



Terms and Conditions

SAB Invest Hang Seng Hong Kong ETF

Public Open-Ended Index ETF

Fund Name: SAB Invest Hang Seng Hong Kong ETF

Fund Category: Index Exchange-Traded Fund (ETF)

Fund Type: Public Open-Ended Fund

Fund Manager: SAB Invest Company

Acknowledgements and explanatory statement:

- ◆ “The Fund’s Terms and Conditions has been reviewed and approved by the Fund’s Board of Directors. The Fund Manager and the members of the Fund’s Board of Directors collectively and individually bear full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the Fund board directors and the Fund manager confirm the validity and completeness of the information in the Terms and Conditions, and further confirm that the information and data maintained in the Terms and Conditions are not misleading.”
- ◆ The Capital Market Authority has approved the offering of units in the Investment Fund. However, the Capital Market Authority does not 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 CMA

recommends to invest in the Fund, and CMA emphasizes that the decision to invest in the Fund is up to the investor or its representative.”

- ◆ The Fund's Terms and Conditions and all other documentation comply with the Investment Funds Regulations and contain complete, clear, accurate, and not misleading information on the Investment Fund and shall be updated and amended.
- ◆ All potential investors shall carefully read the terms and conditions and other documents in their entirety, and obtain their own professional counseling on legal aspects, zakat and financial matters, compliance with Islamic law, and other counseling, before deciding to invest.
- ◆ 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 Fund's performance can be viewed by investors in its periodic reports.
- ◆ Investors are advised to read and understand the Fund’s Terms and Conditions. If in doubt, please consult a professional adviser.
- ◆ These Terms and Conditions have been issued on 23 October 2024.

Fund Summary

#	Item	
1	Name of the investment Fund	SAB Invest Hang Seng Hong Kong ETF
2	Class/type of the fund	Public Open-Ended Index ETF
3	Fund Manager	SAB Invest Company
4	The foreign fund invested in	Tracker Fund of Hong Kong Ltd Class HKD Inc.
5	Purpose of the Fund	The Fund aims at achieving long-term capital growth by tracking the performance of the Hang Seng Index through investing in the foreign fund, before deducting fees and expenses, while reducing the deviation ratio between the Fund performance and the index performance to the minimum. The Fund will invest all of its assets in a single

(Amend as appropriate)

		foreign fund, the Tracker Fund of Hong Kong, which is listed on the Hong Kong Stock Exchange. The foreign fund is an established fund whose primary objective is to passively track the performance of the index (Hang Seng Index) by matching the companies within the index and their weights.
6	Risk level	The Fund is a high risk investment fund
7	Minimum amount for subscription and redemption through the Market Maker or the Fund Manager	The minimum subscription and redemption amount in the primary market is equivalent to the value of one unit package, or any other size as determined by the Fund's board of directors from time to time. The minimum for creating one package will be 50,000 units.
8	Minimum amount for subscription during the initial public offering period	The minimum investment during the IPO period is equivalent to one package of units (50,000 units).
9	Days of dealing/ valuation	Dealings: The day on which the Saudi Exchange is open to operate in the KSA. Valuation: Each dealing day
10	Announcement Days	The announcement of the Fund's Net Asset Value (NAV), the Benchmark Net Asset Value, or any Fund-related news, shall be made on any dealing day on which the Saudi Exchange is open to operate in the Kingdom of Saudi Arabia, during the business week from Sunday to Thursday.
11	Date for paying redemption amount	Investors trade in the secondary market by submitting buy and sell offers during trading periods, just like any other security, through any of the market brokers. As for the primary market, fund units are created and redeemed by the Fund Manager or by an appointed market maker that is authorized to carry out dealing business in order to act as a market maker for the Fund.

(Amend as appropriate)

12	Unit price at initial offer (nominal value)	10 Saudi Riyals per unit of the Fund
13	Currency of the Fund	Saudi Riyal (SAR)
14	Period of the Investment Fund and its maturity date	The Fund's life is indefinite and open-ended
15	Date of the Fund's launch:	The Fund will start receiving subscription requests on 24/10/2024.
16	Date of issuing the Terms and Conditions and its latest update	The Fund's terms and conditions were issued on 23/10/2024.
17	Early redemption fees:	N/A
18	Benchmark	Hang Seng Index, which includes the largest companies listed on the Hong Kong Stock Exchange.
19	Fund Operator	SAB Invest Company
20	Custodian	Riyad Capital
21	Auditor	Ernst & Young and Partners.
22	Fund Management Fees	0.10% of the Fund's Net Asset Value.
23	Subscription and Redemption Fees	There are no subscription nor redemption fees.
24	Custodian Fees	Up to a maximum of 0.03% of the Fund's Net Asset Value. In addition, there are other expenses for the transactions carried out that shall be paid to the custodian by the Fund, with a maximum of 100 Saudi Riyals per transaction.
25	Dealing Expenses	The fees shall be paid by the Fund based on the actual costs and to be disclosed in the Fund's annual report.

(Amend as appropriate)

26	Other Fees	The Fund will pay them according to the actual costs up to 0.25% of the net asset value of the Fund. These fees include, but are not limited to, auditors' expenses, Saudi Exchange expenses, fees of the benchmark index provider, and board members' remuneration.
27	Performance Fees	N/A.
28	Market Maker	SNB Capital
29	Initial Offering	It is the period during which the initial capital of the Fund is raised, occurring prior to its trading on the secondary market.
30	Initial Market	It is the market where new units are created or existing units are redeemed by the Fund Manager or Market Maker.
31	Secondary Market	The Fund's units are traded on the Saudi Exchange, and the procedures followed are similar to those followed for any stock or exchange-traded fund.
32	Investment Grade	It is the rating grade for the purpose of investing in money market transactions, assigned by a reputable credit rating agency or agencies. This classification is for companies with strong financial solvency compared to companies classified below investment grade. Examples of such agencies include Standard & Poor's and Fitch (with a minimum rating of BBB- each), and Moody's (with a minimum rating of Baa3-), among others.

1. Investment Fund

a. Name of the Investment Fund, its type, and category:

SAB Invest Hang Seng Hong Kong ETF

Public Open-Ended Index ETF

(Amend as appropriate)

b. Date of issuing the Terms and Conditions of the Investment Fund, and latest update of it:

The Fund's terms and conditions were issued on 23/10/2024.

c. Date of CMA's approval on the offering of the Fund's units:

On 23/10/2023, the approval of CMA was issued regarding the offering of units in the Fund.

d. Period of the investment fund and its maturity date:

Hong Kong. There will be no set duration for the fund's operation and no maturity date for the fund.

2. Governing Law:

These Terms and Conditions, investment fund and Fund Manager are subject to the Capital Market Law, the Investment Funds Regulations and other implementing regulations issued by CMA and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

3. Investment Policies and Practices:

a. The Investment objectives of the Investment Fund.

The Fund is a public open-ended index ETF aims to achieve long-term growth for capital. Moreover, the Fund aims at tracking the performance of the Hang Seng Index by investing in the foreign fund, before deducting fees and expenses. The Fund Manager seeks to ensure that the tracking deviation ratio does not exceed 2.0% between the Fund's performance and that of the Index. The Fund will invest all of its assets in a single foreign fund, the Tracker Fund of Hong Kong, which is listed on the Hong Kong Stock Exchange. The foreign fund is an established fund whose primary objective is to passively track the performance of the index (Hang Seng Index) by matching the companies within the index and their weights.

b. Type or types of securities in which the investment fund will invest in primarily:

The fund will invest in companies listed on the Hong Kong Stock Exchange that are part of the benchmark index, through investment in the foreign fund listed on the Hong Kong Stock Exchange, in addition to investing in money markets whenever the need arises.

(Amend as appropriate)

The foreign fund was selected by the Fund Manager after conducting due diligence on the foreign fund manager and ensuring that the foreign fund's objectives aligned with the Fund's in passively tracking the index at the lowest possible cost. The foreign fund has one of the longest track records in tracking the benchmark index followed by the Fund's investment strategy. The foreign fund has demonstrated its ability to effectively and successfully simulate and track the index's performance over a period of more than 25 years.

c. 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 invests no less than 95% of its Net Asset Value (NAV) in the foreign fund, which tracks the Hang Seng Index. These investments will be concentrated in the Hong Kong Stock Exchange. The Fund may invest up to 5% of its available cash in money market transactions concluded with a counterparty regulated by the Saudi Central Bank (SAMA) or a similar regulatory authority outside the Kingdom, such as Murabaha transactions, or in investment funds active in the money markets, at the Fund Manager's discretion for liquidity management purposes and within the framework of the Fund's investment objectives.

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

Highest limits	Minimum limits	Type of Investment
100%	95%	Tracker Fund of Hong Kong Ltd Class HKD Inc.
5%	0%	Cash, money market transactions and instruments, including investment funds active in money markets

e. Security markets in which the Investment Fund intends to invest in.

The investment will be carried out in the Saudi Exchange and the Hong Kong Stock Exchange.

(Amend as appropriate)

f. Disclose if the Fund Manager intends to invest in the units of the Investment Fund:

The Fund Manager is entitled to invest in the Fund, whenever they desire to do so at its own discretion. The Fund Manager's units shall not receive any preferential treatment compared to those of other investors.

g. Specific techniques and instruments that the Fund Manager can use to make investment decisions for the Investment Fund:

- The Fund will follow a passive investment strategy by investing in the index-tracking foreign fund, while keeping enough liquidity to calculate Fund's expenses and liabilities. The Fund aims to achieve a low margin of deviation compared to the benchmark index performance.
- The Fund units shall be listed in the Saudi Exchange in order to be available for investors to trade in during the daily trading hours. The Fund Manager has entered into an agreement with a Market Maker to provide liquidity in the secondary market, in order to mitigate liquidity risks.
- The market maker set the prices of the units in Tadawul and the margin between the purchase and selling prices shall not exceed (2.5%).
- The market maker faces the risks of pricing during its issuance and redemption of the Fund units traded in the Exchange. In order to mitigate the impact of these risks, the Fund Manager provides the market maker with the possibility of the immediate issuance and redemption of the Fund units.
- In the event of entering into short-term money market transactions, the Fund Manager shall select a financial institution or a counterparty to execute these transactions, provided that such parties hold an investment-grade credit rating.

h. Types of securities that cannot be included in the Fund's investments.

The Fund Manager may not invest the Fund's assets in financial derivatives.

i. Any other restriction on the type(s) of securities or other assets the Fund can invest in.

The Fund shall comply with the investment restrictions required under the Saudi Capital Market Law, the Investment Funds Regulations, and the relevant implementing regulations issued by the Capital Market Authority.

(Amend as appropriate)

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 will invest at least 95% of its NAV in a foreign fund managed by another fund manager that tracks the benchmark index. The Fund may also invest no more than 5% of its NAV in money market funds managed by it or by other fund managers.

k. The Investment Fund lending and borrowing powers, and Fund Manager policy on the exercise of the lending and borrowing powers, and Identification outlining Fund Manager policy with respect to pledging assets of the Fund:

The Fund is not allowed to give or take loans or to perform any transactions that can be considered as loan transactions.

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

The Fund shall comply with the restrictions relating to dealing with a counterparty, in accordance with the dealing restrictions listed in Investment Funds Regulation issued by the Authority.

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

Internal procedures and policies adopted by the Fund Manager will be applied to ensure the Fund's compliance with investment and risk management policies that align with the Fund's nature and regulatory requirements. Furthermore, the Fund Manager conducts periodic reviews to ensure these policies and requirements are consistently applied.

