment Funds Regulations. The Fund Manager must regularly calculate the total indicative net asset value of the Fund's units and the indicative net asset value of the Fund per unit during the trading day in the Saudi market and disclose them in the market immediately or at any other time acceptable to the Authority, and the Fund's net asset value per unit at the end of the relevant valuation day. through the Fund Manager's website: www.albilad-capital.com and the Saudi Exchange website: www.saudiexchange.com.sa. If there is a technical failure in any of the two websites, the Fund Manager will announce it as soon as possible.

11) Dealings:

a) **A statement on details of the initial offer (e.g. start date, period, initial price):**

- The Initial Offering Period will start on Wednesday, 20/04/1446 AH corresponding to 23/10/2024 AD and will last for (4) working days, and the fund manager has the right to extend the initial offering period for (56) working days, and /or to close it before that date.
- Upon establishment, the Unit price will be SAR (10).
- The minimum amount that the Fund Manager intends to collect is SAR 10 million.
- The minimum limit for Subscription in the Primary Market is One Basket or SAR one million, whichever is higher. The subscriber shall bear in cash, through the Fund Manager, a subscription fee up to 1% of the total value of the invested amount.
- If the minimum required is raised before that date, the Fund Manager may close the IPO period and launch the Fund at that time.

- Note that subscriptions during the initial offering period are in-kind subscription, and the Fund Manager may accept cash subscription at their discretion.
 - The party, whether an Investor or a Market Maker, that desires to make an in-kind or cash Subscription or Redemption in the Fund will be charged up to 1% fees of the total amount invested.
- b) **A statement clarifies date set and the deadlines for submission of requests for subscriptions and redemptions, in any dealing day, and the responsibilities of the fund manager in relation to subscription and redemption requests:**

This article does not apply except during the Initial Offering Period specified hereinabove.

- c) **A statement of the procedures for subscriptions and redemptions, including where to submit applications and the period between request for redemption and payment of redemption proceeds, or transfer the ownership:**

For Cash Subscriptions and Redemptions in the Secondary Market, Investors can buy and sell the Fund's Units, in the same method adopted upon trading the stocks in the Saudi Stock Market, because the Fund is an Exchange Traded Fund, and therefore, this paragraph does not apply thereto.

Procedures for in-kind exchange of the Creation basket in order to create Units in the Fund between the Fund Manager and the Market Maker:

- The Fund Manager will present the constituents of the Stock Basket and the Cash component on a daily basis before the start of trading operations.
- The Market Maker submits a request to the Fund Manager to establish, issue of new Units.
- The Market Maker at the same time deposits a Stock Basket with the Custodian, and the cash in his account held with the Custodian shall match the number of Units required to be issued.
- The Fund Manager, in coordination with the Custodian, reviews the request, the constituents of Stock Basket and cash; and approves on the Units issuance request.
- The Custodian shall ensure that the Stock Basket and cash match the number of Units to be created.
- The Custodian shall transfer a Stock Basket and cash from the account of the Market Maker to the account of the Fund.
- The Custodian coordinates with the Stock Market (Tadawul) for issuing or listing the Units.
- New Units are deposited into the Market Maker's account.
- Afterwards, the Market Maker may carry out sale transactions in the Market or keep the new Units in their inventory.
- At the end of the day, the Custodian will make sure that the number of issued Units corresponds to the received Stock Basket.

- If there are any discrepancies between the number of issued Units and the received Stock Basket, the Custodian will settle the same.
- The Fund Manager calculates the Cash component at the end of the dealing day for the Units basket. Any cash decrease or increase will be settled by Custodian and the Market Maker at the end of the day.
- The Fund Manager has the right to discretionally and directly create or redeem Units for the Fund without referring to the Market Maker, in order to provide liquidity for the Fund in the Secondary Market for Investors wishing to make Cash Subscription or In-Kind Redemption. The Subscriber will be charged all the Creation Unit Basket purchase costs and transfer fees or any additional costs for creating or redeeming Units. The Fund Manager has the right to discretionally reject or accept Cash Subscription Requests.

Procedures for In-Kind Redemption of the Units basket traded in the Fund between the Fund Manager and the Market Maker:

- The Market Maker submits a request to the Fund Manager to redeem the Units basket traded in the Fund.
- At the same time, the Market Maker deposits the redeemed Units basket into the Market Maker's account held with the Custodian.
- After the initial review, the Fund Manager approves the Units basket Redemption Request.
- The Custodian ensures that the deposited Units match the Redemption Request.
- The Custodian coordinates with Tadawul to execute the Redemption of the traded Units.
- Tadawul redeems and deregister the Units from the Trading Register.
- The Custodian takes the Stock Basket from the Fund's account and deposits the same into the Market Maker's account.
- At the end of the day, Tadawul ensures that the number of redeemed Units matches the number of received stocks.
- If there are any discrepancies between the number of issued Units and the received Stock Basket, the Custodian will settle the same.
- If there are any discrepancies, the Custodian will settle the same, as required.
- The Fund Manager calculates the required cash at the end of the day, according to the Fund's policies.
- Any deficit or increase in the Fund's Units Redemption will be settled by the Custodian and the Market Maker at the end of the dealing day.

d) A statement showing any restrictions on dealing in units of the fund:

The Fund's Units will be traded in the Exchange Traded Funds Market. Accordingly, any restrictions imposed by the CMA or the Saudi Stock Exchange (Tadawul) will apply to dealing in the Units of the Exchange Traded Funds.

e) A statement showing the circumstances in which dealing in units may be deferred or suspended, and the procedures followed in those cases:

The Fund Manager may suspend dealing in the Fund's Units, if:

1. the same is requested by the CMA;
2. the Fund Manager reasonably considers that the suspension inures to the benefit of the Fund Unitholders; or
3. the dealing is suspended in the main market that deals in securities or other assets that the Fund owns, either in general or in relation to the Fund's assets that the Fund Manager reasonably considers to be important in relation to the Fund's Net Asset Value.

The Fund Manager reserves the right to reject the Subscription Request, if such Subscription breaches the Terms and Conditions of the Fund, Laws or Executive Regulations that may be imposed from time to time by the CMA or other regulatory authorities in the Kingdom of Saudi Arabia.

f) A statement of the procedures by which those redemption requests which are to be deferred are selected:

Not Applicable.

g) A statement of the provisions governing the transfer the ownership of units to other investors:

Units are transferred among unitholders through its trading in the Saudi Stock Market "Tadawul".

h) A description of any minimum number or value of units that a unitholder must subscribe or transfer or redeem:

- One Creation Unit, number of Units per Creation Unit is 100,000 Units of the Fund or its equivalent worth SAR one million.
- The minimum subscription in the Fund's Initial Offering Period is 100,000 Units of the Fund.

i) A statement on details of any minimum of the amount which the fund manager intends to raise, and the actions to be taken in case of not reaching that minimum:

The minimum limit for starting the Fund's operations is SAR 10,000,000. If the minimum amount is not collected during the Initial Offering Period, the Fund Manager will return to the unitholders the subscription amounts and any returns resulting from their investment without any deduction. The fund manager has the right to extend the initial offering period for (56) working days, and to close it before that date.

