





Albilad Saudi Sovereign Sukuk ETF

Terms & Conditions

Fund Guide

| | | |
|-------------------------------|-----------------|---|
| Fund Manager and Market Maker | Albilad Capital |  |
| Custodian | Riyad Capital |  |
| Auditor | PwC |  |
| Exchange | Tadawul |  |
| Regulator | CMA | |

Albilad Saudi Sovereign Sukuk ETF

"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 manger



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.

Al Bilad Saudi Sovereign Sukuk Exchange-traded fund has been certified as being Shariah complaint 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

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| Name of the investment fund | Al Bilad Saudi Sovereign Sukuk Exchange-traded fund |
| Class/type of the fund | open public investment fund |
| Name of the fund manager | Albilad Investment Company “Albilad Capital” |
| Purpose of the fund | AL - Bilad Saudi Sovereign Sukuk ETF seeks to track the performance of the Al-Bilad Ideal Ratings Saudi Domestic Sukuk Index |
| Risks level | Low to Medium |
| Minimum amount for subscription and redemption | One basket value |
| Days of dealing/valuation | The end of the working day and according to the closing prices for that day. |
| Days of announcement | The end of every dealing day |
| Date for paying redemption amount | The day that redemption is paid to redeeming investors |
| Unit price at initial offer (nominal value) | 10 SAR |
| Currency of the fund | Saudi Riyals |
| Period of the investment Fund and its Maturity date (where applicable) | Not Applicable |
| Date of commencing the fund | 21/08/2019 |
| Date of issuing the Terms and Conditions, and latest update of it (if any) | These terms and conditions were issued on 20/12/1440 AH corresponding to 21/17/2020 AD and were updated on 9/4/1445 AH corresponding to 24/10/2023 AD. |
| Early redemption fees (if any) | Not Applicable |
| Benchmark | Al- Bilad Index Ideal Ratings Saudi Sovereign Sukuk. |
| 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 will bear all the fees and expenses related to the fund management and operating expenses, as a maximum of 0.30% per year is deducted from the fund’s net asset value to cover these expenses and fees (total expense ratio). |
| 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 buy and selling if it is related to the fund’s investments or administrative expenses imposed by the capital market authority or broker. |

| | |
|-------------------------|---|
| 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 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. |
| Performance fees | Not Applicable |

1. Investment Fund:

- a) Name of the investment fund, its type and class
Albilad Saudi Sovereign Sukuk 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)
These terms and conditions were issued on 20/12/1440 AH corresponding to 21/17/2020 AD and were updated on 9/4/1445 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 was on 20/12/1440 AH corresponding to 21/08/2019 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 Saudi Sovereign Sukuk 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 Saudi Sovereign Sukuk 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.
AL - Bilad Saudi Sovereign Sukuk ETF seeks to track the performance of the Al-Bilad Ideal Ratings Saudi Domestic Sukuk Index, which consists of Saudi sovereign sukuk denominated in the Saudi riyal and listed on the main Saudi Stock Exchange (Tadawul) and linked to a market maker, with the remaining maturity of 3 months or more.
- b) Type or types of securities in which the investment fund will invest in primarily.
The fund will invest its assets mainly in Saudi sovereign sukuk denominated in Saudi riyals and listed on the Saudi market (Tadawul) and approved by the Shariah Board of the fund manager. The fund may also invest the cash available to it in short-term money market instruments such as Murabaha deals or funds, according to the fund manager's discretion and within the fund's investment objectives.

- c) Any concentrated policy of investment in specific securities, or in an industry or group of sectors, or in a specific country or geographic region, provided that it includes the minimum and maximum for such securities.

The fund will invest at least 95% of its net assets in Saudi sovereign sukuk denominated in the Saudi riyal and listed on the main Saudi stock market (Tadawul) and authorized by the Shariah Board of the fund manager. The fund may also invest the cash available to it in money market transactions and money market funds such as Murabaha deals or funds (approval from the authority and offered in public) according to the fund manager's discretion and within the framework of the fund's investment objectives while maintaining an adequate amount of liquidity to account for the fund's expenses and liabilities. The fund aims to achieve a maximum deviation rate of no more than 1.5% compared to the Benchmark.