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

Hong Kong

Benchmark:

The Fund tracks the Hang Seng Index, which reflects the performance of the largest and most liquid companies listed on the Hong Kong Stock Exchange. The weights of all index

(Amend as appropriate)

constituents are subject to a pre-defined 8% cap to prevent the dominance of large-cap stocks over the index. The number of companies that make up the index changes depending on market conditions and the companies themselves. As of September 2024, the Index comprised 82 companies listed on the Hong Kong Stock Exchange, with a total market value of HKD 24 trillion. The index was launched on 24 November 1969.

Information about the index provider:

The provider of the index is Hang Seng Indexes Company Limited, a wholly owned subsidiary of Hang Seng Bank. The Company was founded in 1984.

The updated information and index value will be available during trading hours on the Hong Kong Stock Exchange website (www.hkev.com). Moreover, a list of companies included in the Hang Seng Index and their respective weights, the index's latest closing level, and other important index information and news can also be obtained from the website above. Information about the index can be found at the following link: (www.hsi.com.hk)

The bases and the methodology used to calculate the index:

The index consists of a representative sample of the shares of the constituent companies listed on the Hong Kong Stock Exchange, which generally have high market value and liquidity. Further, the index consists of companies with high liquidity and market value, and the free float of those stocks is also taken into account. The index uses a methodology based on the free float adjusted market value of shares. The Hang Seng Index aims to include the largest companies in the Hong Kong Stock Exchange based on free-float market value. The Index applies a weight cap of 8% per constituent (at the time of index rebalancing). The Hang Seng Index is rebalanced on a quarterly basis, usually in the months of March, June, September and December.

Method for calculating the index:

The index is calculated as a total return that measures market performance, which includes price changes plus cash dividends.

Calculation methodology: The Total Return Index = The Total Return Index of the previous day * $\{(Adjusted\ Market\ Value\ of\ the\ Index\ on\ the\ current\ day + Received\ Index\ Dividends\ on\ the\ current\ day) / Total\ Market\ Value\ of\ the\ Index\ on\ the\ previous\ day\}$.

The index is calculated daily based on the official closing prices of its constituent stocks.

- 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).**

The Fund will not invest in derivatives contracts.

- p. **Any waivers approved by CMA for any investment limits and restrictions:**

The Capital Market Authority has approved the waiver of the SAB Invest Hang Seng Hong Kong ETF, when investing in exchange-traded funds, from applying some of the provisions of Article 41 of the Investment Funds Regulations, "Investment Restrictions", which are as follows:

- ◆ **Waiver from paragraph (b), subparagraph (3) of Article Forty-One, where the assets and funds of the Fund may be invested up to 100% of the net value of its assets in units of another investment fund, or in units of different investment funds issued by the same capital market institution.**
- ◆ **Waiver from paragraph (g) of Article Forty-One, where it is permissible to own up to 100% of the net value of the assets of the fund whose units have been acquired.**

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

- a. The Fund is a high risk investment fund due to the asset nature of its investments, thus, the unit prices may decrease at the redemption and/or sale for a price that is lower than the price subscribed and/or purchase in the Fund. The achievement of any investment growth of the Fund is not guaranteed. The Fund's investments value are likely to decline and Unitholders shall recognize that redemption of the capital invested in the Fund is not guaranteed, besides there are no guarantees that the investment objectives of the Fund will be achieved.

(Amend as appropriate)

- b. The previous performance of the investment Fund or the past performance of an index does not constitute an index in relation to the future performance of the Investment Fund.
- c. The Fund Manager does not guarantee for Unitholders that the investment fund's absolute performance or its performance relative to the index will repeat or match past performance.
- d. Investment in the Fund is not a deposit with any bank. Potential Unitholders shall be aware of the following risks when investing in the Fund.
- e. Unitholders shall be aware of the risk of loss of money partially or completely invested in the investment Fund, given the nature of the Fund's operations and the risks associated with investment in it. Unitholder acknowledges and accepts responsibility for any financial losses incurred arising from investing in the Fund, unless such losses arise from willful misconduct or intentional negligence by the Fund Manager.
- f. In order to clarify such risks, a list of potential risks that may affect the unit price and certain potential risks associated with investing in an investment Fund, risk exposure to the investment Fund and any conditions likely to affect the net asset value of the Fund's assets and revenues include, but are not limited to, the following:

◆ **Economic Risks:** The performance of any kind of investments may be affected by the general economic conditions and other factors, such as fluctuations in interest rates, inflation, capital flows, and other conditions that may have tangible effects, either positive or negative, on the value of investments in the Fund.

◆ **Securities Issuers Risks:** All stocks and securities in which the fund invests are listed on the secondary market or recognized international markets. Therefore, the risks shall be related to the issuers of securities included in these indices.

◆ **Margin of deviation risks:** There are no guarantees to achieve the investment objectives of the Fund. The changes in the Fund's investments and rebalancing the index, which the Fund follows, may result in differences in dealings. In addition, the total revenue of the investment in the Fund units may decrease due to some expenditure and costs, which were not taken in consideration while calculating the index. Moreover, in case of any temporary suspension or stopping of trading in the securities that comprise the index, or in case of the stoppage of the Exchange, there may no longer be a possibility to rebalance the Fund's investment portfolio in order to match the weights of the index's components.

(Amend as appropriate)

- ◆ **Changes in the Index's Components Risks:** The Fund's index was established by the index service provider according to its special standards. Since the index service provider usually preserves the estimation right of the design method of the index, there are no possible guarantees to be provided that the calculation of the index and publishing on the basis listed in the rules or the published method by the index service provider, or that the index will not undergo a significant change. Also, the components of the index may vary according to the index service provider's standards, and some shares can be deleted from the index's components in case of canceling its listing on the Exchange, which causes changes in the index.
- ◆ **Concentration Risks on the Index:** The foreign fund's investments may be concentrated in a limited number of issuers (potentially as few as 12 issuers) because of the design nature of the index, which the Fund and the foreign fund aim to follow.
- ◆ **Political and Legal Risks:** The Fund is affected by conditions arising from international political developments, changes in government policies, tax policies, restrictions on foreign investment and currency transfers, and other developments in laws and regulations issued in Saudi Arabia, Hong Kong and/or other countries that may have an impact on the Fund and its investments.
- ◆ **Suspension and Cancellation Risks:** Given that the Capital Market Authority may suspend or cancel the listing of one or more securities in which the Fund invests, this may result in the suspension of establishing and redeeming units in the Fund which can be continued until deciding to relist the basic securities.
- ◆ **Money Market Risks:** The investment in the Fund may be exposed to Risks connected with the investment in the ordinary share Funds that could involve market fluctuations risks, potential fluctuations in share prices as a result of supply and demand factors, inflation risks, liquidation risks, and other regular or irregular risks. Share prices may be reduced as a result of the economic conditions, predictions, or other factors related to the companies or securities that the Fund invests in. For example, negative reports about the returns may cause the market to decrease. And some public share prices for some issuers may have faster responses regarding the Exchange. Also, the decrease in Exchange affects the share value that the Fund invests in. The Fund's portfolio may as well decrease in value as a result of the issuer failing to provide the predicted distributions as a result of the company's financial status.

- ◆ **Dividend Reinvestment Risks:** Whereas the Fund will reinvest the dividend, if any, the amounts of the distributions may not be invested at the same price as the assets were originally purchased. Consequently, the cost of purchase increases, which may adversely affect the unit price.
- ◆ **Risks of Unit Creation against Cash:** The Fund Manager may accept the issuance of units against cash, which may expose the subscriber to additional fees, including but not limited to trading fees and issuance and transfer fees. The value of the Fund's assets may decrease or increase, which in turn may adversely affect the number or value of units issued against the cash subscription.
- ◆ **Risks of investing in emerging international capital markets:** Investing in some markets, particularly emerging markets, may involve risks associated with failure or delay in settling market transactions and recording and safeguarding securities. Investing in such markets may involve higher-than-usual risks. The market value of securities traded in emerging markets is relatively limited, as the majority of market value and trading volumes are concentrated in a limited number of companies. Accordingly, the Fund's investments may experience a higher degree of price volatility and significantly lower liquidity compared to any fund investing in shares of companies traded in larger and more efficient markets.
- ◆ **Risks of varying weekly trading times and days:** Since the foreign fund trades in a market whose timing and days differ from the market in which the Fund trades, this may lead to the Fund being unable to buy and sell units of the foreign fund when needed. Due to the different operating hours of the two markets, this may affect the units, with the listed units trading at a value higher or lower than the Fund's net asset value per benchmark unit, due to circumstances beyond the Fund Manager's control or because the Hong Kong Stock Exchange operates at different times and days than the Saudi Capital Market, which negatively affects the calculation of the Fund's net asset value, the closing price, and/or the Fund's performance and the value of the Fund's assets per unit.
- ◆ **Risks in valuing the Fund's assets:** The Fund's portfolio components are evaluated based on the latest net asset value of the foreign fund, and therefore the benchmark unit price announced in the market will reflect the closing prices of the same day in the Hong Kong Stock Exchange, which may differ from the unit's trading price.
- ◆ **Risks of concentrating package creation and redemption operations with a single market maker:** Since the Fund has only one market maker authorized to create and redeem units, the Fund may face the market maker's inability to create or redeem units, resulting in a difference between the Fund's unit trading prices and their fair value.

(Amend as appropriate)

- ◆ **Risks of Fund returns diverging from index returns and risks of passive management:** The Fund may not achieve a return that matches the index, as the return on the securities in which the Fund invests may not be closely related to the index return. In addition, the Fund incurs operating expenses that are not accounted for in the index's performance, and the Fund bears the costs of buying and selling securities. Sometimes the Fund's entire assets may not be invested, due to the level and timing of cash flows and the size of the cash reserves the Fund maintains to cover redemption requests. Increased subscription and/or redemption transactions may affect the Fund's ability to accurately track the index, in addition to keeping a portion of the Fund's assets as cash to pay outstanding fees.
- ◆ **Risks of conflict of interest:** The Fund Manager's activity includes a range of activities, including financial investments and advisory services, which may lead to conflicts of interest between the Fund Manager and the Fund. Any conflict of interest reduces the Fund Manager's ability to perform its duties function as required, which can adversely affect the Fund's investments and performance.
- ◆ **Tax risks:** Taxes may lead to a reduction in the returns associated with investing in the Fund and decreasing unit values. Potential investors must consult their tax advisors regarding the taxes arising from investing in the Fund and from owning and selling the units.
- ◆ **Risks of index discontinuation:** Since the Fund follows the benchmark index completely, if the index ceases for any reason, it may lead to a change in the Fund's strategy.
- ◆ **Risks of investment in foreign fund:** There are risks affecting the foreign fund, which may be subject to short- and medium-term fluctuations, and fluctuations in the unit price. Therefore, the Fund may be negatively affected, which could have a negative impact on the Fund's net asset value and unit price.
- ◆ **Currency exchange risks:** Exchange rate differences can lead to losses when the Fund invests in a currency different from its base currency.
- ◆ **Risks related to holidays and official vacations:** The trading prices of the Fund's units may deviate from the net asset value due to official holidays such as national holidays and vacations, as most or all of the Fund's investments are concentrated in the Hong Kong Stock Exchange while the Fund is traded on the Saudi Capital Market.
- ◆ **Risks of Market Maker:** These are the potential risks resulting from the tasks performed by the market maker, including providing liquidity, daily obligations, and pricing fund units at a value close

(Amend as appropriate)

to the benchmark unit value. If the market maker does not fulfill its role of providing liquidity on both the buying and selling sides, this may negatively affect the trading prices of the Fund's units.