12) Distribution Policy:

- a) A statement relating to the policy of distribution of income and gains, including details of the unclaimed distributions:

The Fund Manager will reinvest the dividends resulting from investing in the Fund's Assets. Accordingly, the Fund will not distribute any periodic dividends to the unitholders.

- b) Approximate maturity and distribution date:

Not Applicable.

- c) A statement on how distribution will be paid:

Not Applicable.

13) Reporting to Unitholders:

- a) Relevant information regarding annual reports, including the quarterly statement and the interim, annual and financial statements:

- The Fund's financial statements shall be prepared in Arabic on a semi-annual basis at least. They shall be audited in compliance with International Accounting Standards and accounting standards issued by Saudi Organization for Chartered and Professional Accountants. Additional versions may be prepared in other languages. If there is any conflict between these versions, the one prepared in Arabic shall prevail.
- The Fund Manager will prepare the annual reports (including the audited annual financial statements) and the quarterly statement in compliance with the requirements of Annex 3 and Annex (4) of the Investment Funds Regulations. The Fund Manager will, on demand, provide the unitholders with such reports and statements free of charge.
- In the event that the auditor is appointed or changed, the approval of the fund's board of directors must be obtained.
- Annual reports, preliminary financial statements and quarterly statements will be made available to the public in the places and by the means specified in the terms and conditions of the fund and on the fund manager's website, the market's website or any other website available to the public according to the controls set by the CMA (where applicable).

- b) Information on the locations and means of making available fund reports prepared by the fund manager:

The Fund Manager will provide the Fund's reports for review by unitholders, free of charge. In addition, the Fund Manager will provide all the previous Fund's Net Asset Value figures on the Fund Manager's website and the Saudi Sock Market (Tadawul)'s website.

- c) **Information on the means of providing the annual financial statement to unitholders:**
The Fund Manager will provide the Fund's reports for review by unitholders, free of charge. In addition, the Fund Manager will provide all the previous Fund's Net Asset Value figures on the Fund Manager's website and the Saudi Stock Market (Tadawul)'s website.
- d) The Fund Manager acknowledges to provide the first audited financial statement at the end of the fiscal year 2024 AD, no later than (3) months from the expiry date of the report period.
- e) The Fund Manager will, on demand, provide the annual audited financial statements of the Fund to the unitholders, free of charge.

14) Unitholders Register:

- a) **Statement regarding the maintenance of an up-to-date register of unitholders in the Kingdom:**
(Whereas the Fund is a traded one, therefore, this clause is not applied thereto. Securities Depository Center (Edaa) will prepare and maintain the Register in the Kingdom).
- b) **Statement of details on the unitholders register:**
(Whereas the Fund is a traded one, therefore, this clause is not applied thereto).

15) Unitholders Meeting:

- a) **A statement of the circumstances in which a meeting of unitholders is called:**
- The Fund Manager has the right to initiatively call for a unitholders meeting.
 - The Fund Manager calls for a unitholders meeting within (10) days from the date on which the Fund Manager receives a written request from the Custodian.
 - The Fund Manager calls for a unitholders meeting within (10) days from the date on which the Fund Manager receives a written request from one or more investors who collectively or individually hold at least 25% of the Fund's Units.
- b) **A statement of the procedures for calling a meeting unitholders:**
- Calling for a unitholders meeting shall be announced on the Fund Manager's website and the Saudi Stock Market (Tadawul)'s website, within (10) days, minimum, and (21) days, maximum, prior to the date of meeting. The meeting's date, place and time and the proposed resolutions shall be clarified in the announcement. If a meeting is announced, the Fund Manager shall notify the CMA of the same.
 - The Fund Manager has the right to amend the agenda of the unitholders meeting during the announcement period (as mentioned in the previous paragraph) within (10) days, minimum, and (21) days, maximum, prior to the date of meeting. Such amendment will be made on the Fund Manager's website and the Saudi Stock Market's (Tadawul) website, provided that the same shall be announced on the Fund Manager's website and any other website available to the public according to the controls set by the CMA.

- The unitholders meeting shall only be valid if attended by a number of unitholders who collectively hold at least 25% of the Fund's Units.
 - If the unit holders agree to any of the proposed decisions at the unit holders meeting, and this necessitates amending the terms and conditions of the fund, the fund manager must amend these terms and conditions in accordance with the approved decision.
 - If the quorum mentioned in the previous paragraph is not fulfilled, the Fund Manager shall call for a second meeting through an announcement to be made on the Fund Manager's website and the Saudi Stock Market's (Tadawul) website at least five days prior to the date of the second meeting. The second meeting will be valid regardless of the percentage of Units represented therein.
- c) **A statement showing the manner in which unitholders' cast their votes and voting rights at meetings:**
- Each unitholder may appoint a proxy to represent him in the unitholders meeting.
 - At the unitholders meeting, each unitholder has one vote for each Unit he owns at the time of meeting.
 - The controls to be issued by the CMA shall regulate the convening of unitholders meetings, deliberations and discussions to be made therein, and voting on the resolutions to be passed therein through modern means of technology.
 - The resolution will be valid and enforceable if approved by unitholders holding 50% of the total Units represented at the unitholders meeting, whether they attend in person, through their proxies, or via modern means of technology.
 - The unitholder has the right to exercise all rights associated with the Units, including the obtainment of the unitholders' approval on any matters that require their approval in accordance with the Investment Funds Regulations.
 - The announcement to be published on the Fund Manager's website and the Saudi Stock Exchange's (Tadawul) website will determine the unitholders' right to vote.

16) Unitholders' Rights:

a) List of unitholders' rights:

- Obtain an updated copy of the Terms and Conditions of the Fund in Arabic, free of charge.
- Obtain all annual reports that contain the financial statements.
- Obtain, on demand, the audited annual and semi-annual financial statements of the Fund, free of charge.
- Receive a notice of any change made to the Terms and Conditions of the Fund before such change comes into force, as per the type of change and the term set in the Investment Funds Regulations.

- Receive a notice of any change made to the Fund's Board of Directors.
 - Receive a notice of the Fund Manager's desire to terminate the Investment Fund at least (21) calendar days before termination, save the events set forth in the Terms and Conditions.
 - Obtain, on demand, the procedures for handling complaints from the Fund Manager.
 - The Fund Manager shall dismiss any member of the Fund's Board of Directors, if the Fund's unitholders take a special decision requesting the Fund Manager to dismiss such member.
 - If the minimum limit referred to in Clause (d) of Article (64) of the Investment Funds Regulations is not available during the Initial Offering Period, the Fund Manager shall return to the unitholders the subscription amounts and any proceeds resulting from the investment of such amounts in accordance with paragraphs (c) and (d) of Article 64 of the Investment Funds Regulations, without any deduction.
 - The CMA and unitholders shall be immediately notified of any suspension, clarifying the reasons for the suspension. The CMA and unitholders shall be immediately notified of the end of the suspension in the same manner used in the notice of suspension. The same shall be disclosed on the Fund Manager's website and any other website available to the public according to the controls to be set by the CMA.
 - Any other unitholders' rights mentioned in the Investment Funds Regulations approved by the CMA and these Terms and Conditions.
 - Any other unitholders' rights set forth in the Laws and Executive Regulations issued by the CMA Board and the relevant instructions in force in the Kingdom of Saudi Arabia.
- b) The fund manager's policy regarding the voting rights associated with any assets of the public fund which it manages:**

The Fund Manager discloses the policies related to voting rights adopted in the General Assemblies of Invested Funds on the Fund Manager's website and the Market's website.