- 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, money market deals and money market funds | 0 % | 5 % |
| Saudi sovereign sukuk denominated in the Saudi riyal | 95 % | 100 % |

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

The fund manager will invest in Saudi sovereign sukuk denominated in Saudi riyals and listed on the main Saudi stock market (Tadawul).

- 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 manager will follow the passive management method to achieve performance comparable to the performance of the country's Ideal Ratings index for local Saudi

sovereign sukuk denominated in Saudi riyals (the Benchmark index) before deducting fees and expenses, by investing according to the weights of the sukuk constituent of the Benchmark .

- Any returns that the fund will receive. Inactive management method to achieve performance comparable to the performance of the country's Ideal Ratings index of local Saudi sovereign sukuk denominated in Saudi riyals (the indicative index) before deduction of fees and expenses, by way of investing according to the weights of the sukuk constituent of the Benchmark.
- Any returns that the fund will receive from the basket of sukuk, in which it has invested, will be distributed to unit holders in the form of cash dividends on a monthly basis after deducting all fees and expenses. Knowing that the returns of the sukuk are semi-annual, while the fund will invest in a number (basket) of sukuk, which will naturally allow the fund manager to distribute monthly profits when they are received and available.
- Rebalancing operations are carried out on a monthly basis with the purpose of ensuring that the performance of the index is matched by carrying out buying and selling operations for the benefit of the fund's portfolio (in the event that the weights of the sukuk change or adding or exiting instruments from the components) and that sufficient cash is available in the fund to meet all fees and expenses.
- The fund does not seek to exceed the performance of the index and does not seek to temporarily enter into defensive investments when the market falls or rises, and the fund seeks to simulate and match the performance of the benchmark.
- *The fund will invest the cash available to it in money market transactions and money market funds such as Murabaha deals or funds with a party subject to the regulation of the Saudi Arabian Monetary Agency or funds licensed by the Capital Market Authority or a similar regulatory body for the institution outside the Kingdom. To be an investment credit rating. Money market deals and money market funds that generate the highest profit for the fund and unit holders will mainly be selected.

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.
- Benchmark: Al- Bilad Ideal Ratings Index of Domestic Saudi Sovereign Sukuk Exchange-traded fund.
 - The index provider: Ideal Ratings, a company that provides services to support investment decision-making.
 - Principles and methodology used to calculate the indicator:
 - Index: a component of the Saudi sovereign sukuk denominated in the Saudi riyal and listed on the main Saudi stock exchange (Tadawul) and linked to a market maker, with a remaining maturity of 3 months or more.
 - The index components are reviewed monthly by the service provider, and the fund manager re-balances the index fund components on a monthly basis.
 - Profit distribution policy for the index: The index will not reinvest the returns on the sukuk because the fund will distribute the returns on the sukuk.
 - Publication of the index: Unitholders can view the performance of the fund and the performance of the index on the fund manager's website. The fund manager also discloses the securities that make up the fund and the weights of each on the fund manager's website and the main Saudi stock market website (Tadawul)
 - Index calculation method: The index value is calculated on the basis of the market value of each instrument in the index, and the market value is calculated based on the price of the highest order of the instrument concerned with the calendar at the close of the main Saudi Stock Exchange (Tadawul) multiplied by the size of the issue.
 - The percentage of deviation from the index: the fund manager seeks to limit the percentage of deviation from the index to a maximum of 1.5%, which may arise for various reasons such as the fund incurring fees, increasing the cash ratio in the fund, or when the timing of profits in the index differs compared to the fund. In the event that there is a big difference between the performance of the index and the performance of the fund, due to the increase in the cash ratio or due to the relative mismatch of the index components with the fund portfolio components, the fund manager will reduce the cash ratio as much as possible and track the index components.
- 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 are likely to affect the fund's net asset value and returns:

- Liquidity risk: investment liquidity is low in some periods, which increases the difficulty of liquidating the Fund's investments. The low market liquidity will also negatively affect the market prices of the Fund's investments and its ability to sell some of its investments to meet its liquidity requirements, which will negatively affect the performance of the Fund and the unit price.
- Market risk: It should be known that investing in listed and traded securities is usually associated with high market volatility. Consequently, the risks associated with these investments are higher than the risks of investing in money markets, Murabaha and other short-term investment instruments.