- ◆ **Difference in price fluctuation rate:** Investing in the stock market is usually associated with high market volatility, as well as the possibility of high fluctuations in stock prices and value, and the potential loss of part or all of the capital, which negatively affects the unit price. Therefore, the Fund's risks are considered high.
- ◆ **Risks of replacing the foreign fund:** The risk may be the termination of the foreign fund and its replacement with another fund, which may have a negative impact on the Fund's net asset value and unit price.
- ◆ **Risks of fundamental changes in the foreign fund:** Any fundamental changes to the foreign fund, such as a change in its strategy or an adjustment to its fees, to name a few, may negatively affect the Fund's performance.
- ◆ **Risks of insufficient data:** Since the foreign fund is not traded on the Saudi market, this may negatively affect the Fund's performance as access to data may not be as easy as access to data in the Saudi market.
- ◆ **Trade Suspension Risks:** Since most of the Fund's investments are concentrated in the foreign fund traded on the Hong Kong Stock Exchange, the suspension of trading in that market could negatively affect the Fund's performance and liquidity.
- ◆ **Technology Risks:** The Fund Manager and the foreign fund manager rely on advanced technical systems in managing the fund, which may be subject to a sudden interruption or malfunction beyond the control of the fund manager, which may negatively affect the performance of the Fund.
- ◆ **Natural Disaster Risks:** Capital markets and investments are affected by natural disasters, which may lead to a decrease in asset value and fund unit prices.
- ◆ **Risks of reliance on the Fund Manager:** The Fund Manager and the foreign fund manager rely on a professional and specialized team to manage the investment, and therefore the loss of team members, whether for the fund manager or the foreign fund, may negatively affect the Fund's performance.
- ◆ **Risks of dealing with third parties:** The Fund may enter into transactions with third parties that may not be able to comply with and fulfill the concluded contracts, which may negatively affect the Fund's performance.

- ◆ **Liquidity Risk:** Investment liquidity may sometimes decrease, which can make it more difficult to rebalance the components of the portfolio. This may negatively affect the market prices of the Fund's investments, which in turn may negatively affect the market prices of the Fund's units.
- ◆ **Risks of settlements made by the custodian:** Since the Fund's liquidity in the initial market is fundamentally and substantially dependent on settlements made by the Fund's custodian, failure to settle units may negatively affect the Fund's unit prices.
- ◆ **Risks of in-kind subscription:** In-kind subscriptions are a major source for creating units; therefore, failure to receive units for in-kind subscription may result in no new units being created and thus negatively affect the Fund's unit prices.
- ◆ **Securities Performance Risks:** Since all of the Fund's investments will be in other securities, the Fund's performance depends primarily on those securities. Therefore, the negative performance of those securities for any reason may negatively affect the prices of the Fund's units.

5. Mechanism for Assessing Risks

The Fund Manager shall acknowledge that there is an internal mechanism for assessing risks related to the Fund's assets.

6. Targeted class for investing in the Fund

The Fund targets investors who wish to invest in the Hong Kong Stock Exchange, including individuals, corporations, and government entities, and who meet the appropriate conditions for investing in this Fund. Taking into account the Fund's investment objectives and the risks associated with investing in the Fund, which every potential investor must carefully study and understand before making any decision regarding investing in the fund, it is advisable to seek the advice of a licensed professional advisor if it is not possible to understand and assess the suitability of investing in the Fund.

7. Hong Kong Investment Restrictions/ Limitations

The Fund Manager shall manage the Fund in compliance with the restrictions and limits imposed by the Investment Funds Regulations issued by the Capital Market Authority, except for those from which the Fund has obtained a waiver from the Capital Market Authority, in addition to complying with the restrictions set out in these Terms and Conditions of the Fund.

(Amend as appropriate)

8. Currency

The fund's currency is the Saudi Riyal, which is the currency in which its investments and units will be made, and which will often be denominated in Hong Kong dollars. The Unitholder bears the risk of exchange rate fluctuations for those currencies when investing and purchasing units.

9. For Services, Commissions and Fees

a. Details regarding all types of payments from Fund assets and Fund Manager:

All fund expenses will be capped at a maximum of 0.60% of its net asset value during the financial year.	Fees and expenses
Percentage of 0.10% annually of the Fund net asset value	Fund Management Fees
A maximum of 0.03% of the net asset value of the fund, in addition to expenses paid to the custodian for the executed transactions, with a maximum of 100 Saudi Riyals per transaction.	Custodian Fees
The depository center shall be paid a fee of 0.08% annually if the net asset value of the fund is a maximum of SAR 100 million, 0.07% annually if the net asset value of the fund is more than SAR 100 million up to SAR 200 million, and 0.06% annually if the net asset value of the fund is more than SAR 200 million.	Depository Center Fees
Other fees are calculated based on the actual cost of services provided on each valuation day, <u>with a maximum of 0.25% of the Fund's net asset value annually (and any amount exceeding this shall be borne by the Fund Manager).</u>	Other Fees
These fees include, but are not limited to, the following services: <ul style="list-style-type: none">• Auditor fees: 36,000 riyals annually• Foreign fund management fees: 0.02% annually• Supervisory fees: 7,500 riyals annually• Saudi Exchange fees: 5,000 riyals annually	

(Amend as appropriate)

<ul style="list-style-type: none"> • Board members’ remuneration: Maximum of 15,000 riyals annually • Benchmark index provider fees: 20,000 riyals annually • Fees for preparing and reviewing Zakat return: 55,000 riyals annually • Investment fees in other investment funds: It is paid by the Fund based on actual costs and is disclosed in periodic reports and is allocated for investment in money market funds. • Unitholders meeting costs: The fees shall be paid by the Fund based on the actual costs, and it is disclosed in periodic reports. • Other expenses: The fees shall be paid by the Fund based on the actual costs, and it is disclosed in periodic reports. 	
<p>The fees shall be paid by the Fund based on the actual costs, and it is disclosed in the Fund’s quarterly report.</p>	Dealing Expenses
<p>The fees shall be paid by the Fund based on the actual costs and to be disclosed in the Fund’s annual report.</p>	Taxes and VAT

◆ Taxes and VAT

The Fund will be responsible for the collection of VAT and any other taxes and duties (as applicable) in respect of any of the services provided to the Fund, including but not limited to, all due amounts of the Fund Manager under these terms and Conditions, for example, subscription, management and other fees. The fees and expenses mentioned do not include VAT.

b. Table of all fees and expenses showing how and when services, commissions and fees are calculated and paid by the Investment Fund.

(Amend as appropriate)

Payment frequency	Calculation method	Rate imposed / amount	Fees' type
It is deducted and paid on a monthly basis.	Annually and calculated cumulatively for each calendar day	0.10%	Fund management
It is deducted and paid on a monthly basis.	Annually and calculated cumulatively for each calendar day	0.03% as a maximum	Custodian
It is deducted and paid annually.	Annually and calculated cumulatively for each calendar day	0.08% as a maximum	Depository Center
It is deducted and paid based on actual costs.	Based on actual costs.	-	Dealing Expenses
It is deducted and paid based on actual costs.	Annually and calculated cumulatively for each calendar day	0.25% as a maximum	Other Fees
<u>Examples of other fees</u>			
It is deducted and paid annually.	Annually and calculated cumulatively for each calendar day	36,000 riyals	Auditor fees
The fees shall be paid by the Fund based on the actual costs, and it is disclosed in the Fund's annual report and is allocated for investment in the foreign fund.	Annually and calculated cumulatively for each calendar day	0.02%	Foreign fund management fees

(Amend as appropriate)

It is deducted and paid annually.	Annually and calculated cumulatively for each calendar day	7,500 riyals	Supervisory fees
It is deducted and paid annually.	Annually and calculated cumulatively for each calendar day	5,000 riyals	Saudi Exchange fees
It is deducted and paid annually.	Annually and calculated cumulatively for each calendar day	15,000 as a maximum	Board members' remuneration
It is deducted and paid annually.	Annually and calculated cumulatively for each calendar day	20,000 riyals	Benchmark index provider fees
It is deducted and paid annually.	Annually and calculated cumulatively for each calendar day	55,000 riyals	Fees for preparing and reviewing a Zakat return
The fees shall be paid by the Fund based on the actual costs, and it is disclosed in the Fund's annual report and is allocated for investment in money market funds.	Annually and calculated cumulatively for each calendar day	-	Investment fees in other investment funds
The fees shall be paid by the Fund based on the actual costs, and it is disclosed in the Fund's annual report.	Based on actual costs.	-	Unitholders meeting costs
The fees shall be paid by the Fund based on the actual costs, and it is disclosed in the Fund's annual report	Based on actual costs.	-	Other expenses

(Amend as appropriate)

provided they do not exceed the specified cap for other expenses.

c. Hypothetical table showing the ratio of the Fund's costs to the total value of the Fund's assets at the Fund and unit owner level over the life of the Fund, including both recurring and non-recurring costs

The following table shows a hypothetical investment of a unitholder (an investor) assuming that the unit holder's investment value is SAR 3 million, which did not change during the year, and the fund size is SAR 300 million during that period (i.e., the investor owns the equivalent of 1% of the total fund units), and assuming there is no profit or loss:

For the investor	For the Fund	Rate/ Amount	Description
3,000,000	300,000,000	-	Initial investment
(3,000)	(300,000)	0.10%	Fund Management Fees
(900)	(90,000)	0.03%	Custodian Fees
(1,800)	(180,000)	0.06%	Depository Center Fees
-	-	-	Dealing expenses*
			<u>Other Fees</u>
(360)	(36,000)	36,000	Auditor fees
(600)	(60,000)	0.02%	Foreign fund management fees
(75)	(7,500)	7,500	Supervisory fees
(50)	(5,000)	5,000	Saudi Exchange fees
(200)	(20,000)	20,000	Benchmark index provider fees
(550)	(55,000)	55,000	Fees for preparing, reviewing, and submitting a Zakat return
(150)	(15,000)	(15,000)	Board members' remuneration
(1,985)	(198,500)	-	Total other fees (SAR)
-0.07%	-0.07%	-	Total other fees (%)

(Amend as appropriate)

(7,685)	(768,500)	-	Total recurring fees and expenses (SAR)**
-0.26%	-0.26%	-	Total recurring fees and expenses (%)
(1,153)	(115,275)	15%	Value Added Tax on Total Fees and Expenses
2,991,162	299,116,225		Net asset value

*Transaction fees shall be paid by the Fund based on actual costs and will be disclosed in periodic reports.

There are no non-recurring costs, and if any exist, they will be mentioned in the Fund's periodic reports.

d. Details regarding transactions that may be charged in relation to subscription, redemption and property transfer fees paid by Unitholders and the method of calculation thereof

There are no subscription fees	Subscription fees
There are no early redemption fees	Redemption fees
Not applicable, the Fund Manager does not offer a unit transfer service.	Ownership transfer fees

e. Information related to special rebates and commissions and an explanation of the Fund Manager's policy regarding special rebates and commissions.

The special commissions that the Fund Manager receives during the year will be mentioned and specified in the annual reports issued for the Fund, if any. Any commission entered into by the fund, if any, will be subject to the Capital Market Institutions Regulations.

f. Information related to Zakat and/or Tax (if any).

The Unitholder is responsible for paying the zakat due from the value of its units. Regarding Value Added Tax (VAT), any fees that include VAT, as per the VAT Implementing Regulations, will be borne by the fund, since the Unitholder does not pay additional periodic amounts after subscribing to the Fund.

The Fund Manager also undertakes to provide the Zakat, Tax and Customs Authority with all reports and requirements related to Zakat returns. The Fund Manager will also provide unitholders with Zakat returns upon request in accordance with the applicable rules. Investors who are subject to these rules and who hold investment units in the Fund are responsible for calculating and paying Zakat on these investments. The Zakat Authority's rules can be viewed through the website:

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

Requirements of Zakat, Tax and Customs Authority (ZATCA)

The Fund shall fulfil the following requirements (and any additional requirements) related to Zakat collection from investors in investment funds:

- ◆ The Fund shall register with ZATCA.
- ◆ The Fund shall submit the necessary returns to ZATCA.
- ◆ The Fund shall provide Unitholders with the information needed to calculate the Zakat base for their investment in the Fund.
- ◆ Performing other consulting services.