17) Unitholders' Liability:

- Except for the unitholder's loss of his investment in the Fund, in whole or in part, the unitholder shall not be liable for the Fund's debts and liabilities.
- If the unitholders fail to provide the Fund Manager with the correct postal and/or email address and other contact information, including notices and account statements related to their investments, the unitholders hereby agree to hold the Fund Manager harmless for and against any liability and waive all their rights and claims vis-à-vis the Fund Manager, which may arise directly or indirectly from the unitholders' failure to provide the Fund Manager with the account statement, notices or any other information related to the investments, or arise from the unitholders' inability to respond, verify the correctness of the information, or correct any alleged errors in the account statement, notices, or any other information.

18) Units Characteristics:

- The Fund includes common investment Units of one class of the same type and such Units have the same value, features and rights.
- The Fund Manager, in coordination with the Market Maker, can issue an unlimited number of such Units.

19) Changes to the Fund's Terms and Conditions:

a) A statement of the provisions governing changes to the Fund's Term and Conditions including any approvals and/or notifications required by the Investment Funds Regulations:

- The Fund Manager shall obtain the unitholders' approval on the proposed fundamental change through a Fund's ordinary resolution.
- After obtaining the approval of the unitholders, the Fund Manager shall obtain the CMA's approval on the fundamental change proposed for the Fund.
- The Fund Manager shall obtain the approval of the Fund's Board of Directors before making any fundamental change.
- The Fund's unitholders have the right to sell their investments (Units) before enforcing any fundamental change, without any Redemption fees (if any/where applicable). The sale of Units is made in the Secondary Market, as the Fund is a traded one, and no one may deal in the Primary Market except for those identified in these Terms and Conditions.
- The Fund Manager must obtain the approval of the Fund's Board of Directors before making any non-fundamental change.

The term "Fundamental Change" means any of the following cases:

1. The significant change in the objectives, nature or class of the Fund.
2. The change that has an impact on the degree of risk of the Fund.
3. The Fund Manager's voluntary withdrawal from its position.
4. Any other cases that the CMA specifies from time to time and informs the Fund Manager therewith.

The term "Non-fundamental Change" means any change that is not made subject to the provisions of Article (62) of the Investment Funds Regulations.

- The Fund Manager has the right to transfer the Fund's assets to another Foreign Fund that is consistent with the investment policy mentioned in the Terms and Conditions. The Fund Manager also has the right to invest directly in the components of the index without prejudice to the interests of the unitholders and in accordance with the Investment Funds Regulations. The Fund Manager must also obtain the necessary approvals from Article (62) if they wish to change the Foreign Fund for any reason.

b) A description of the procedures to be employed on notifying changes to the Fund's Terms and Conditions:

- The Fund Manager shall inform the unitholders with the details of Fundamental Changes on the Fund Manager's website: www.albilad-capital.com and any other website available to the public, according to the controls to be set by the CMA, no later than (10) days prior to the enforcement of change.
- The details of Fundamental Changes shall be stated in the Fund's reports to be prepared by the Fund Manager, in accordance with Article (76) of the Investment Funds Regulations.
- The Fund is exempted from the requirement of serving a written notice to all unitholders. The relevant announcement will be made on the Fund Manager's website: www.albilad-capital.com and the Market's website.
- The Fund Manager shall notify the CMA and inform the unitholders with any Non-fundamental Change in the Fund, it manages, on the Fund Manager's website: www.albilad-capital.com and any other website available to the public, according to the -rules to be set by the CMA, no later than (10) days prior to the enforcement of change. The unitholders of the open-ended Exchange Traded Fund are entitled to redeem their Units before enforcement of Non-fundamental Change, without any Redemption Fees, if any.
- Details of Non- fundamental Changes shall be clarified in the Fund's reports prepared by the Fund Manager in accordance with Article (76) of the Investment Funds Regulations.
- The traded funds are exempted from the requirement of serving a written notice to all unitholders. The relevant announcement will be made on the Fund Manager's website and the Market's website.

20) Termination and Liquidation of the Investment Fund:

a) A statement of any events of which will result in the termination of the investment fund and procedures for termination of the investment fund under the Investment Funds Regulations:

- The Fund Manager desires to terminate the Fund.
- The Fund Manager shall specify provisions of the Fund termination in the Terms and Conditions of the Fund.
- The Fund Manager shall completely sell the Fund's assets and distribute the unitholders' dues before expiration of the Fund's duration.
- For the Fund termination purpose, the Fund Manager shall prepare a plan and procedures for terminating the Fund in a manner inuring to the benefit of the unitholders; and obtain the approval of the Fund's Board of Directors (where applicable) on this plan before taking any procedure in this regard.

- The Fund Manager shall in writing notify the CMA and the unitholders of the plan and procedures to be adopted upon terminating the Fund at least (21) days prior to the date of termination, without prejudice to the Terms and Conditions of the Fund.
 - The Fund Manager shall comply with the approved plan and procedures for the Fund termination, in accordance with the Fund termination purpose paragraph.
 - The Fund Manager shall in writing notify the CMA and the unitholders of the expiry of the Fund within (10) days from the expiry date of the Fund, in accordance with the requirements set forth in Paragraph (d) of Annex (10) of the Investment Funds Regulations.
 - If the Terms and Conditions of the Fund stipulate that the Fund shall be terminated at a specific event, the Fund Manager shall terminate the Fund immediately upon the occurrence of that event; and, in writing, notify the CMA and the unitholders of the same within (5) days from the date of the event that requires termination of the Fund.
 - The Fund Manager shall treat all unitholders equally during the Fund termination or liquidation.
 - The Fund Manager shall distribute the unitholders' dues immediately upon the expiration of the Fund's duration, in a manner that does not conflict with the interest of the unitholders and the Terms and Conditions of the Fund.
 - The Fund Manager shall announce the expiration of the Fund's duration on the Fund Manager's website, the Market's website or any other website available to the public, according to the rules set by the CMA (where applicable).
 - The Fund Manager shall provide the unitholders with the Fund termination report, in accordance with the requirements of Annex (14) of the Investment Funds Regulations, no later than (70) days from the date on which the Fund termination is completed. Such report shall include the final audited financial statements of the Fund for the period following the last annual audited financial statements.
- b) **Must include a statement of the followed procedures for the liquidation of the Fund:**
The Fund Manager will comply with all requirements of Article (22) of the Investment Funds Regulations.
- c) If the Fund's duration expires, the Fund Manager shall not receive any fees deducted from the Fund's assets.