- Sukuk market risks: Like other financial markets, investing in the sukuk market generally involves market risks and any change in the economic situation, the liquidity position, trends of various sectors and interest rates. These changes or developments will have effects on the prices of sovereign sukuk that are compatible with the Shariah standards in which the fund invests, which will have negative effects on the performance of the fund and the unit price.
- Risks related to compliance with Shariah Standards: The fund manager will be forced to dispose of investments or contracts concluded with some of the parties with which he has 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 Shariah Board authorized investment in them. This will have negative effects on the performance of the fund and the unit price.
- Economic risks and risks related to political events: The value and performance of the fund is affected by uncertainties that include unexpected political developments, political instabilities, developments in government and government policies, and governmental interference in economic activities, which will have negative effects on the performance of the fund. The performance of the fund and the unit price are adversely affected by changes in economic conditions; The fund manager does not undertake that the fund's investment strategies will achieve its investment objectives, which will have negative effects on the fund's performance and the unit price.
- Value-added tax and zakat risks: investing in the fund leads to incurring zakat or certain taxes imposed by the competent authorities, such as value-added tax, for example, but not limited to, some of which are applicable to the fund.
- And his investments and others apply to the investor. If a tax is imposed on the fund, the fund's assets and unit prices will decrease, which will have negative effects on the fund's performance.
- Risks of fluctuations in interest rates: It is the risk resulting from the fluctuation of the value of financial instruments (sukuk and Murabaha) as a result of the change in interest rates. Therefore, the value of securities (sukuk and Murabaha) may be negatively affected by fluctuations in interest rates, which negatively affects the Fund's investments.
- Conflict of Interest Risks: Cases 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 related parties to perform his duties objectively, which negatively affects the fund.

- Legal risks: Sukuk and other investment tools that the fund invests in may be exposed to some legal risks related to non-compliance with the laws and regulations in force, which makes these investments vulnerable to legal risks, including litigation, as a result of a lawsuit filed by individuals, issuers, or companies, and accordingly, This may result in a decrease in the fund's investment value and the fund's net asset value, which will have negative effects on the fund's performance and the unit price.
- Risks of concentration of investments: The field of sukuk in which the fund could invest is limited, given that the fund will only invest in Saudi sovereign sukuk denominated in Saudi riyals that have been approved by the Shariah Board of Al-Bilad Financial Company. Accordingly, the fund's investments are concentrated in a limited number of Saudi sovereign sukuk. This leads to a high risk of investment concentration, which will affect the net asset value of the fund due to the decrease in liquidity resulting from the concentration of the portfolio.
- 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 of those in charge of managing the fund.
- Risks of deviation from the performance of the index: There are a group of factors that negatively 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 these factors: management fees in addition to fees for buying and selling sukuk, which negatively affects the performance of Fund and unit price. The performance of the fund may not match the performance of the index, because the fund, for example, incurs dealing fees.
- Credit risk and investment in Murabaha funds and instruments: If the fund invests the liquidity available in the fund in money market instruments or funds, there is 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 Decline in fund assets and unit price. Other Murabaha funds that the fund aims to invest in are also subject to the same risks mentioned in the main risks section of this information note, and this will negatively affect the fund's investments and the unit price.
- Technical risks: The fund manager depends on the use of technology in managing the fund. However, its information systems are either compromised or attacked by viruses, or partially