EY (Ernst & Young) and partners has been designated to prepare and review the Fund's Zakat return.

The responsibilities of the Zakat return preparer shall include, but are not limited to:

1. Registering the Fund with ZATCA.
2. Submitting tax returns to ZATCA.
3. Submitting a withholding tax return.
4. Providing additional services, including but not limited to:
 - ◆ Reviewing the calculation of the Zakat base and disclosure in the financial statement notes.
 - ◆ Reviewing amendments/ inquiries related to ZATCA.

g. Identification outlining any special commission concluded by the Fund Manager (if any).

(Amend as appropriate)

The special commissions that the Fund Manager receives during the year will be mentioned and specified in the annual reports issued for the Fund, if any.

h. A hypothetical example showing all fees, expenses and transaction fees paid from the Fund's assets or by the Unitholders during an investment year in the Fund's currency.

As explained in subparagraph (c) of paragraph (9) "For services, commissions and fees" of these terms and conditions.

10. Valuation and Pricing:

- a. A detailed statement of how to evaluate each asset owned by the Fund.
- Most of the Fund's assets will be invested in the foreign fund, which will be denominated in Hong Kong dollars, but the fund's assets will be valued in Saudi Riyals, and the valuation will be comprehensive, including all the fund's assets, less the dues and fees related to the fund on each valuation day.
- Since the fund trades in Saudi Riyals and most of its investments are in Hong Kong Dollars, the fund will be exposed to the risks of exchange rate fluctuations between the two currencies, which may negatively affect unit prices.
- When evaluating assets, the following methodology will be followed:
 1. If the asset is a security traded on an organized capital market, the last net asset value of the security will be used if it is an exchange-traded fund such as the foreign fund.
 2. If the net asset value is not released during the valuation day for any reason, the last closing price of the foreign fund in the Hong Kong Stock Exchange is used.
 3. If the asset is suspended, the last reported net asset value will be used. Unless conclusive evidence is found that the net asset value has fallen below the suspension price.
 4. If the asset is an investment fund, the latest net asset value per unit will be used.
 5. If the asset is from direct money market transactions such as deposits, it will be valued based on its nominal value plus accrued profits and interest.
 6. Any other asset will be valued at the fair value seen by the Fund Manager based on the methods and rules set out in the Fund's terms and conditions, after it has been verified by the auditor.

(Amend as appropriate)

b. Identification of the number and frequency of valuation points

◆ The Fund has two valuation points:

- Net value of the unit assets - the net value of unit assets shall be calculated daily at the end of day through calculating the total value of the Fund assets based on the NAV of the foreign fund, which is calculated using the closing prices of securities on the Hong Kong Stock Exchange, added thereto the available cash and the due dividends from which any due fees shall be deducted, and the result shall be divided to the number of the existing trading units.
- Indicative Net Asset Value (INAV) – The indicative net asset value (INAV) of the unit is calculated at the time of trading. Since the trading times and days differ between the market in which the Fund is listed (Saudi Capital Market) and the market in which the foreign fund is listed (Hong Kong Stock Exchange), the indicative net asset value of the unit will follow the movements of the foreign fund when there is an overlap in trading hours (10-11). When there is no overlap in trading hours, the NAV of the foreign fund will be fixed except for the change in the exchange rate between the Saudi Riyal and the Hong Kong Dollar (if any) and will be updated every 15 seconds.

INAV and NAV per unit will be announced on the Fund Manager website and the Saudi Exchange website.

Accurate and up-to-date information of registered Unitholders will be maintained by the Depository Center in accordance with its powers.

c. Actions to be taken in case of misevaluation or mispricing of the Fund's assets.

In evaluating the Fund's assets, the Fund Manager relies on a professional team and developed systems to ensure that the Fund's assets are valued and priced properly. In case of an unintentional error, the Fund Manager will correct the unit price stated on its website and other websites, and the Fund Manager will document this.

The Fund Manager will contact each member of the Fund regarding the wrong unit price and the difference between the correct price and the wrong one will be compensated/ deducted to each member who redeemed or subscribed at the wrong unit price.

If the error is 0.5% or higher of the unit price, the Fund Manager will inform CMA and disclose the error on its website, the website of the Saudi Exchange Company and in the public Fund Reports prepared by the Fund Manager in accordance with the Investment Funds Regulations.

The Fund Manager will provide a summary of all valuation and pricing errors in its reports to CMA in accordance with the Investment Funds Regulations.

d. Identification of details regarding the method of calculating unit price for the purpose of fulfilling subscription and redemption requests.

◆ Net Asset Value per Unit - The net asset value per unit is calculated at the end of each day by calculating the total value of the fund's assets based on the closure prices of the stocks, adding available cash and due distributions, deducting any fees due, and dividing the result by the number of outstanding traded units.

◆ Indicative Net Asset Value (INAV) – (INAV) is calculated by taking the total value of the fund's assets based on the market prices of the shares, securities and available cash, then deducting (adding) the accumulated expenses (income) as at the end of the last working day and dividing the result by the number of outstanding traded units.

e. Place and time of publishing the unit price and its frequency

◆ INAV of the unit is announced during the session and updated every 15 minutes.

◆ Net Asset Value of the unit is announced within every dealing day.

Unit prices will be available to investors free of charge on the website of the Saudi Stock Exchange (Tadawul) (www.saudiexchange.sa) and the Website of SAB Invest Company (www.sabinvest.com).

11. Dealings:

a. Statement outlining details of the initial offering, such as start date, duration, and initial price.

(Amend as appropriate)

- ◆ Subscriptions to the Fund will be accepted from October 24, 2024 to October 30, 2024 at an initial price of SAR 10 per unit at that time, and October 31, 2024 will be the date of offering on the market for a period of 60 business days. The Fund Manager intends to collect no less than 10 million Saudi riyals during the initial offering period to complete the offering through in-kind subscription, where the Fund Manager intends to create units for the fund in exchange for receiving units in the foreign fund. The Fund Manager may accept, according to his own discretion, receiving cash contributions to the Fund.
 - ◆ If the minimum required amount is raised in the initial offering, the Fund Manager has the right to start operating it.
- b. Identification outlining the due date and deadlines for the submission of subscription and redemption requests on any dealing day and the responsibilities of the Fund Manager in relation to subscription and redemption requests.
- ◆ For initial offering: As explained in paragraph A above.
 - ◆ For the secondary market: Track the dates and working hours applicable in the Saudi Stock Exchange.
- c. Identification outlining subscription and redemption procedures including place of request submission and the period between redemption request and the payment of redemption proceeds or transfer of ownership (where applicable).

Minimum amount for subscription and redemption	The value of one unit package or any other size depending on what the board of directors decides from time to time.
Number of units per unit package	50,000

Creation and redemption of the ETF units are conducted through initial market operations, on a unit package basis, on each dealing day (except for the period when the calculation of the net asset value of the share is suspended) "in kind", i.e. instead of receiving cash, the Fund Manager
(Amend as appropriate)

will receive the components of the basket of stocks and securities (such as the foreign fund) along with the cash components from the Market Maker. As for the securities related to the in-kind subscription requests, the securities must be of the type that the Fund may own according to the portfolio components file.

Mechanism of exchange in kind for the purposes of Fund unit package will be as follow:

The Fund Manager will present details of unit package components (related shares or securities and cash items on a daily basis prior to the commencement of trading operations). Each unit package is equivalent to 50,000 units of the ETF.

The Market Maker shall submit an request to the fund manager in order issue units.

The Market Maker shall simultaneously deposit a basket of stocks or securities with cash amounts in its account with the Custodian in proportion to the number of unit packages to be issued.

Upon initial review, the Fund Manager shall approve the request of issuing unit packages.

The Custodian shall ensure that the basket of stocks or securities and cash items matches the number of required unit packages.

The Custodian shall transfer the basket of stocks or securities from the Market Maker's account to the Fund account.

The Custodian shall coordinate with Saudi Stock Exchange to issue and list the unit packages (the Saudi Stock Exchange shall issue and list the unit packages).

Unit packages shall be deposited in Market Maker's account.

The Market Maker shall record sale orders in the Exchange, otherwise it can maintain the new unit packages in its inventory.

At the end of the day, Saudi Exchange shall verify that the number of units issued corresponds to the number of stocks received.

In case of any discrepancies between the number of units issued and the number of stocks, the Custodian shall process them as required.

(Amend as appropriate)

The cash component of the unit package shall be calculated by the Fund Manager at the end of the dealing day. Any cash shortfalls or excesses in unit packages created or canceled during the day should be settled by the Custodian with the Market Maker at the end of the day.

◆ **Subscription price:**

The IPO price of the Fund's units during its period is SAR 10 as indicated in the Fund Summary. The Net Asset Value is calculated by calculating the value of all the Fund's assets at the closure price plus any cash items available less any accrued expenses calculated at the end of the business day, and the net asset value of the unit is calculated by dividing the result by the number of units outstanding at the time of valuation.

The minimum for initial market dealings, in-kind dealings with a Market Maker, is one unit package (number of units in each unit package is 50,000 units as shown in paragraph 11(c) above). In-kind subscription requests (to the market maker) shall be in whole numbers equal to one unit package or multiples thereof.

◆ **Posting of portfolio components file:**

Portfolio components file will be available through the website: www.sabinvest.com

◆ **Cash Items Posting:**

At the end of each dealing day, the Fund Manager will determine (and post) the size of the cash portion of a single package. The cash items per package will be calculated at the end of the day assuming that no units were created or amortized during the day. Cash items may be exchanged during the day based on the cash value of the previous business day and settlement will take place at the end of the day.

◆ **Redemption procedures of in-kind redemption transactions by market maker:**

In-kind redemption requests of issued units may be submitted to Fund manager by market maker at any time during trading hours in each dealing day.

◆ **Procedures for redeem ETF units:**

The Market Maker should submit an request to Fund Manager in order to redeem unit packages. The Market Maker simultaneously deposits the redeemed unit packages into the market maker's account with the Custodian.

Upon initial review, the Fund Manager shall approve the redemption request of unit packages.

(Amend as appropriate)

The Custodian shall ensure that the number of deposited unit packages matches the redemption request.

The Custodian shall coordinate with Saudi Exchange to implement the redemption of traded units (Saudi Exchange should redeem the units and eliminate it from the trading record).

The Custodian shall transfer the basket of stocks or securities from the Fund account to market maker account.

At the end of the day, Saudi Exchange shall verify that the number of redeemed units corresponds to the number of stocks or securities received.

In case of any discrepancies, the Custodian will settle them as required.

The Fund Manager shall calculate the required cash at the end of the day according to the Fund policies. Any shortfall or excess in the redemption of Fund units shall be settled by the Custodian with the Market Maker at the end of the day. All requests for in-kind redeem will be binding and irrevocable except when the calculation of the net asset value of the share is suspended.

◆ **Purchase and sale in secondary market:**

The Fund is an exchange-traded fund (ETF), Its units were listed on the Saudi Stock Exchange. One or more market makers authorized by the Capital Market Authority will operate after listing to make the market for the Fund units by providing bid and ask prices at which the Fund units can be bought or sold by investors in the secondary market. Accordingly, investors are able to buy and sell units in the secondary market through a licensed broker in small quantities.

The price of a unit in the secondary market is not necessarily reflect the net asset value of the unit in the Fund, and may be affect by the brokerage commissions associated with trading and settlement through the secondary market.

When an investor purchases units of the Fund in the secondary market, this will be considered as acceptance by the investor of the Fund's terms and conditions.

d. Identification outlining any restrictions on dealing in the Fund's units.