21) Fund Manager

- a) **The Fund Manager's name, duties and responsibilities:**
Albilad Investment Company "Albilad Capital"
The Fund Manager's tasks, duties and responsibilities:

1. In relation to the Fund, act in a manner inuring to the benefit of unitholders in accordance with the provisions of the Investment Funds Regulations, Capital Market Institutions Regulations, and the Terms and Conditions of the Fund.
2. Disclose, in the Market, the securities of which the Fund is composed, specifying the weights of each one thereof.
3. The Fund Manager will comply with all principles and duties set forth in the Capital Market Institutions Regulations, including the duty of trust towards unitholders; act in a manner inuring to the benefit of unitholders; and do the due diligence.
4. The Fund Manager is responsible for complying with the provisions of the Investment Funds Regulations, whether or not it fulfills its responsibilities and duties directly or assigns them to a third party in accordance with the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations. The Fund Manager is responsible towards the unitholders for the loss sustained by the Fund due to fraud, negligence, misconduct, or deliberate default.
5. The Fund Manager is responsible for setting the policies and procedures to monitor the risks that affect the Fund's Investments, and to ensure that they are dealt with quickly. Such policies and procedures shall stipulate that the risk assessment shall be made at least once a year.
6. The Fund Manager applies the Investment Fund's Conformance and Compliance Control Program, and, on demand, provides the CMA with the results of such application.

b) Authority authorization number and date:

(License No. 08100-37) dated 01/08/1428 AH corresponding to 14/08/2007 AD.

c) Registered address and business head office address of the fund manager:

8162 King Fahd Branch Road – Al Olaya

Unit No. 22

Riyadh 3701-12313

Kingdom of Saudi Arabia

Tel: 8001160002 Fax: + 966 11 290 6299

d) The fund manager's website and any website, related to the fund manager, contain information on the investment fund (if any):

www.albilad-capital.com

e) The Fund Manager's Paid-Up Capital:

SAR 200,000,000.

f) A summary of the financial information of the fund manager, highlighting, substantial shareholders, revenues and profits in the preceding financial year:

Description	Fiscal Year Ending on 31/12/2023 AD
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Revenues	SAR 297,23 million
Expenses	SAR 155,75 million
Net profits	SAR 130,58 million

g) A statement of the primary roles, responsibilities and duties of the fund manager in relation to the investment fund:

The Fund Manager is responsible for the following:

- Establish, register and offer the Fund's Units.
- Appoint the Market Maker; arrange for the collection of initial operating capital; and coordinate with the Market Maker.
- Complete the Units issuance and Redemption.
- Appoint Benchmark Index Provider; and define a mechanism for calculating, valuating, and publishing the Index's information.
- Appoint the Custodian; and continuously coordinate issuance and Redemption of Units.
- Appoint the Fund's Auditor.
- Appoint Tax and Zakat Consultant.
- Define the Fund's policies and procedures and the mechanism for issuing and redeeming Units.
- Prepare for listing the Fund's Units.
- Ensure conformance of performance, and settlement and correction of deviations.
- Monitor the performance and achieve the Fund's objectives within the framework of the announced strategies and policies of the Fund.
- Determine the constituents of the Stock Basket and the Cash Items, if any.
- Periodically check the Rebalancing Operations with the Rebalancing level of the Index Portfolio.
- Ensure that the Market Maker provides the liquidity.
- Ensure that Index-related information is published.
- Manage the Fund's assets and operations, including the administrative services provided to the Fund.
- Ensure accuracy and completeness of the Terms and Conditions of the Fund, and that they are complete, clear, correct and not misleading.
- Abide by Shariah Standards of the Fund, and periodically verify that the collection of investments complies with Shariah Standards approved by Shariah Supervisory Committee of the Fund.
- Notify the Fund's Board of Directors of any violations stipulated in the Investment Funds Regulations.

h) Any other business activities or interests of the fund manager that are of significance or could potentially conflict with those of the investment fund:

There are no business activities or other interests of the Fund Manager that are of material importance or could conflict with the activities of the Investment Fund.

i) Right of the fund manager to appoint a sub fund manager:

The Fund Manager may appoint one or more third parties or any of its staff to work as a Sub-Fund Manager, but he must be authorized to engage in management activity. The Fund Manager will be charged all the fees and expenses of any Sub-Fund Manager from its own money.

j) Provisions governing the removal/replacement of fund manager:

According to the provisions of Article (20) of the Investment Funds Regulations, the CMA has the right to dismiss the Fund Manager in relation to the Investment Fund and take any action it deems appropriate to appoint a substitute Fund Manager or take any other measure it deems appropriate, if:

- The Fund Manager ceases the management activity without notifying the CMA according to the Capital Market Institutions Regulations;
- The Fund Manager's license to practice management activity is cancelled, withdrawn or suspended by the CMA;
- The Fund Manager submits a request to the CMA to cancel the management activity license;
- The CMA discretionally considers that the Fund Manager materially breached the Law or the Executive Regulations;
- The Investment Portfolio Manager, who manages the assets of the Investment Fund, dies, is disable or resigns, while the Fund Manager has no other registered person who is capable of managing the Investment Fund's assets or the assets of the Fund managed by the Portfolio Manager.
- Any other event, which the CMA reasonably deems to be of material importance, occurs.

If the CMA exercises any of its powers and dismisses the Fund Manager, the Fund Manager shall fully cooperate and facilitate smooth handover of responsibilities to the substitute Fund Manager within the first (60) days from the date on which the substitute Fund Manager is appointed. The dismissed Fund Manager shall, where necessary and appropriate and pursuant to the CMA's absolute discretion, transfer all contracts, which are related to the Investment Fund, to the substitute Fund Manager.

The Fund Manager must cooperate and provide the Custodian or the designated authority, which is authorized to search and negotiate, with any documents required from the Fund Manager to appoint a substitute Fund Manager, within (10) days from the date of the request. Both parties shall maintain confidentiality of information.

22) Fund Operator:

- a) **Name of the Fund Operator:**
Albilad Investment Company (Albilad Capital).
- b) **Authority authorization number and date:**
(License No. 08100-37) dated 01/08/1428 AH corresponding to 14/08/2007 AD.
- c) **Registered address and business address of fund operator:**
8162 King Fahd Branch Road – Al Olaya
Unit No. 22
Riyadh 3701-12313
Kingdom of Saudi Arabia
Tel: 8001160002 Fax: + 966 11 290 6299
- d) **A statement of the primary roles for the fund operator, functions in relation to the investment fund:**
The Fund Operator is responsible for the following:
 - Ensure that the Unit issuance and Redemption are completed.
 - Offer and publish the constituents of the Stock Basket and the Cash Items, if any.
 - Ensure that the Index-related information is published.
 - Operate the Fund's operations, including the administrative services provided to the Fund.
 - Notify the Fund's Board of Directors of any violations stipulated in the Investment Funds Regulations.
- e) **Statement that the operator may appoint a sub-operator:**
The Fund Operator may appoint one or more third parties or any of its staff to work as a Sub-Fund Operator. The Fund Operator will be charged all the fees and expenses of any Sub-Fund Operator from its own money.
- f) There are no tasks assigned by the Fund Operator to any third parties in relation to the Investment Fund.