- or completely disrupted, which limits the fund manager's ability to effectively manage the fund's investments. This will have negative effects on the performance of the fund and the unit price.
- 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 the units as required in accordance with laws and regulations, which will negatively affect the fund and its unit holders. Also, the limited number of market makers or licensed to issue and redeem units, will lead to delays in issuing and redeeming units, leading to trading of units at a premium or at a discount compared to the indicative net unit price.
 - Unit price risk: the fund is a traded index fund, which means that the fund's units are subject to market fluctuations and trade at a value higher or lower than the fund's net asset value that is calculated at the end of the day, and price differences are due to the fact that the forces of supply and demand in the secondary trading market for units It will be closely related to, but not coincide, the same forces that affect the prices of the securities that make up the portfolio.
 - Index risk: It is the risk resulting from changes in the index components by the provider to it, which leads to the concentration of investments in a specific sector or a specific source, and this leads to the negative impact of the performance of the fund and the unit price, more than if the fund's investment assets include categories A variety of assets or assets dependent on another sector or sectors.
 - Recall and redemption risks: Some of the fund's investments in sukuk or other investment instruments may be subject to the character of recall or redemption from the source according to specific cases before their maturity date, which may push the fund manager to resort to other assets whose levels of return may be lower. The level of returns on the called asset, which may have a negative impact on the performance of the fund.
 - Risks of not being able to distribute: The fund manager will rely heavily on investment decisions in choosing investments that make periodic cash distributions, but in some exceptional circumstances, the fund manager may resort to investing part of its assets in cash and cash instruments that are compatible with the controls of the Sharia committee. For example, but not limited to: Murabaha) and / or investment funds, which may lead to the fund manager not being able to distribute profits to its unit holders. This will have negative effects on the performance of the fund and the unit price.
 - Valuation risks: a market that the fund manager relies on in evaluating the fund's assets from the sukuk to use the lowest price of the request when the main Saudi Stock Exchange

- (Tadawul) closes, in the event that no deal for the relevant instrument is executed on the valuation day, which implies the inability to evaluate the asset. At fair value which negatively affects the unit price and net asset value.
- Risks of the difference between the Supply and demand price: The investor in the fund's units may be exposed to the risk of the difference between the Supply and demand price in the event of a desire to buy or sell the fund units, due to the market maker's inability to provide liquidity for buying and selling operations in the secondary market within the permitted ratio. It is 2.00%, which may adversely affect investment returns.
 - Risks of the difference in the current unit price from the net asset value of the unit: The fund units may trade at prices higher or lower than the net asset value of the unit due to the fact that the net asset value of the fund is calculated at the end of each day and changes with the change in the market value of the assets invested in it while it is traded. Fund units continuously during trading hours according to supply, demand and the value of the assets that make up the fund. This may result in trading of units at a premium or at a discount compared to the indicative net unit price.
 - Suspension risk: In the event that trading in the fund's units is suspended (for any reason that the CMA may impose or deem), then the unit holder will not be able to sell his units until after the suspension has ended, which negatively affects investment returns.
 - Risks of ending the fund or cancelling the listing: In the event that the fund manager decides to terminate the fund or cancel the listing for any reason whatsoever, the liquidation of assets may take place at prices lower than their actual value, which will negatively affect the unit price and net asset value.

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.

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 0.30% of the fund's net asset value, which is calculated on each calendar day and deducted on a quarterly basis. Management fees are subject to VAT and are charged separately according to the values stipulated in the VAT Law and its Implementing Regulations.
- Financing fees: In the event that there are financing expenses for the fund, they 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.
- Brokerage expenses and fees: dealing expenses or any trading fees or other fees related to the services of trading the securities of the fund by the fund directly at levels determined by the regulations, dealing broker or custodians in the markets in which the fund buys or sells. These amounts vary depending on the rate at which the fund's assets are traded 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 legally permitted expenses that do not exceed 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 |
|----------------------|--|---|--|
| Management fees | 0.30% annually of the fund's net assets | Calculated each calendar day in a cumulative manner | Quarterly |
| Finance fee | According to the prevailing financing rates, it is expected that the financing cost for Murabaha operations will not exceed 0.05% point above the monthly rate of return based on the financing period. | Calculated on every calendar day | According to the agreed financing contract |
| Transaction expenses | 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. | | |

| | |
|-----------------------|--|
| 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 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.