The minimum for initial market transactions, whether during the IPO or afterwards, in a physical transaction with the Market Maker or Fund Manager, is one package of units. Trading in the secondary

market for listed fund units follows any restrictions imposed by the Capital Market Authority or the Saudi Stock Exchange.

In the case of cash subscription, the minimum cash value of the subscription is equivalent to the cash value of one package of units (50,000 units of the Fund).

- e. Identification outlining the cases in which dealing in units is postponed or suspended, and the procedures followed in those cases.

◆ **The Fund Manager may postpone any redemption requests to the next dealing day in any of the following circumstances:**

When the Authority suspends trading in the Fund's units, and the initial offering is equivalent to a single package of units.

- f. Detailed Identification for any minimum amount that the Fund Manager intends to collect, and the action to be taken if it doesn't reach the minimum amount in the Fund.

The minimum amount to be raised during the initial offering period is 10 million Saudi Riyals or its equivalent. If the Fund does not reach the minimum target during the initial offering period, the Fund Manager will return to the unitholders the subscription amounts and any returns resulting from their investment without any deduction.

12. **Distribution Policy:**

- a. Identification related dividend policy of income and profits including details of unclaimed distributions.

No profits will be distributed, but rather the income and profits from investments will be added to the Fund's assets, so that the income and profits from investments are reinvested in securities that track the Fund's benchmark index, which will be reflected in the value and the price of the unit.

- b. Approximate due date of distribution (as applicable).

Not applicable, as the Fund will reinvest the income and profits generated from the Fund's investments.

c. Identification of payment method of distributions

Not applicable, as the Fund will reinvest the income and profits generated from the Fund's investments.

13. **Reporting to Unitholders**

a. Information related to annual reports, including quarterly statements, interim and annual financial statements.

- ◆ The Fund Manager will prepare annual reports (including annual audited financial statements) in accordance with the requirements of Annex no. (3) of the Investment Funds Regulations, which the Fund Manager shall provide to Unitholders upon request free of charge.
- ◆ Annual reports will be available to the public no later than three (3) months after the end of the reporting period as described in these Terms and Conditions.
- ◆ The initial financial statements shall be prepared and be available to the public within (30) business days from the end of the reporting period at the places and by the means specified in these Terms and Conditions.
- ◆ The Fund Manager will publish the quarterly statement in accordance with the requirements of Annex 4 within a period not exceeding (10) days from the end of the relevant quarter.

b. Information on how and where Fund's reports prepared by Fund Manager will be available.

The reports will be available on the Fund Manager's website and the website of the Saudi Exchange. Any errors must be notified to the Fund Manager within (60) calendar days of the issuance of these reports, after which the reports issued by the Fund Manager will be final and conclusive. Such reports shall also be made available on the Fund Manager's website (www.sabinvest.com) and Saudi Stock Exchange (Tadawul) website (www.saudiexchange.sa).

Unitholders have the right to obtain a copy of the Fund's annual audited financial statements free of charge upon request from the Fund Manager by visiting one of SAB Invest's investment centers and requesting it directly, or via the Fund Manager's website or the website of the Saudi Exchange "Tadawul".

c. Information on the means of providing Unitholders with annual financial statements. Unitholders may obtain a copy of the Fund's annual audited financial statements free of charge upon request from the Fund Manager by visiting one of SAB Invest's investment centers and requesting it directly, or via the Fund Manager's website or the website of the Saudi Exchange "Tadawul".

d. Acknowledgment stating the availability of the first audited financial statement at the end of the Fund's fiscal year, mentioning the end date of that year.

The Fund Manager acknowledges the availability of the Fund's audited financial statements for the fiscal year ending on December 31 for each fiscal year.

e. Acknowledgment of commitment to submit the audited annual financial statements to the Fund free of charge upon request.

The Fund Operator shall submit the audited annual financial statements to the Fund free of charge upon request, including all transactions that occurred in the units.

14. Unitholders Register:

a. Statement on preparing an updated register of Unitholders and keeping it in KSA.

Since the Fund is traded, this clause does not apply to it, as the Securities Depository Center Company (Edaa) will prepare and keep the record in the Kingdom.

b. Statement of information on the Unitholders' register (such as where the Unitholders can obtain the register).

N/A

15. Meeting of Unitholders:

a. Identification outlining the circumstances when a Unitholders' meeting will be called:

The Fund Manager may call the Fund's Unitholders to a Unitholders' meeting if necessary.

◆ The Fund Manager shall call for a Unitholders' meeting within ten (10) days of receiving a written request from the Custodian.

(Amend as appropriate)

- ◆ The Fund Manager shall call for a Unitholders' meeting within ten (10) days of receiving a written request from one or more the Unitholders who jointly or individually own at least 25% of the total value of the Fund's units.

b. Identification outlining procedures of calling for a Unitholders' meeting:

- ◆ If the meeting request fulfills one of the requirements in these terms and conditions, the Fund Manager shall call the Fund's Unitholders through an announcement on the website (www.sabinvest.com) and the website of the Saudi Exchange "Tadawul" (www.saudiexchange.sa). In addition to sending a written notification or by sending SMS or e-mail to the Unitholders and the Custodian at least ten (10) days before the meeting at no more than twenty-one (21) days before the meeting. The announcement and notification shall determine the date, place and time of the meeting and the proposed decisions. A copy of that notification shall be sent to CMA.
- ◆ The meeting shall be valid and shall have a quorum if the meeting is attended by all those who own at least 25% of the value of the Fund's units.
- ◆ If the quorum mentioned in this paragraph is not met, the Fund Manager shall have the right to hold a second meeting 5 days before the date of the meeting by an announcement on the website (www.sabinvest.com) and the website of the Saudi Exchange "Tadawul" (www.saudiexchange.sa).

c. Statement on the method of Unitholders' voting and voting rights at Unitholders meetings

If the requirements in these terms and conditions are fulfilled, the Unitholders who attended in person or by proxy in an official capacity may vote and make decisions on behalf of the rest of the Fundholders, where the same are entitled to vote as follows:

- ◆ Each Unitholder may cast one vote for each unit owned thereby in the Fund.
- ◆ Voting may be done either by attending in person, or by appointing a proxy to represent the Unitholder at the meeting.
- ◆ The Fund Manager shall accept, as same may deem legally appropriate, the authorization of one of the Unitholders for a proxy to attend and vote on its behalf in the meetings. Such authorization shall be in writing and shall be certified by one of the authorized official entities or by the Fund Manager.

(Amend as appropriate)

- ◆ Holding Unitholders' meetings, participating in the deliberations thereof, and voting on the decisions thereof may be done by modern technology means according to the controls prescribed by CMA.

16. Unitholders' Rights

a. List of Unitholders' Rights

Unitholders have the following rights:

- ◆ Obtaining a recent version of the Fund's terms and conditions in Arabic free of charge.
- ◆ The subscribed units shall be owned by the Unitholder who is subscribed to the Fund.
- ◆ The Unitholder may exercise its relevant rights in the units, including but not limited to, voting rights at Unitholders' meetings.
- ◆ Viewing the net value of the Fund's units periodically and after each Fund valuation at the Fund Manager's branches or the website (knowing that it shall be available on the Fund Manager's website and the website of the Saudi Exchange "Tadawul").
- ◆ Obtaining annual reports and preliminary financial statements prepared by the Fund Manager upon request (knowing that same shall be available on the Fund Manager's website and the website of the Saudi Exchange "Tadawul").
- ◆ Calling for a Unitholders' meeting.
- ◆ Updating the Fund's terms and conditions annually by the Fund Manager in order to reveal the actual fees and amended Fund performance information and make the same available to the Unitholder on the Fund Manager's website and the website of the Saudi Exchange "Tadawul".
- ◆ Obtaining reports as per the requirements of the Investment Funds Regulations.
- ◆ Paying redemption proceeds to the Unitholder by the Fund Manager at the specified times.
- ◆ Holders of one category of units shall have no rights that would prejudice the rights of holders of another category of units.
- ◆ Obtaining procedures for addressing complaints upon request from the Fund Manager.

b. Fund Manager's policy on voting rights related to any assets of the public fund managed thereby.

The Fund Manager's voting policy is available on its website and the website of the Saudi Exchange Company (Tadawul). The Unitholder grants the Fund Manager the authority to exercise all investor

rights, including voting rights and attending the general assemblies of the companies in which the Fund invests.

17. Unitholders' Liability

- ◆ Save as for investment loss, the Unitholder may not be responsible for any debts or obligations of the Fund.
- ◆ Nevertheless, Subscribers shall be responsible for providing the Fund Manager with their correct postal addresses at all times, in addition to contact information such as mobile number and e-mail, and for immediately informing the Fund Manager of any modification in addresses. In case that Subscribers do not provide the Fund Manager with the correct address or request the Manager not to send email, including statements and notifications regarding their investments in the Fund, subscribers shall hereby agree to protect the Fund Manager and exempt same of any responsibility and agree to waive the rights or claims thereof against the Fund Manager, that arise directly or indirectly from their non-provision with data, notifications or any other information regarding the investment, or that arise from the inability to respond or verify the accuracy of information or correct any errors or alleged errors in any disclosure, statement or any other information.

18. Units Characteristics

- ◆ The Fund Manager shall issue one type of units, and each unit shall represent an equal common share in the Fund.
- ◆ Since the Fund is traded, the Market Maker can issue an unlimited number of fund units in arrangement and coordination with the Fund Manager.

19. Changes to the Fund's Terms and Conditions

- a. Identification outlining the provisions governing the changes to the Fund's terms and conditions, the approvals, and notices specified under the Investment Funds Regulations.

The Manager may, at its own discretion, amend such terms and conditions at any time, provided that same shall obtain the approval of the Fund's Board of Directors. Types of approvals required for such changes shall vary according to the type of amendment to the terms and conditions, as follows:

(Amend as appropriate)

- ◆ If the amendment submitted by the Fund Manager is a fundamental amendment to the Fund's terms and conditions as per the definition of the Investment Funds Regulations for fundamental amendments issued by the CMA in Article (62) of the Regulations, the Fund Manager shall apply the requirements of the regulations for such change. For example, but not limited to, changing the foreign fund is a fundamental amendment that falls under the category of basic changes.
- ◆ If the amendment submitted by the Fund Manager is not a fundamental amendment to the Fund's terms and conditions as per the definition of the Investment Funds Regulations for non-fundamental amendments issued by the CMA in Article (63) of the Regulations, the Fund Manager shall apply the requirements of the Regulations for such a change.
 - b. Identification outlining the procedures for notification of any change to the Fund's terms and conditions

Changes shall be announced according to the classification of each change mentioned in these terms and conditions, and such changes shall be announced on the website of the Saudi Exchange Company (Tadawul) and the Fund Manager's website prior to the effective date of the change as per the classification of each change. Additionally, the Fund's periodic reports will include all changes implemented during the relevant reporting period.

20. **Termination of the Investment Fund**

- a. Identification of the cases that require termination of the Investment Fund, and the relevant procedures under the provisions of the Investment Funds Regulations:
 - ◆ The Fund Manager must specify the Fund termination provisions in the Fund's Terms and Conditions.
 - ◆ The Fund's Board of Directors, based on the Fund Manager's recommendations, reserves the right to terminate the Fund by notifying the CMA and unitholders in writing of its intention to do so at least 21 days prior to the planned termination date. This termination is subject to the Fund Manager's wishes and is not contingent upon their approval. The Fund Manager shall complete the sale of the Fund's assets and distribute the entitlements to the unitholders before the Fund's term expires.