23) Custodian

- a) **Name of the Custodian:**
Riyad Capital Company.
- b) **Authority authorization number and date:**
(License No. 37-07070) dated 19/06/2007 AD.
- c) **Registered address and business address of custodian:**
Granada Oasis
2414 Al Shuhada District, Unit No. 69
Riyadh 13241 - 7279

Kingdom Saudi Arabia

Tel: + 966 11 4865898 / 4865866 Fax: + 966 11 4865859

E-mail: rcss@riyadcapital.com

d) A statement of the primary roles, functions in relation to the investment fund:

- The Custodian is responsible for its obligations in accordance with the provisions of the Investment Funds Regulations, whether it fulfills its responsibilities directly or assigns them to a third party in accordance with the provisions of the Investment Funds Regulations and the Capital Market Institutions Regulations. The Custodian is responsible towards the Fund Manager and unitholders for the Fund's losses resulting from its fraud, negligence, misconduct or deliberate default.
- The Custodian is responsible for preserving and protecting the Fund's assets in favor of the unitholders. It is also responsible for taking all necessary administrative measures in relation to preserving the Fund's assets. The Fund's assets are jointly held by the unitholders. The Fund Manager, Sub-Fund Manager, Custodian, Sub-Custodian, advisor or distributor may not have any interest in the Fund's assets or any claim therein, unless the Fund Manager, Sub-Fund Manager, Custodian, Sub-Custodian, advisor, or distributor holds the Fund's Units, within the limits of its ownership, or such claim is permitted under the provisions of the Investment Funds Regulations, and the same is disclosed in the Terms and Conditions.
- Except for the Fund Units held by the Fund Manager, Sub-Fund Manager, Custodian, Sub-Custodian, advisor, or distributor, and within the limits of what the debtor owns, the creditors of the Fund Manager, Sub-Fund Manager, Custodian or Sub-Custodian, advisor, or distributor have no right to any claim or dues from the Fund's money or assets.
- The Custodian will also:
 1. create accounts for Fund Manager and Market Makers;
 2. execute the issuance and Redemption Requests approved by the Fund Manager after coordinating with the Saudi Exchange for issuing and redeeming the units;
 3. review the constituents of the Portfolio in light of the information announced by the Fund Manager;
 4. when the Unit issuance request is executed, arrange the transfer of the Stock Basket and other Cash component from the account of the Market Maker or the investors to the account of the Fund;
 5. when the Unit Redemption request is executed, ensure that the units are in the account of the Market Maker or the investors;
 6. arrange issuance and cancellation of the Fund's units; and ensure that the listing or the listing suspension has taken place correctly;

7. upon issuance, ensure that the Stock Basket and the Cash component are proportional to the number of Creation Unit baskets required; and
 8. upon Redemption, ensure that the Fund's units and their values are proportional to the Stock Basket and their values transferred to the account of the Market Maker or investors.
- Separation of Assets:
 1. The Custodian must open a separate account in its name with a local bank for each Investment Fund for which it acts as a Custodian. The account shall be opened in favor of the relevant Investment Fund.
 2. The Custodian must separate the assets of each Investment Fund from its assets and from the assets of its other clients. These assets must be identified independently through registration of securities and other assets of each Investment Fund in the name of the Custodian for the benefit of that Fund. The Fund's assets are registered in the name of a Custodian's subsidiary company. The Custodian shall keep all necessary records and other documents supporting its contractual obligations.
 3. The Custodian shall deposit all cash belonging to the Investment Fund into the account referred to hereinabove; and shall deduct from such account the sums used to finance the investments and the expenses of the Investment Fund Management and Operations in accordance with the provisions of these Regulations and the specified version of the Terms and Conditions of the Fund that it receives from the Fund Manager, and the contract under which a Custodian was appointed by the Fund Manager.
 4. The Fund Manager shall immediately declare on its website that it has appointed a substitute Custodian. The Fund Manager shall disclose on the Market's website that it has appointed a substitute Custodian for the Fund.
 - e) **Right of custodian to appoint a sub-custodian:**

The Custodian may assign one or more third parties or any of its employees to act as a Sub-Custodian for the Fund and to preserve its assets. The Custodian will pay the fees and expenses of any Sub-Custodian from its own money.
 - f) The Custodian may assign one or more third parties or any of its employees to act as a Sub-Custodian for the Fund and to preserve its assets. The Custodian will pay the fees and expenses of any Sub-Custodian from its own money, in accordance with the provisions of Article No. (27) of the Investment Funds Regulations.
 - g) **Provisions governing the removal/replacement of custodian:**
 1. The CMA may dismiss the Custodian appointed by the Fund Manager or take any measure it deems appropriate, if:
 - The Custodian ceases the Custody activity without notifying the CMA according to the Capital Market Institutions Regulations;

- The Custodian's license to practice Custody activity is cancelled, withdrawn or suspended by the CMA;
- The Custodian submits a request to the CMA to cancel the Custody activity license;
- The CMA discretionally considers that the Custodian materially breached the Law or the Executive Regulations;
- Any other event, which the CMA reasonably deems to be of material importance, occurs.

If the CMA exercises any of its powers and dismisses the Custodian, the concerned Fund Manager shall appoint a substitute Custodian, as instructed by the CMA. Moreover, the Fund Manager and the dismissed Custodian shall fully cooperate and facilitate smooth handover of responsibilities to the substitute Custodian within the first (60) days from the date on which the substitute Custodian is appointed. The dismissed Custodian shall, where necessary and appropriate and pursuant to the CMA's absolute discretion, transfer all contracts, which are related to the Fund, to the substitute Custodian.

2. Dismissal of the Custodian by the Fund Manager:

- The Fund Manager may dismiss the Custodian appointed by the Fund Manager under a written notice, if it reasonably considers that the dismissal of the Custodian is in the interest of the unitholders, and the Fund Manager must in writing notify the CMA and the unitholders of the same immediately. Through disclose on the Fund Manager's www.albilad-capital.com website and Saudi Exchange company website www.saudiexchange.sa
- The Fund Manager shall, if it dismisses the Custodian, appoint a substitute within 30 days from the date on which disclose on the Fund Manager's website www.albilad-capital.com and Saudi Exchange company website www.saudiexchange.sa in accordance with the paragraph mentioned hereinabove. The dismissed Custodian must fully cooperate with the Fund Manager to facilitate smooth handover of responsibilities to the substitute Custodian. The dismissed Custodian must, wherever necessary and appropriate, transfer to the substitute Custodian all contracts related to the Investment Fund.
- The Fund Manager must immediately announce on its website that it appointed a substitute Custodian. The Fund Manager must also announce on the Market's website that it appointed a substitute Custodian for the Fund.

