

# Albilad Gold ETF

## Terms & Conditions

## **Albilad Gold Exchange Traded Fund**

"An open public investment fund, consistent with the standards of the Shariah Board, organized under the regulations and regulations of the Saudi Arabian Capital Market Authority"

### **Fund manager**



### **Custodian**



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 inquires, the fund board directors and the fund manager confirm the validity and the 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 Gold ETF has been certified as being Shariah compliant by the Shariah Committee appointed for the investment fund. The Fund's Terms and Conditions and all other documentation comply with the Investment Funds Regulations and contain are complete, clear, accurate, and not misleading information on the investment Fund shall be updated and amended.

The Fund's Terms and Conditions shall be read in conjunction with other documentation.

Unitholders shall be deemed to have accepted and signed the Fund's Terms and Conditions, upon subscribing in any listed unit of the fund.

The performance of the fund can be viewed within the fund's reports.

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

**The Arabic language is the main for all documents and the only references in case of any discrepancy**

## Fund Summary

<b>Name of the investment fund</b>	Albilad Gold ETF
<b>Class/type of the fund</b>	open public investment fund
<b>Name of the fund manager</b>	Albilad Investment Company “Albilad Capital”
<b>Purpose of the fund</b>	closely track the performance of the Spot Gold Contract Index in the DGCX
<b>Risks level</b>	Medium to High
<b>Minimum amount for subscription and redemption</b>	The value of one gold packet
<b>Days of dealing/valuation</b>	The end of the working day and according to the closing prices for that day.
<b>Days of announcement</b>	The following workday to any price announcement
<b>Date for paying redemption amount</b>	The day that redemption is paid to redeeming investors
<b>Unit price at initial offer (nominal value)</b>	10 SAR
<b>Currency of the fund</b>	Saudi Riyals
<b>Period of the investment Fund and its Maturity date (where applicable)</b>	Not Applicable
<b>Date of commencing the fund</b>	17/08/2020
<b>Date of issuing the Terms and Conditions, and latest update of it (if any)</b>	These terms and conditions were issued on 06/23/1441 AH corresponding to 02/17/2020 AD

	and were updated on 09/04/1445 AH corresponding to 24/10/2023 AD
Early redemption fees (if any)	Not Applicable
Benchmark	The spot gold contract price index in force on the DGCC
Name of the fund operator	Albilad Investment Company “Albilad Capital”
Name of the custodian	Riyad Capital
Name of the auditor	Price Waterhouse Coopers
Fund management fees	The fund manager will cover the fund’s fees and expenses connected to the management and operating expenses for the fund. Where 1.50% of the NAV will be deducted as a maximum on an annual basis to cover these expenses and fees (Total fees percentage)
Subscription and redemption fees	Any investor wanting to subscribe or redeem are subject to the in-kind redemption fee of 2.50% of the net asset value for the number of units to be redeemed
Custodian fees	Not Applicable
Dealing expenses	The fund will cover all expenses relating to
Other fees and expenses	The fund is charged printing fees, publishing periodic reports, meeting of unit holders, transfer fees between bank or investment accounts of the

	<b>fund, in addition to taxes or fees, if any, and any other expenses that are legally permitted, not exceeding 0.5 % of the fund's net assets value annually.</b>
<b>Performance fees</b>	<b>Not Applicable</b>

## 1. Investment Fund:

- a) Name of the investment fund, its type and class  
Albilad Gold ETF is a public open-ended traded investment fund,
- b) Date of issuing the Terms and Conditions of the investment fund, and the last update, (if any)  
The Fund's terms and conditions were issued on 06/23/1441 AH, corresponding to 02/17/2020 AD were updated on 09/04/1445 AH corresponding to 24/10/2023 AD
- c) Date of the Authority's approval on the offering of the fund's units  
The Capital Market Authority's approval for offering the fund units was issued on 06/23/1441 corresponding to 02/17/2020 AD
- d) The duration of the investment fund and maturity date (where applicable)  
Albilad Gold ETF is a public, open and Shariah-compliant public traded investment fund. There will be no fixed period for the life of the Fund or the due date of the Fund.

## 2. Governing Laws

The Albilad Gold ETF and the fund manager are subject to the Capital Market Law and its implementing regulations as well as other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

## 3. Investment Policies and Practices

- a) The investment objectives of the investment fund.  
The Fund aims to closely track the performance of the DGCX Spot Gold Contract Index in the DGCX, in a passive management manner, by purchasing actual gold and storing it with the Dubai Multi Commodities Center Treasury through purchasing spot gold contracts that are compliant with the applicable Shariah Standards used by the Dubai Gold and Commodities Exchange, to achieve a similar performance to gold price movements on a daily basis, before fees and expenses are deducted.
- b) Type or types of securities in which the investment fund will invest in primarily.  
The fund will invest no less than 95% of its net asset value in spot gold contracts that are compliant with Shariah Standards in force on the DGCX. For liquidity purposes, the remaining balance of the fund's net assets value will be invested in investment grade money market transactions concluded with a party regulated by the Saudi Arabian Monetary Agency or a similar regulatory body for the institution outside the Kingdom, and money market funds licensed by the Authority or a regulatory body with standards and requirements similar to the Authority. The offered public offering is in compliance with the Standards of the Sharia Board, in order to pay any financial expenses or

obligations on the fund. The fund will seek to achieve a low deviation ratio (maximum 2% per annum) compared to the daily gold prices for spot gold contracts on the DGCX.

- 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 no less than 95% of its net asset value in spot gold contracts that are compliant with Shariah Standards in force on the DGCX. For liquidity purposes, the remaining balance of the fund's net assets value will be invested in investment grade money market transactions concluded with a party regulated by the Saudi Arabian Monetary Agency or a similar regulatory body for the institution outside the Kingdom, and money market funds licensed by the Authority or a regulatory body with standards and requirements similar to the Authority. The offered public offering is in compliance with the regulations of the Shariah Board, in order to pay any financial expenses or obligations on the fund. The fund will seek to achieve a low deviation ratio (maximum 2% per annum) compared to the daily gold prices for spot gold contracts on the DGCX. Each contract has a size of 1 kg of custom gold bars with minimum purity 0.995

- d) A table showing the percentage of investment in each investment field, with its minimum and highest limits.

The fund targets the limits shown in the table below for its investments:

Asset classes	Minimum	Maximum
Cash, cash market transactions and cash market funds	0 %	5 %
Spot gold contracts	95 %	100 %

- e) The markets in which the investment fund intends to invest in.

The fund will invest in the markets of the United Arab Emirates and the Kingdom of Saudi Arabia

- f) Disclose if the fund manager intends to invest in the investment fund.

The fund manager or its affiliates or employees have the right to invest in the fund without this investment having special treatment for other investments for the remaining 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 uses passive management strategy to achieve performance similar to the performance of the benchmark (spot gold contract in force in the Dubai Gold and Commodities Exchange) before deducting fees and expenses while reducing the annual deviation between the fund's performance and the index's performance to a minimum and a maximum of (2% per year). The fund manager will also aim to effectively invest the amounts of contributions and re-match weights or changes in the components of the benchmark, taking into account the transaction costs that may negatively affect the performance of the fund compared to the benchmark that is not subject to such expenses.
- The matching processes are carried out on a daily basis and the rebalancing operations are carried out on a monthly basis or upon the creation or cancellation of units by the market maker or upon subscription and redemption by the investors in order to ensure that the assets of the fund match the number of the issued units and the availability of sufficient cash in the fund to meet the expenses and any other obligations.
- The Fund does not seek to exceed the performance of the spot gold contract price index on the DGCX, nor does it seek to temporarily enter into defensive investments when the market is low or in the event of an overvaluation. The fund seeks to simulate and match the price performance of the spot gold contract on the DGCX.
- Method of choosing money market transactions and money market funds: The minimum credit rating for counterparties for money market investments will be as determined by one of the three international credit rating agencies rated as follows: Standard & Poor's - / BBB Moody's / Baa3 Fitch-BBB Investments will not be made in money market transactions or / and with unrated counterparties.
- The investment will be in money market funds with a public offering that are compatible with the Shariah Standards of the fund based on the performance, liquidity and risks related to the fund, and the upper limit for investment will be with any counterparty according to the restrictions stipulated in the investment funds regulations and any amendment thereof.
- Gold selection method: The Fund will only enter into the spot gold contracts in force in the DGCX that are in compliance with Shariah Standards, so that the size of one contract is (1) kilogram of gold bars allocated and approved by the DMCC and the Dubai Gold and Commodities Exchange with a minimum purity of 0.995



**h) Types of securities that cannot be included in the fund's investments.**

The fund manager will not invest in any securities other than those mentioned in the fund's terms and conditions.

**i) Any other restrictions on the type(s) of securities or other assets the fund can invest in.**

Not applicable.

**j) The limit that investments 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's investment percentage in any other investment fund, whether managed by the fund manager or other managers, will not exceed 5% of the fund's net assets. As usual, management fees will be applied when investing in an investment fund managed by the fund manager or other managers.

**k) The investment fund lending 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 is entitled to obtain financing in the amount of 10% of the fund's assets as a maximum in the necessary cases and in accordance with the standards of the Shariah Board, and the duration of this financing should not exceed one year. The fund manager may not pledge the assets of the fund.

**l) Disclosure of the maximum limit to deal with any counterparty.**

The maximum limit for dealing with any counterparty is 25% of the fund's net asset value.

**m) Statement on the fund manager policy for the management of investment fund risks.**

The fund manager will strive to make investment decisions consistent with the risk management policy for each asset in which the fund invests and good and wise investment practices that achieve the fund's objectives referred to in the fund's terms and conditions, the information memorandum and other relevant documents. This includes the fund manager's effort to ensure:

-Availability of sufficient liquidity to meet any expected redemption requests

-The fund does not assume any unnecessary investment risk related to its investment objectives and allocates risks in a cautious and prudent manner, without prejudice to the aforementioned investment objectives and policies.

-The Risk Management Department submits to the Fund's Board of Directors periodic reports on the fund's performance, discussing the risks related to the fund. Accordingly, these risks are assessed and the necessary measures are taken to achieve the interest of the unit holder in line with applicable laws and regulations.

- n) The benchmark, as well as information about the provider of the benchmark and the bases and the methodology used to calculate the benchmark.
- o Benchmark: It is the price of the spot gold contract that complies with Shariah Standards , used on the DGCX. The ticker of the index on the stock exchange website is DGSG
  - o Index provider: Dubai Gold and Commodities Exchange
  - o The principles and methodology used to calculate the indicator:  
The methodology for the benchmark (the DGCX spot gold price ) is calculating the price of Shariah compliant spot gold contracts from DGCX. Where the value of the index will be calculated using the latest deal price (the value is set through market factors (bid and ask) and trading mechanism. The ticker of the index according to the exchange’s website is DGSG.
- o) Where derivatives are used, there must be a prominent statement that states the purpose of using such instruments (e.g. efficient portfolio management, meeting investment objectives or merely for hedging purposes from the price volatility).
- Not applicable
- p) Any waivers approved by the Capital Market Authority for any investment limits and restrictions;
- None

#### **4. The Main Risks of Investing in the Fund:**

- a) An investment fund is likely to be exposed to high volatility due to the formation of its investments, but the investor should know that investing in securities involves various risks. The investor should take this into consideration and be fully aware of all the terms and conditions and the Information memorandum of the fund when making an investment in the fund.
- b) The past performance of the investment fund or the previous performance of the index is not an indication of the fund’s future performance.
- c) The fund does not guarantee for unit holders that the investment fund’s absolute performance or its performance relative to the index will repeat or match past performance
- d) An investment in an investment fund is not a deposit with any local bank that markets or sells securities or that the fund pursues the investment.
- e) Investors are exposed to the risk of losing money when investing in the fund.
- f) The unit holder declares and bears responsibility for any financial loss that may result from investing in the fund, except in the event of intentional negligence or intentional failure by the fund manager in performing his obligations.

The following is a list of the main potential risks associated with investing in the investment fund, the risks to which the investment fund is exposed, and any circumstances that may affect the fund's net asset value and returns:

- Custody and storage risks: The actual gold will be kept with the DMCC treasury, and Brinks Global Services will handle the entire day-to-day operations of the treasury, and the fund manager and custodian have entered into contracts to store the actual gold bars in separate vaults with the sub-custodian, Brink's Global Services, and any breach of the terms and conditions. The contract or the occurrence of an unexpected risk such as theft, which will negatively affect the performance of the fund and the unit price.
- Risks of investing in other investment funds: Other funds that the fund may target to invest in may be exposed to risks similar to those mentioned in this paragraph or more dangerous depending on their nature, which will negatively affect the performance of the fund and the unit price.
- Risks of In-Kind Redemption: The inability of the fund manager, custodian, gold provider or sub-custodian to make in-kind redemption for any reason, or when the minimum required number of units is not available to carry out the in-kind redemption process may pose a risk to unit holders and negatively affect the fund's investments and the unit price.
- Risks of not being able to Cash Redemption: The exchange of ETF units in exchange for a basket of gold and the monetary component when redeeming the units involves risks in terms of liquidity as the trading levels may decrease or not. This would lead to increased volatility in the fund's unit prices or technical problems related to the systems used, which would negatively affect the fund's investments and the unit price.
- Counterparty risk: They are the risks related to the possibility of failure of the contracting party or parties to fulfill its contractual obligations with the fund manager in accordance with the contracts or agreements between them, and this will negatively affect the fund's investments and the unit price.
- Risks of a credit downgrade: In the event that the fund invests the liquidity available in the fund in money market transactions or money market funds, there is a credit risk represented in the inability or unwillingness of the other party to pay the dues or obligations arising from it on time, which leads to a decrease in the fund's assets and unit price. Other money market funds that the fund aims to invest in are also subject to the same risks mentioned in the main risks section of this Information memorandum, and this will negatively affect the fund's investments and the unit price.

- Risks of Gold Price Volatility: Since the fund is designed to closely track the price of gold, the net asset value of the fund is closely related to the value of gold and will change with fluctuations in the market value of the gold bullion it holds.

The unit prices are also subject to fluctuation in addition to the fluctuation in the gold price, which is affected by many factors beyond the control of the fund manager, and this will negatively affect the fund's investments and the unit price. Factors affecting the price of gold include, but are not limited to the following: Market expectations regarding future rates of inflation and interest rates. Global or regional political, economic or financial events have a negative impact on the price of gold and this negatively affects investment in the fund's units. Global supply and demand for gold, including speculative activities in precious commodities.

- Currency Exchange risk: including the following: Since the investment in gold is valued in US dollars, the net value of the published assets is in the riyal. This conversion process is done by multiplying the net asset value in the fund in US dollars at the exchange rate of the Saudi riyal against the dollar at any particular valuation point.

Example: If the value of the US dollar rises against the Saudi riyal at a certain assessment point, and if the price of gold in the US dollar remains the same, then the net asset value of the fund in the Saudi riyal will also rise as a result of the appreciation of the currency. On the other hand, if the Saudi riyal rate rises against the US dollar at a certain assessment point, the net asset value of the fund in the Saudi riyal will decrease if the price of gold in US dollars remains the same and this will negatively affect the fund's investments and the unit price.

- Tracking Error Risk: It is possible that there is no absolute correlation between the net asset value of the fund and the benchmark index, so that multiple factors such as the market, fund expenditures, transaction costs and gold price volatility affect the fund manager's ability to achieve a coefficient of close correlation with gold contract prices, and this will negatively affect the fund's investments and the unit price. Also, there are a set of factors that affect the performance of the fund without affecting the performance of the index, which increases the margin of the coefficient of deviation from the performance of the index and among those factors are fees and expenses that the fund bears in addition to the fees for buying and selling spot gold contracts on the Dubai Gold and Commodities Exchange and the cash liquidity that it maintains By the fund manager to fulfill any redemption requests, and to rebalance the basket when needed in an optimal manner according to market conditions and the fluctuation of spot gold contract prices on the Dubai Gold and Commodities Exchange that change from time to time, which negatively affects the fund's performance and the unit price.

- Liquidity risk: Spot gold contracts are exposed when trading to risks in terms of liquidity, whereby trading levels are reduced or not. This would increase volatility in the fund's unit prices. Likewise, the Fund's investments in money market transactions that meet the Shariah standards also meet. A high degree of liquidity shortage. In addition, this relatively high degree of illiquidity leads to the Fund's inability to meet redemption requests.
- Market Maker Risks: It is possible that the market maker may not be able to provide sufficient liquidity or provide the minimum amount of trading in the fund's units, and issue and redeem units as required by it in accordance with the laws and regulations, which would negatively affect the fund and its unit holders. The limited number of market makers or licensed to issue and redeem units leads to delays in issuing and redeeming units, which leads to trading of units at a premium or at a discount compared to the indicative net unit price.
- Natural disaster risks: It is represented by volcanoes, earthquakes, hurricanes, floods and any natural phenomenon that cannot be controlled and causes great damage to property and assets, and adversely affects various economic and investment sectors, which leads to a decrease in the prices of the Fund's units.
- Technology risks: The fund manager, custodian, sub-custodian and market maker rely on the use of technology in managing the fund's operations and preserving its assets. However, its information systems may be exposed to breaches or partial or complete breakdowns despite the high security precautions available, which limits the ability to manage the fund's affairs. The fund effectively and if this happens, it may negatively affect the performance of the fund or lead to a decrease in the fund's unit prices.
- Risks related to the benchmark: The valuation and preparation of the benchmark is based on the price of the spot gold contract that is in compliance with Islamic law and in force on the DGCX, and there may be errors or omissions in the preparation or method of calculating the index, which may cause inaccuracies in the valuation of the fund and the occurrence of this may adversely affect This may affect the performance of the fund or lead to a decrease in the fund's unit prices.
- Compliance with Shariah Standards risk : The fund manager may be forced to dispose of investments or contracts concluded with some of the parties with which he invested in the event that the Shariah Board of the Fund Manager decides that these investments no longer meet the Standards according to which the Sharia Board has permitted investment in them.
- Risks of VAT and Zakat: Investing in the fund can result in zakat or certain taxes imposed by authorities with jurisdiction such as VAT, to name but a few, some of which may apply to the Fund

and its investments and others to the investor. If tax is imposed on the fund, the fund's assets and unit prices will decrease.

- Interest Rate Volatility Risk: It is the risk resulting from the fluctuation of the value of securities and commodities as a result of the change in interest rates. Therefore, the value of securities or commodities may be negatively affected by fluctuations in interest rates.
- Risks of conflict of interest: Cases may arise in which the interests of the fund manager or related parties conflict with the interests of subscribers in the fund, which limits the ability of the fund manager or the related parties to perform his duties objectively, which negatively affects the fund.
- Political and legal risks: Represented by cases of political instability, the issuance of new legislation or laws, or changes in existing legislation or laws, which negatively affect the Fund's investments.
- Risks of concentration of investments: It is the risk arising from the concentration of the fund's investments in certain asset classes determined by the nature and objectives of the fund or the benchmark. In the event that this category is affected by certain circumstances that lead to lower returns, then the returns of the Fund will be negatively affected.
- Risks of relying on the fund manager's employees: The success of investing the fund's assets depends to a large extent on the skills and expertise of the professional staff working for the fund manager. Consequently, the returns of the fund are negatively affected as a result of the change in management of the fund.
- Risks of adjustments made by the custodian: The custodian and sub-custodian will be exposed to mistakes or delays when carrying out fund adjustments, which will increase the liquidity ratio in the fund and cause a decrease in the fund's returns.
- Gold Providers Risks: The fund will buy actual gold through spot contracts that are in force in the Dubai Gold and Commodities Exchange, and the fund and unit holders are exposed to risks related to the stock exchange supplying the gold so that this party can fail to fulfill its contractual obligations with the fund manager according to the contracts or agreements between them, which negatively affects the fund's investments and the unit price.
- Gold quality risks: The Fund relies for its investments on actual gold in force in the Dubai Gold and Commodities Exchange and in accordance with the Dubai Commodity Delivery Standard - an international standard for quality and technical specifications for gold production - despite the DMCC rules for risk-based due diligence in the gold and precious metals supply chain. "In order to ensure certain quality standards that were previously announced, the fund may be exposed to the risk of acquiring quantities of gold of lesser specifications and quality, which will negatively affect the fund's investments and the unit price."

- Fund's net asset value risk: The Fund Manager will rely on the price of the last transaction (closing price) made on Friday of each calendar week net asset value and net value of the assets guided during the trading hours on Sunday of each week, since Sunday is not an official working day on the Dubai Gold and Commodities Exchange which negatively affects the performance of the fund and the unit price for that day

## 5. Mechanism for Assessing Risks

The fund manager acknowledges the existence of internal mechanism to assess the risks related to the fund's assets.

## 6. Targeted Class for Investing in the Fund

Individuals, institutions, companies, government agencies and other sectors may invest in the fund, provided that this is consistent with their investment objectives and their tolerance of the risks associated with investment. The fund also targets investors wishing to track the performance of gold prices through passive investment and to track the prices of spot gold contracts on the Dubai Gold and Commodities Exchange, provided that this is consistent with its investment objectives.

## 7. Investments Restrictions

The fund manager, in managing investment funds, shall comply with any restrictions imposed by the Investment Funds Regulations, The Fund's Terms and Conditions.

## 8. Currency

The currency of the fund is the Saudi riyal (SAR).

## 9. Fees, Charges and Expenses

### a) Details on all payments from the assets of the investment fund, and the method of calculating them

- Management fees: The fund manager charges an annual management fee of 1.50% of the fund's net asset value, which is calculated on each calendar day and deducted on a monthly basis. Management fees are subject to value-added tax, and are charged separately in accordance with the values stipulated in the value-added tax system and its implementing regulations.

-Finance Fee: In the event that there are financing expenses for the fund, it will be according to the prevailing financing rates, so that financing can be obtained through Murabaha operations, and it is expected that the financing cost of Murabaha operations will not exceed 0.5% of the monthly rate of return based on the financing period.

-Custodians in the markets in which the fund buys or sells. These amounts vary based on the rate of circulation of the fund's assets and the volume of operations. An increase in the volume of change in portfolio components will lead to an increase in transaction fees and fees. In addition, unit holders bear the dealing fees imposed by brokers and / or trading when trading the fund units

-Other expenses: The fund is charged printing fees, publishing periodic reports, meeting of unit holders, transfer fees between bank or investment accounts of the fund, in addition to taxes or fees, if any, and any other expenses that are legally permitted, not exceeding 0.5 % of the fund's net assets value annually.

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

Fee Type	Applicable ratio	Calculation Method	Frequent fee payment
<b>Management fees</b>	1.50% annually of the fund's net assets	Every day Cumulative valuation	Monthly
<b>Finance fee</b>	According to the prevailing financing rates, it is expected that the financing cost of Murabaha operations will not exceed 0.5% of the monthly rate of return based on the financing period	Every day Valuation	according to the agreed financing contract
<b>Transaction expenses</b>	The fund will bear all expenses related to buying or selling operations if they are part of the fund's investments or any regulatory fees imposed by the Capital Market Authority or the dealing broker.		
<b>Other expenses</b>	The fund is charged printing fees, publishing periodic reports, meeting of unit holders, transfer fees between bank or investment accounts of the fund, in addition to taxes or fees and any other legally permitted expenses, not exceeding 0.5% of the fund's net assets value annually.		

**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.**

Description	Fees percentage from Total Asset Value
Custody Fees	<b>0.05% Annually</b>
Fund Services Fees	<b>0.09% Annually</b>
Auditors Fees	<b>0.09% Annually</b>
Fund Board Member Rewards	<b>0.009% Annually</b>
Shariah Board Fees	<b>Covered by fund manager</b>
Monitoring Fees	<b>0.015% Annually</b>
Publication Fees (Tadawul)	<b>0.01% Annually</b>



Management Fees ( From the NAV after deducting all expenses)	0.80%
Investors Yearly Profit	8.83%
<b>*there are no nonrepeating expenses and in case that there are, they will be disclosed according to article 76 of The Investment Fund Regulations</b>	

**d) Statement of details on charges imposed for subscription, redemption, and ownership transfer, paid by unit holders, and the method for calculating it.**

Investors and the market maker are subject to in-kind redemption fees of 2.50% of the net asset value for the number of units to be redeemed. While there is no subscription fee in the case of in-kind subscription. The fund manager has the right to exempt the licensed market maker from redemption fees in kind. While there is no subscription fee in the case of in-kind subscription. Investors will also bear the brokerage fees in the market when buying or selling the fund units. There is no upper limit for brokerage fees, but rather it is calculated according to the prevailing market prices. The dealing expenses or any trading fees or other fees related to the securities trading services of the fund shall be paid by the fund directly at levels determined by the regulations, the dealing broker or the custodians in the markets in which the fund is buying or selling. These amounts vary based on the rate of circulation of the fund's assets and the volume of operations. An increase in the volume of change in portfolio components will lead to an increase in transaction fees and fees. In addition, unit holders bear the dealing fees imposed by brokers and or trading when trading the fund units.

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

There is no special commission entered into by the fund manager.

**f) Information regarding tax and/or zakat (if any).**

The unit holder is responsible for paying the zakat due on him from the value of his units. As for the value-added tax, any fees that include value-added tax according to the executive regulations of the value-added tax will be borne by the fund, as the unit holder does not pay additional periodic amounts after his participation in 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 entered into by the fund manager.

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

The hypothetical expenses that are charged to the fund, assuming that there is a subscription of 5,000 Saudi Riyals and the size of the fund is 50 million Saudi Riyals, with a hypothetical return of 10%

Description	Fees percentage from Total Asset Value
Custody Fees	0.05% Annually
Fund Services Fees	0.09% Annually
Auditors Fees	0.09% Annually
Fund Board Member Rewards	0.009% Annually
Shariah Board Fees	Covered by fund manager
Monitoring Fees	0.015% Annually
Publication Fees (Tadawul)	0.01% Annually
Management Fees ( From the NAV after deducting all expenses)	0.80%
Investors Yearly Profit	8.83%
<b>*there are no non repeating expenses and in case that there are, they will be disclosed according to article 76 of The Investment Fund Regulations</b>	

## 10. Valuation and Pricing

**a) A statement of the valuation method of each asset held by the fund.**

The nominal value of the fund unit is ten (10) Saudi riyals. The unit price is calculated by dividing the total value of the fund's assets plus all income, including the accrued income, minus the fees and expenses due, by the total number of units outstanding at that time. The valuation is done on the basis of the Saudi riyal currency and the valuation is determined based on all the assets included in the basket minus the fund's dues at that time.

The fund is evaluated on every calendar day as indicated in the fund summary, if the valuation day is a working day at the Capital Market Authority in the Kingdom of Saudi Arabia. The valuation method depends on the type of assets, and the fund manager may rely on certain systems in terms of determining values, prices and exchange rates. The fund manager will follow the following principles to evaluate the fund's assets

With regard to transactions in money market instruments, the face value plus the accumulated profits as on the previous trading day and the calendar day. For investment funds, the last net asset value published per unit. For the price of spot gold contracts DGSG, spot trading price (last transaction price) applicable on the Dubai Gold and Commodities Exchange.

**b) A statement frequency of valuation and number of valuation points.**

The fund has two Valuation points:

1. The unit's net asset value at the end of the day (NAV): This is based on the total value of the Fund's assets based on the daily closing prices of spot gold contracts traded on the Dubai Gold and Commodities Exchange and the available cash item, from which any outstanding fees are deducted and the output is divided by the number of existing units. The fund's assets are assessed daily before the end of the working day and when that day is not a working day; the valuation will be the next working day. Cash Component represents the necessary to compensate the differences between the value of one basket and the fund units during the subscription or redemption period.

2. Indicative unit net asset value (iNAV): It will be announced during trading times and occurs every 15 seconds, and the unit's indicative net asset value (iNAV) is calculated by calculating the total assets value of the fund according to the latest price of gold contracts traded on the DGCX and the available cash component, after which the accumulated expenses are deducted as at the end of the last A working day (Friday of every week) and the result is divided by the number of existing traded units. The indicative net asset value of the unit and the net asset value of the unit will be announced on the fund manager's website and the Saudi Stock Exchange website (Tadawul). In addition, accurate and updated information of registered unit holders will be kept on Tadawul.

The fund manager will rely on the price of the last transaction (closing price) that took place on Friday of every calendar week, net asset value and net asset value indicative on Sunday, since Sunday is not an official business day on the DGCX.

The indicative net asset value of the unit and the net asset value of the unit will be announced on the fund manager's website and the Saudi Stock Exchange website (Tadawul). In addition, accurate and updated information of registered unit holders will be kept in the main Saudi Stock Exchange (Tadawul).

**c) A statement of actions to be taken in case of mis-valuation or mispricing.**

-In the event that one of the fund's assets is incorrectly evaluated or the unit price calculated incorrectly, the fund manager will document this.

-The Fund Manager will compensate all affected unit holders (including previous unit holders) for all valuation or pricing errors immediately.

-The fund manager will immediately inform the authority of any valuation or pricing error that constitutes 0.5% or more of the unit price, and disclose this immediately on his website, the market's website and in the fund reports prepared by the fund manager in accordance with Article 71 of the Investment Funds Regulations.

-The fund manager will present in his reports to unit holders and in his reports to the required body in accordance with Article 72 of the Investment Funds Regulations summarizing all valuation and pricing errors.

**d) A statement of the method for calculating the unit price for the purpose of executing subscription or redemption requests.**

There is no way to calculate the unit price for the purposes of categorizing subscription and redemption requests in the case of ETFs. As the price of the units is the price traded in the Saudi Stock Exchange (Tadawul), and the subscription and redemption is in kind only. Minimum in-kind subscription: It is one basket of gold bars equal to 5 kg, corresponding to 100,000 units of the fund's units available for trading in addition to the monetary component associated with it. Minimum In-Kind Refund: It is one basket of units, amounting to 100,000 units of the ETF, corresponding to 5 kg of gold bars, in addition to the cash component associated with it. Investors are subject to the in-kind redemption fee of 2.50% of the net asset value for the number of units to be redeemed. The fund manager has the right to exempt the licensed market maker from redemption fees in kind. While there is no subscription fee in the case of in-kind subscription. For all the details of the fund's subscription and in-kind recovery procedures, please see Paragraph (11-c) under the transitioning item, which contains all the subscription and redemption procedures.