- ◆ The CMA and Unitholders shall be notified in writing of the Fund's expiration within (10) days of the end of the Fund's term as per the requirements stated in paragraph (d) of Annex (10) of the Investment Funds Regulations.
- ◆ The Fund Manager treats all unitholders equally during the Fund termination process.
- ◆ The Fund Manager shall comply with the fund termination plan and procedures approved in accordance with paragraph (d) of Article Twenty-Two of the Investment Funds Regulations.
- ◆ The Fund Manager shall distribute the unitholders' entitlements to them immediately upon the expiry of the Fund term without delay and in a manner that does not conflict with the interests of the unitholders and the terms and conditions of the Fund.
- ◆ The Unitholders shall be provided with the Fund termination report as per the requirements of Appendix (14) of the Investment Funds Regulations within a period not exceeding (70) days from the date of completion of the Fund termination, including the final audited financial statements of the Fund for the period following the last audited annual financial statements.
- ◆ For the purpose of Fund termination, the Fund Manager shall prepare the plan and procedures of the Fund's termination in the interest of the Unitholders, and the approval of the Fund's Board of Directors on such plan shall be obtained (where applicable) before taking any action in this regard.
- ◆ The General Fund Manager will announce on its website and the Exchange's website the expiry of the Fund's term and notify unitholders of this in the specified places and means.
- ◆ If the terms and conditions of the Fund stipulate that it will expire upon the occurrence of a certain event, the Fund Manager must terminate the Fund immediately upon the occurrence of that event and notify the CMA and the unitholders in writing within (5) days of the occurrence of the event that necessitates the termination of the Fund.

b. Information on the procedures for the Investment Fund termination

The Fund Manager shall announce on the Fund's website and the website of the Saudi Exchange (Tadawul) the termination of the Fund.

- ◆ If the Fund is terminated, the Fund Manager shall announce the results of the Fund termination on the Fund Manager's website and the website of the Saudi Exchange (Tadawul).

(Amend as appropriate)

- ◆ The Fund shall be terminated, the liabilities thereof shall be fulfilled, and the remainder of such termination proceeds shall be divided to the subscribers in accordance with the percentage that their units represent to the total units that the Manager proves were issued at that time.
- ◆ Deleting any information about the Fund on the Fund Manager's website and the Saudi Exchange website.
- ◆ Closing the Fund's bank and investment accounts.
- ◆ The Fund Manager shall prepare the plan and procedures of the Fund's termination in the interest of the Unitholders, and the approval of the Fund's Board of Directors on such plan shall be obtained before taking any action in this regard.
- ◆ The Fund Manager shall announce on the website thereof, and on the website of the Saudi Exchange Company, as per the controls established by CMA (where applicable), the termination of the Fund.
- ◆ The Fund Manager shall provide the Unitholders with the Fund termination report as per the requirements of Appendix (14) of the Investment Funds Regulations within a period not exceeding (70) days from the date of completion of the Fund termination, including the final audited financial statements of the Fund for the period following the last audited annual financial statements.
- ◆ The Fund Manager shall comply with all the requirements of Article 22 of the Investment Funds Regulations.

c. In the event of the Fund termination, the Fund Manager may not receive any fees deducted from the Fund's assets.

21. **Fund Manager**

a. Name, duties and responsibilities of the Fund Manager

SAB Invest Company

The Fund Manager shall be responsible for the compliance with the provisions of the Investment Funds Regulations, whether same directly performs the responsibilities and duties thereof or assigns them to an external party under the provisions of the Regulations and the Capital Market

(Amend as appropriate)

Institutions Regulations The Fund Manager shall be responsible towards the Unitholders for the Fund's losses resulting from fraud, negligence, misconduct or willful default thereof.

b. Number and date of the License issued by the CMA

License No. 07077-37, dated: 08/07/1428 H (22/07/2007)

c. Registered address and the address of the Fund Manager's main office

King Fahad Branch Road, Al Yasmin Building Number: 7287, Secondary Number: 2338 Postal Code: 13325, Riyadh, Kingdom of Saudi Arabia, free Phone: 8001242442, Website: www.sabinvest.com

d. Website of the Fund Manager and any website related to the Fund Manager that includes information on the Investment Fund (if any).

Website: www.sabinvest.com

e. Identification outlining the Fund Manager's paid capital

The paid capital amounts to SAR 840 million.

f. Summary of the Fund Manager's financial information, stating revenues and profits of the previous fiscal year.

The Company's total assets amounted 2,215,453,000 Saudi riyals compared to 2,064,801,000 Saudi riyals for the previous year. The Company's revenues amounted 411,007,000 Saudi riyals compared to 216,858,000 Saudi riyals for the previous year, and the net income for the year amounted 96,401,000 Saudi riyals compared to a net income of 34,476,000 Saudi riyals for the previous year.

g. Fund Manager Key roles and responsibilities with regard to the Investment Fund

The Fund Manager shall work for the interest of the Unitholders in accordance with the Investment Funds Regulations, the Capital Market Institutions Regulations and the Fund's terms and conditions.

(Amend as appropriate)

The Fund Manager shall adhere to all the principles and duties set out in the Capital Market Institutions Regulations, including fiduciary duty to Unitholders to exercise all reasonable care to achieve the best interests of the Unitholders.

As for any investment fund, the Fund Manager shall be responsible for the following:

- ◆ Fund creation and inclusion.
- ◆ Monitoring performance and working to achieve the Fund goals
- ◆ Periodically ensuring rebalancing of the Fund components to be align with rebalancing level of the index components
- ◆ Appointing a market maker and continuously coordinating with the market maker regarding completing the creation and refunding of units.
- ◆ Appointing an index service provider.
- ◆ Appointing a Custodian and continuously coordinating with such regarding the creation and redeem of traded units.
- ◆ Determining and announcing the components of the shares baskets and cash elements, if any.
- ◆ Ensuring that market maker provide liquidity for the Fund units in the secondary market.
- ◆ Ensuring the accuracy of the net benchmark asset value of the unit and the net asset value of the unit.
 - h. Any business activities or other interests of the Fund Manager that are of substantial importance, or may be in conflict with the activities of the Investment Fund

There is no fundamental conflict of interests on the part of the Fund Manager that could affect the fulfill of the liabilities thereof towards the Fund. In case there is a conflict, the Fund Manager shall disclose the same to the Fund's Board of Directors in order to consider the measures taken to ensure that the interest of the Fund (Unitholders) is prioritized over the interest of the Fund Manager.

Moreover, the Fund manager or the Board members shall have no practical activities or interests that may conflict with their responsibilities or performance in the Fund. Such conflicts shall be disclosed if any.

- i. Identification outlining Fund Manager's right to appoint a Sub-Fund Manager

(Amend as appropriate)

The Fund Manager may assign a third party, any of the affiliates thereof, or a Fund Sub-Manager for managing the Fund. If the Fund Manager activates such feature, it shall notify the Unitholders through the Saudi Exchange Company (Tadawul) website and the Fund Manager's website, no less than 21 days before handing over the Fund's management.

j. The provisions governing the removal/ replacement of Fund Manager

CMA shall have the right to dismiss or replace the Fund Manager in the following cases:

- ◆ If the Fund Manager stops practicing the activity of managing investments and operating funds without notifying the CMA as per the Capital Market Institutions Regulations
- ◆ Cancellation, withdrawal or suspension of the Fund Manager's license for practicing the activity of managing investments and operating funds by the CMA.
- ◆ Submission of a request to CMA by the Fund Manager to cancel the license thereof for practicing the activity of managing investments and operating funds.
- ◆ If the CMA considers that the Fund Manager has violated, as it may deem essential, the abidance by Law or the executive regulations thereof.
- ◆ Death, incapacity or resignation of the Investment Portfolio Manager who manages the Fund, and absence of another person, registered with the Fund Manager, who can manage the Fund's assets.
- ◆ Any other case that the CMA may deem, on reasonable grounds, to be of substantial importance.

22. Fund Operator

a. Name of the Fund operator

SAB Invest Company

b. Number and date of the License issued by the CMA

License No. 37-07077 Dated: 08/07/1428 H., corresponding to 22/07/2007

c. Registered address and business address of the Fund Operator

King Fahad Branch Road, Al Yasmin Building Number: 7287, Secondary Number: 2338 Postal Code: 13325, Riyadh, Kingdom of Saudi Arabia, free Phone: 8001242442, Website: www.sabinvest.com

(Amend as appropriate)

d. Key roles and responsibilities of the Fund Operator with regard to the Investment Fund

- ◆ The Fund Operator shall be responsible for operating the Fund.
- ◆ The Fund Operator shall keep books and records relevant to the Fund's operation.
- ◆ The Fund Operator shall prepare, update, and keep a Unitholders register in the Kingdom as per the requirements of the Investment Funds Regulations.
- ◆ The Fund Operator shall be responsible for dividend, if any, in accordance with the dividend policy prescribed in these terms and conditions.
- ◆ The Fund Operator shall conduct subscription and redemption procedures as prescribed in these terms and conditions.
- ◆ The Fund Operator shall be responsible for valuating the Fund's assets fully and fairly and calculating the price of the Fund's units.

e. Identification outlining the Fund Operator's right to appoint a Fund Sub-Operator

- ◆ The Fund Operator may assign third party (parties) or any of the affiliates thereof as a Fund Sub-Operator for any investment Fund, whose assets are managed thereby, upon informing the Fund Manager. The Fund Operator shall bear the fees and expenses of any Fund Sub-Operator from its own resources.
- ◆ Until the date of preparing these terms and conditions, the Fund Operator has not assigned a third party to conduct any works related to the Fund.

f. Duties assigned by the Fund Operator to a third party with regard to the Investment Fund

The Fund Operator may assign third party (parties) or any of the affiliates thereof as a Fund Sub-Operator of any investment Fund, whose assets are managed thereby, upon informing the Fund Manager.

23. Custodian

a. Name of the Custodian

Riyad Capital

(Amend as appropriate)

b. Number and date of the License issued by the CMA

License No. 07070-37 Dated: 03/06/1428 H., (19/06/2007 D.)

c. Registered address and business address of the Custodian

The address of the Custodian is as follows:

Location: Al-Shuhada District, Unit No. 2414-69

Riyadh 13241-7279

Phone: Unified Number: 920012299

Website: www.riyadcapital.com

d. Statement of the Custodian's key roles and responsibilities with regard to the Investment Fund

- ◆ Custody the Fund's assets
- ◆ Opening a Fund's special account in the name thereof in a local bank for the benefit of the Fund.
- ◆ Spin off Fund's assets and registering the Fund's securities in the name of the Custodian for the benefit of the Fund.
- ◆ Saving all necessary documents that support the performance of the contractual liabilities thereof towards the Fund.
- ◆ Depositing the cash amounts that belong to the Fund into the Fund's account.
- ◆ Managing the Fund's cash operation by deducting the investment amounts and the Fund expenses as per the terms and conditions of the Fund.
- ◆ Custodian or Sub-Custodian may not be a Fund Manager or affiliate to the Fund Sub-Manager.
- ◆ The Custodian shall be responsible for the obligations thereof, as per the provisions of the Investment Funds Regulations and these terms and conditions towards the Fund Manager and the Unitholders, regarding the Fund's losses resulting from the fraud, negligence, misconduct or wilful default thereof.

(Amend as appropriate)

- ◆ The Custodian shall be responsible for custody and protect the Fund's assets for the benefit of the Unitholders.
- ◆ The Custodian shall be responsible for taking the necessary administrative measures with regard to the preservation of the Fund's assets.

e. Identification outlining Custodian's right to appoint a Sub-custodian

The Custodian may assign a third party as a Custodian or any of the affiliates thereof as a Sub-custodian. Same shall pay the expenses and fees of the Custodian from its own resources. The appointed Custodian or Sub-custodian shall be licensed by the CMA for practicing the custodial activity, as per the Kingdom's Capital Market Institutions Regulations.

f. Tasks assigned by the Custodian to a third party with regard to the Investment Fund.