The expenses that are charged to the fund assuming a subscription amount of 100,000 Saudi riyals and assuming the size of the fund is 100 million Saudi riyals and a hypothetical return of 7%

| the description | Fee percentage to total asset value | Estimated value |
|--|-------------------------------------|----------------------|
| Total expense ratio | 0.30% | 300 |
| The value of the invested amount at the end of the year considering a growth rate of 7% per year | | 106.700 Saudi riyals |
| The annual profit percentage of the investment amount | | 6.70% |

- 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.

i) The expenses that are charged to the fund assuming a subscription amount of 100,000 Saudi riyals and assuming the size of the fund is 100 million Saudi riyals and a hypothetical return of 7%

| the description | Fee percentage to total asset value | Estimated value |
|--|-------------------------------------|----------------------|
| Total expense ratio | 0.30% | 300 |
| The value of the invested amount at the end of the year considering a growth rate of 7% per year | | 106.700 Saudi riyals |
| The annual profit percentage of the investment amount | | 6.70% |

10. Valuation and Pricing

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

During the official working days of the fund manager, the net asset value of the fund's units will be evaluated by deducting the fund's liabilities from the fund's total assets, including but not limited to the previously specified fees and expenses. The unit price is determined by dividing the resulting number from this process by the total number of the fund's units existing at the date that day. The fund is evaluated on every calendar day as shown in the fund summary, provided that the valuation day is a working day for the sukuk market in the Kingdom of Saudi Arabia.

The valuation method depends on the type of assets, and the fund manager may rely on reliable systems for determining values, prices and exchange rates.

The fund manager will follow the following principles to evaluate the fund's assets:

A- The sovereign Sukuk listed on the main Saudi Stock Exchange (Tadawul) is evaluated on the basis of the price of the last transaction in the market on the relevant valuation day. In the event that no deal is executed for the relevant instrument on that day, the fund manager will use the price of the highest order to close the market on the relevant valuation day.

2- The value of the fund's assets that are invested in short-term cash instruments (Murabaha) is determined on the basis of the amount deposited in addition to the profits due / accumulated until the valuation day.

3- As for the purposes of evaluating the sukuk listed on the main Saudi Stock Exchange (Tadawul) or on an automated pricing system (Bloomberg System), but the conditions of that market or that system do not allow the sukuk to be evaluated in accordance with what is mentioned in sub-paragraph (1) above, the valuation These sukuk are based on the book value in addition to the due profits of the sukuk up to the valuation day.

4- In the event that the fund invests in money market funds that are compatible with Sharia standards and are offered as a public party, the last announced unit price will be used for valuation purposes.

5- With regard to any other investment, the fund manager depends on the fair value that he determines based on the methods and rules approved by the custodian and after verification by the fund accountant.

The fund manager obtained a waiver from Article No. (71) Paragraph (e) of the Investment Funds Regulations.

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

The fund has two Valuation points:

1- The net asset value of the unit at the end of the day (NAV): by calculating the total value of the fund's assets based on the price of the Sukuk's highest demand, adding to it the available cash and any accrued profits, adding to it the value of any other investment (Murabaha and Murabaha funds) and deducting any due fees from it and dividing the result by Number of existing units.

The fund's assets are evaluated daily before the end of the business day, and when that day is not a business day, the calendar will be the next business day. The fund manager may temporarily delay the fund's valuation that does not exceed two business days from the deadline for submitting instructions related to purchases and redemptions if the fund manager reasonably decides that a large part of the fund's assets cannot be evaluated in a reliable manner, including but not limited to the circumstances under which The Sukuk market is closed at the time of the valuation.

2- The unit's indicative net asset value (INAV): a market that is announced during trading times and occurs every 15 seconds, and the net asset value is calculated as an indicative of the unit (INAV) by

calculating the total value of the fund's assets according to the price of the highest order of the sukuk, the available cash component and any profits owed, and added To it the value of any other investment (Murabaha and Murabaha funds), after that the accumulated expenses are deducted as at the end of the last working day 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, the website of the Saudi Stock Exchange (Tadawul). Also, 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 mis-pricing.

-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 Operator 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.

For the purposes of executing redemption requests, the net asset value is calculated at the end of each business day. The net asset value will be calculated by calculating the value of all the fund's assets in addition to any existing monetary elements minus any accrued expenses calculated at the end of the business day. The net asset value of the unit is calculated by dividing the result by the number of existing units at the time of the valuation.