**e) The publication time and place of the unit price, and its frequency.**

Indicative unit net asset value (iNAV): During trading hours, it occurs every 15 seconds on the fund manager's website [www.albilad-capital.com](http://www.albilad-capital.com) and the Saudi Stock Exchange (Tadawul) website [www.tadawul.com.sa](http://www.tadawul.com.sa). Net asset value per unit: Within 3 hours of the end of the trading hours, and the unit price on the Tadawul website [www.tadawul.com.sa](http://www.tadawul.com.sa) and the fund manager's website [www.albilad-capital.com](http://www.albilad-capital.com)

## **11. Dealings**

**a) A statement on details of the initial offer.**

-The IPO period will start on Sunday, Shaaban 19, 1441 AH, corresponding to April 12, 2020 CE, for a period of (45) business days.

-The unit price upon incorporation will be (10) Saudi riyals.

-The minimum that the fund manager intends to raise is 10 million Saudi riyals.

-The minimum for the cash subscription during the initial offering period: It is two hundred thousand (200,000) Saudi riyals.

-If the minimum required amount was collected before that date, the fund manager can close the initial offering period and launch the fund in a timely manner.

-Please note that in-kind subscriptions will not be accepted during the initial offering period.

- b) A statement clarifies the 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.**

Initial subscription requests will be made available to the fund during the initial offering period, by the mechanism described in paragraph (7-c) below.

- 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.**

Subscription to the fund during the initial offering period:

-The investor who wishes to participate in the fund should open an account with the fund manager in order to implement the subscription operations.

-Subscribers who wish to purchase the fund units should complete and submit the subscription request form, sign the terms and conditions, and deliver them to the fund manager. To open an investment account, what is required is a civil status card for Saudis, a passport and personal identity for citizens of the Gulf Cooperation Council countries, a copy of the residency and passport for non-Saudis, in addition to filling out and signing the Know Your Customer form and the form for opening an investment account.

-If the payment is made in a currency other than the Saudi riyal, the received amount will be converted into Saudi riyals and the subscription is executed on the basis of the net value of the amount in Saudi riyals.

-The subscription amount is collected through direct debit from the investor's account with the fund manager.

-Please note that in-kind subscriptions will not be accepted during the initial offering

-The minimum cash subscription during the IPO period: period, which is two hundred thousand (200,000) Saudi riyals.

Subscription to the fund after the initial offering period:

-Since the fund type is an index traded fund, investors wishing to buy and sell the fund units during trading times can trade the fund units in the same way as the shares listed on the market are traded by any person authorized by the authority to provide transitioning services. Units through the creation and cancellation of these units through the fund manager.

-In-kind subscription and redemption operations are made with the fund manager on the basis of unit bundles. The gold bullion per basket should be of the type that a fund manager can possess according to the list of basket components announced, from assigned gold bars with a minimum purity of 0.995.

Procedures for exchanging in-kind baskets of units in order to create units in the fund:

-The Fund Manager will display details of the basket components of gold bars and monetary items on a daily basis before the start of trading operations.

-One basket is equal to 5 kg of gold bars or its equivalent 100,000 units of the fund units available (one basket) for circulation in addition to the cash component associated with it. The weight of one contract is 1 kg of separate gold bars with a minimum purity of 0.995

- The licensed market maker or investors apply to the fund manager to establish and issue new units.

-The market maker or investors wishing to participate in physical gold bullion should open an account with the fund's sub-custodian.

-At the same time, the market maker or the investors deposit a basket of gold bars with the sub-custodian, and the cash amounts in his account with the custodian match the number of bundles of units to be issued.

-The fund manager, in coordination with the custodian, reviews the request, the components of the gold bullion basket and the cash amounts, and approves the request for issuing units..

-The custodian and sub-custodian make sure that the gold bullion basket and cash amounts match the number of units to be created.

-The custodian transfers the basket of gold bars and the cash amounts from the market maker or investor account to the fund account.

-The custodian coordinates with the Capital Market (Tadawul) for the process of issuing and listing the units.

-The new units are deposited into the market maker or investors account.

- The market maker or investors can then make sales in the market or keep the new units in their inventory
  - At the end of the day, the custodian checks and matches the number of units the source corresponds to the number of gold bars received.
  - In the event that there are any differences between the number of exported units and the number of gold bars, the custodian shall process them.
  - The fund manager calculates the monetary component at the end of the transitioning day for the unit basket. Any decrease or increase in cash will be settled through the custodian with the market maker or the investors at the end of the day.
  - The market maker or investors wishing to participate in the gold bullion in kind should open an account with the fund's sub-custodian (Brink's International Services Company, which transactions with the fund, in order for the gold to be transferred from the safe designated for the market maker or investor to the safe designated for the fund.
  - The party wishing to subscribe or redeem in kind in the fund - whether this party is an investor or a market maker - will bear all fees and costs that may arise as a result of transitioning with the fund's sub-custodian (Brink's Global Services Company) or as a result of receiving and delivering the actual gold bullion.
- Procedures for in-kind recovery of the bundles of the units traded in the fund:
- The minimum amount for in-kind redemption is one basket of units and it is 100,000 units of the ETF.
  - The market maker or investors wishing to redeem gold bullion in the form of an individual should open an account with the fund's sub-custodian.
  - The market maker or investors submit a request to the fund manager to redeem the bundles of the units.
  - After the initial review, the fund manager approves the unit bundle recovery request.
  - The market maker or investors simultaneously deposit the bundles of the redeemed units in their account with the custodian.
  - The custodian will ensure that the batches of deposited units match the redemption request.
  - The custodian coordinates with Tadawul to implement the recovery of the traded units.
  - The custodian, in coordination with the sub-custodian, deposits the basket of gold bars from the fund's account to the account of the market maker or investors.
  - At the end of the day, the custodian, in coordination with the sub-custodian, makes sure that the number of recovered units matches the number of gold bars received.

- In case of any discrepancies, the custodian shall settle them as required.
- The fund manager calculates the required cash at the end of the day according to the fund's policies. Any deficiency or excess in the redemption of the fund units shall be settled by the custodian with the market maker or the investors at the end of the trading day.
- The gold bars will be transferred to the customer's account with the sub-custodian before the close of business on the fifth day following the valuation point at which the redemption price is set as a maximum.
- The sub-custodian appointed by the custodian is Brink's Global Services, which undertakes the task of managing the entire daily operations of the treasury, which includes, for example, warehousing services, shipping, receiving and delivery of gold bars.
- Investors wishing to subscribe or redeem in kind will bear any additional fees or costs that may arise as a result of their request to redeem units or as a result of receiving and delivering the actual gold, for example, but not limited to: Shipping, storage, insurance or any other charges that Brink's Global Services Company may impose.
- In the event that the market maker submits a request to create or cancel units in kind, all additional fees and costs that may arise as a result of his request or as a result of the actual gold receipt and delivery, for example, but not limited to: Shipping, storage, insurance or any other charges that Brink's Global Services Company may impose.
- The party wishing to subscribe or redeem in kind in the fund - whether this party is an investor or a market maker - will bear all fees and costs that may arise as a result of transitioning with the fund's sub-custodian (Brink's Global Services Company) or as a result of receiving and delivering the actual gold bullion.
- The in-kind redemption fee is 2.50% of the net asset value of the units to be redeemed, and it is deposited in the fund manager's account directly upon submitting the redemption application form.
- Investors or a market maker can communicate with representatives of the fund's sub-custodian, Bronx Global Services, directly at the following address: Brink's Global Services - Dubai, United Arab Emirates  
Brink's Global Services - Dubai, United Arab Emirates
- Phone: +97142996936: Free Zone Branch
- Phone: +97144245915: Almas Tower Branch
- Phone: +97142259228: Gold Market Branch
- Fax: +97142996948
- website: [www.brinksglobal.com](http://www.brinksglobal.com)



The fund manager will fulfill redemption requests not exceeding the number of units subscribed to with respect to investors, and this condition does not apply to the market maker.

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

The units of the fund will trade in the ETFs market, so any restrictions imposed by the Capital Market Authority or the Capital Market (Tadawul) will apply to transitioning in ETF units.

**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 postpone the redemption of units, as a maximum, to the next transitioning day. This occurs if the total percentage of all redemption requests for unit holders, which are required to be fulfilled on any transaction day, reaches 10% or more of the fund's net asset value.

-The Fund Manager should follow fair and equitable procedures when selecting the requests for refunds to be deferred, as the fund manager will pay on the basis of priority execution so that subsequent recovery requests are made (the priority of transitioning is determined according to the date and date of the refund request, the oldest request is operated with and the next one). Suspension of subscription or redemption of units shall be upon the fund manager

-Suspension of subscription or redemption of units if requested by the Capital Market Authority.

The fund manager may not suspend the subscription or redeem the fund units except in the following cases:

If the fund manager reasonably believes that, the suspension is in the interests of the general fund unit holders.

If the transaction is suspended in the main market in which the securities or owns the fund are traded. Either in general or for the fund's assets, which the Fund Manager reasonably considers fundamental to the net value of the general fund's assets.

-The fund manager should take the following measures in case of any suspension imposed by the fund manager:

The Fund Manager will ensure that no suspension continues except for the necessary and justified period, taking into account the interests of the unit holders. Review the suspension on a regular basis and consult with the fund's board of directors and the custodian about this on a regular basis. Notify the Capital Market Authority as soon as any suspension occurs, explaining the reasons for this, as well as notifying the Commission and the unit holders upon the end of the suspension. This will be done through the fund manager's website and the Saudi Stock Market Company's website (Tadawul).

- The Authority has the power to lift the suspension if it deems that this is in the interests of the unit holders.

- 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.

The fund manager does not allow the transfer of ownership of units to other investors.

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

The process of creation and cancellation of ETF units established on an in-kind basis, according to which the fund manager and the market maker will exchange ETF units and the gold bullion basket, and vice versa, through the custodian, for the purpose of creating and canceling ETF units.

The initial value of the fund unit is 10 Saudi riyals.

- 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 to start operations of the fund is 100,000 Saudi riyals. If the minimum is not collected during the initial offering period, the fund manager should return the subscription amounts and any proceeds resulting from their investment without any deduction.

## 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 not distribute dividends to subscribers

- b) Approximate maturity and distribution date, if applicable.

The fund manager will not distribute dividends to subscribers

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

The fund manager will not distribute dividends to subscribers

## 13. Reporting to Unitholders

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

-The financial statements of the fund shall be prepared in the Arabic language and at least semi-annually and are examined in accordance with international accounting standards and accounting standards issued by the Saudi Organization for Certified Public Accountants. Additional copies

may be prepared in other languages, and in the event of any inconsistency between those copies, the text of the Arabic language shall be taken.

-The fund manager will prepare the annual reports (including the audited annual financial statements and initial reports in accordance with the requirements of Annex No. (3) of the Investment Funds Regulations. The fund manager will provide unit holders with them upon request without any compensation, and in the event that the chartered accountant is appointed or changed, the approval of the fund's board of directors should be obtained.

The fund manager will make available the annual report within 3 months of the end of the period of the report through the means and places highlighted in section (B) of this article

-The fund manager will make available the net current assets value of the general fund that he manages for examination by the unit holders without charge, and he will also make all the previous net assets value available in the registered offices of the fund manager.

-The fund manager shall publish its quarterly reports according to annex 4 during a period that does not extend 10 days since the issuance of the reports of the funds that are invested in through the means and places highlighted in the terms and conditions and the fund manager's website and the market's website or any other website open to the public that is stipulated by the regulations set by CMA

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

Reports of unit holders will be sent to the postal address, e-mail, phone and / or fax as indicated in the account opening form, unless the fund manager is notified of any change in the address. The fund manager should be notified of any errors within 60 calendar days of issuing those reports, after which the reports issued by the fund manager will be final and conclusive. Annual and international reports will also be provided on the fund manager's website [www.albilad-capital.com](http://www.albilad-capital.com) and the market website [www.tadawul.com.sa](http://www.tadawul.com.sa)

**c) Information on the means of providing the annual financial statement to unitholders.**

Upon request, the annual reports (including the annual audited financial statements) will be made available free of charge to the fund's unit holders and potential clients, by publishing them within a period not exceeding 3 months from the end of the reporting period. Annual and international reports will also be provided on the fund manager's website [www.albilad-capital.com](http://www.albilad-capital.com) and the market website [www.tadawul.com.sa](http://www.tadawul.com.sa)

**d) The fund manager declares to provide the first audited financial statement at the end of the fiscal year 2020**

- e) The fund manager declares to provide the unit holders with the annual audited financial statements free of charge upon request.

#### 14. Unitholders Register

- a) The fund operator will prepare the unitholder register and will update and maintain it in the Kingdom
- b) The fund manager will prepare an updated unitholder register and the register will be offered free of charge to the unitholders

#### 15. Meeting of Unitholders

- a) A statement of the circumstances in which a meeting of unitholders is called.
- The fund manager has the right to call for a meeting of unit holders on his initiative.
  - The fund manager calls for a meeting of unit holders within 10 days of receiving a written request from the custodian.
  - The fund manager calls for a meeting of unit holders within 10 days of receiving a written request from one or more holders of investors who collectively or individually own at least 25% of the value of the fund's units.
- b) A statement of the procedures for calling a meeting of unitholders.
- The invitation to hold a meeting of unit holders shall be made by announcing on the website of the fund manager and the website of the Saudi Stock Exchange (Tadawul), and by sending a written notice to all unit holders and the custodian for a period of not less than 10 days and not more than 21 days before the date of the meeting, provided that the date of the meeting is clarified. Its location, time, and the proposed decisions in both the notice and the announcement. The fund manager should, in the event of sending a notice to the unit holders to hold any meeting, send a copy of it to the commission.
  - The meeting of unit holders should not be valid unless attended by a number of unit holders who collectively own at least 25% of the value of the fund's units.
  - If the quorum indicated in the previous paragraph is not met, the fund manager should call for a second meeting by announcing that on his website and on the website of the Saudi Stock Exchange (Tadawul) and by sending a written notice to all unit holders and the custodian not less than 5 days before the date of the second meeting.
  - The second meeting is considered valid regardless of the percentage of ownership of the units represented in the meeting.

- c) A statement showing the manner in which unitholders' cast their votes and their voting rights at meetings.

Method of voting unit holders

-Each unit holder may appoint an agent to represent him at the unit holders meeting.

-Each unit holder may cast one vote at a meeting of unit holders for each unit he owns at the time of the meeting.

-It is permissible to hold meetings of unit holds and participate in their deliberations and vote on their decisions by means of modern technology in accordance with the controls laid down by the Authority.

-The decision shall be enforceable with the approval of the unit holders whose ownership percentage represents more than 50% of the total units present at the meeting of unit holders, whether their attendance is in person, agency, or by means of modern technology.

Voting rights for unit holders

-The unit holder and the custodian have the right to receive written notice at least ten days before the meeting and no more than (21) days before the meeting.

-The unit holder has the right to exercise all the rights associated with the units, including obtaining the approval of the unit holders in the fund on any changes that require their approval in accordance with the investment funds regulations.

## 16. Unitholders' Rights

- a) List of unitholders' rights

- The fund manager has the right to call for a meeting of unit holders on his initiative.
- The fund manager calls for a meeting of unit holders within 10 days of receiving a written request from the custodian.
- The fund manager calls for a meeting of unit holders within 10 days of receiving a written request from one or more holders of investors who collectively or individually own at least 25% of the value of the fund's units.

- b) The fund manager's policy regarding the voting rights associated with any assets of the public fund which it manages.

- The invitation to hold a meeting of unit holders shall be made by announcing on the website of the fund manager and the website of the Saudi Stock Exchange (Tadawul), and by sending a written notice to all unit holders and the custodian for a period of not less than 10 days and not more than 21 days before the date of the meeting, provided that the date of the meeting is clarified. Its location, time, and the proposed decisions in both the

notice and the announcement. The fund manager should, in the event of sending a notice to the unit holders to hold any meeting, send a copy of it to the commission.

- The meeting of unit holders should not be valid unless attended by a number of unit holders who collectively own at least 25% of the value of the fund's units.
- If the quorum indicated in the previous paragraph is not met, the fund manager should call for a second meeting by announcing that on his website and on the website of the Saudi Stock Exchange (Tadawul) and by sending a written notice to all unit holders and the custodian not less than 5 days before the date of the second meeting. The second meeting is considered valid regardless of the percentage of ownership of the units represented in the meeting.

### **17. Unitholders' Liability**

-With the exception of the unit holder losing his/her investment in the fund or part of it, the unit holder shall not be liable for the debts and obligations of the fund.

-In the event of failure by the holders of units of the Fund Manager to provide mailing address and / or electronic data communication Other correct, including notices and account statements relating to their investments, unitholders agrees to spare the fund manager and exempt from any responsibility and waive all his rights and any claims from the Fund Manager arising directly or indirectly from the failure to provide the holder of the units account statement and notices or any information Other related investments or those arising from the inability of the holders of units.

To respond, verify the information is correct, or correct any alleged errors in the account statement, notices, or any other information.

### **18. Unit Characteristics**

-The fund includes common investment units of one class of the same type that have the same value, privileges and rights.

-The fund manager can issue an unlimited number of these units.

### **19. Changes to the Fund's Terms and Conditions**

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

Significant Changes:

- Approval of the authority and unit holders on significant changes:
  - The fund manager will obtain the approval of the unit holders in the fund for the proposed significant change through an ordinary fund resolution.

- The fund manager, after obtaining the approval of the unit holders, according to the previous paragraph of this article, will obtain the approval of the Capital Market Authority for the proposed significant change in the fund.
- The term “significant change” means any cases according to Article 62 of the Investment Funds Regulations

#### Non-fundamental Changes

- Notify the Capital Market Authority and unit holders of any non-fundamental changes:
  - The fund manager will obtain the approval of the fund board of director for the proposed non-fundamental change.
  - The term "non-fundamental change" means any change that is not considered significant according to Article 62 of the Investment Funds Regulations
- b) A description of the procedures to be employed on notifying changes to the Fund’s Terms and Conditions.**

-The fund manager will notify the unit holders and disclose details of the fundamental changes on the fund manager’s website and the Saudi Stock Exchange website 10 days before the change takes effect.

-The fund manager will detail the fundamental changes in the fund reports prepared by the fund manager in accordance with Article 76 of the Investment Funds Regulations.

-The fund manager will disclose details of the non- fundamental changes on the fund manager’s website and the Saudi Stock Exchange website 10 days before the change takes effect.

-The fund manager will indicate the details of the non- fundamental changes in the fund reports prepared by the fund manager in accordance with Article 76 of the Investment Funds Regulations.

## **20. Termination and liquidation of the Investment Fund**

- a) If the fund manager wishes to terminate the fund, he should notify the Capital Market Authority and the unit holders in writing of his desire to do so no less than (21) days before the date on which the fund is to be terminated after obtaining the approval of the fund’s board of directors, without prejudice to the terms and conditions of the fund.
- b) The fund manager will begin the process of liquidating the fund once it ends its term without prejudice to the fund’s term and conditions
- c) In the event that the fund ends the fund manager will not be paid any fees deducted from the fund

## **21. Fund Manager**

- a) Name, duties and responsibilities of the fund manager

Albilad Investment Company "Albilad Capital", commercial registration number 1010240489 The Fund Manager shall be responsible for doing the following:

-Fund management

- The Fund's operations, including administrative services to the Fund. Fund units offering
  - Ensure that the terms and conditions of the fund and the Information memorandum are accurate and complete and that they are complete, clear, correct and not misleading.
  - The fund manager is responsible for complying with the provisions of the Investment Funds Regulations, whether he directly performs his responsibility and duties or entrusts them to an external party in accordance with the provisions of the Investment Funds Regulations and the Financial Market Institutions Regulations
  - The fund manager is responsible towards the unit holders for the losses of the fund resulting from its fraud, negligence, misconduct or willful failure. The fund manager should set policies and procedures to monitor the risks that affect the fund's investments, and ensure that they are transaction with promptly.
  - Provided that these policies and procedures include carrying out the risk assessment process at least annually, unless the Authority specifies otherwise, the fund manager may not restrict investment eligibility to citizens of any country or group of countries or to a specific fund. This paragraph does not prevent the fund manager from rejecting the investment of an unqualified person or an unqualified entity in the fund, under any other related system. The fund manager applies the compliance and compliance program to the fund, and provides the Authority with the implementation results upon request.
- The fund manager may also do the following:
- Creating and listing the fund.
- Make sure to periodically re-balance operations fund components to suit the level of re-balance components Index.
  - Appointing the market maker and continuous coordination with him to complete the operations of creating and redeeming units.
  - Appointing an index service provider and agreeing with him on a mechanism for calculating, evaluating and disseminating index information.
  - Appointing a custodian and continuous coordination with him in the operations of establishing and recovering traded units.
  - Determine and announce the components of the gold basket and monetary items, if any.
  - Ensure that the market maker provides liquidity in the secondary market for the fund units.
  - Ensuring the correct calculation and publication of the index and the indicative net asset value of the unit and the net asset value of the unit



**b) Authority Authorisation number and date**

It is licensed under the Capital Market Authority license No. (08100-37) by CMA letter No. (E / T / 969) to act as principal, agent and underwriter, and managing , arranging , provide advising services and Custody

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

8162 King Fahd Branch Road - Olaya

Unit No. 22

Riyadh 12313-3701

Kingdom of Saudi Arabia.