24) Fund Board:

a) Names of the Fund Board members, indicating the membership type:

Zeid Mohammed Saad Al-Mufreh, Board Chairman – Non-Independent

Haytham Bin Suleiman Al-Sihimi, Director - Non-Independent

Waleed Abdullah Bin Ateeq, Director - Independent

Omar Ali Bassal, Director - Independent

b) A brief about the fund board members' qualifications:

1. Mr. Zeid Bin Mohammed Al-Mufreh (Chairman of the Board of Directors):

He is the Chief Executive Officer of Albilad Capital. He holds a BA in Business Administration and Information Systems from Chubu University, Nagoya, 2003 in Japan, and MA in Financial Economics from State University of New York at Buffalo, 2007, USA. He worked as the Agent of Capital Market Authority for Listed Companies and Investment Products from April 1, 2017 up to March 2018. He held the position of Head of Corporate and Governance Department from November 2015 up to April 2017. He has previously served on several leadership positions in the banking and financial services sector in the Kingdom, through which he gained experience for professionally leading the investment organizations through the tasks and responsibilities vested in him.

2. Mr. Haytham Bin Suleiman Al-Sihimi (non-independent member of the Board of Directors):

He holds MA in Investment Sciences and Finance Risks issued by University of Westminster, London, United Kingdom. He held several positions in the management business of Sapin United Arab Emirates Company (Sapin UAE). Since 2015, he has worked for Jadwa Investment, then Albilad Investment Company "Albilad Capital", as a financial analyst in investment banking, equity and business development. (Member of the Board of Directors of Albilad Bank and the Executive Manager of Business Development in Albilad Investment Company "Albilad Capital").

3. Mr. Waleed Bin Ateeq (independent member of the Board of Directors):

Masters in finance from Saint Mary's University in Canada, and Bachelors in Economics with a Minor in Business Administration from The Ohio State University in the United States of America. More than 16 years of experience in finance, investment, insurance and risk management. He held several positions as Insurance Supervisor at the Saudi Central Bank (SAMA), Senior Investment Performance Analyst at the Saudi Central Bank (SAMA), Chief Financial Officer at Allianz Saudi Fransi Cooperative Insurance Company, and currently serves as Deputy Chief Financial Officer at Saudi Re Cooperative Reinsurance Company.

4. Mr. Omar Ali Bassal (independent member of the Board of Directors):

He holds MA with Honors in Business Administration, Financial Administration and Statistics. He has more than ten years of experience in the financial field. Currently, he is the Director of Assets Department at Mohammed Ibrahim Alsubaei & Sons Investment Co.

c) Description of the Fund's Board of Directors' Roles and Responsibilities:

The responsibilities of the Fund's Board of Directors, include, but not limited to:

- Approve all contracts, decisions and material reports to which the Fund is a party, including, but not limited to, and approve the contracts of providing management services to the Fund,

and Custody services contracts, excluding contracts concluded in accordance with investment decisions regarding any investments made or will be made by the Fund.

- Adopt a written policy regarding voting rights related to the Fund's assets.
- Supervise, when appropriate, approve or ratify any conflict of interest disclosed by the Fund Manager.
- Convene a meeting at least twice a year with the Conformance and Compliance Committee of the Fund Manager or its Conformance and Compliance Officer to review the Fund's compliance with all related laws and regulations.
- Approve all the changes stipulated in Articles 62 and 63 of the Investment Funds Regulations, before the Fund Manager obtains the approval of the unitholders and the CMA or notifies them of the same (where applicable).
- Ensure completeness and accuracy of the Terms and Conditions of the Fund and any other document (whether a contract or otherwise) that includes disclosures related to the Fund, the Fund Manager and the Fund Management; and make sure that the foregoing is in accordance with the provisions of the Investment Funds Regulations.
- Ensure that the Fund Manager fulfills its responsibilities in favor of the unitholders in accordance with the provisions of the Investment Funds Regulations and the Terms and Conditions of the Fund.
- Review the report on evaluation of performance and quality of the services provided by the parties concerned with providing the material services to the Fund, including the Custodian, Developer and Property Manager (as applicable) to ensure that the Fund Manager fulfills its responsibilities in a manner inuring to the benefit of the unitholders in accordance with the Terms and Conditions of the Fund.
- Evaluate the mechanism adopted by the Fund Manager upon dealing with risks related to the Fund's assets in accordance with the Fund Manager's policies and procedures regarding monitoring the risks related to the Fund and how to address them.
- Ensure that the Fund Manager is committed to disclosing material information to unitholders and other stakeholders.
- Act honestly and in good faith, care, skill and diligence in favor of the Fund and the unitholders, and the duties of the trust include the duty of sincerity, concern and reasonable diligence.
- Record minutes of meetings reflecting the meetings discussions and the decisions taken by the Board.
- Review the annual report on all complaints and the procedures taken thereabout, in order to ensure that the Fund Manager fulfills its responsibilities in a manner inuring to the benefit of the unitholders in accordance with the Terms and Conditions of the Fund.

d) **Details on the remuneration of fund board members:**

The Independent Directors receive a remuneration amounting to SAR 40,000 per annum, (SAR 20,000 for each Independent Director) for all the meetings he attends during the year for all the Funds managed by Albilad Investment Company "Albilad Capital", to be equally divided to all Funds, except for real estate funds. The remuneration is accumulatively calculated on each calendar day and deducted and paid once a year.

e) **A statement of any conflict or potential conflict of interests of a fund board member and the interests of the fund:**

There are no practical activities or interests of the Fund Manager or the Directors that are likely to conflict with their responsibilities or performance towards the Fund. If such activities or interests exist, they will be disclosed.

f) **A statement showing all the funds boards that the relevant board member is participating in:**

Fund name	Zeid Al-Mufreh	Haytham Al-Sihimi	Waleed Bin Ateeq	Omar Bassal
Albilad Pure Saudi Equity Fund	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad SAR Murabaha Fund	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Saudi Equity Income Fund	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad GCC Equity Income Fund	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Fund of REIT Funds	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Investment Fund 2	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Saudi Sovereign Sukuk ETF	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Gold ETF	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad MSCI US Equity ETF	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad MSCI US Tech ETF	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Multi Assets Balanced Fund	Board Chairman	Non-Independent Director	Independent Director	Independent Director

Albilad Freestyle Saudi Equity Fund	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Sukuk Fund	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Diversified SAR Fund	Board Chairman	Non-Independent Director	Independent Director	Independent Director
Albilad Makkah Hospitality Fund	X	Board Chairman	X	X
Aldhahiyah Investment Fund	X	Board Chairman	X	X
Second Commercial Complex Real Estate Fund	X	Board Chairman	Independent Director	X
Nusaned Fund	X	Non-Independent Director	X	X
Medical Village Fund 1	X	Non-Independent Director	Independent Director	X
Ensan Endowment Fund	Board Chairman	X	Independent Director	X
Muzdalifah Real Estate Complex Fund	X	Board Chairman	Independent Director	X
Safa Najd Fund	X	Board Chairman	X	X
Bilad Al-Awali Real Estate Fund I	X	Board Chairman	X	X
Bilad Al-Awali Real Estate Fund II	X	Board Chairman	X	X
Albilad Obhur Real Estate Fund	X	Board Chairman	X	X

25) Shariah Supervisory Committee:

a) Names and qualifications of the Shariah Supervisory Committee members:

1. Prof. Dr. Youssef bin Abdullah bin Saleh Al-Shubaili, (Chairman): Faculty Member at Department of Comparative Jurisprudence, Higher Judicial Institute. He obtained Bachelor's degree from Faculty of Shariah and Fundamentals of Islam, Department of Comparative Jurisprudence at Imam Mohammad Ibn Saud Islamic University in Al-Qussaim. Afterwards, he obtained Master's degree and PhD in Islamic Jurisprudence from Department of Comparative Jurisprudence, Higher Judicial Institute, Imam Mohammad Ibn Saud Islamic University.

2. Dr. Muhammad bin Saud bin Muhammad Al-Osaimi, (Member): Faculty Member of the College of Economics and Administrative Sciences, Imam Mohammad Ibn Saud Islamic University. In 1403 AH, he obtained Bachelor's degree from Faculty of Shariah Imam Mohammad Ibn Saud Islamic University. Afterwards, he obtained Master's degree and PhD in Economy from the University of Colorado - Boulder, USA.
3. Prof. Dr. MUSAED bin Abdullah bin Hamad Al-Haqeel, (Member): An Associate Professor at Higher Judicial Institute. In 1424, he obtained a bachelor's degree from the Faculty of Shariah in Riyadh, with excellent grade and honors. In 1431 AH, he obtained Master's degree and PhD in Comparative Jurisprudence, Higher Judicial Institute, with excellent grade and honors.

b) A description of the roles and responsibilities of Shariah Supervisory Committee:

- Consider and review the Fund's Investment Objectives and Policies, Shariah Controls for "MSCI HK China Connect Select Index" and the Fund's documents to ensure their compliance with Shariah standards.
- Carry out periodic Shariah supervision on the Fund.
- Determine the necessary Shariah standards to select any other investments in the Capital Market in which the Fund is expected to invest.

c) Details on the remunerations of Shariah Supervisory Committee members:

The Fund Manager shall pay the remunerations of Shariah Supervisory Committee's members.

d) Details of the standards used to determine the Shariah-compliant assets to be used for investment, and the periodic review of such assets, and the procedures in the event of non-compliance with the Shariah standards:

The Fund Manager shall abide by the provisions and controls issued by Shariah Supervisory Committee in all the Fund's transactions, the most prominent of which are the following:

- With regard to Murabaha transactions, the Fund is committed to applying the Shariah provisions and controls and implementing the transactions in accordance with the procedures approved by the Fund's Shariah Supervisory Committee.
- If there are prohibited revenues in the assets in which the investment was made, the Fund Manager shall get rid of the prohibited revenues as decided by Shariah Supervisory Committee of the Fund in pro rata to the amount to be got rid of and where such amount will be spent.

The aforementioned controls are based on legitimate opinion and are subject to reconsideration, as required. If Shariah Supervisory Committee's legitimate opinion related to stocks investment controls, the Fund Manager will apply these controls to the new investments of the Fund.

- Shariah Supervisory Committee believes that there is no Shariah obstacle preventing the enforcement of Shariah controls referred to in the following Index work methodology:

- a. The company's business activity is Shariah compliant. Accordingly, the Index excludes any companies that directly conduct prohibited business or gain more than 5% of their revenues, including usurious interests, from prohibited business.
 - b. Total debts shall not exceed 33.33% of average issuer market capitalization for the last 36 months.
 - c. Total cash and interest-bearing securities shall not exceed 33.33% of average issuer market capitalization for the last 36 months.
 - d. Total receivables and cash shall not exceed 49.00% of average issuer market capitalization for the last 36 months.
 - e. The percentages mentioned in Clauses (b) and (c) may be reduced to 30% and Clause (d) may be reduced to 46% upon adding a non-Index company.
 - f. If mergers, acquisitions, or any other cases related to companies occur, the Index will verify the impact of these cases, and that they did not violate Shariah controls of the Index in the nearest periodic audit of the financial statements. If, for example, it becomes clear that the percentage of prohibited revenues exceeds 5%, it shall be deleted from the Index in the next audit.
- The Fund Manager must obtain the approval of the Sharia Committee to enter into SWAP contracts. The prohibited revenues shall be got rid of. As to the profits that have not been distributed, the following equation will be applied to the reinvested profits: $((\text{Total Revenues} - \text{Prohibited Revenues}) / \text{Total Revenues})$.
 - Periodic monitoring of the fund: The responsibility for verifying the compliance of the index components with the above-mentioned Sharia standards lies with the Sharia Board responsible for the index, which is obligated to issue a report or certificate from the Sharia Committee to the fund manager periodically to verify their compliance with the Sharia standards.
 - Procedures to be followed in the event of non-compliance with Sharia standards: In the event that any of the assets owned by the Fund deviate from these Sharia controls, the Fund Manager will immediately stop purchasing any new assets in it and sell its assets as soon as possible in a manner that guarantees the Fund's interests.

26) Investment Advisor:

Not applicable.

27) Distributor:

Not applicable.

28) Auditors:

a) Name of the Auditor of the investment fund:

PricewaterhouseCoopers.

b) The registered address and business address of the auditor:

Kingdom of Saudi Arabia, P.O. Box: 8282 Riyadh 11482

Tel: + 966 11 211 0400

Fax: + 966 11 211 0401

Website: www.pwc.com

c) A description of the Primary role and responsibility of the auditor:

- The Auditor shall be appointed by the Fund Manager in order to carry out the audit.
- If the Fund is established for more than nine (9) months prior to the end of its fiscal year, the audit shall be carried out at the end of the fiscal year.
- If the Fund is established for nine (9) months or less prior to the end of its fiscal year, the audit shall be carried out at the end of the next fiscal year.

d) Provisions governing the replacement of the investment fund's auditor:

The Board of Directors of the Fund must refuse appointing the Auditor or instruct the Fund Manager to change the appointed Auditor, if:

- there are existing and important allegations on professional misconduct on the part of the Auditor in relation to the performance of its duties;
- the Fund's Auditor is no longer independent;
- the Fund's Board of Directors decides that the Auditor does not have sufficient qualifications and experience to satisfactorily perform the audit tasks; or
- The CMA, at its sole discretion, requests the change of the appointed Auditor.

29) Fund's Assets:

a) All the Fund's assets are held by the Custodian in favor of the Fund.

b) The Custodian shall separate the Fund's assets from its own and from the assets of its other clients.

c) The assets of the Investment Fund are collectively commonly owned by the unitholders. The Fund Manager, Sub-Fund Manager, Fund Operator, Custodian, Sub-Custodian, advisor, or distributor may not have any interest in the Fund's assets or a claim in relation to those assets, unless the Fund Manager, Sub-Fund Manager, Fund Operator, Custodian, Sub-Custodian, advisor or distributor holds units in the Fund, within the limits of its ownership, or these claims are permitted under the provisions of the Investment Funds Regulations and disclosed in these Terms and Conditions.

30) Complaint's Procedures:

The Fund Manager will, on demand, provide a copy of the Fund Manager's policies and procedures for handling customer complaints, free of charge. If the unitholder has any complaint or note about the Fund, s/he shall send the same to it at the following address:

8162 King Fahd Branch Road – Al Olaya

Unit No. 22

Riyadh 3701-12313

Kingdom of Saudi Arabia

Tel: 8001160002 Fax: + 966 11 290 6299

If no settlement is reached or there is no response within 10 Working Days, the Subscriber may file his/her complaint with the CMA - Investor Protection Department. The Subscriber may also file the complaint with the Committee for Resolution of Securities Disputes after lapse of 90 Calendar Days from the date of filing the complaint with the CMA, unless the CMA notifies the complainant that s/he may file the complaint with the Committee for Resolution of Securities Disputes before lapse of such period.

31) Other Information:

- a) The policies and procedures that will be adopted to deal with a conflict of interest and any potential and/or actual conflict of interest will be presented, on demand, free of charge.
- b) The Committee for Resolution of Securities Disputes is the competent judicial authority having the jurisdiction to consider any dispute arising from or on investment in Investment Funds.
- c) The list that is available for unitholders include:
 - Terms and Conditions of the Fund.
 - Contracts mentioned in the Terms and Conditions.
 - The Fund Manager's Financial Statements.
- d) There is no additional information that may contribute to the investment decision-making by the potential unitholders, the Fund Manager, the Fund's Board of Directors or professional advisors.
- e) There are no exemptions approved by the CMA regarding any investment restrictions or limits.

32) Additional Information Requirements for Exchange Traded Funds:

In case of Exchange Traded Fund:

1. The unitholders of Albilad CSOP MSCI Hong Kong China Equity ETF agree to the Terms and Conditions of the Fund, upon subscription thereto.
2. The Fund has two valuation points:
 - The Fund's Net Asset Value and the Fund's Net Asset Value per Unit at the end of the day (NAV): by calculating the Total Value of the Fund's Assets on the basis of the daily closing

prices in the Hong Kong Market and the available Cash component less the due fees, and the result is divided by the number of existing Units. The Fund's assets are evaluated on the official working days of the Saudi Market. Announcement shall be made before the end of every day of trading in the Saudi Market. For example, the valuation of unit prices for each Sunday will be based on the closing prices of the previous Friday (or the last available prices) for the Hong Kong stock market.

- The Fund's Indicative Net Asset Value of the Units and Indicative Net Asset Value per Unit (iNAV): Will be announced during Saudi market trading hours. The iNAV is calculated by taking the total value of the fund's assets based on the latest closing price(s) of the Foreign Fund and the available cash, then deducting accrued expenses as of the end of the last Saudi market business day and dividing the result by the number of outstanding units. The iNAV will be variable during the first hour of trading on the Saudi market, from 10:00 AM to 11:00 AM, as the Hong Kong market is still open during this time. It will not change during trading on the Saudi market from 11:00 AM to 3:00 PM due to non-overlap of working hours between the two markets. If there is an overlap between the two markets, the iNAV will be updated. For example, the iNAV for a Sunday will be based on the closing prices of the Hong Kong stock market on the previous Friday.
3. The Market Maker is Albilad Investment Company (Albilad Capital). The Exchange Traded Fund Manager has the right to appoint one or more Capital Market Institutions, which is/are licensed to engage in the activity of dealing, to act as a Market Maker for the Fund.

Market Maker Duties:

- Enter a buy order and a sell order within a specified price range (2%) from the Fund's iNAV of the Unit published by the Fund Manager.
- Maintain orders in a continuous manner during trading up to 5 minutes prior to market closure, and the Market Maker may enter orders during trading hours.
- Facilitate issuance and cancellation of the Fund's Units in coordination with the Fund Manager, the Custodian.
- Contribute to stability of price and demand on the Fund's units in the Market by intervening to increase supply or demand on the units, when necessary.
- Provide the initial liquidity to the Primary Market to establish trading units, in order to create units for the Fund and offer them in the Market.
- Make the Market and attempt to keep the trading price close to the indicative price of the Unit in terms of trading.

The Market Maker is committed to making the Market and seeking to find a balance between the purchase or sale prices of the Fund units according to the fair value.

- The Market Maker creates the market and seeks to find a balance between the buying or selling prices of the Fund's units according to the last value of one unit.
 - In case of in-kind exchange of units Basket between the Fund Manager and the Market Maker, in order to create units for the Fund or cancel existing units from the Fund, the Basket will be valued using the evaluation of the Stocks themselves (as mentioned in Paragraph 10- above "Valuation and Pricing").
4. Nothing ensures accuracy or conformity of the performance of the Fund and the Index.
 5. While the Fund seeks to mimic the performance of its Benchmark Index, whether through a strategy of recurrence or improvement, there is no guarantee that it will achieve an ideal simulation. The Fund Manager also relies on the Index license granted by the Third Party Index Provider to use and monitor the Benchmark Index of its Fund. If the Index Provider terminates the Index's license or changes it, this will affect the Fund's ability to continue using and simulating its Benchmark Index to achieve its Investment Objective. There are risks related to the difference between the Working Days of the Index and the Working Days of the Fund, as the Index works from Monday to Friday and the Fund works from Sunday to Thursday, and the difference in working times during the daily trading period, so that the Saudi Market and the HK Market do not conflict with each other, which negatively affects the Fund's ability to simulate its Index.
The Fund Manager or any of its employees shall not be liable for any loss that may be sustained by the Fund, unless such loss is attributable to its infringement or negligence.
 6. Brief Description of the Index Methodology/Rules:
Shariah-compliant MSCI HK China Connect Select Index reflects the principles of Shariah-compliant investment. It is designed to measure the performance of largest 30 companies that are listed in the Hong Kong Exchange. The Index also applies certain policies, standards and financial ratios to exclude prohibited securities based on two types of standards, business activities and financial ratios derived from the financial statements of companies.
Index information is available on the websites of Index Provider MCSI, and the Fund Manager.
 7. Any circumstance(s) that may affect the accuracy and completeness of the Index's calculation:
Exceptional cases that may affect the accuracy and completeness of the Index's calculation may occur as a result of malfunctions in the technical systems as to transfer and update of prices directly and accurately.
 8. Description of the Fund Manager's plan if the Index calculation is suspended by the service provider: In this case, the Fund Manager will rely on another service provider. If the Index given by the replacement service provider is different, the Fund Manager will take all necessary actions and obtain the approvals required by the unitholders and the concerned parties to use the new Index.
 9. Deviation from Index coefficient margin: The Fund Manager will maintain the deviation margin compared to Index performance at a maximum of 3% per annum, after deducting fees and

expenses, while minimizing the margin of deviation coefficient between the performance of the Fund and the performance of the Index. There are no guarantees that the Fund Manager can reconcile the performance of the Index.

33) Unitholder Declaration:

When the Unitholder subscribes to the Fund, s/he acknowledges that s/he reviewed the Terms and Conditions of Albilad CSOP MSCI Hong Kong China Equity ETF and agrees to the characteristics of the units to which s/he subscribed.

MSCI Disclaimer

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