Indicative price, which is an indicator of the fund's net asset value during trading hours. In the calculation of the indicative price, the highest bid price for the bonds that make up the index is used. The same remaining steps are followed in calculating the net asset value, where expenses are deducted according to the net asset value at the end of the last trading day to arrive at the indicative net value of the unit. The net asset value of the fund unit and the indicative price for trading the unit is obtained by dividing the net asset value by the number of existing units at the time of calculation..

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 and the Saudi Stock Exchange (Tadawul) website

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 and the fund manager's website www.albilad-capital.com

11. Dealings

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

The initial offering period for the fund starts from 15/06/1441 AH, corresponding to 09/02/2019 AD for a period of 10 days, and the unit price at the beginning of the offering is 10 Saudi riyals: If the minimum required amount is collected before that date, the fund manager can stop the initial offering period and launch the fund on Then.

- 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.

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

* Subscribers who wish to purchase the fund units must complete and submit the subscription application form, sign the terms and conditions and deliver them to the fund manager.

* If the payment is made in a currency other than the Saudi riyal, the amount received 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.

* The minimum subscription period during the initial offering period: one million (1,000,000.00) Saudi riyals.

- 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 shall suspend dealing in fund units in the following cases:

* Receiving a request from the Capital Market Authority to suspend dealings in the fund.

* If the fund manager reasonably believes that the suspension is in the interest of the unit holders.

* If the deal is suspended in the main market in which the securities or other assets owned by the fund are traded, either in general or with respect to the fund's assets that the fund manager reasonably thinks are essential to the fund's net assets value.

The fund manager will take the following actions in the event that dealing in the fund's units is suspended:

* Ensure that no suspension continues except for the necessary and justified period, taking into account the interests of the unit holders.

Review the suspend on a regular basis and consult with the Fund Board of Directors and the Custodian about it on a regular basis.

* Notify the Authority and the unit holders immediately upon the end of the suspension in the same way used in the notification of the suspension and disclosure of this on the fund manager's website and the market website.

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

Not Applicable

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.

Not Applicable.

12. Distribution Policy

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

The fund shall distribute the cash surplus represented by the returns received from the sukuk in the form of monthly distributions to the unit holders registered in the register of unit holders on the last working day of the month (maturity date). Profits will be distributed within ten working days after the end of the last working day of the month (the date of distribution). The fund manager has the right not to distribute cash if no dividends are received from the sukuk.

b) Approximate maturity and distribution date, if applicable.

The distribution will be on a monthly basis.

c) A statement on how distribution will be paid.

The fund will distribute the surplus and profits received from the sukuk in the form of monthly dividends to unit holders registered in the register of unit holders on the last business day of the month (maturity

date). Profits will be distributed within ten working days after the end of the last working day of the month (the date of distribution).

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 and the market website 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 and the market website 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 holders 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 Under this it Malkua units 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.

Fundamental Changes:

- Approval of the authority and unit holders on fundamental changes:
 - The fund manager will obtain the approval of the unit holders in the fund for the proposed fundamental 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 fundamental change in the fund.
 - The term "fundamental 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 fundamental 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 general fund, he should notify the 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
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 Sukuk 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 transaction as principal and agent and to undertake to cover, manage, arrange, provide advice 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 Sukuk 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 transaction as principal and agent and to undertake to cover, manage, arrange, provide advice 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 Sukuk 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 entrusts them to a third party under the provisions of the Investment Funds Regulations and the Saudi Stock Exchange 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 default.

The custodian is responsible for preserving and protecting the fund's assets for the benefit of the unit holders, and he is also responsible for taking all necessary administrative procedures in relation to preserving the fund's assets. The fund's assets are owned by the fund's unit holders collectively, and it is not permissible for the fund manager, sub-fund manager, custodian, sub-custodian, counselor or distributor to have any interest in the fund's assets or any claim therein, unless the fund manager or manager is The sub-fund, the custodian, the sub-custodian, the advising provider, or the distributor is the owner of the fund's units, 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 the fund units owned by the fund manager, sub-fund manager, custodian, sub-custodian, counselor or distributor, and within the limits of what the debtor owns, the creditors of the fund manager, sub-fund manager, custodian or custodian may not have any Subcontractor, counselor or distributor has no right to any claim or dues in the fund's money or assets.