Telephone: 920003636 FAX: +966112906299

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

Website: www.albilad-capital.com

Email: info@albilad-capital.com

**e) A statement of the paid up capital to the fund manager**

Albilad Investment Company is a closed joint stock company established in 2008 and is the investment banking arm wholly owned by Bank Albilad - a commercial bank, operating in compliance with Islamic Sharia principles with a capital of 200,000,000 Saudi riyals.

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

Description	For the fiscal year ending 31/12/2022
Revenue	261.38 million SAR
Expenses	135.90 million SAR
Net profit	118.29 million SAR

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

The fund manager should work for the benefit of unit holders in accordance with the provisions of the Investment Funds Regulations, the Financial Market Institutions Regulations, the Fund's terms and conditions and the Information Memorandum.

It is the responsibility of the fund manager to abide by all the principles and duties stipulated in the Financial Market Institutions Regulations, including the duty of fund towards unit holders, which

includes acting in a way that achieves their interests and exerts reasonable care. The Fund Manager shall be responsible for doing the following:

-Fund management

-The Fund's operations, including administrative services to the Fund. Fund units offering

-Ensure that the terms and conditions of the fund and the Information memorandum are accurate and complete and that they are complete, clear, correct and not misleading.

-The fund manager is responsible for complying with the provisions of the Investment Funds Regulations, whether he directly performs his responsibility and duties or entrusts them to an external party in accordance with the provisions of the Investment Funds Regulations and the Financial Market Institutions Regulations

- The fund manager is responsible towards the unit holders for the losses of the fund resulting from its fraud, negligence, misconduct or willful failure. The fund manager should set policies and procedures to monitor the risks that affect the fund's investments, and ensure that they are transaction with promptly.

-Provided that these policies and procedures include carrying out the risk assessment process at least annually, unless the Authority specifies otherwise, the fund manager may not restrict investment eligibility to citizens of any country or group of countries or to a specific fund. This paragraph does not prevent the fund manager from rejecting the investment of an unqualified person or an unqualified entity in the fund, under any other related system. The fund manager applies the compliance and compliance program to the fund, and provides the Authority with the implementation results upon request.

The fund manager may also do the following:

Creating and listing the fund.

-Make sure to periodically re-balance operations fund components to suit the level of re-balance components Index.

-Appointing the market maker and continuous coordination with him to complete the operations of creating and redeeming units.

-Appointing an index service provider and agreeing with him on a mechanism for calculating, evaluating and disseminating index information.

-Appointing a custodian and continuous coordination with him in the operations of establishing and recovering traded units.

-Determine and announce the components of the gold basket and monetary items, if any.

-Ensure that the market maker provides liquidity in the secondary market for the fund units.

-Ensuring the correct calculation and publication of the index and the indicative net asset value of the unit and the net asset value of the unit

**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 potential business activities or interests for the fund manager or its board members that conflict with their responsibilities or duties towards the fund, and in case a conflict arises it will be disclosed.

**i) Right of the fund manager to appoint a fund sub-manager.**

-A fund manager may appoint a third party or more or any of its affiliates to act as a sub-manager of the fund, but he should be authorized to practice management activity. The fund manager will bear all the fees and expenses of any sub-fund manager from his own resources.

**j) Provisions governing the removal/replacement of the fund manager.**

-The Authority has the right to dismiss the fund manager in relation to the investment fund and to take any action it deems appropriate to appoint a replacement fund manager for the fund or take any other measure it deems appropriate, in the event any of the following cases occur:

-The fund manager has stopped practicing the management activity without notifying the Authority accordingly according to the Capital Market Institutions Regulations

-Canceling the fund manager's license to practice management activity or withdrawing or suspending it by the authority.

-Submit a request to the Authority from the fund manager to cancel a license to practice management activity.

-If the Authority deems that the fund manager has violated - in a manner that the Authority deems substantial - to comply with the law or the implementing regulations.

-The death, deficiency, or resignation of the investment portfolio manager who manages the assets of the investment fund, with no other person registered with the fund manager capable of managing the assets of the investment fund or the assets of the funds managed by the portfolio manager.

-Any other case that the Authority considers - on reasonable grounds - to be of fundamental importance.

If the authority exercises any of its powers and dismisses the fund manager, the fund manager should fully cooperate in order to help facilitate the smooth transfer of responsibilities to the alternative fund manager within the first (60) days of the appointment of the replacement fund manager. He transfers, wherever necessary and appropriate and according to the Authority's pure discretion, to the Alternative Fund Manager all contracts related to the relevant investment fund.

## 22. Fund Operator

a) Name of the fund operator.

Albilad Investment Company "Albilad Capital", commercial registration number 1010240489

b) Authority authorisation number and date.

It is licensed under the Capital Market Authority license No. (08100-37) by CMA letter No. (E / T / 969) to act as principal, agent and underwriter, and managing , arranging , provide advising services and Custody

c) Registered address and business address of fund operator.

8162 King Fahd Branch Road - Olaya

Unit No. 22

Riyadh 12313-3701

Kingdom of Saudi Arabia.

Telephone: 920003636 FAX: +966112906299

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

The fund operator should work for the benefit of unit holders in accordance with the provisions of the Investment Funds Regulations, the Financial Market Institutions Regulations, the Fund's terms and conditions and the Information Memorandum.

It is the responsibility of the fund operator to abide by all the principles and duties stipulated in the Financial Market Institutions Regulations, including the duty of fund towards unit holders, which includes acting in a way that achieves their interests and exerts reasonable care. The Fund operator shall be responsible for doing the following:

-Fund management

-The Fund's operations, including administrative services to the Fund. Fund units offering

-Ensure that the terms and conditions of the fund and the Information memorandum are accurate and complete and that they are complete, clear, correct and not misleading.

-The fund operator is responsible for complying with the provisions of the Investment Funds Regulations, whether he directly performs his responsibility and duties or entrusts them to an external party in accordance with the provisions of the Investment Funds Regulations and the Financial Market Institutions Regulations

- The fund operator is responsible towards the unit holders for the losses of the fund resulting from its fraud, negligence, misconduct or willful failure. The fund manager should set policies and procedures to monitor the risks that affect the fund's investments, and ensure that they are transaction with promptly.

-Provided that these policies and procedures include carrying out the risk assessment process at least annually, unless the Authority specifies otherwise, the fund manager may not restrict investment eligibility to citizens of any country or group of countries or to a specific fund. This paragraph does not prevent the fund manager from rejecting the investment of an unqualified person or an unqualified entity in the fund, under any other related system. The fund manager applies the compliance and compliance program to the fund, and provides the Authority with the implementation results upon request.

The fund manager may also do the following:

Creating and listing the fund.

-Make sure to periodically re-balance operations fund components to suit the level of re-balance components Index.

-Appointing the market maker and continuous coordination with him to complete the operations of creating and redeeming units.

-Appointing an index service provider and agreeing with him on a mechanism for calculating, evaluating and disseminating index information.

-Appointing a custodian and continuous coordination with him in the operations of establishing and recovering traded units.

-Determine and announce the components of the gold basket and monetary items, if any.

-Ensure that the market maker provides liquidity in the secondary market for the fund units.

-Ensuring the correct calculation and publication of the index and the indicative net asset value of the unit and the net asset value of the unit

**e) Statement that the operator to appoint a sub-operator.**

A fund manager may appoint a third party or more or any of its affiliates to act as a sub-manager of the fund, but he should be authorized to practice management activity. The fund manager will bear all the fees and expenses of any sub-fund manager from his own resources.

**f) Statement of the functions to which the operator has delegated a third party in relation to the investment fund.**

Not applicable

### **23. Custodian**

**a) Name of the custodian.**

Riyadh Capital Company

**b) Authority authorisation number and date.**

Riyad Capital is a company licensed under the Capital Market Authority License No. (07070-37)

**c) Registered address and business address of custodian.**

Granada Oasis

2414 Al-Shuhada District, Unit No. 69

Riyadh 13241 - 7279

Kingdom of Saudi Arabia

Telephone: +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 his obligations in accordance with the provisions of the Investment Funds Regulations, whether he performs his responsibilities directly or is assigned to a third party under the provisions of the Investment Funds Regulations and the Financial Market Institutions Regulations. The custodian is responsible towards the fund manager and unit holders for the losses of the fund resulting from its fraud, negligence, misconduct or intentional failure.
- The custodian is responsible for preserving and protecting the assets of the fund for the benefit of the unit holders, and he is responsible for taking all necessary administrative procedures with regard to preserving the fund's assets. The fund's assets are owned by the holder of the fund's units collectively, and it is not permissible for the fund manager, sub-fund manager, custodian, sub-custodian, counsellor or distributor to have any interest in the fund's assets or any claims therein, unless the fund manager or manager is The sub-fund, the custodian, the sub-custodian, the counsellor or the distributor that owns the units of the fund, within the limits of its ownership, or these claims were permitted under the provisions of the investment funds regulations and to be disclosed in the terms and conditions and the information memorandum. With the exception of fund units owned by the fund manager, sub-fund manager, custodian, sub-custodian, counsellor or distributor, and within the limits of what the debtor owns, the creditors of the fund manager, fund manager, sub-manager, custodian, or custodian may not have any Subcontractor, consultant or distributor has no right to any claims or dues in the fund's money or assets.

The custodian will also:

- Create accounts for fund manager and market makers
- Executing issuance and redemption requests
- Review the components of the portfolio in light of the information announced by the fund manager.
- When the request to issue units is executed, the custodian arranges for the transfer of gold bars and other monetary items from the market maker or investors' account to the fund account.

- When executing the unit redemption request, the custodian shall ensure that the units are in the market maker or investors' account.
- Arranging for the issuance and cancellation of the fund units and ensuring that the listing or suspending listing process has been carried out correctly.
- When issuing, ensure that gold bars and monetary items match the number of unit bundles required.
- Upon redemption, ensure that the fund's units and values are in line with the gold bullion and their values transferred to the account of the market maker or investors.
- Arranging for actual gold Custody and storage on behalf of the fund.

Assets Separation:

- The custodian should open a separate account with a local bank in his name for each investment fund for which a custodian works, and the account shall be in the interest of the relevant investment fund.
- The custodian should separate the assets of each investment fund from its assets and from the assets of its other clients, and these assets should be determined independently by registering the securities and other assets of each investment fund in the name of the custodian for that fund, and the real estate assets of the fund are registered in the name of a company affiliated with the custodian. Moreover, to keep all necessary records and other documents that support his contractual obligations.
- The custodian should deposit all cash sums belonging to the investment fund in the account referred to above, and he should deduct from that account the sums used to finance the investments and the investment fund management and operations expenses in accordance with the provisions of this bylaw and the specified copy of the fund's terms and conditions and the information memorandum he received from the fund manager. Moreover, the contract according to which a custodian was appointed by the fund manager.
- The fund manager should immediately disclose on his website that he has appointed an alternative custodian, and the fund manager should disclose on the market's website that he has appointed an alternative 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 his affiliates to act as a sub-custodian for the fund to preserve its assets. The custodian shall pay the fees and expenses of any sub-custodian from his own resources in accordance with the conditions set forth in Article 26 of the Investment Funds Regulations. The sub-custodian appointed by the custodian is the Brink International Services Company that undertakes the task of managing the entire day-to-day operations of the treasury, which includes but is not limited to risk management, logistics services such as warehousing, shipping, receiving and delivery of gold bars.

**f) Functions that have been delegated to a third party by the custodian in relation to the investment fund.**

Not applicable

**g) Provisions governing the removal/replacement of custodian.**

The Authority may dismiss the custodian appointed by the fund manager or take any measure it deems appropriate in the event of any of the following cases:

- The custodian stops practicing custody activity without notifying the Authority accordingly under the Capital Market Institutions Regulations
- Cancellation of the custodian's license to practice the Custody activity or its withdrawal or closure by the authority.
- Submit a request to the authority from the custodian to revoke his license to practice Custody activity.
- If the authority deems that the custodian has violated a manner that the authority deems substantive - to abide by the system or its implementing regulations.
- Any situation that the Authority deems, on reasonable grounds, to be of fundamental importance.

If the authority exercises any of its powers and dismisses the custodian, the concerned fund manager should appoint an alternate custodian in accordance with the authority's instructions, and the fund manager and the dismissed custodian should cooperate fully in order to help facilitate the smooth transfer of responsibilities to the alternate custodian within ( 60) first days after the appointment of the alternative custodian. The dismissed custodian shall transfer, wherever necessary and appropriate, and according to the body's pure discretion, to the alternate custodian, all contracts related to the fund.

Dismissal of the custodian by the fund manager:

The fund manager may dismiss the custodian appointed by him by written notice if he reasonably believes that the dismissal of the custodian is in the interest of the unit holders, and the fund manager should notify the authority and the unit holders of this immediately and in writing.

If the custodian has been dismissed, the fund manager should appoint a replacement within 30 days of the custodian receiving the written notice issued in accordance with the above paragraph. The deposed custodian should cooperate fully with the fund manager to facilitate the smooth transfer of responsibilities to the alternate custodian. Moreover, the isolated custodian should transfer, wherever necessary and appropriate, to the alternate custodian all contracts related to the investment fund.



The fund manager should immediately disclose on his website that he has appointed an alternative custodian, and the fund manager should disclose on the market's website that he has appointed an alternative custodian for the fund.

## 24. Fund Board

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

The fund's board of directors consists of three members, including two independent members appointed by the fund manager. The term of membership of the board of directors is one calendar year that starts from the date of the approval of the Capital Market Authority to establish the fund and is renewed automatically. The fund manager will have the right to change members after obtaining the approval of the Capital Market Authority in this regard, and unit holders will be notified of any change in the fund's board of directors.

### a) The names of the members of the fund's board of directors

- |                                      |                                                    |
|--------------------------------------|----------------------------------------------------|
| 1- Zaid bin Muhammad Saad Al-Mufraih | non-independent Chairman of the Board of Directors |
| 2- Haytham bin Sulaiman Al-Suhaimi   | non-independent member of the Board of Directors   |
| 3- Omar Ali Bassal                   | independent member of the Board of Directors       |
| 4- Waleed Abdullah Bin Ateeq         | independent member of the Board of Directors       |

### b) A brief about the fund board members' qualifications.

1. Mr. Zaid bin Muhammad Saad Al-Mufraih (Chairman of the Board of Directors)

Country Chief Financial Officer, more than 15 years of experience in the financial markets. He previously held several leadership positions in the banking and financial services sector in the Kingdom, through which he gained experience to lead investment organizations through the tasks and responsibilities assigned to him professionally and professionally.

2. Mr. Haytham bin Sulaiman Al-Suhaimi (non-independent member of the Board of Directors)

He holds a master's degree in investment science and financing risks from the University of Westminster in London, United Kingdom, held several positions in management work at SAPIN UAE, and subsequent experiences since 2015 in Jadwa Investment and then Albilad Capital as a financial analyst in investment banking, private equity and business development. (Member of the Board of Directors and Vice President of Business Development at Albilad Capital)

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

Master of Business Administration, Financial Management and Statistics, with honours, Mr. Omar has more than ten years of experience in the financial field and is currently the Director of Asset Management at the Mohammed Ibrahim Al-Subaie & Sons Company.

4.Mr. Waleed Abdullah Bin Ateeq (independent member of the Board of Directors)

Master 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.

**c) A description of the roles and responsibilities of the Fund Board.**

The responsibilities of the fund's board members include, but are not limited to the following:

- Approval of all substantial contracts, decisions and reports to which the fund is a party, including, but not limited to, approval of contracts for the provision of management services to the fund and custody services contracts. This does not include contracts concluded in accordance with investment decisions regarding any investments made or to be made by the fund. In the future.
- Adopting a written policy regarding voting rights related to the fund's assets
- Approval of the appointment of the fund's external auditor to be nominated by the fund manager
- Supervising and, when appropriate, approving and approving any conflicts of interest disclosed by the fund manager
- Meeting at least twice annually with the Fund Manager's Compliance and Compliance Committee or its Compliance Officer to review the fund's compliance with all relevant laws, regulations and regulations.
- Ensuring the probability and accuracy of the terms and conditions of the fund, the information memorandum, and any other document (whether it is a contract or otherwise) that includes disclosures related to the fund, the fund manager and its management of the fund, in addition to ensuring that the foregoing is consistent with the provisions of the investment funds regulations.

- Ensure that the fund manager carries out his responsibilities in the interest of unit holders in accordance with the provisions of the investment funds regulations, the fund's terms and conditions and the information memorandum.
- Ensure that the fund manager is committed to disclosing material information for unit holders and other stakeholders
- Acting with honesty, good faith, concern, skill, diligence and diligence for the benefit of the fund and the unit holders. The duties of fund include the duty of sincerity, attention and reasonable diligence.
- Record meeting minutes showing the proceedings of the meetings and the decisions taken by the council.

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

The fund manager bears all expenses related to the independent fund board members. In a way that an independent member of the board of directors will receive a lump sum remuneration estimated at 20,000 riyals annually as a maximum.

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

There are no practical activities or interests of the fund manager or members of its board of directors that are likely to conflict with their responsibilities or performance towards the fund, and if any, they will be disclosed.

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

Fund Name	Zaid Al-Mufaraih	Haytham Al-Suhaimi	Omar Bassal	Waleed Abdullah Bin Ateeq
Albilad Pure Saudi Equity Fund	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad SAR Murabaha Fund	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad Kuwait Equity Fund	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad Saudi Income Fund	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad GCC Income Fund	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad Fund of REIT Funds	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad Investment Fund 2	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Nusaned Fund		Non-independent member		

Albilad Saudi Sovereign Sukuk ETF	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad Gold ETF	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad Diversified SAR Fund	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad MSCI US Equity ETF	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad MSCI US Tech ETF	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad Multi-Asset Balanced Fund	Chairman of Board of Directors	Non-independent member	Independent member	Independent member
Albilad Hospitality Fund in Makkah Al-Mukarramah		Chairman of Board of Directors		
Dahia Investment Fund		Chairman of Board of Directors		
Al Wasat Commercial Complex II Fund		Chairman of Board of Directors		
Canary Al-Khuzami Compound Real Estate Fund		Chairman of Board of Directors		
Ensan Endowment Investment Fund	Chairman of Board of Directors			Independent member
Medical Village Fund 1		Non-independent member		
Al Muzdalafa Real Estate Compound Fund		Chairman of Board of Directors		
Safa Najd Fund		Chairman of Board of Directors		
Albilad Alawali Real Estate Fund I		Chairman of Board of Directors		
Albilad Real Estate Opportunity Fund		Chairman of Board of Directors		
Albilad Abhur Real Estate Fund		Chairman of Board of Directors		

## 25. Shariah Supervisory Committee

**a) Names and qualifications of the Shariah Supervisory Committee members.**

1-His Eminence Sheikh / Prof. Yusef bin Abdullah bin Saleh Al-Shubaily, (Chair) a member of the faculty of the Department of Comparative Jurisprudence at the Higher Judicial Institute. He obtained a bachelor's degree from the College of Sharia and Fundamentals of Religion at Imam Muhammad bin Saud Islamic University in Al-Qassim, then he obtained a master's and doctorate from the Department of Comparative Jurisprudence at the Higher Judicial Institute at Imam Muhammad bin Saud Islamic University

2-His Eminence Sheikh / Dr. Muhammad bin Saud bin Muhammad Al-Usaimi, (member), faculty member at the Faculty of Economics and Administrative Sciences at Imam Muhammad bin Saud Islamic University. He holds a bachelor's degree from the College of Sharia at Imam Muhammad bin Saud Islamic University in 1403 AH, and then obtained a master's and doctorate in economics from the University of Colorado - Boulder, United States of America.

3-His Eminence Sheikh / Prof. Musaed Abdullah Hamad Al-Hogail, (member) Associate Professor at the Higher Judicial Institute. He holds a bachelor's degree from the College of Sharia in Riyadh in 1424 AH, with an excellent grade with first class honours. He holds a master's degree in comparative jurisprudence from the Higher Judicial Institute in 1426 AH, with excellent grade with honours. He holds a doctorate degree in comparative jurisprudence from the Higher Judicial Institute in 1431 AH, with excellent grade with first class honours

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

- Study and review the fund's investment objectives, policies, and the fund's documents to ensure their compliance with Shariah standards.
- Periodic Shariah Audit of the Fund.
- Determine the Shariah Standards necessary for selecting securities, companies, or any other investments in the financial market in which the fund is expected to invest.

**c) Details on the remuneration of Shariah Supervisory Committee members.**

The remuneration of the members of the Shariah Board are to be borne by the fund manager and not charged to the fund.

**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.**

Shariah Standards for the Albilad Gold ETF:

1. That a specific gold certificate with a serial number (Allocated) be issued on the day of the conclusion of the contract, to issue the units or redeem them for cash.
2. That the purchase amount be credited on the day of the conclusion of the contract.
3. The investment units should be traded with immediate credit in the client's portfolio.
4. Providing the possibility of in-kind redemption for gold.
5. Commitment to implementing procedures that limit profit operations from establishing and canceling a "notice of intent", so that the percentage of executed transactions is not less than half of the total operations.
6. The Fund invests the available and unused liquidity amounts in short-term operations compatible with the Shariah Standards, which are as follows:
  - That the goods to be bought and sold should be permissible.
  - The commodities sold by the fund on credit should not be gold or silver and the like; because it is not permissible to sell gold or silver or currencies and the like on a deferred basis.
  - The fund does not sell the commodities except after their ownership and possession, which shall be by receiving the specific documents indicating the fund's ownership of the goods, or by receiving copies of those documents; whether those documents are certificates of possession or proof of storage certificates.
  - That the fund stipulates that the broker does not dispose of commodities by selling and the like while the fund is in ownership of them.
  - The fund does not sell the commodities on a deferred basis to whoever it bought them from; so that it does not constitute an Ee'nah sale forbidden by Shariah.

## 26. Investment Advisor

- a) Name of investment advisor.  
Not applicable.
- b) Registered address and business address of investment advisor.  
Not applicable.
- c) A description of primary role and responsibility advisor in relation to the investment fund.  
Not applicable.

## 27. Distributor

- a) The name of the distributor.  
Not applicable.

- b) The registered address and business address of the distributor.  
Not applicable.
- c) The distributor's website.  
Not applicable.
- d) The license issued by the Authority for distributor.  
Not applicable.
- e) A description of the primary roles and responsibilities of the distributor in relation to the investment fund.  
Not applicable.

## 28. Auditor

- a) Name of the auditor of the investment fund.  
Not applicable.
- b) The registered address and business address of the auditor.  
Not applicable.
- c) A description of the primary role and responsibility of the auditor.  
Not applicable.
- d) Provisions governing the replacement of the investment fund's auditor.  
Not applicable.

## 29. Fund's Assets

- a) the assets of the investment fund is held by the custodian on behalf of the investment fund.
- b) the custodian must segregate the assets of each investment fund from its assets and from the assets of its other clients.
- c) the assets of an investment fund are owned collectively by the unitholders. A fund manager, fund sub manager, fund operator, custodian, sub custodian, distributor or investment advisor is a unitholder, and for claims permitted under the investment Funds Regulations and disclosed by way of statement in these terms and conditions.

## 30. Complaints Procedures

The fund manager will provide a copy of the fund manager's policies and procedures for handling customer complaints upon request and free of charge. The holder of the units can also, in the event of any complaint or note about the fund, send it to the following address:

Albilad Investment Company "Albilad Capital"  
Riyadh, Al-Olaya District, King Fahd Road, Smart Tower  
P.O 140 Riyadh 11411 Kingdom of Saudi Arabia  
Telephone: 920003636 FAX: (+966) 11 290 6299

In the event that the complaint is not settled by the fund manager, the subscriber has the right to file his complaint with the Capital Market Authority, the Investor Protection Department, and the subscriber has the right to file the complaint with the Committee for Resolution of Securities Disputes after a period of (90) calendar days has elapsed from the date of filing the complaint with the Authority. Unless the authority notifies the complainant that it may be deposited with the committee before the expiry of the period.

### **31. Other Information**

- a) the policies and procedures to be followed in addressing conflicts of interests, and any potential and/or actual conflicts of interests will be made available upon request.
- b) the “Committee For The Resolution of Securities Disputes” has the jurisdiction to adjudicate disputes arising from investing in the investment funds.
- c) A list of documents available for unitholders, which includes, the Fund’s Terms and Conditions, each contract mentioned in the Terms and Conditions, and the financial statements of the fund manager.
  - Fund terms and conditions
  - The financial statements of the fund
- d) Any other information known to, or that ought reasonable to be known to, the fund manager or the fund board and that unitholders, potential unitholders and their professional advisors might reasonably require or expect to be included in the Fund’s Terms and Conditions upon which an investment decision is to be made.
- e) Any waivers from limitations in the Investment Funds Regulations approved by the Capital Market Authority, except those stipulated in investment policies and practices.

### **32. Additional Information Requirements for Certain Types of Funds**

#### **Exchange Traded Fund**

- 1) The unit holders of the Albilad Gold ETF acknowledge and agree to the terms and conditions of the fund as soon as subscribing to it.
- 2) Valuation points related to the indicative net asset value and the indicative net asset value for each unit.

There will be a frequent indicative valuation of the fund’s net asset value and indicative net asset value for each unit by issuing an indicative valuation every 15 seconds during trading hours, in addition to valuating the net asset value at the end of the day. The unit's indicative net asset value (iNAV) will be announced during trading hours and updated every 15 seconds on the fund manager's website and the



net asset value of the unit within 3 hours of the end of the trading hours, and the unit price on the Tadawul website.

3) Market maker:

The market maker is Albilad Investment Company (Albilad Capital), Commercial Registry No. 1010240489, and the Capital Market Authority License No. (08100-37) to act as principal, agent and underwriter, and managing , arranging , provide advising services and Custody

8162 King Fahd Branch Road - Olaya

Unit No. 22 Riyadh 12313-3701

Kingdom of Saudi Arabia.

Telephone: 920003636 FAX: (+966) 11 290 6299

www.albilad-capital.com

Market Maker functions:

- Entering a buy and sell orders within a specified price range (2%) of the unit's indicative net asset value (iNAV) published by the fund manager.
  - Entering orders within the permitted price range after the first five minutes of the market opening.
  - Maintain orders continuously during the trading and even before the market closes five minutes, the market maker may enter orders during trading hours.
  - Provide initial liquidity for primary market to create units
  - The market maker to facilitate the creation and redemption of units of the Fund in coordination with the fund manager and the custodian and Saudi Exchange (Tadawul).
  - Contribute to the stability of the price and demand for units of the Fund in the market through intervention to increase supply or demand for the units when necessary.
- 4) There is no guarantee that the fund and the performance of the fund index are accurate or identical.
- 5) An indication of the circumstances that may lead to errors in tracking the indicator performance and, the strategies used to reduce such errors

The changes in the assets invested in arises due to changes in the components of the index, and monthly rebalancing could lead to dealing expenses that could reduce the returns from investing in the units of the fund due to these expenses in comparison with the index. Which these fees will have no effect on the index and will lead to index tracking error. The fund manager must comply with rebalancing as stated in the terms and conditions to avoid unnecessary dealings that will lead to expenses that cause an error in tracking the index.

- 6) A brief description of the indicator methodology / rules with mentioning the means by which unitholders can obtain the most recent information, news and components of the index.

The methodology for the benchmark (the DGCX spot gold price ) is calculating the price of Shariah compliant spot gold contracts from DGCX. Where the value of the index will be calculated using the latest deal price (the value is set through market factors (bid and ask) and trading mechanism. The ticker of the index according to the exchange’s website is DGSG.

The unitholders can get the latest news and information regarding the index from the index provider’s website (the Dubai gold and commodities exchange) www.dgcx.ae under the ticker DGSG. Unitholders can also refer to Albilad Capital’s website www.albilad-capital.com and the Saudi Exchange’s (Tadawul) website www.saudiexchange.sa to get additional information on the index’s components.

7) A statement of any circumstance or circumstances that may affect the accuracy and completeness of the indicator's calculation.

In the event of any circumstance or circumstances that could affect the accuracy and completion of calculating the index. The fund manager will take the necessary procedures that do not conflict with the fund’s unitholders.

8) A description of the fund manager's plan in case the index account is suspended by the service provider

If the index service provider can no longer continue in providing index services, the fund manager will seek another index service provider in a convenient time. Knowing that the index will not be changed, and the suitability of the index needs to be confirmed to achieve the fund’s goals.

9) A statement of the margin of deviation factor for the index

The fund manager will aim to maintain a 2.00% margin of the standard deviation of the index on an annual basis. While considering fees, and expenses factors.

**33. Unit Holder Declaration**

With the participation of the unit holder in the fund, he acknowledges that he has read the terms and of Albilad Gold ETF, and has approved the characteristics of the units in which he/we have subscribed.

Investor (Unitholder)

Name: .....

ID: .....

Signature: .....