The Custodian may assign one or more third parties or any of the affiliates thereof as a Sub-Custodian of any investment Fund, whose assets are managed thereby, Upon informing the Fund Manager, the Custodian shall incur the fees and expenses of any Sub-Custodian from its own resources.

g. Identification outlining the provisions governing the removal/ replacement of custodian

CMA shall have the right to dismiss and replace the Custodian in the following cases:

- ◆ If the Custodian stops practicing the custodial activity without notifying CMA as per the Financial Market Institutions Regulations.
- ◆ Cancellation, withdrawal, or suspension of the Custodian's license for practicing the custodial activity by CMA.
- ◆ Submission of a request to the CMA by the Custodian to cancel the license thereof for practicing the custodial activity.
- ◆ If the CMA considers that the Custodian has violated, as it may deem essential, the abidance by Law or the executive regulations thereof.

The Fund Manager may dismiss and replace the Custodian in the following cases:

- ◆ The Fund Manager may dismiss the Custodian by written notice if it is reasonably deemed that the dismissal is in the interest of the Unitholders. CMA and the Unitholders shall be immediately notified of such by announcing on the Fund Manager’s website and Saudi Exchange Company (Tadawul) website.
- ◆ Disclose on the dismissal of the Custodian and the appointment of the replacement Custodian shall be made immediately on its website and on the website of the Saudi Exchange Company (Tadawul).
- ◆ If the Custodian is dismissed by CMA or the Fund Manager, the Fund Manager must appoint a replacement within 30 days from the date the dismissed Custodian receives the written notice. The dismissed Custodian shall cooperate fully to transfer its responsibilities and the Fund’s assets to the newly appointed replacement Custodian.

24. Fund Board

- a. Names of the Fund’s Directors, indicating the type of membership.

The Fund shall be overseen by a Board of Directors composed of independent members and members affiliated with SAB Invest, who are as follows:

1. Khalid Nasser Al-Maammar – Independent Member (Chairman of the Funds' Board)
2. Ali Omar Al-Qudaihi – Non-Independent Member
3. Tariq Saad Al-Tuwaijri – Independent Member
4. Abdulaziz Mohammed Al-Qabbani – Independent Member
5. Na'el Tashkandi – Non-Independent Member

- b. Provide an overview of the qualifications of the Fund’s Directors.

1. Khalid bin Nasser bin Abdul Rahman Al Muammar - Independent Member (Chairman of the Funds Board of Directors)

Qualifications

- Bachelor’s degree in Accounting from King Fahd University of Petroleum and Minerals.

(Amend as appropriate)

Current jobs

- CEO of the King Abdullah Fund for Giftedness and Creativity. (September 2022 to date)

Memberships on the Board of Directors

- Member of the Board of Directors and Audit Committee of Advanced Company (2010)
- Member of the Board of Directors and Chairman of the Remuneration Committee of Takween Company (2016)
- Member of the Board of Directors and Chairman of the Remuneration Committee of the Saudi Cable Company (2018).
- Member of the Board of Directors of Al Jazirah Motors (2021)
- Member of the Board of Directors and Chairman of the Audit Committee of Riyal Investment Company (2022).
- Member of the Board of Directors of Ataa Educational Company (2023).

Previous Jobs

- Head of corporates and SME at SAB. (Since June 2019 till 2020)
- General Manager of the Enterprise Banking Group at SAB. (Since April 2018 till June 2019)
- CEO of SAB Investment Company. (Since 2012 till April 2018)
- General Manager of the Eastern Region at SAB Invest. (Since 2008 till 2012)
- Director of Corporate and Institutional Banking in the Eastern Province at SAB Invest. (Since 2007 till 2008)
- Director of the Corporate Banking Department in the Eastern Region at SAB Invest. (Since 2005 till 2007)
- Client Relations Manager, Corporate Banking in Eastern Region at SAB Invest. (Since 2000 till 2005)
- Senior Internal Auditor at Arthur Andersen. (Since 1997 till 2000)
- Relationship Manager in Corporate Banking at Banque Saudi Fransi. . (Since 1995 till 1997)
- Former member of the Board of Directors of the Advanced Petrochemical Company. (2010)
- Former member of the Board of Directors of NADEC (2018)

(Amend as appropriate)

- Former member of the Internal Audit Committee at Gulf Union Cooperative Insurance Company (2012).

2. Ali bin Omar bin Ali Al-Qudaihi - Non-Independent member

Qualifications

- Bachelor's degree in financial management from King Fahd University of Petroleum and Minerals.

Current jobs

- Head of Asset Management (Product Department), Member of the Funds Board of Directors, and Secretary of the Funds Board of Directors at SAB Invest Company. (Since 2022 till date).

Previous Jobs

- Head of Asset Management - at SAB Invest Company. (Since 2018 till 2022)
- Deputy-Head of Asset Management - SAB Invest Company. (Since 2013 till 2018)
- Senior Director of Asset Management - at SAB Invest Company. (Since 2009 till 2013)
- Senior Investment Fund Manager - at SAB Invest Company. (Since 2007 till 2009)
- Assistant Investment Fund Manager - at SAB Invest. (Since 2006 till 2007)

3. Tariq Saad Abdulaziz Al-Tuwaijri (Independent Member)

Qualifications

- Bachelor's degree in Business Administration from the Arab Open University

Current jobs

Chairman of the Nominations and Remuneration Committee, a non-independent member of the Board of Directors of Thob Al-Aseel Company, and a member of the Saudi Economic Association.

(Since 2018 till date)

Previous Jobs

(Amend as appropriate)

- Director of Share Investments at Naseel Holding Company (2010)
- Executive Vice President of Brokerage at Wasatah Capital (2008).
- Senior Broker at Aljazira Capital (2004)
- Relationships Manager - Private Banking, Samba Financial Group (1998)

4. Abdulaziz Al-Qabbani (Independent Member)

Qualifications

- Master of Business Administration from the University of Miami
- Bachelor's degree in Business Administration from King Saud University

Current jobs

- CEO – Al-Doliaa Investment Company (Since August 2022 till date)

Previous Jobs

- Head of Real Estate Investment - Al-Istithmar Capital Company (Since April 2018 till July 2022)
- Director of Real Estate Asset Management - Swicorp Company (Since April 2017 till April 2018)
- Fund Manager - Al Rajhi Capital Company (Since October 2008 till March 2017)
- Financial Analyst - Royal Caribbean International, Miami, USA (Since May 2007 till October 2007)
- Product Manager - Al Faisaliah Group (Since December 2003 till January 2006)

5. Na'el Tashkandi (Non-Independent Member)

Qualifications

- Bachelor of Science in Finance from King Fahd University of Petroleum and Minerals in Dhahran, Saudi Arabia

Current jobs

- Chief Risk Officer – SAB Invest Company (Since September 2022 till date)

Previous Jobs

- Head of Credit Review and Risk Assessment Department – SAB Invest (from 2021 to 2022)
- Head of Regional Credit Risk Management - SAB Invest (from 2014 to 2021)
- Head of Corporate Banking Department- SAB Invest (from 2008 to 2014)

(Amend as appropriate)

- Team Leader - Corporate Banking Department– SAB Invest (from 2007 to 2008)
- Senior Relationship Manager - Corporate Banking Department - SAB Invest (from 2005 to 2007)
- Manager of Corporate Banking Department – Samba Financial Group (from 2003 to 2005)
- Assistant Relationship Manager – Corporate Banking Department - SAB Invest (from 2000 to 2003)
- Financial Analyst – Procter & Gamble (from 1999 to 2000)

c. Description of the roles and responsibilities of the Fund’s Board of Directors

The responsibilities of the members of the Fund’s Board of Directors include, but are not limited to, the following:

- ◆ Approve all contracts, decisions and essential reports to which the Fund is a party.
- ◆ Adopt a written policy regarding voting rights related to the Fund’s assets.
- ◆ Supervise and approve any conflict of interest disclosed by the Fund Manager in accordance with Article 13 of the Investment Funds Regulations (when appropriate).
- ◆ Hold Meetings at least twice annually with the Fund Manager’s Compliance and Commitment Committee or its Compliance and Commitment Officer to review the Fund’s compliance with all relevant laws and regulations.
- ◆ Approve of any recommendation made by the liquidator if it is appointed.
- ◆ Ensure the completeness and accuracy of the Fund’s terms and conditions and any other document that includes disclosures related to the Fund, the Fund Manager, and its Fund management according to the amended Investment Funds Regulations.
- ◆ Ensure that the Fund Manager fulfilling its responsibilities in a way that serves the interests of Unitholders in accordance with the terms and conditions of the Fund, and the provisions of the amended investment Funds regulations.
- ◆ Work with honesty, good faith, care, skill, diligence and concern in the interest of the Unitholders.

(Amend as appropriate)

- ◆ Record minutes of meetings that indicate all the facts of the meetings and decisions made by the Fund Board.
- ◆ Approve to delegate the powers and authorities of the Fund Manager to other financial institutions to act as an advisor, sub-manager, Custodian, agent or broker after the CMA's approval.
- ◆ Approve appointment of an auditor.
- ◆ Approve services authorized by the Manager for bookkeeping entries, subscription, redemption, buying and selling, financial transfers, confirmation and information related to investments in response to subscriber inquiries.
- ◆ Review of complaints report.

d. Details of the remuneration of members of the Fund's Board of Directors

The remunerations of the Fund's Board members are paid by the Fund. The funds supervised by the Board contribute to paying the members' remunerations, and the Fund pays a maximum of 15,000 Saudi Riyals annually to all members of the Fund's Board of Directors.

e. Identification outlining any actual or potential conflict between the interests of a member of the Fund's Board and the interests of the Fund.

- ◆ There is no actual or potential conflict between the interests of any member of the Fund's Board of Directors and the interests of the Fund.
- ◆ None of the Fund's board members serves on the boards of directors of other funds in KSA.

The Fund's Board of Directors shall supervise and resolve any conflict of interest, and they must exercise care and diligence towards Unitholders, in addition to making every effort possible to resolve the conflict of interest in good faith in the appropriate manner. The Fund Manager shall ensure that none of its subordinates engages in any work that entails a conflict of interest. In the event that any material conflict arises between the interests of the Fund Manager or the interests of the Fund sub-manager and the interests of any investment Fund managed by him or the account of another client, the Fund Manager shall fully disclose this to the Fund Board of Directors as soon as possible.

- f. Identification outlining all Fund Boards in which the relevant Fund Board member participates.

Fund Board members are members of the boards of other funds managed by the Fund Manager as described in the table below.

The Fund	Khalid Nasser Al-Maammar	Ali Omar Al-Qudaihi	Tariq Saad Al-Tuwaijri	Abdulaziz Mohammed Al-Qabbani	Na'el Tashkandi
1. SAB Invest Saudi Freestyle Equity Fund	✓	✓	✓	✓	
2. SAB Invest Saudi Construction and Cement Companies Equity Fund	✓	✓	✓	✓	
3. SAB Invest Saudi Industri	✓	✓	✓	✓	

(Amend as appropriate)

al Compan ies Equity Fund					
4. SAB Invest Saudi Financia l Instituti ons Equity Fund	✓	✓	✓	✓	
5. SAB Invest Saudi Compan ies Equity Fund	✓	✓	✓	✓	
6. SAB Invest Saudi Equity Income Fund	✓	✓	✓	✓	
7. SAB Invest Saudi	✓	✓	✓	✓	

(Amend as appropriate)

Equity Fund					
8. SAB Invest GCC Companies Equity Income Fund	✓	✓	✓	✓	
9. SAB Invest GCC Equity Fund	✓	✓	✓	✓	
10. SAB Invest China and India Equity Freestyle Fund	✓	✓	✓	✓	
11. SAB Invest Global Equity Fund	✓	✓	✓	✓	
12. SAB Invest	✓	✓	✓	✓	

(Amend as appropriate)

Multi Assets Defensi ve Fund					
13. SAB Invest Multi Assets Balance d Fund	✓	✓	✓	✓	
14. SAB Invest Multi Assets Growth Fund	✓	✓	✓	✓	
15. SAB Invest Sukuk Fund	✓	✓	✓	✓	
16. SAB Invest US Dollar Muraba ha Fund	✓	✓	✓	✓	
17. SAB Invest Fund for	✓	✓	✓	✓	

(Amend as appropriate)

Muraba ha in SAR					
18. SAB Invest MSCI Tadawul 30 Saudi ETF	✓	✓	✓	✓	
19. SAB Invest Sukuk and Muraba ha Fund	✓	✓	✓	✓	
20. Al Yusr SAR Muraba ha Fund	✓	✓	✓	✓	
21. Saudi Riyal Money Market Fund	✓	✓	✓	✓	
22. SAB Invest Saudi Freestyl	✓	✓	✓	✓	

(Amend as appropriate)

e Convent ional Equity Fund					
23. Al Yusr Saudi Equity Fund	✓	✓	✓	✓	
24. Saudi Financia l Instituti ons Equity Fund	✓	✓	✓	✓	
25. SAB Invest GCC Convent ional Equity Fund	✓	✓	✓	✓	
26. SAB Invest Hang Seng Hong	✓	✓	✓	✓	✓

(Amend as appropriate)

Kong ETF					
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25. **Shariah Supervisory Committee**

N/A

26. **Investment advisor (If any):**

N/A

27. **Distributor (If any):**

N/A

28. **Auditor**

a. Name of the auditor

EY (Ernst & Young) and partners.

b. Registered address and business address of the Auditor

Al Faisaliah Tower – 14th Floor

King Fahd Road,

P.O. Box 2732 Riyadh 11461,

KSA

Phone: +966112159898

c. Key roles and responsibilities of the Auditor.

The Auditor’s responsibility is to show its opinion in financial statements based on the audit it performs in accordance with audit standards endorsed in Saudi Arabia that require the Auditor’s compliance with its profession code of conduct and require that the auditor shall plan and perform audit activities to reasonably determine the following:

(Amend as appropriate)

Ensure that the financial statements are free of material misrepresentations. The Audit's responsibility including, in addition, taking adequate procedures to obtain evidence supporting the sums and notes stated in the financial statements.

The appropriateness of accounting policies used and the reasonableness of accounting estimates applied.

The general presentation of financial statements.

d. Provisions governing the replacement of the investment Fund's Auditor

The Fund Manager shall, upon Fund Board approval, be entitled to replace the Auditor if:

- ◆ There are significant and existing allegations of professional misconduct by the Auditor regarding the performance of its duties.
- ◆ The Auditor is no longer independent.
- ◆ The Fund's Board of Directors decides that the Auditor does not have sufficient qualifications and experience to perform a satisfactory audit's duties.
- ◆ CMA, in its sole discretion, requests to replace the Auditor appointed for the Fund.

29. Fund's Assets

- a. A declaration that the assets of the Investment Fund is in the custody of Custodian on behalf of the Investment Fund

◆ Custody of assets

The Custodian shall hold the Fund's assets under its custody for the benefit of the Fund Unitholders. Such assets may not be owned by the Custodian, who cannot dispose of them except in line with the Fund's terms and the Asset Conservation Agreement.

- b. Identification outlining that the custodian must spin off the assets of each Investment Fund from its assets and from the assets of its other clients.

◆ Asset Spin-off

Spin off Fund's assets and registering the Fund's securities in the name of the Custodian for the benefit of the Fund.

- c. Identification outlining the assets of an investment Fund are owned collectively by the Unitholders.

◆ Fund asset ownership

The Investment Fund assets are owned collectively by the Unitholders. A Fund Manager, Fund Sub Manager, custodian, sub custodian, distributor or investment advisor may not have any interest in or claims against such assets, other than when, to the extent of its property, the Fund Manager, Fund Sub Manager, custodian, sub custodian, distributor or investment advisor is a Unitholder, or 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 shall provide complaints handling procedures upon request at no cost. If any subscriber has a complaint regarding any investment Fund, it shall first consult the investment center of the "investment manager". If it is not satisfied with the response made by such center, it can address the complaint directly to:

SAB Invest Company

Toll free: 8001242442

or via the email designated for receiving complaints: aicustomercare@sabinvest.com

Website: www.sabinvest.com

If a settlement is not reached or a response is not received within 7 business days, the subscriber may submit its complaint to the CMA - Investor Complaints Department. It also may submit a complaint to the Committee for Settlement of Securities Disputes after 90 calendar days have passed from the date of submitting the complaint to the CMA, unless it is informed by the CMA of the possibility of submitting it to the Committee before the end of the period.

31. Other Information

- a. A declaration must contain a statement that 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 for no cost.

In the event of a conflict of interest is between the Fund Manager and the Fund, the matter will be submitted directly to the Fund's Board to make the appropriate decision. In all cases, the interest of the Fund, which represents the interest of the Unitholders, will have priority over the interest of the Fund Manager. Such points shall be documented and announced in the Fund Manager's annual reports, which are available at no cost on the company's website and Saudi Exchange "Tadawul" website.

The applicable policies and procedures to address any potential or actual conflicts of interest shall also be provided upon request at no cost.

- b. The jurisdiction authority to hear any dispute arising out of or under investing in the Investment Funds is the Committee for Resolution of Securities Disputes.

The Committee for Resolution of Securities Disputes shall be the judicial authority competent to consider any dispute arising from investment in this Fund.

- c. 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.

The Fund investor may obtain the following documents before subscribing:

- ◆ Terms and conditions of the Fund
 - ◆ The Fund's financial statements
 - ◆ The Fund's periodic reports
 - ◆ Financial statements for the last financial period of the Fund Manager
 - ◆ The contracts mentioned in these terms and conditions (including the auditor's contract, the custodian's contract, the contract for preparing and reviewing the zakat return and other service providers)
- d. Any other information known to, or that ought reasonably to be known to, the Fund Manager or the Fund Board and that Unitholders, potential Unitholders or their

(Amend as appropriate)

professional advisors might reasonably require or that is expected to be included in the Fund's Terms and Conditions upon which an investment decision is to be made.

Rebates and special commissions, and the Fund Manager's policy on rebates and special commissions

We would like to note that in the event of special commissions, we would announce the type of these special commissions received by the Fund Manager in the Fund's annual reports, which will be available on the company's website and the website of the Saudi Exchange Company "Tadawul". As for trading fee rebates, the Fund Manager will deal with the broker who can provide appropriate services in consistent with the Fund's needs. The Fund Manager will put the Fund's interests above its own personal interest in this case. Based on what mentioned above, the client acknowledges and agrees that the company may enter into special commission arrangements, whereby the company obtains goods and services from a broker in addition to deal execution services in exchange for the commission paid on deals directed through that broker.

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

The Fund Manager did not obtain or request any waivers other than those stated in its investment policies and practices.

32. Additional Information Requirements for Certain Types of Funds

1. The Unitholders shall agree and acknowledge on the Fund terms and conditions and the other document thereof after purchasing the Fund units.
2. The Fund has two (2) assessment points:
 - ◆ Net value of the unit assets - the net value of unit assets shall be calculated daily at the end of day through calculating the total value of the Fund assets based on the prices of closure shares, added thereto the available cash and the due dividends from which any due fees shall be deducted, and the result shall be divided to the number of the existing trading units. The net value of the assets of each unit shall be distributed to the Fund within 2 hours of the Market closure.

(Amend as appropriate)

- ◆ Indicative net asset value (INAV) - the Indicative net asset value will be announced during the session, and is calculated every (15) seconds. The indicative net asset value (INAV) for a unit is calculated by calculating the total value of the Fund assets according to the market values of shares and cash available. Thus, the cumulative expenditure (income) shall be deducted (added) at the end of the working day, then, the result shall be divided on the number of existing trading units.

3. Market Maker

SNB Capital Company, and the manager of the Index Exchange-Traded Fund (ETF) has the right to appoint one or more licensed financial market institutions to act as a market maker for the Fund.

Market Maker Duties:

- ◆ Establishing units and offering thereof in the market.
- ◆ Placing a buy order and a sell order within a specific price range (2.5%) of the unit's Indicative Net Asset Value (iNAV) published by the Fund Manager.
- ◆ Contributing to price stability and demand for the Fund's units in the market by intervening to increase the supply or demand for units when necessary.
- ◆ Maintaining continuous orders throughout the trading session until five minutes before market close; the Market Maker may also place orders at any time during trading hours.
- ◆ The Market Maker facilitates the creation and redemption of the Fund's units in coordination with the Fund Manager, the Custodian, and the Saudi Exchange (Tadawul).
- ◆ Providing initial liquidity to the initial market for the establishment of trading units, whereby the Market Maker creates Fund units and offers them in the secondary market.
- ◆ The Market Maker performs market-making activities, aiming to keep the trading price close to the unit's Indicative Net Asset Value (iNAV) throughout the trading session.
- ◆ The Market Maker is committed to market making and striving to create a balance between the bid and ask prices of the Fund's units, based on the unit's latest Net Asset Value (NAV).
- ◆ In the case of in-kind exchange procedures for the unit basket between the Fund Manager and the Market Maker— to either create new Fund units or redeem existing ones—the basket shall be valued using the valuation of the underlying stocks and securities themselves.

(Amend as appropriate)

4. The Fund aims to achieve long-term growth and reach a level of performance that is similar to Hang Seng Index before deducting fees and expenses, as well as reducing the deviation ratio between the Fund performance and the index performance to the minimum, noting that there is no guarantees that the Fund Manager may conform the index performance.
5. Any change in the investment portfolio, re-weighting, or changes in the index components may lead to difficulties and incurring costs or ineffectiveness of the investment. Additionally, the total revenue of the investment in the Fund units may decrease because of some expenditure and costs compared to the index due to lack of any impact on the index, thus, the deviation margin of the Fund goes up more than the index's deviation margin. There is no guarantee to confirm the accuracy of the index's tracking.
6. The Fund tracks the Hang Seng Index, which reflects the performance of the largest and most liquid companies listed on the Hong Kong Stock Exchange. The weights of all index constituents are subject to a pre-defined 8% cap to prevent the dominance of large-cap stocks over the index. The number of companies that make up the index changes depending on market conditions and the companies themselves. As of March 2024, the index comprised 82 companies listed on the Hong Kong Stock Exchange, with a total market value of HKD 24 trillion. The updated information and index value will be available during trading hours on the Hong Kong Stock Exchange website (www.hkev.com). Moreover, a list of companies included in the Hang Seng Index and their respective weights, the index's latest closing level, and other important index information and news can also be obtained from the website above.

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7. The Index is calculated daily based on the official closing prices of its constituent stocks. Updated index information and values will be accessible during trading hours on the Hong Kong Stock Exchange website at www.hkev.com. In the event that the Index Provider is unable to continue providing its services, the Fund Manager shall transition to an alternative index provider within a reasonable timeframe.

(Amend as appropriate)

8. The Fund Manager seeks maintain the margin of deviation low as possible compared to the index performance, considering the income factors, fees, and expenditure. Additionally, the Fund Manager shall review any deviation may occur and apply the necessary processes that may mitigate deviation decrease. In any case, the Fund Manager aims to ensure that the margin of deviation from the index does not exceed 2.0%.

33. Hong Kong **Unitholder Declaration**

I/We have read the terms, conditions and appendices of the Fund, understood their contents, and agree to them. We declare that we have read units characteristics subscribed in the Fund.

The Unitholder signed the Fund terms and conditions and the information note and approved it upon purchasing any of the units of SAB Invest Hang Seng Hong Kong ETF.