The custodian will also:

- Create accounts for fund manager and market makers.
- Executing release and recovery requests.

Review the components of the portfolio in light of the information announced by the fund manager.

- When executing the unit issuance request, the custodian arranges for the transfer of the sukuk basket and other monetary items from the market maker's account to the fund's account.
 - When executing the unit redemption request, the custodian shall ensure that the units are in the market maker's account.
 - Arranging to issue and redeem the fund units and to ensure that the listing or suspension of listing process has been done correctly by a trading party.
 - Upon issuance, ensure that the basket of instruments and cash items matches the number of unit bundles required.
 - Upon redemption, to ensure that the fund's units and values are in line with the Sukuk basket and their values transferred to the market maker's account.
 - Do daily matching to correct differences, if any.
 - Separation of assets:
 - The custodian must open a separate account with a local bank in his name for each investment fund that a custodian works for, and the account is in favor of the relevant investment fund.
 - The custodian must separate the assets of each investment fund from its assets and from the assets of its other clients, and those assets must 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. And to keep all necessary records and other documents that support his contractual obligations.
 - The custodian must deposit all cash sums belonging to the investment fund in the account referred to above, and he must deduct from that account the amounts used to finance the investments, the investment fund management expenses and its operations in accordance with the provisions of these regulations, the specified copy of the fund's terms and conditions, and the information memorandum that he received from the fund manager. And the contract by virtue of which a custodian was appointed by the fund manager.
- 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 27 of the Investment Funds Regulations.
- 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 preservation activity or its withdrawal or closure by the authority.
- Submit a request to the authority from the custodian to revoke his license to practice preservation 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 four 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 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 Bin Ateeq (independent member of the Board of Directors).

Masters in finance from Saint Mary's University in Canada, and bachelor's 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 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 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 I | | 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 Al-Bilad Saudi Sovereign Sukuk ETF:
- That the Sukuk are approved by the Shariah Board.
 - The fund invests the available and unused liquidity amounts in short-term operations compatible with the Shariah Standards, which are as follows:
 - 1- That the goods to be bought and sold should be permissible.
 - 2- 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.
 - 3- 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.
 - 4- 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.
 - 5- The fund does not sell the commodities on a deferred basis to whomever it bought them from, so that it does not constitute an Eenah 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.

Up to the date of this note, there is no additional information that may contribute to the investment decision-making process for potential unit holders, fund manager, fund board of directors, or professional advisors, and it has not been mentioned.

- e) Any waivers from limitations in the Investment Funds Regulations approved by the Capital Market Authority, except those stipulated in investment policies and practices.

Waived from article 71 section (e) of the Investment Fund Regulations

32. Additional Information Requirements for Certain Types of Funds

Exchange Traded Fund

- 1) The unit holders of the Al-Bilad Saudi Sovereign Sukuk 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 will 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 (Albilad IdealRatings Saudi sovereign Sukuk index), which includes Saudi Riyals denominated Sukuk, listed in the Saudi Exchange (Tadawul), with a maturity of 3 months or more and linked to Primary dealers. The components of the index will be revised monthly by the index provider.

The index value is calculated on a market value basis for each sukuk on the index and market value is calculated by using the highest bid price for the sukuk at the closing time of the Saudi exchange (Tadawul) multiplied by the issuance size.

The unitholders can get the latest news and information regarding the fund performance and the index performance from the fund manager's website www.albilad-capital.com. Also, the fund manager will disclose the securities that make up the fund and their weights on the fund manager's website www.albilad-capital.com and the Saudi Exchange's (Tadawul) website www.saudiexchange.sa.

- 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 1.5% margin with 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 Saudi Sovereign Sukuk ETF, and has approved the characteristics of the units in which he/we have subscribed.

Investor (Unitholder)

Name:

ID:

Signature: