



## Ehsan Waqf Fund

An open-ended public Waqf Investment Fund. All Fund's Units are endowed to the benefit of Ehsan Platform

**Fund Manager**  
**SNB Capital Company**

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

The General Authority for AWQAF approved the establishment of Ehsan Waqf Fund on 05/01/1446H corresponding to 11/07/2024G.

"Ehsan Waqf Fund has been certified as being Shariah compliant investment fund by the Shariah Committee appointed for the fund."

The Terms and Conditions of the Ehsan Waqf Fund and all other documentation comply with the Investment Funds Regulations and contain complete, clear, accurate, and not misleading information on the fund as updated and amended.

Unitholder/Waqifs should read the Fund's Terms and Conditions in conjunction with the other documentation.

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

"Unitholder/Waqifs are advised to read and understand the Fund's Terms and Conditions. If in doubt, please consult a professional adviser."

The Fund Manager declares that all beneficiaries added during the Fund's term are licensed by the relevant supervising authority.



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## Fund Directory:

<b>Regulators</b>	<b>Capital Market Authority</b> P.O. Box 87171 - Riyadh 11642 Kingdom of Saudi Arabia Tel.: +966112053000 Website: <a href="http://www.cma.org.sa">www.cma.org.sa</a>	 هيئة السوق المالية Capital Market Authority
<b>Beneficiary/ Beneficiaries</b>	<b>The General Authority for AWQAF</b> P.O. Box: 88200 - Riyadh 11662 Kingdom of Saudi Arabia Tel.: +966118132222 Website: <a href="http://www.Awqaf.gov.sa">www.Awqaf.gov.sa</a>	 أوقاف الهيئة العامة للأوقاف GENERAL AUTHORITY FOR AWQAF
<b>Fund Manager/ Fund Operator</b>	<b>Ehsan Platform for Charitable Work</b> P.O. Box: 6831- Riyadh 12382 Kingdom of Saudi Arabia Tel.: 800-1247-000	 إحسان منصة وطنية للعمل الخيري
<b>Custodian</b>	<b>SNB Capital Company (SNB Capital)</b> P.O Box 22216 - Riyadh 11495 Kingdom of Saudi Arabia Tel.: +966920000232 Website: <a href="http://www.alahlicapital.com">www.alahlicapital.com</a>	 SNB Capital
<b>Auditor</b>	<b>AlBilad Investment Company (Albilad Capital)</b> P.O. Box 8162 - Riyadh 12313 Kingdom of Saudi Arabia. Tel: +966920003636 Website: <a href="http://www.albilad-capital.com">www.albilad-capital.com</a>	 البلاد المالية Albilad Capital
<b>Auditor</b>	<b>KPMG Professional Services</b> P.O Box 92876 - Riyadh 11663 Kingdom of Saudi Arabia Tel.: +966118748500 Website: <a href="http://www.kpmg.com/sa">www.kpmg.com/sa</a>	 KPMG



## Definitions:

<b>The Fund</b>	Ehsan Waqf Fund, an open-ended publicly offered shariah-compliant investment waqf fund investing in several investment assets.
<b>Fund Manager, Fund Operator, the Company or SNB Capital</b>	SNB Capital, is a closed joint stock company established and carries out its activities according to the Laws of the Kingdom of Saudi Arabia under Commercial Registration No. (1010231474) issued in Riyadh dated 29/03/1428H (corresponding to 17/04/2007G). It is authorized by the Capital Market Authority of the Kingdom of Saudi Arabia under license number (06046-37) dated 10/06/1428H (corresponding to 25/06/2008G). SNB Capital Company's Head Office is at King Saud Road, SNB Building, P.O. Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.
<b>Regulations/ Investment Funds Regulations ("IFRs")</b>	The Investment Funds Regulations issued by the Board of the Capital Market Authority pursuant to its Resolution Number 1-219-2006 dated 03/12/1427H corresponding to 24/12/2006G. based on the Capital Market Law issued by the Royal Decree No. M/30 dated 02/06/1424H, amended by the resolution of the Board of the Capital Market Authority Number 2-22-2021 dated 12/07/1442H corresponding to 24/02/2021G, and any subsequent amendments.
<b>Instructions</b>	Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF.
<b>Capital Market Institutions Authority/ CMA</b>	A person licensed by CMA for engaging in securities. The Capital Market Authority of Saudi Arabia.
<b>The General Authority for AWQAF</b>	The General Authority for AWQAF of Saudi Arabia.
<b>Beneficiary</b>	<b>Ehsan Platform for Charitable Work</b> , established under the Royal Decree No. 43496, aiming to provide sustainable Waqf opportunities for benefactors, providing financial sustainability for charities, investing donations for Waqf purposes and using the yields for charitable works as well as satisfying wishes of the benefactors.
<b>Waqf</b>	The holding in trust of an endowed asset and using all or part of the Waqf Yields for disbursement purposes as specified in the Terms and Conditions.
<b>Waqf Assets</b>	Total Units of the Fund.
<b>Waqf Disbursement Channels</b>	The entities and areas for which all or part of the Waqf Yields is used, subject to the provisions of the Terms and Conditions.
<b>Waqf Yield</b>	Cash distributions on shares, investment fund units, Sukuk, Murabaha returns and capital gains resulting from the sale of any of the assets of the Fund.
<b>Value Added Tax Law (VAT Law)</b>	Means the VAT Law and the Implementing Regulations thereof of the Kingdom of Saudi Arabia.
<b>Value Added Tax (VAT)</b>	Indirect taxes imposed on all commodities and services procured and sold by the entities.
<b>Law (CML Law)</b>	the Capital Market Law of Saudi Arabia, issued by the Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 16/06/2003G).



<b>Shariah Committee</b>	Shariah Committee of the SNB Capital Company.
<b>Shariah Guidelines</b>	The Shariah guidelines set by the Shariah Committee for investing in securities and money market instruments and other fund investments.
<b>Unitholder/Waqif</b>	A person subscribing to the Fund for Waqf purposes.
<b>Custodian</b>	Means a CMI who is authorized under the Capital Market Institutions Regulations to conduct the securities custody activity.
<b>Benchmark</b>	(15% 1M SAIBID) + (45% Dow Jones Sukuk Index TR) + (20% MSCI ACWI Islamic Composite M Series NTR USD) + (20% S&P Saudi Arabia Shariah Domestic TR).
<b>Tadawul</b>	Saudi Stock Exchange.
<b>KSA (Kingdom)</b>	The Kingdom of Saudi Arabia.
<b>Subscription Form</b>	The form used for subscribing to the Fund.
<b>Additional subscription</b>	Additional subscription that follows the first subscription with the minimum amount of SAR 100.
<b>Subscription monies</b>	Total payments made by the Unitholders/Waqifs to the Fund Manager to invest in the Fund.
<b>Investment Account</b>	The Investment Fund account in which Unitholders/Waqifs hold their Units in the investment funds with SNB Capital Company.
<b>SAR</b>	Saudi riyal.
<b>Register</b>	The Register of the Unitholders/Waqifs kept by the Fund Manager or any party appointed by the Fund Manager to keep such Register.
<b>Fiscal Year</b>	It is the Gregorian year and the period where all the fund's financial operations are documented and recorded. Also, at the end of that year, the financial statements and the balance sheet are prepared. It comprises of 12 calendar months.
<b>Terms and Conditions ("TCs")</b>	The contracts containing the disclosures and provisions required under the Investment Funds Regulations, signed by the Fund Manager and the Unitholders/Waqifs.
<b>The Fund's Net Asset Value (NAV)</b>	The Fund's total asset value less the liabilities.
<b>Board or Waqif Manager ("Nazir")</b>	Board of Directors of the Fund.
<b>Unit(s)</b>	Common shares representing assets of the Fund.
<b>Securities</b>	Means any of the following: shares, debt instruments, warrants, certificates, traded and non-traded private and public funds' units, options, futures and contracts for differences, long term insurance contracts and any right or interest in any of the above securities.
<b>Money Market Instruments</b>	Include the money market transactions, units of the public and/or private money



<b>Money Markets Transactions</b>	market funds in addition to short-term shariah-compliant financial instruments as asset-backed securities and structured products. Murabaha, Wakala, and Mudaraba transactions concluded with a party regulated by the Saudi Central Bank (SAMA) or equivalent regulator in a jurisdiction other than the Kingdom.
<b>Structured Products</b>	Investments in securities, as defined above, whose return is linked to or affected by the exposure to an index, investment security, a basket of securities, a market or specific category of assets where the security is tailored to the needs of the investor and the financial institution issuing the security.
<b>Sukuk</b>	Investments in securities, as defined above, of equal value representing undivided shares in ownership, or usufruct of tangible assets, or (in the ownership of) the assets of particular projects meeting the shariah requirements and subsequent financial rights.
<b>Exchange-Traded Fund (ETFs)</b>	An index fund the units in which are traded on the exchange or on another exchange recognized by a regulatory authority subject to requirements that are at least equivalent to those applied to the Investment Funds in the Kingdom of Saudi Arabia.
<b>Real Estate Investment Traded Fund (REIT)</b>	A publicly offered real estate investment fund whose primary investment objective is to invest in constructionally developed real estates, able to generate periodic income, and distribute a specified percentage of the fund's net profit in cash to the unitholders in such fund during its operation period, at least annually.
<b>Murabaha</b>	Selling a commodity as per the purchasing price with a defined and agreed profit mark-up. This mark-up may be a percentage of the selling price or a lump sum. This transaction may be concluded either without a prior promise to buy, in which case it is called an ordinary Murabaha, or with a prior promise to buy from the party wishing to procure the commodity through a financial institution, in which case it is called "banking Murabaha".
<b>Asset-backed Securities</b>	Investments in securities, as defined above, whose returns are linked to or affected by the exposure to an investment that is collateralized by assets or instalment contracts provided that such asset cannot be land or real estate.
<b>Mudaraba</b>	Means a partnership between the first party (Rab al-Mal, one or more) and a financial institution (Mudareb) whereby the first party authorizes the second party to act and dispose of its money, provided that profits will be shared in pre-agreed ratios between the two parties.
<b>Private Debt Instruments</b>	It is a non-bank lending where the debt is not issued or traded in the public market. In general, investment in such type of debt is done through investing in securities, as defined above.
<b>Securities Initial Offering</b>	Offering of the securities for the first time by an issuer by way of public or private offering.
<b>Issuer</b>	The person who issues or intends to issue securities.
<b>Dealing Day</b>	Any day on which the Units of the Fund are subscribed.
<b>Valuation Day</b>	Any day on which the Units of the Fund are valued.



<b>KSA Business Day</b>	Means a day on which CMI and banks are normally open for business in Saudi Arabia; this does not include any official holiday in Saudi Arabia.
<b>Day</b>	A business day in the Kingdom in accordance with the official working days of the Authority.
<b>Ordinary Fund Resolution</b>	Means a resolution requiring an affirmative vote of the unitholders of more than 50% of the units in the investment fund present or represented by proxy at a meeting of unitholders or by modern means of technology.
<b>Exceptional Circumstances</b>	Events which the Fund Manager believes that they may, in case of occurrence, adversely and extraordinarily affect the assets of the Fund due to several economic, political, and/or regulatory factors such as (wars, earthquakes, volcanoes, hurricanes or currency collapse).
<b>Credit rating</b>	It is a rating issued by the authorized international credit rating agencies; namely, Standard & Poor's Global Ratings (S&P Global Ratings), Fitch Ratings and Moody's to measure the ability of the issuer to meet its financial commitments.
<b>Investment Grade rating</b>	Minimum Credit Ratings of: BBB- on S&P, Baa3 on Moody's, BBB on Fitch.



## Beneficiary/Beneficiaries:

### Ehsan Platform



Ehsan Platform established by the Royal Decree No. (48019) dated (13/08/1441H) is aimed at harnessing data and artificial intelligence (AI) to maximize the impact of development projects and services while ensuring their sustainability. It provides advanced technological solutions and aims to build an effective system through partnerships with the government, private sector, and non-profits. The goal is to enhance Saudi Arabia's leadership in developmental and charitable endeavors and increase the contribution of the non-profit sector to the overall gross domestic product (GDP).

### **Ehsan Vision**

Digitally empowering the charitable and development sector to maintain effective community participation, maximize impact, and achieve an advanced position at the global level.

### **Ehsan Mission**

Enabling the charitable and social development sector in the Kingdom through leveraging data-driven insights to digitally connect donors to fundraisers, promote charitable giving, provide guidelines for fundraisers, and utilize generated data.

### **Objectives**

- Developing an interactive and inclusive digital platform focused on user experience;
- Marketing for adoption and use of the digital platform by donors and fundraisers;
- Coordinating consensus among stakeholders in the local charitable sector on roles and responsibilities;
- Promoting marketing campaigns that attract new participants in charitable activities;
- Enabling volunteer opportunities and prompting users to participate in charitable activities across the Platform;
- Providing guidance to fundraisers to enhance operations and accelerate digital adoption;
- Creating a database for the donation sector and preparing research containing data-based information;
- Improving the KSA's appreciation and performance in regards to the global indicators of charitable giving;





- Employing digital and artificial intelligence capabilities at the internal level and concluding the necessary local and international partnerships;
- Ensuring transparency and reporting on the activities of the digital system.



### Fund Summary:

<b>Name of the Investment Fund</b>	Ehsan Waqf Fund.
<b>Class/type of the Fund</b>	An open-ended public Waqf Investment Fund, whose Units are endowed to the benefit of the Beneficiary/Beneficiaries.
<b>Name of the Fund Manager</b>	SNB Capital Company.
<b>Purpose of the Fund</b>	<p>The Fund aims to enhance societal participation in the non-profit development investment by supporting the Beneficiary/ Beneficiaries in achieving its objectives to provide sustainable financial future and enrich and maximize the impact of the developmental dimension and charitable giving.</p> <p>The Fund invests in a diversified portfolio of shariah-compliant asset classes aiming to support the disbursement channels of the Beneficiary/ Beneficiaries, meet the current and future liquidity needs while distributing a portion of the Waqf yield, achieve an annual dividend not less than 3% of the asset value, provided to be of the Waqf yields only. The Fund further aims to achieve capital growth in the endowed capital over the long term, with a focus as much as possible to preserve the assets.</p>
<b>Risks level</b>	High risk.
<b>Minimum amount for subscription</b>	SAR 100.
<b>Minimum amount for additional subscription</b>	SAR 100.
<b>Valuation days</b>	From Monday to Thursday, provided that they are Saudi Business Days.
<b>Dealing (accepting subscription) days</b>	From Monday to Thursday, provided that they are Saudi Business Days.
<b>Cut-off Time</b>	Prior to or at 11:00 am on the Saudi Business Day preceding the Dealing Day.
<b>Announcement days</b>	Unit price will be published and announced on the Day following the Valuation Day.
<b>Unit price at initial offer (nominal value)</b>	SAR 1.
<b>Currency of the Fund</b>	Saudi Arabian Riyals (SAR).
<b>Period of the investment fund and its maturity date</b>	It is an open-ended public Waqf investment fund, with no maturity date.



<b>Date of commencing the fund</b>	08/05/1446H corresponding to 10/11/2024G, or the Fund Manager reserves the right to start prior to such date if the minimum amount required for starting operations of the Fund, amounting to SAR 10 million, is collected.
<b>Date of issuing the Terms and Conditions, and latest updates (if any)</b>	The Fund's Terms and Conditions were issued on 11/02/1446H corresponding to 15/08/2024G.
<b>Benchmark</b>	(15% 1M SAIBID) + (45% Dow Jones Sukuk Index TR) + (20% MSCI ACWI Islamic Composite M Series NTR USD) + (20% S&P Saudi Arabia Shariah Domestic TR).
<b>Name of the Fund Operator</b>	SNB Capital Company.
<b>Name of the Custodian</b>	AlBilad Investment Company.
<b>Name of the Auditor</b>	KPMG Professional Services
<b>Name of the Zakat and Tax Advisor</b>	KPMG Professional Services.
<b>Fund Management fees</b>	0.15% of the Net Asset Value of the Fund.
<b>Subscription fees</b>	N/A.
<b>Custodian fees</b>	The Custodian shall receive an annual custody fee of 0.015% (1.5 bps.) of the value of the Fund's assets in custody if the assets are listed on the Saudi market. If the assets are listed abroad, the Custodian shall receive 0.03% (3 bps.) to 0.15% (15 bps.). Should the assets be investment funds, the Custodian shall receive 0.015% (1.5 bps.). If the assets are fixed-income instruments or money market instruments, the Custodian shall receive 0.0025% (0.25 bps.). Such fees shall be calculated on each Valuation Day and deducted on a monthly basis. The Custodian is entitled to a fixed fee for each transaction of SAR 20, if the transaction is carried out in the local market. For global transactions, the Custodian shall receive USD 10-55 for each transaction.
<b>Dealing fees</b>	Dealing fees or any other trading fees will be paid by the Fund directly at levels determined by regulations, the dealing broker or custodians in the markets in which the Fund purchases or sells. These amounts will vary depending on the turnover of the Fund's assets and the volume of transactions.
<b>Other fees and expenses</b>	Exception to the expenses described in Section (9) "Fees, Charges and Expenses", of the Fund's Terms and Conditions, the Fund Manager may charge the Fund on each Dealing Day on a proportional basis any unexpected expenses charged to the Fund, if any, including, without limitation, assets' valuation costs by concerned third parties, fees of attorneys, legal advisors and liquidators, Unitholders' meetings costs, reports printing costs, petty cash as well as any legal expenses. These



fees and expenses shall not, in aggregate, exceed 0.10% of the average value of the assets.

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<b>Performance Fees</b>	N/A
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Terms and Conditions:



## 1) Investment Fund

### a. Name of the investment fund, its type and class

Ehsan Waqf Fund is an open-ended public Waqf investment fund. The Units of the Fund will be endowed to the benefit of the Beneficiary/Beneficiaries.

### b. Date of issuing the Terms and Conditions

The Fund's Terms and Conditions were issued 11/02/1446H. corresponding to 15/08/2024G.

### c. Date of the Authority's approval on the offering of the Fund's units

The CMA's approval was obtained on offering the Fund's Units on 11/02/1446H. corresponding to 15/08/2024G.

### Date of the approval of the General Authority for AWQAF on the establishment of the Fund

The approval of the General Authority of Endowment on establishment of the Fund was obtained on 05/01/1446H., corresponding to 11/07/2024G.

### d. The duration of the investment fund and maturity date

Ehsan Waqf Fund is an open-ended Waqf investment fund, with no maturity date.

## 2) Governing Laws

The Fund and the Fund Manager are subject to the Capital Market Law (CML), and its Implementing Regulations as well as the Instructions for Approval on Establishing Waqf Investment Funds laid down by the General Authority for AWQAF and other relevant laws and regulations applicable in the Kingdom of Saudi Arabia.

## 3) Investment Policies and Practices

### a. The Fund's investment objectives

The Fund aims to enhance societal participation in the non-profit development investment by supporting the Beneficiary/ Beneficiaries in achieving its objectives to provide sustainable financial future and enrich and maximize the impact of the developmental dimension and charitable giving.

The Fund invests in a diversified portfolio of shariah-compliant asset classes aiming to support the disbursement channels of the Beneficiary/ Beneficiaries, meet the current and future liquidity needs while distributing a portion of the Waqf yield, achieve an annual dividend not less than 3% of the Fund's NAV, provided to be of the Waqf yields only. The Fund further aims to achieve capital growth in the endowed capital over the long term, with a focus as much as possible to preserve the assets.

### b. Type of the Securities in which the Fund primarily invests

The Fund's investment policy is aimed at preservation and development of the Fund's assets on the long term by investing in a diversified portfolio of the shariah-compliant asset classes in accordance with the Waqf objectives, nature and disbursement channels as described herein. The Fund Manager shall diversify the Waqf asset portfolio to preserve the endowed asset and achieve a moderate growth rate to cater the current and future needs of the Waqf by adopting balanced investment policies covering diverse investment assets with different time frames (long and short terms) including the following securities:

- **Money Markets Instruments:** these include, but are not limited to, money market transactions, units of public and/or private money market funds investing primarily or partially in money market transactions licensed by the Authority or authorized by another regulatory body subject to regulations which are at least equivalent to those applied to the investment funds in Saudi Arabia, as well as the short-term shariah-compliant financial instruments including asset-backed securities and structured products;
- **Fixed-Income Instruments and Funds of Fixed-Income Instruments (Sukuk):** these include, but are not limited to, listed or non-listed Sukuk, Sukuk initial offering, Sukuk of public and/or private



funds issued by a government entity or a sovereign entity and/or a private entity such as companies and banks.

- **Listed Equities and Equity Funds:** these include equities listed on the capital markets inside the Kingdom - principal market - or abroad, the initial public offerings, rights issue, Real Estate Investment Trust (REITs) in addition to the exchange-traded funds (ETFs), and the investment funds which will invest in listed equities that are licensed by the Authority or by another regulatory body subject to regulations which are at least equivalent to those applied to the investment funds in the Kingdom of Saudi Arabia.

**c. Investment concentration policy**

The Fund invests in various types of assets which include money market instruments, Sukuk, and Stock Exchange locally and globally which comply with the Shariah Committee’s guidelines. For further clarifications, kindly refer to the above Subsection (b).

**d. A table shows the percentage of investment in each investment field**

The Fund assets allocation will be as a percentage of the Fund’s Net Assets Value:

Asset Class	Minimum Limit	Targeted Distribution	Maximum Limit
Cash	0%	0%	5%
Money market instruments and money market funds	5%	15%	30%
Fixed-income instruments and fixed-income instrument funds (Sukuk)	35%	45%	60%
Listed global equity and global equity funds	10%	20%	30%
Listed Saudi equity and Saudi equity funds	10%	20%	30%

Investments of the Fund in private funds shall not exceed (25%) of the Fund’s net asset value in accordance with the Investment Funds Regulations.

**e. The securities markets in which the Fund may purchase and sell its investments**

The Fund Manager has the right to distribute the Fund’s investments locally or globally by 90% at most for the global investments. The global markets may include North America, Europe, Asia Pacific and/or emerging economies as the benchmark might indicate. In addition, the Fund Manager has the right to change the geographical distribution as deemed appropriate and based on the market circumstances.

**f. Disclosure If the Fund Manager intends to invest in the Fund’ Units**

The Fund Manager may not invest in the Fund’s Units given its Waqf nature.

**g. Transactions and methods used for investment decisions purposes**

- The Fund Manager invests in multi-assets, allocates the Fund’s investments based on the economic cycle and the related valuations and their contribution in the Fund’s level of risk-return.
- When investing in money market funds, Sukuk or equity, whether locally or globally, volume of investments of Ehsan Waqf Fund in any other fund shall not exceed 9% of the net asset value of (the invested fund) at any time.
- When investing in money market funds, the Sukuk exposure level shall not exceed 15% of the size of the invested fund at any time.
- When investing in fixed income instruments and fixed income instrument funds (Sukuk), the volume of Sukuk denominated in currencies other than the US dollar will not exceed 10% of the volume of exposure to the Sukuk category at any time.



- When investing in sukuk, the fund manager evaluates the creditworthiness of the issuer, its financial condition, and analyses its cash flows.
- When investing in investment funds, the Fund Manager selects the funds based on several criteria including the Fund's objectives and strategies, track record (if any), and the competencies of the Fund Manager.
- In general, when selecting securities to invest in, the selection is performed based on both quantitative and qualitative analysis.
- Regarding the investment directly in money market transactions or in Sukuk, issued by a company or a government entity, the minimum credit rating of the counterparty or the security shall be as determined by one of the international credit rating agencies and the investment grade will be as follows: Standard & Poor's: BBB-, Moody's: Baa3, Fitch: BBB.
- The Fund may invest up to 20% of its Net Asset Value (Sukuk) subject to the weighted average in "sub-investment grade" securities or counterparties (i.e. less than the above ratings) as follows: Standard & Poor's, Fitch: B- and Moody's: B3.
- In the absence of a credit rating from an international credit rating agency, the Fund Manager will grade credit ratings of the investments internally based on the financial position and stability of the counterparty or the issuer in line with the Fund's risks not exceeding 25% of the Fund's total investment volume in Sukuk at any time.
- When investing in shares, the Fund Manager selects the shares based on the fundamental analysis and valuation, in addition to the sectors' exposure which indicates a positive future prospect.
- When investing in global equity, investment will be restricted to investment structures adopting a passive investment strategy, with the aim of maintaining geographic weights close to the benchmark.
- The Fund may invest in securities issued by the Fund Manager or any of its affiliates in accordance with the Fund's objectives.

**h. Securities that will not be included in the Fund's investments**

The Fund Manager will not invest in asset classes other than the classes referred to in Section 3.b of these Terms and Conditions.

**i. Investment Restrictions**

The Fund Manager will comply with the restrictions set out in the Regulations issued by the Capital Market Authority and other regulatory bodies.

**j. Investment of the Fund's assets in investment fund units managed by the Fund Manager or other fund managers**

The Fund may invest in units of other investment funds that comply with the Shariah guidelines investing in money market transactions, Sukuk, and other investments stated above in Subsection (b). The Fund Manager shall abide by the restrictions stated above in Subsection (g), provided that such investments must be managed by the Fund Manager or any other Capital Market Institution. It is further required that the funds shall be public or private registered with the Authority pursuant to the Investment Funds Regulations or licensed by other regulatory body subject to regulations that are equivalent to the regulations applicable to the investment funds in the Kingdom of Saudi Arabia.

The Fund may invest in units of investment funds issued by the Fund Manager or any of its affiliates in accordance with the Fund's objectives

**k. Lending and financing powers of the Fund and the Fund Manager's Policy regarding such powers**

The Fund has the right to obtain Shariah-compliant financing up to a maximum of 15% of the net assets of the Fund for investment purposes subject to the approval of the Board. The Fund Manager may neither pledge nor lend the Fund's assets.

**l. Maximum limit for dealing with any counterparty**

N/A.



**m. Risk Management Policy**

The investment decisions taken by the Fund Manager shall be consistent with prudent investment practices that meet the Fund's investment objectives set out in the Fund's Terms and Conditions, including the following:

- The Investments of the Fund provide a prudent spread of risk whilst having due regard to the investment objectives, investment policies and the Terms and Conditions; and
- The Risk Management Department provides the Fund Board with periodic reports on the performance of the Fund, discussing operational risks, credit risks, and risks of violating the investment limitations. Accordingly, these risks are assessed, and necessary actions are taken in the interest of the Waqifs/Unitholders in line with applicable laws and regulations.

**n. The benchmark**

The Fund does not have or follow any Benchmark. However, the following composite benchmark will be adopted:

(15% 1M SAIBID) + (45% Dow Jones Sukuk Index TR) + (20% MSCI ACWI Islamic Composite M Series NTR USD) + (20% S&P Saudi Arabia Shariah Domestic TR).

The Unitholders/Waqifs can monitor the performance of the Benchmark on the Fund Manager's website [www.alahlicapital.com](http://www.alahlicapital.com).

**o. Derivatives**

The Fund may use derivatives that comply with the Shariah Committee's guidelines for currency hedging purposes, not exceeding 15% of the Fund' Net Assets Value.

**p. Waivers approved by Capital Market Authority for any investment limits and restrictions**

N/A.

**4) The Main Risks of Investing in the Fund**

- a. The Fund is considered to be of High risk, and SNB Capital gives no assurance that any appreciation in the value of the Fund's Investments will occur, or that the value of the Fund's Investments and the income derived from them may decrease or be subject to high volatility. SNB Capital gives no assurance that the Fund's investment objectives will be achieved.
- b. The prior performance of the Fund or the Benchmark is not an indication of the Fund's future performance. The Fund's performance is subject to fluctuations changes subject to the overall economic conditions. Therefore, the value of the Units may decrease or the Unitholders/Waqifs might lose some or all of their invested capital. Also, there is no guarantee that the absolute performance of the Fund or its performance relative to the Benchmark will be repeated or similar to any past performance.
- c. There is no guarantee to the Unitholders/Waqifs that the Investment Fund's absolute performance or performance relative to the Benchmark will be repeated or similar to any past performance.
- d. Investment in the Fund is not considered as a deposit with any local bank that promotes or sells securities, nor is it affiliated with the Investment Fund. Therefore, Waqifs/Unitholders might lose some or all of their capital invested in the Fund.
- e. The Unitholders/Waqifs may lose the Waqf money invested in the Waqf investment Fund and as a result of this loss, there might be a reduction of the Waqf Yields distributed on the Waqf disbursement channels.
- f. The following is a list of the main potential risks associated with investing in the Fund, the risks exposed to the Fund and any circumstances likely to affect the Net Asset Value and returns of the Fund, noting that the mentioned risks below might not represent all risk factors related to investing in the Fund:
  1. **Equity Market Risks:** Investment in equity market is usually associated with high market volatility. The value of shares may unexpectedly decline sharply, and a portion of the capital may be lost, which will adversely impact the Fund's performance and the Unit price.
  2. **Investment Concentration Risks:** The risk of the Fund Investments being concentrated in certain asset categories, specific sectors, or shariah-compliant companies or funds which involve the risk of liquidating





non-shariah compliant Investments for unfavorable prices in order to comply with the Fund's Shariah Guidelines. This may adversely impact the Fund's investment, performance and Unit price.

3. **Issuer Specific Risk:** The risks arise from changes in the financial conditions of the issuer or the counterparty and changes in specific economic or political circumstances that adversely impact a certain type of securities or the issuer, considering that the assets get affected by the issuer's position leading to a decline in the value of the issuer's shares. Consequently, the Fund's performance and unit price will be adversely affected.
4. **Geopolitical Risks:** The risk of changes in political conditions and applicable Laws in the countries that the Fund is investing in its markets, or in neighboring countries, which may have an adverse impact on the Fund performance and Unit price.
5. **Economic Risks:** The risk of changes in the economic conditions such as recession, inflation, oil prices, which may negatively affect the value of the invested shares, and thus; adversely impacting the performance and Unit price of the Fund.
6. **Currency Risks:** A difference in the exchange rate can lead to losses when investing in a currency other than that of the Fund, which may adversely impact the Fund performance and Unit price.
7. **Rate of Return Risks:** The risk that the value of the Fund's investments (debt instruments) will fluctuate as a result of the changes in return rates. This is due to the inverse relationship between debt instruments prices and the return rates which will impact the financing profits required to be paid by the Fund or impact the Fund's accrued investment accounts' profits. Also, the investment returns and investment instruments that measured at the market value may be adversely impacted leading to decrease in the Fund performance and Unit price.
8. **Liquidity Risk:** Liquidity of Investments may be low in certain periods and as a result this may increase the difficulty of liquidating some of the Investments. In addition, low market liquidity may adversely affect the market price of the Fund's Investments and the Fund's ability to dispose of particular Investments to meet its liquidity requirements, which may have an adverse impact on the Fund's performance and Unit price.
9. **Financing Risk:** In case of borrowing by the Fund Manager for investment purposes, the Fund may not be able to repay its obligations on time for reasons beyond the control of the Fund Manager which may result in late payment fees or cause the Fund Manager to sell some of its Investments. In addition, the finance costs could affect the Fund's assets, and negatively impact the Unit prices.
10. **Risks of Investment in Other Funds:** The other Investment Funds in which the Fund invests may be exposed to risks similar to those set out in this Subsection "The Main Risks of Investing in the Fund", which may adversely affect the Fund's performance and Unit price.
11. **Risks Associated with Complying with Shariah Guidelines:** The Shariah Committee of the Fund is the party deciding whether or not the Fund's investments comply with its guidelines. However, there is a possibility that such committee may decide that some investments may not be invested in which will lead to not making investments or not obtaining the expected return from such investments. This will result in a decrease in the Unit price.
12. **Risks of Dependence on the Fund Manager's Personnel:** The Fund's performance depends largely on the capabilities and skills of the Fund Manager's employees. The Fund's performance and Unit price may be significantly affected in the event of a resignation or absence of any one of them should the Fund Manager fail to secure a suitable replacement.
13. **Conflict of Interest Risk:** This risk arises in situations that affect the objectivity and independence of the Fund Manager's investment decisions due to personal interest. This may adversely affect the Fund's performance and Unit price.
14. **Risk of Natural Disasters:** Natural disasters include volcanoes, earthquakes, hurricanes, floods and other natural phenomena that cannot be controlled and may have a devastating effect on assets and properties. This may include the economic and investment sectors of the Fund's business and could adversely affect the performance of the Fund and the Unit prices.



15. **Emerging Markets Risk:** Emerging markets are classified of a high risk due to the economic slowdown, inflation and low liquidity which will impact the markets in which the Fund invests and this could reflect negatively on the Fund's performance and the Unit price.
16. **Asset Allocation Risk:** The Fund Manager's decisions regarding increasing or decreasing asset weights as a percentage of the Fund may adversely affect the Fund's performance and the Unit price.
17. **Inflation Risks:** The risks related to the possibility that inflation will lead to a decrease in the asset's value or investments' returns, which will adversely impact the Fund's performance and Unit price.
18. **Investment in IPO Funds Risk:** The risk of investing in start-ups companies which do not have an operating history that would allow the Fund Manager to properly value the company's performance. Moreover, the companies that offer their securities may represent new sectors or be in an early stage of operation. This could reflect negatively on the Fund performance and the Unit price
19. **Rating Downgrade Risk:** Any downgrade revision by any credit rating agency of the credit rating of the security/issuer of Fixed Income Instruments or the counterparty may adversely affect the value of Investments. Moreover, the Fund's NAV, the Fund's performance and Unit price may decline as a result of devaluation of the Fund's Investments affected by such downgrading.
20. **Risk of Internal Rating of Fixed Income Instruments:** The risks related to investing in Fixed Income Instruments that are not rated by any credit rating agency; and where the Fund Manager internally carries out the credit rating. Any weakness in the fixed income instruments' issuer's financial position will lead to a reduction in the Fund's NAV which will adversely impact the Fund's performance and Unit price.
21. **Risks of Call Options and Reinvestment:** Some asset classes including Fixed Income Instruments may carry a call option that gives the issuers the right to call Fixed Income Instruments before maturity. This would result in the failure to achieve the Fund's target returns and profits from such instruments in addition to the absence of such investments that provide same returns. As a result, this may adversely affect the Fund's performance and Unit price.
22. **Suspension of Trading Risks:** The failure of the listed Companies to comply with the Laws, Regulations, and the related provisions may lead to suspending the trading of stocks of listed companies which may adversely impact the Fund's performance and Unit price.
23. **Risks of Investment in Low Credit Rating Instruments:** Investment in instruments with lower credit rating involves a relatively higher risk than those which have higher rating of a "Investment Grade". This means that there is an increased likelihood that the issuer will be unable to pay its financial obligations, in which event, the value of the Fund's assets and Unit price will decline.
24. **Risks of Investing in Financial Derivatives:** Investing in financial derivatives are considered of a high risk since most of the derivatives are traded through over-the-counter (OTC) market which means that there is a possibility that the counterparty will be unable to pay the related financial obligations and therefore, it will be exposed to counterparty risks. In addition, the Fund Manager's ability to protect the Fund's assets against risk of currency fluctuation; which may cause the Fund to incur losses and its net asset value and Unit price to decline as a result of failing to benefit from its investment in derivatives.
25. **Risks of Investing in REITs:** The Fund may invest in the units of REITs. Therefore, these funds may be exposed to low level of liquidity and dealing. Also, the unit prices of these funds may fluctuate as a result of the movement of the markets; in general, and the real estate market; in particular. Additionally, there is no guarantee that the traded REITs will distribute income on investors on an annual basis as required by the Laws since these distributions depends on the performance of the actual assets and that the distribution of income depends on the fund's ability to meet its financial obligations, if any. Moreover, investing in these investments is associated with the real estate risks whose value may be negatively affected due to several factors including low rental or occupancy rates, the financial position of the tenants, poor infrastructure and other factors.
26. **Risks of Asset-Backed Securities:** Investment in Asset-Backed Securities involves credit risks, default risks, and early repayment risks. In addition, these securities may be concentrated in limited asset classes and perform poorly, which may adversely affect the Fund's performance and Unit price.



27. **Risks of Investing in the Rights Issue:** The Fund's investment in tradable Rights or in ownership of shares in a company which offers its preemptive rights may lead to adversely impact the Fund's performance and Unit price through an impairment in its NAV, as the volatility percentage of the tradable rights exceeds the maximum and minimum price percentages of all Tadawul listed shares which is 10%.
28. **Risks of Investing in the Initial Public Offerings (IPOs):** They are the risks of investing in newly established companies that don't have any operational history to enable the Fund Manager to sufficiently assess the company's performance. Also, companies offering securities are either the new sectors or companies that are in stage of growth and development which will adversely impact the Fund's performance and the Unit price.
29. **Risks of Investing in an Exchange-Traded Fund (ETFs):** The risks of investing in the abovementioned assets such as shares and gold apply similarly to an ETF, but to a relatively lesser extent in case of diversity of index assets similar to the case of investments in an ETF which invests in shares.
30. **Risks of Zakat and Tax:** Waqf Investment Fund returns are not subject to Zakat or tax. However, the Zakat, Tax and Customs Authority or any other authority may impose taxes on Waqf investment funds and as a result, the Fund's assets and Unit price will decline.

## 5) Mechanism for Assessing Risks

The Fund Manager acknowledges the existence of an internal risk assessment mechanism for the Fund's assets. Also, the Fund Manager has an adequate and effective framework to manage the Fund's risks by identifying, measuring, reducing and controlling the different types of investment risks related to the Fund.

## 6) Targeted Class for Investing in the Fund

Based on the nature of the Waqf fund, subscription to the Fund is suitable for the expected Unitholders/Waqifs desiring to donate their money for charitable causes including all classes of investors; namely, qualified customers, institutional customers and retailers subject to the regulations and rules of the Capital Market Authority.

## 7) Investment Restrictions / Limitations

The Fund Manager shall abide by the limits and restrictions of the Investment Funds Regulations, the Fund's Terms and Conditions, and guidelines set out by the Shariah Committee.

## 8) Currency

The Fund currency is the Saudi Arabian Riyal (SAR) at which the Fund's assets are valued. Subscriptions in a currency other than the Saudi Riyals will be rejected.

## 9) Fees, Charges and Expenses

### a. Details on all payments and the calculation method

- **Management Fees:** The Fund Manager will receive from the Fund an annual management fee of 0.15% of the Fund's Net Asset Value. The management and subscription fees (if any) of the other fund will be waived or rebated if the Fund Manager desires to invest in other Investment Funds managed by SNB Capital Company. The management fees shall be subject to VAT, the Fund will separately pay such tax at rates prescribed by the VAT Law.
- **Shariah Compliant Financing Charges:** It will be charged to the Fund, if any, at the prevailing market rates, and will be calculated on each Valuation Day and paid according to the requirements of the financier.
- **Dealing (Brokerage) fees and charges:** Brokerage fees or any other trading fees will be paid by the Fund directly at levels determined by regulations, the dealing broker, or the custodians in the markets in which the Fund purchases or sells. These amounts will vary depending on the turnover of the Fund's assets and the volume of transactions.



- **Custody Fees:** The Custodian shall receive an annual custody fee of 0.015% (1.5 bps.) of the value of the Fund's assets in custody if the assets are listed on the Saudi market. If the assets are listed abroad, the Custodian shall receive 0.03% (3 bps.) to 0.15% (15 bps.). Should the assets be investment funds, the Custodian shall receive 0.015% (1.5 bps.). If the assets are fixed-income instruments or money market instruments, the Custodian shall receive 0.0025% (0.25 bps.). Such fees shall be calculated on each Valuation Day and deducted on a monthly basis. The Custodian is entitled to a fixed fee for each transaction of SAR 20, if the transaction is carried out in the local market. For global transactions, the Custodian shall receive USD 10-55 for each transaction.
- **Remuneration of the Independent Fund's Board Members:** Independent Fund Board Members shall jointly receive at most SAR 4,000 for each meeting they attend. It is expected that two to four meetings will be held per year. The number of meetings to be convened per year is not expected to exceed 12 meetings, depending on the exceptional circumstances that the Fund is going through and based on the interest of the Unitholders/Waqifs. It is further expected that the total remuneration of the Fund Board Members will amount to SAR 48,000 per year in case of holding 12 meetings a year. Additionally, where applicable and if needed, the Fund Manager shall pay the traveling and personal expenses necessary to attend the meeting at a maximum amount of SAR 5,000 for each independent member attending a meeting.
- **Auditor's Fees:** SAR 1,500 annually;
- **Tax Advisor's Fees:** One-time payment of SAR 300 for registering the Fund with the Zakat, Tax and Customs Authority in addition to Zakat declaration preparation and registration fees amounting to SAR 1,000 to be made annually;
- **Shariah Committee Services and Consultation Fees:** The Fund will assume annual fees for Shariah Committee services amounting to SAR 10,000. The Fund's Shariah consultation costs will be charged separately, if any;
- **Capital Market Authority Fees:** SAR 7,500 annually;
- **Publishing Fund's Information on Tadawul Website Fees:** SAR 5,000 annually;
- **Operational, Administrative and Data Processing Expenses:** Include the Fund's administrative expenses and costs of software used in data processing, and will be charged to the Fund on a daily basis based on the Funds' total assets under management (AUM) of all funds managed by the Fund Manager. Such fees will be paid on a monthly basis and shall not exceed 0.20% of the average value of the Fund's assets. The Fund Manager will review such expenses on a quarterly basis; and any differences will be amended and reflected in the estimated expenses for the next quarter at an amount divided by the funds based on the average asset value of each fund;
- **Other Fees and Expenses:** Except for the above-mentioned expenses, the Fund Manager may charge the Fund on each Dealing Day on a proportional basis any unexpected expenses charged to the Fund, if any, including, without limitation, assets' valuation fees by concerned third parties, fees of attorneys, legal advisors and liquidators, Unitholders' meetings costs, reports printing costs, petty cash as well as any legal expenses. These fees and expenses shall not, in aggregate, exceed 0.10% of the average value of the Fund's assets.

The Fund Manager discloses all actual fees and expenses related to the Fund on a quarterly basis.

All fees, charges, commissions and expenses payable to SNB Capital and other service providers will be subject to VAT, which the Fund shall separately pay to the SNB Capital, subject to the rates set by the VAT Law.

**b. The following table showing all annual fees and expenses of the Fund, how the fees, charges and expenses are calculated and when they are paid by the Fund**

Type of Fee	Percentage/Assigned Amount (in SAR)	Calculation Method	Frequency of the Payment
Management Fees	0.15% annually of the Fund's NAV	Calculated on each Valuation Day of the	Paid Monthly



Type of Fee	Percentage/Assigned Amount (in SAR)	Calculation Method	Frequency of the Payment
		Fund's NAV and deducted monthly	
<b>Shariah Compliant Financing Charges</b>		Determined and calculated based on the prevailing market rates and the requirements of the financier.	Subject to the agreed finance contract
<b>Dealing (Brokerage) Fees and Charges</b>		Based on the turnover of the Fund's assets and the volume of operations.	Dealing fees or any other regulatory fees will be paid directly by the Fund
<b>Custody Fees</b>	0.0025%-0.015% annually of the Fund's assets in custody	Calculated on each Valuation Day of the Fund's NAV and deducted monthly	Paid monthly
<b>Auditor's Fees</b>	SAR 1,500 annually	Fixed amount calculated on each Valuation Day of the Fund's NAV and deducted semi-annually	Paid semi-annually
<b>Zakat and Tax Advisor Fees</b>	SAR 1,000	Fixed amount calculated on each Valuation Day of the Fund's assets and deducted annually	Paid annually
<b>Remuneration of the Independent Fund's Board Members</b> (For each meeting attended)	At most SAR 4,000 per meeting	Calculated on each Valuation Day of the Fund's NAV and deducted semi-annually	Paid semi-annually
<b>Shariah Committee Services Fees</b>	SAR 10,000, annually	Fixed amount calculated on each Valuation Day of the Fund's NAV and deducted annually	Paid annually
<b>Capital Market Authority Fees</b>	SAR 7,500, annually	Fixed amount calculated on each Valuation Day of the Fund's NAV and deducted annually	Paid annually
<b>Publishing Fund's Information on Tadawul Website Fees</b>	SAR 5,000, annually	Fixed amount calculated on each Valuation Day of the Fund's NAV and deducted annually	Paid annually
<b>Operational, Administrative and Data Processing Expenses of the Fund</b>	These expenses do not exceed 0.20% of the average asset value, and assessed based on total assets under management of all funds	Calculated on each Valuation Day of the Fund's assets and deducted monthly	Paid monthly



Type of Fee	Percentage/Assigned Amount (in SAR)	Calculation Method	Frequency of the Payment
	managed by the Fund Manager, and reviewed on a quarterly basis		
<b>Other fees and expenses</b>	Assessed and reviewed on a quarterly basis	Calculated on each Valuation Day of the net asset value under management of all public funds and deducted monthly	Paid monthly
Other Fees and Expenses will not exceed 0.10% of the average value of the Fund's assets. The Fund Manager will carry out a quarterly review (every three months) of all the expenses charged to the Fund.			
The Fund Manager acknowledges that there are no fees or charges other than those mentioned above, and that the Fund Manager will be liable for any other fee not disclosed to the Waqifs/Unitholders.			

**c. A hypothetical table that shows the percentage of the Fund expenses against the total fund asset value for the fund and the Waqif/Unitholder throughout the lifespan of the Fund. Such fund shall include percentage of recurring and non-recurring expenses**

The following table shows a hypothetical investment of a Waqif/Unitholder (single investor) assuming an investment of approximately SAR (100) million not changed throughout the year having a hypothetical return of 5%:

Percentage of recurring expenses to the total asset value of the Fund	0.24%
Percentage of non-recurring expenses to the total asset value of the Fund	0.00%
<b>Percentage of total fees and expenses</b>	<b>0.24%</b>

**d. Transaction Costs**

• **Subscription Fees:**

There are no subscription fees due to the Waqf nature of the Fund.

**e. Fund Manager policy on rebates and special commissions**

The Fund Manager may enter into special commission arrangements that are limited to goods and services, which the Fund Manager may obtain, provided that they are related to the execution of transactions on behalf of the Fund, or to the provision of research in favor of the Fund, in accordance with the Capital Market Institutions Regulations.

**f. Information regarding Tax and/or Zakat**

The Fund is subject to Zakat Collection Rules issued by the Zakat, Tax and Customs Authority. Value Added Tax ("VAT") is applied to the Fund in accordance with the relevant laws and regulations. The Fund does not pay Zakat on behalf of the Unitholders.





#### g. Special commission concluded by the Fund Manager

The Fund Manager may enter into special commission arrangements that are limited to goods and services, which the Fund Manager may obtain, provided that they are related to the execution of transactions on behalf of the Fund, or to the provision of research in favor of the Fund, in accordance with the Capital Market Institutions Regulations.

#### h. Hypothetical example illustrating all fees, charges paid from The Fund's Assets

The following table shows a hypothetical investment of a Waqif/Unitholder (single investor) assuming an investment of approximately SAR (100) million not changed throughout the year having a hypothetical return of 5%:

Description	Percentage of Fee of the total asset value	Fees of the total asset value (annually) in SAR *Estimated amount*
Hypothetical subscription of the Waqif/Unitholder		100,000,000.00
Hypothetical return + Value of the Waqif/Unitholder's Units	5.00%	105,000,000.00
Dealing fees	0.00%	(0.00)
Custody fees	0.017%	(18,112.50)
Remuneration of the independent board members	0.008%	(8,000.00)
Auditor fees	0.002%	(1,725.00)
Zakat and Tax Advisor fees	0.001%	(1,150.00)
Remuneration of the Shariah Committee Services	0.011%	(11,500.00)
Capital Market Authority Fees	0.007%	(7,500.00)
Fees for Publishing the Fund's information on Tadawul's website	0.005%	(5,750.00)
<b>Data processing</b> and operational expenses of the Fund	0.012%	(12,075.00)
<b>Net value of the Investor's Units after deducting the above fees and expenses (including VAT, where applicable) and before deducting management fees</b>		<b>104,934,187.50</b>
Management fees	0.15%	(157,401.28)
VAT applied to management fees	15.00%	(23,610.19)
Total Fees and Expenses (including VAT, if any)	0.24%	(246,823.97)
<b>Net Value of the Waqif/Unitholder's Units</b>		<b>104,753,176.03</b>

## 10) Valuation and Pricing

### a. Valuation of Fund Assets

1. If the assets are securities which are listed or traded on any regulated securities exchange or automated quotation system, the closing price may be used of such market or system.
2. If the securities are suspended, it should be valued at the suspended price, unless there is conclusive evidence to indicate that the value of such securities have gone below the suspended price.
3. For the non-listed Sukuk, the book value plus the distributions or accrued profits are used.
4. For the Sukuk that are listed or traded on any regulated securities exchange or through automated quotation system, and market conditions or such system do not allow the valuation of the Sukuk as stated in the above Subparagraph (1), such Sukuk and bonds may be valued as stated in Subparagraph (3) provided to be disclosed in the Fund's Terms and Conditions.
5. As for the Investment Funds, the last published net asset value per Unit will be used.
6. As for the investment deposits, the nominal value in addition to the accrued profits will be used.
7. Any other investment, the fair value determined in good faith by the Fund Manager based on the methods disclosed in the Fund's Terms and Conditions having been verified by the auditor of the Fund will be used.



8. In case of investment in unlisted financial instruments or a non-regulated market, the investment amount will be calculated plus the accrued profits for the past period until the Valuation Date.
9. In exceptional or contingency cases in which the Fund Manager reasonably determines that a significant portion of the Fund's assets cannot be assessed reliably, the valuation of the Fund's assets may be delayed until such interim action is subsequently reviewed by the Fund Manager.

**b. Frequency of valuation and number of valuation points**

The Fund's assets are valued from Monday through Thursday, provided to be a Saudi Business Day, based on the latest closing securities prices available on that day, unless the markets are closed. In such case, the valuation shall be made based on the latest published prices of the assets on that day.

**c. Actions to be taken in case of mis-valuation or mis-pricing**

In the event of incorrect valuation or mispricing of any asset of the Fund or in case of calculation errors to the Unit Price, the Fund Manager and Fund Operator shall:

- Document any incorrect valuation or mispricing of an asset or Unit price;
- Compensate all affected Waqifs/Unitholders for all valuation or pricing errors immediately;
- Notify CMA forthwith of any valuation errors or mispricing of 0.5% or more of the Unit price and disclose it immediately on the website of the Fund Manager and any other website available to the public in accordance with the controls laid down by CMA and in the reports of the Funds prepared by the Fund Manager in accordance with Article (76) of the Investment Funds Regulations; and
- The Fund Manager shall provide a summary of all valuation and pricing errors (if any) to CMA in accordance with Article (77) of the Investment Funds Regulations.

**d. Calculation of the Unit Price**

The nominal value of the Fund Unit is SAR 1. The Unit price shall be calculated using (the total Fund's asset value plus the total income including accrued income and reinvested dividends of the Fund, minus the liabilities, management fees, and any outstanding expenses); then, divide the result by the total number of the Units that exist at that time.

**e. The publication time and place of the Unit Price, and its frequency**

The Unit price shall be announced on the Business Day following the relevant Valuation Day on the Company's website: [www.alahlicapital.com](http://www.alahlicapital.com) and on Tadawul website: [www.Tadawul.com.sa](http://www.Tadawul.com.sa).

## 11) Dealings

**a. Details of the Initial Offer and Unit Price**

The Fund will accept subscription requests on 14/02/1446H. corresponding to 18/08/2024G. It will be offered for (60) business days ending 05/05/1446H. corresponding to 07/11/2024G. If the minimum required amount to start the fund's operations (SAR 10,000,000.00) is collected prior to the end of offering period, the fund manager can end the offering period and launch the fund at that time.

The Unit price at initial offering is SAR 1.

**b. Date and deadline for submission of requests for subscription**

- **Subscription Requests:** All subscriptions payable in SAR must be made no later than 11:00 a.m. on a Saudi business day prior to the targeted Dealing Day in order to subscribe to the Fund at the same Dealing Day in which subscription is made. Applications received on a Saudi business day preceding the Dealing Day after 11:00 a.m., or when the target Dealing Day falls on an official holiday for banks or Capital Market Institutions in Saudi Arabia, the subscription requests will be processed on the next Dealing Day.

Subscription requests made by at most 11:00 am on a Saudi Business Day preceding the Dealing Day will be processed on the nearest Dealing Day following the Business Day on which the subscription request was made. Otherwise, the subscription request will be processed on the next Dealing Day.





### c. Subscription Procedures

- **Subscription procedures:** When subscribing to the Fund, the Waqif/Unitholder signs the Subscription Form, and the Fund's Terms and Conditions through one of the branches. Subscriptions can also be made through alternative channels via website or phone provided by the Fund Manager. The subscription amount is then deducted from the Waqif/Unitholder's account. Individual Waqif/Unitholder must present a valid personal identification such as the national identity card (for Saudis) or iqama (for non-Saudis). Legal entities (companies and institutions) must provide a sealed company letter as well as a copy of the company's commercial registration, in addition to other documents required depending on the type of company or institution.
- **The period between the redemption request and the payment of redemption proceeds:** No redemption request or unit ownership transfer will be performed in any case due to the Fund Waqf nature.

### d. Restrictions on dealing in Units of the fund

The Fund Manager shall comply with the provisions and requirements of the Investment Funds Regulations, these Terms and Conditions and the instructions issued by the General Authority for AWQAF when executing subscription and redemption requests. The Fund Manager will not be able to fulfill any redemption requests made by the Unitholders/Waqifs due to the Waqf nature of the Fund.

### e. Deferring or suspending redemptions, and the procedures followed in such cases

- **Deferring redemptions:**  
The Fund doesn't accept redemptions due to its Waqf nature.
- **The Fund Manager suspends dealing in the Fund's Units in the following cases:**
  - If the Capital Market Authority orders suspension of subscription to the Fund;
  - If the Fund Manager reasonably believes that any such suspension is in the best interests of the Waqifs/Unitholders;
  - If there has been a suspension of dealing on the principal market in which the securities or other assets held by the Fund are dealt, either in general or in relation to assets of the Fund which the Fund Manager reasonably believes to be material to the net asset value of the Fund; or
  - The General Authority for AWQAF may withdraw the approval granted to the Fund Manager to manage the Waqf assets according to Article (7) of Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF in any of the following cases:
    - If the Fund Manager fails, as the AWQAF deems essential, to comply with the Instructions;
    - At the request of the Beneficiary; or
    - Any other material reasons at the discretion of the General Authority for AWQAF.
- **Procedures to be taken by the Fund Manager in case of suspension of dealing in the Fund's Units:**
  - Ensure that any suspension continues only for as long as it is necessary and justified having regard to the best interests of the Waqifs/Unitholders;
  - Review the suspension on a regular basis and consult with the Fund's Board of Directors, the Custodian and the Fund Operator on a regular basis to this effect;
  - Notify both the Authority and the Waqifs/Unitholders immediately when any suspension ceases to exist using the same method adopted in the notification of the suspension and disclose such fact on the Fund Manager's website, Tadawul website and any other website available to the public according to the controls set out by the Authority; and
  - The Authority shall have the power to lift such suspension if the Authority believes that it is in the best interests of the Waqifs/Unitholders.



- **Rejection of Subscription Requests:**  
The Fund Manager shall have an absolute right to reject any request to subscribe to the Fund if such subscription would violate CMA laws and regulations or the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF or other concerned regulatory authorities or the regulations applicable to the Fund including the Fund's Terms and Conditions.
- f. **Procedures of selecting redemption requests to be deferred**  
The Fund doesn't accept any redemption requests due to the Waqf nature of the Fund.
- g. **Provisions governing the transfer or the ownership of Units to other Waqifs/Unitholders**  
Not applicable due to the Waqf nature of the Fund.
- h. **Minimum ownership**
  - Minimum Subscription: SAR 100.
  - Minimum Additional Subscription: SAR 100.
- i. **The minimum amount that the Fund Manager intends to raise, and the actions to be taken in case of not reaching that minimum**  
The minimum amount required for conducting operations of the Fund is set to be SAR (10,000,000). In case of failure to raise such minimum amount during the offering period, the Fund Manager shall return to the Waqifs/Unitholders the subscription amounts and any investment proceeds without any deduction.

## 12) Distribution Policy

- a. **Policy of distribution of income and gains**  
The Fund will distribute dividends not less than 50% of the Fund's distributable net profits (Waqf yield), if any, on an annual basis for the benefit of the Beneficiary/ Beneficiaries while targeting to distribute annual dividends of 3.0% of the Fund's NAV in accordance with Article (4.1), Paragraph (6) of the Instructions for Approval on Establishing Waqf Investment Funds. The Fund Board of Directors will determine the distribution percentage and the payment methods. Also, the Fund Board of Directors will have the right to allocate a part of the Waqf yield for the growth of the Waqf asset provided that such allocation will not exceed 50% of the Fund's distributable net profits for each fiscal year.
- b. **Approximate Date for Payment and Dividends**  
Dividends are distributed, in regular circumstances, once a year within ten Business Days as of the end of December of each year.  
It is noteworthy that the Fund may not be able to distribute any profits to the Beneficiaries on the defined date as a result of failure to approve, deferral or lack of dividends by the invested funds.
- c. **Statement on Dividends Payment Method**  
Profits realized from the Units owned by the Beneficiaries or the Units owned by the Waqifs/Unitholders are distributed to the Beneficiaries according to the percentage of ownership of the beneficiaries in the fund on the Dividends Maturity Date by depositing such profits in the investment account of the Beneficiaries with the Fund Manager. Profits may be deposited in any another account subject to the approval of the Fund Manager.



### 13) Reporting to Waqifs/Unitholders

#### a. Information related to the financial reports

- The Fund Manager must publish the quarterly statement in accordance with the requirements of Annex (4) of the Investment Funds Regulations within a period not exceeding (10) days as of the end of such quarter, in such locations and by such means as specified in the Fund's Terms and Conditions as well as on the Fund Manager's website, Tadawul website or any other website available to the public according to the controls set out by the Authority. Also, it must be provided to Waqifs/Unitholders at request and without charge.
- The interim financial statements must be prepared and made available to the public by the Fund Manager within a period not exceeding (30) days as of the end of the reporting period in such locations and by such means as specified in the Fund's Terms and Conditions, as well as on the Fund Manager's website, Tadawul website or any other website available to the public according to the controls set out by the Authority.
- The Fund Manager must prepare the annual reports including the audited annual financial statement in accordance with the requirements of Annex (3) of the Investment Funds Regulations. Also, it must be provided by the Fund Manager to the Waqifs/Unitholders at request and without charge. The annual reports must be made available to the public no later than (3) months as of the end of the reporting period in such locations and by such means as specified in the Fund's Terms and Conditions as well as on the Fund Manager's website, Tadawul website or any other website available to the public according to the controls set out by the Authority.
- The Fund Manager must submit all annual reports, interim and annual financial statements issued by the Fund to the General Authority for AWQAF within (5) days of its request.
- The Fund Manager must provide to the General Authority for AWQAF a statement of the offering results within (10) days after the offering.

#### b. Locations and means of making Fund's reports available

Annual reports of the Fund, including the financial statements, will be available on the Fund Manager's website: [www.alahlicapital.com](http://www.alahlicapital.com) and Tadawul's website: [www.tadawul.com.sa](http://www.tadawul.com.sa) or on any other website available to the public according to the controls set out by the Authority. Other notices, if any, are sent to the postal address and/or e-mail and/or as a SMS and/or by fax as indicated in the records of the Fund Manager.

#### c. Means of making the Fund's financial statement available

The Fund's annual financial statements including the audited annual financial statements shall be made available to the Waqifs/Unitholders and the prospective Waqifs/Unitholders free of charge on the Fund Manager's website: [www.alahlicapital.com](http://www.alahlicapital.com) and Tadawul's website: [www.Tadawul.com.sa](http://www.Tadawul.com.sa) or on any other website available to the public according to the controls set out by the Authority.

#### d. The Fund Manager acknowledges that the audited financial statements will be provided at the end of each financial year. Noting that the financial year of the Fund ends December 31st of each calendar year.

#### e. The Fund Manager acknowledges that the audited financial statements of the Fund will be made available to the Waqifs/Unitholders free of charge at request.

### 14) Waqifs/Unitholders Register

#### a. Statement regarding the maintenance of an up-to-date register of Waqifs/Unitholders in the Kingdom

The Fund Operator is responsible for preparing an updated Waqifs/Unitholders Register in accordance with the requirements of the Investment Funds Regulations to be kept in the Kingdom of Saudi Arabia and treated with the utmost confidentiality. The Waqifs/Unitholders Register constitutes conclusive evidence of the ownership of the Units.



**b. Statement of details on the Waqifs/Unitholders Register**

The Waqif/Unitholder can obtain a summary of the register at request (which will include all the information only related to the relevant Waqif/Unitholder) by the means determined in the Fund's Terms and Conditions.

## 15) Meeting of Waqifs/Unitholders

**a. Circumstances in which a meeting of Waqifs/Unitholders is called**

The Fund Manager may call for a Waqifs/Unitholders' meeting in the following cases:

- Initiative by the Fund Manager;
- A written request by the Custodian, and the Fund Manager must call for a meeting of Waqifs/Unitholders within (10) days as of receiving such request from the Custodian; or
- A written request from one or more Waqifs/Unitholders who collectively or individually hold at least 25% of the value of the Fund's Units, and the Fund Manager must call for a meeting of Waqifs/Unitholders within (10) days as of receiving such request from the Waqifs/Unitholders.

**b. Procedures for calling a meeting of Waqifs/Unitholders**

The Fund Manager shall abide by Article (75) of the Investment Funds Regulations concerning Waqifs/Unitholders' meetings. The call to the Waqifs/Unitholders' meeting will be announced through the Fund Manager's website or on any other website available to the public in accordance with the controls set out by CMA, and by sending a written notice to all Waqifs/Unitholders and the Custodian at least (10) days prior to the meeting, but not exceeding (21) days prior to the meeting. The notice shall specify the date, location, time and agenda of the meeting and the proposed resolutions. A copy of the notice shall be sent to CMA. The Waqifs/Unitholders' meeting shall be considered duly convened and valid only if attended by a number of Waqifs/Unitholders who together hold at least 25% of the value of the Units of the Fund. In case of failure to achieve the quorum, the Fund Manager will call for a second meeting through an announcement on the Fund Manager's website and any other website available to the public in accordance with the controls set out by CMA, and by sending a written notice to all Waqifs/Unitholders and the Custodian at least (5) days prior to the second meeting. The second meeting shall be considered valid regardless of the percentage of Units represented therein.

**c. The manner in which Waqifs/Unitholders' cast their votes and their voting rights**

- **Voting Method:** Every Waqif/Unitholder shall be entitled to appoint a proxy to represent such Waqif/Unitholder at a meeting of the Waqifs/Unitholders. Every Waqif/Unitholder or its proxy may make one vote at the Waqifs/Unitholders' meeting for each Unit owned at the time of the meeting. The Fund Manager may also hold Waqifs/Unitholders' meetings, participate in its deliberations and vote on its decisions by means of modern technology. The meeting documents and decisions resulting from the meeting may also be sent by means of modern technology.
- **Voting rights in the Waqifs/Unitholders meeting:** The Waqif/Unitholder is entitled to exercise all rights associated with the Units, including obtaining their approval on any changes that require their approval in accordance with the Investment Funds Regulations.

## 16) Waqifs/Unitholders' Rights

**a. A List of Waqifs/Unitholders rights**

- Receive an updated copy of the Terms and Conditions of the Fund in Arabic free of charge;
- Receive the Fund's reports and statements in accordance with Section (13) of the Fund's Terms and Conditions and in accordance with Article (76) "Reporting to Waqifs/Unitholders" of the Investment Funds Regulations;
- Notify the Waqifs/Unitholders of any fundamental and non-fundamental changes in the Terms and Conditions of the Fund. Also, send a summary of these changes before they become effective, depending on the change's nature, and the period specified in the Investment Funds Regulations;



- Obtain the Waqifs/Unitholders' consent through an Ordinary Fund Resolution on any fundamental change to the Fund's Terms and Conditions.
- Management of the Fund's business and the Investments of its subscribers by the Fund Manager with the highest degree of confidentiality at all times which does not limit the right of the Fund's regulatory authority (CMA and the General Authority for AWQAF) to access the Fund's records for regulatory purposes. The Waqif/Unitholder's information will not be shared except when necessary to open the Waqif/Unitholder's account, execute its operations, and comply with the applicable laws with the competent regulatory authorities or if the sharing of such information is in the interests of the Waqifs/Unitholders;
- Receive an updated version of the Fund's Terms and Conditions on annual basis showing the actual fees and commissions of the Fund upon request;
- Notify the Waqifs/Unitholders, in writing, of the Fund Manager's desire to terminate the Fund at least (21) days prior to the intended date for terminating the Fund, without prejudice to the Fund's Terms and Conditions;
- Any other relevant rights of the Waqifs/Unitholders prescribed by the laws and implementing regulations issued by the Capital Market Authority Board, the Instructions on the Waqf Investment Funds issued by the General Authority for AWQAF and the relevant instructions in force in the Kingdom of Saudi Arabia;
- In the event of the Unitholder's/Waqif's demise, all voting rights at the meeting shall pass to the Waqf Manager (the Fund's Board) in accordance with Article (4.1), Paragraph (7) of the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF; and
- Upon the death or the loss of the capacity of the Unitholder/Waqif, all of their powers and rights will be transferred to the Waqf Manager (the Fund's Board) in accordance with Article (4.1), Paragraph (7) of the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF and therefore, the transfer of the ownership of the units will be performed as stipulated in the Terms and Conditions.

**b. Fund Manager's policy regarding voting rights associated to any assets of the Fund**

The Fund Manager's policy regarding voting rights is available on the Fund Manager's website and Tadawul website.

**17) Waqifs/Unitholders' Liability**

The Waqifs/Unitholders clearly acknowledge and agree to the following:

- The Fund Manager does not make any guarantees relating to the performance or profitability of any Investment managed in the Fund, and the Fund Manager will have no legal or consequential liability for any decline in the value of the managed Investments or the Fund's assets except those resulting from negligence, infringement or omission.
- Other than losing Unitholder's/Waqif's investment in the fund or part of it, the Unitholder/Waqif shall not be liable for the debts and obligations of the fund.
- In the event Unitholders/Waqifs do not provide the Fund Manager with the correct postal address and/or the electronic mail and other contact information, the Unitholders/Waqifs hereby agrees to absolve and exempt the fund manager from any liability and waive all of his rights and any claims against the fund manager arising directly or indirectly from the failure of Unitholders/Waqifs to provide the fund manager with the account statement, notices or any other information related to the investments that arises from the inability of the Unitholders/Waqifs to respond to or verify the information or correct any alleged errors in the account statement, notices or other additional information.
- If the Unitholder/Waqif is subject to the Laws of a jurisdiction other than the Kingdom of Saudi Arabia, the Unitholder/Waqif shall be governed by those Laws without creating any obligation against the Fund or the Fund Manager.



## 18) Units Characteristics

The Fund will have one class of units with equal rights and liabilities.

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

### a. Provisions governing changes to the Fund's Terms and Conditions, including any approvals and notification

The Fund Manager shall comply with the provisions of the Investment Funds Regulations related to changes to the terms and conditions of the public funds. Such changes are divided into two main changes, namely fundamental changes, and non-fundamental changes. The Fund Manager also must obtain the approval of the General Authority for AWQAF subject to Article (4.2) of the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF; before making any changes regarding the requirements mentioned in Article (4.1) of the Instructions for Approval on Establishing Waqf Investment Funds.

#### • Fundamental Changes:

- The Fund Manager must obtain the consent of the fund's Unitholders/Waqifs on the proposed fundamental change through an ordinary fund resolution.
- The fund manager, having obtained the approval of the Unitholders/Waqifs must obtain the consent of the Authority and ensures the approval of Shariah committee to the proposed fundamental change.
- The fund manager must obtain the approval of the Fund Board of Directors before carrying out any fundamental changes.

#### "Fundamental Change" means:

1. A change which significantly changes the purposes, nature or class of the public fund.
2. A change which alters the risk profile of the fund.
3. The voluntary withdrawal of a fund manager from its position as the fund manager.
4. Any other instances determined by the Authority from time to time and reported to the fund manager.

#### • Non-fundamental Changes:

- The fund manager must notify the Authority and Unitholders/Waqifs, and disclose on its website, and any other website available to the public according to the controls set out by the Authority regarding any non-fundamental changes in the fund (10) days before the change becomes effective.
- The fund manager must obtain the approval of the Fund Board of Directors before carrying out any non-fundamental changes.

#### "Non-fundamental Changes" means:

1. Any change, excluding Article (62) provisions of the Investment Fund Regulations.

### b. Procedures to be employed on notifying changes to the Fund's Terms and Conditions

- The fund manager must send a notification to the Unitholders/Waqifs and disclose the details of the Fundamental Change on its website and on any other website available to the public according to the controls set out by the Authority (10) days before the change becomes effective.
- The fund manager must send a notification to the CMA and Unitholders/Waqifs and disclose the details of the Non-Fundamental Change on its website and on any other website available to the public according to the controls set out by the Authority (10) days before the change becomes effective.





- Details of all Fundamental Changes and Non-Fundamental Changes must be included in the next fund report prepared by the fund manager pursuant to Article (76) of the Investment Fund Regulations.

## 20) Termination of the Investment Fund

### a. Events requiring termination of the Investment Fund

- The Fund Manager's desire to discontinue and terminate the Fund; and
- If the fund manager believes that the Fund's Asset Value is considered insufficient to continue its operations (except if the termination is due to deliberate negligence or willful misconduct on the part of the fund manager) or if the related circumstances and the Laws change or in case of other circumstances which make it impossible for the fund to continue its operation and for the benefit of the Waqf assets.

### b. Procedures to terminate the Fund under the Article (22) of the Investment Funds Regulations and Article (8) of the Instructions for Approval on Establishing Waqf Investment Funds

1. The fund manager must prepare a plan and procedures for the termination of the fund consistent with the Unitholders/Waqifs interests; and must obtain the Fund Board of Directors' approval on such plan and procedures prior to carrying out any procedure in this regard.
2. The fund manager must notify the CMA and the Unitholders/Waqifs; in writing, of the details of the plan and procedures for the fund termination at least (21) days prior to the intended date for terminating the fund, without prejudice to the Fund's Terms and Conditions.
3. The fund manager must notify the CMA and the Unitholders/Waqifs; in writing, regarding the fund's termination within (10) days from the end of the fund term in accordance with the requirements in paragraph (d) of Annex (10) of the Investment Fund Regulations.
4. The fund manager must immediately upon the end of the fund term, distribute the dues to the beneficiary party, without delay and in a manner that does not conflict with the interest of Unitholders/Waqifs and the Fund's Terms and Conditions.
5. The fund manager must disclose, on its website; and on Tadawul website, or any other website available to the public according to the controls set out by the Authority regarding end of term of the fund.
6. The fund manager must provide the Unitholders/Waqifs with the fund termination report in accordance with the requirements of annex (14) of the Investment Fund Regulations within a period not exceeding (70) days from the date of completion of its termination including the final audited financial statements of the fund for the period subsequent to the last annual audited financial statements.
7. If the fund is terminated, all the assets of the fund will be transferred as Waqf assets to King Saud University Endowments after paying all its financial liabilities.
8. According to Article (8-1) of the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF, and without prejudice to the Fund's Waqf nature, the valid Laws and Regulations of the fund, the fund manager must notify the General Authority for AWQAF if he desires to terminate the fund while clarifying the reasons.
9. According to Article (8-2) of the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF, the fund shall terminate after obtaining the necessary legal approvals including the approval of the General Authority for AWQAF.
10. According to Article (8-3) of the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF, the fund's assets; after being terminated, will be transferred as determined in the Fund's Terms and Conditions and in the event that the transfer was not possible, the General Authority for AWQAF; based on its estimation, can transfer the assets to another beneficiary without any contradiction with the Waqif condition

### c. If the Fund is terminated, the Fund Manager shall not receive any fees deducted from the Fund's assets.



## 21) Fund Manager

### a. Fund Manager's name, responsibilities and duties

- **Fund Manager name:**  
SNB Capital Company (SNB Capital).
  
- **Responsibilities and duties of the Fund Manager:**
  - The fund manager shall comply with all the Laws and Implementing Regulations issued by the CMA Board Members and the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF, and the applicable instructions in the Kingdom of Saudi Arabia related to the Fund's operations, including the requirements of the Investment Funds Regulations and the Capital Market Institutions Regulations, including the fiduciary duty towards Unitholders/Waqifs, which includes the duty to act in the best interests of the Unitholders/Waqifs and duty to exercise all reasonable care and skill.
  - The fund manager shall have the primary responsibility for compliance with the Investment Fund Regulations and Instructions for Waqf Investment Funds issued by the General Authority for AWQAF, whether it directly performs its responsibilities and duties or delegated them to an external party under the Investment Fund Regulations and the Capital Market Institutions Regulations.
  - The fund manager shall be responsible toward Unitholders/Waqifs for losses incurred by the investment fund, which are caused by, fraud, negligence, misconduct or wilful default of the fund manager.
  - The fund manager must develop policies and procedures that detect risks effecting the fund's investments and ensure treatment of these risks as soon as possible. These policies and procedures must include conducting risks assessment, at least, once a year.
  - The fund manager must implement a compliance monitoring program for every fund under its management. The fund manager must provide the Authority with the results of the implementation of the program upon its request.
  - The fund manager shall submit the information declaration to the Zakat, Tax and Customs Authority within (120) days from the end of the Fund's fiscal year.
  - The fund manager shall submit the fund's financial reports and financial statements to the Zakat, Tax and Customs Authority.
  - The fund manager shall submit the required data to the Zakat, Tax and Customs Authority according to their used mechanism.
  - The fund manager shall disclose the required information by the Zakat, Tax and Customs Authority to the unitholders in the fund's financial statements.
  - The Fund Manager is committed to provide the Zakat, Tax and Customs Authority with all reports and requirements regarding zakat declarations and any information requested by the Zakat, Tax and Customs Authority for the purposes of examining and reviewing the Fund Manager's declarations. The Fund Manager will also provide the Unitholder (Tax payer) with zakat declarations at request in accordance to the Zakat Collection Rules for Investing in Investment Funds issued by the Zakat, Tax and Customs Authority. The investors (Tax payers) subject to the provisions of these rules who own investment units in the Fund are required to calculate and pay Zakat on their investments. The Rules for Collecting Zakat from Investing in the Investment Funds issued by the Zakat, Tax and Customs Authority can be viewed through the Zakat, Tax and Customs Authority website: <https://zatca.gov.sa/ar/Pages/default.aspx>.

### b. CMA License number and date

License no. (06046-37) dated Jumada al-Akhirah 10<sup>th</sup>, 1428 H (Corresponding to June 25<sup>th</sup>, 2007 G).

### c. Fund Manager's address

King Saudi Road, P.O Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.  
Tel: +966920000232  
Fax: +966114060049





**d. The Fund Manager's website and any website, related to the Fund Manager, containing information on the Fund**

- Fund Manager's Website: [www.alahlicapital.com](http://www.alahlicapital.com).
- Tadawul Website: [www.tadawul.com.sa](http://www.tadawul.com.sa).

**e. Paid up capital to the Fund Manager:**

SNB Capital Company is a Saudi Joint Stock Closed Company with a paid-up capital of SAR 1.5 billion.

**f. Summary of the Fund Manager's financial information in the preceding fiscal year (in thousands of Saudi Riyals)**

Item	fiscal year ended December 2023
Total Operating Income	2,547,329
Total Operating Expenses	(547,902)
Net Operating Profit for the year	1,999,427
Zakat	(67,793)
<b>Net Profit</b>	<b>1,646,187</b>

**g. Primary roles and responsibilities of the Fund Manager**

- Working for the benefit of the Waqf asset, and the Waqf Disbursement Channels in accordance with the Investment Fund Regulations, Capital Market Institutions Regulations, Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF and the Fund's Terms and Conditions in all matters related to the fund.
- Managing the Fund's assets in the best interest of the Unitholders/Waqifs in accordance with the Terms and Conditions of the Fund.
- The fund manager performs all his duties related to the Unitholders/Waqifs Register.
- Developing the decision-making procedures to be followed to implement:
  - o The Fund's management aspects;
  - o Offering of Funds Units;
  - o The Fund operations including the administrative services.
- Ensuring that the Terms and Conditions of the Fund are accurate, complete, correct, and not misleading.

**h. Other business activities or interests of the Fund Manager that are of significance or could potentially conflict with activities of the Fund**

The fund manager and other SNB Capital affiliates may from time-to-time act as fund managers, fund advisors or other sub-funds that seeking similar investment objectives for the Fund. Therefore, in the exercise of its business, the fund manager may find itself in a position of potential conflict of interest in duties with one or more funds. The fund manager in such cases will take into account its obligation to act in the best interests of the Unitholders/Waqifs to the fullest extent practicable and not to overlook its obligations to its other clients when considering any investment that may involve potential conflicts of interest noting that as of the date of issuing the Fund's Terms and Conditions, no other business activity or interest important to the Fund Manager Board Members, or the Fund Board Members is likely to conflict with the interests of the Fund.

**i. Right of the Fund Manager to appoint a Sub-Manager of the Fund**

The Fund Manager may delegate one or more third parties or affiliates as a sub-manager of the Fund. The remuneration of any sub-manager must be paid by the Fund Manager out of its own resources.



**j. Provisions governing the removal or replacement of the Fund Manager**

- a. The Authority shall have the power to remove a fund manager in relation to a particular investment fund and to take any action it deems appropriate to appoint a replacement fund manager for that investment fund or to take any other measures it deems necessary in the event of:
  1. The fund manager ceasing to carry out managing investments and operating funds activity or managing investments activity without notification to the Authority under the Capital Market Institutions Regulations;
  2. The cancellation, withdrawal or suspension by the Authority of the fund manager's authorization(s) to carry out managing investments and operating funds activity or managing investments activity under the Capital Market Institutions Regulations;
  3. A request by the fund manager to the Authority to cancel its relevant authorization to carry out managing investments and operating funds activity or managing investments activity;
  4. The Authority believing that the fund manager has failed, in a manner which the Authority considers material, to comply with the Capital Market Law or its Implementing Regulations;
  5. The death, incapacity or resignation of a portfolio manager who manages the assets of the investment fund, if no other registered person employed by the fund manager can manage the assets of the relevant investment fund or the assets of the funds managed by the portfolio manager;
  6. Any other event determined by the Authority on reasonable grounds to be of sufficient material.
- b. Notice of any event described in subparagraph (5) of paragraph (a) above must be provided by the fund manager to the Authority within (2) days from the date of its occurrence.
- c. Upon removal of the fund manager in accordance with the cases stipulated in subparagraphs (1-6) of paragraph (a) above, the Authority shall direct the removed fund manager to call for a Unitholders/Waqifs meeting within (15) days from the date of the Authority's removal decision, in order to appoint the custodian or other party, through an ordinary fund resolution, to find and negotiate with a replacement fund manager and specify the time limit for finding and negotiation.
- d. The fund manager must notify the Authority of the results of the Unitholders/Waqifs meeting within (2) days of its convening date.
- e. The fund manager must cooperate and provide the custodian or the party assigned to find and negotiate any documents required by it for the purpose of appointing a replacement fund manager within (10) days from the date of the request, and both parties must maintain the confidentiality of the information.
- f. The fund manager must, upon approval of the replacement fund manager to manage the fund and transfer of the fund management to it, send a written consent of the replacement fund manager to the Authority as soon as it is received.
- g. If the Authority exercises any of its powers pursuant to paragraph (a) above, the relevant fund manager shall co-operate fully in order to help facilitate a smooth transfer of responsibilities to the replacement fund manager during the initial (60) days period after the appointment of the replacement fund manager. The fund manager shall where necessary and applicable and at the discretion of the Authority, novate all of the contracts relating to the relevant investment fund to which it is a party to the replacement fund manager.
- h. In case a replacement fund manager has not been appointed within the time limit for finding and negotiation with the replacement fund manager referred to in paragraphs (c) and (d) above, the Unitholders/Waqifs are entitled to request the liquidation of the fund through a special fund resolution.

**k. It is noteworthy that the General Authority for AWQAF may charge the Fund Manager fees at its discretion in accordance with Article (2.3) of the Instructions for Approval on Establishing Waqf Investment Funds.**



## 22) Fund Operator

- a. **Fund Operator's name**  
SNB Capital Company.
- b. **Authority authorization number and date**  
License no. (06046-37) dated 10 Jumada Al Akhirah 1428 H (Corresponding to June 25, 2007 G).
- c. **Fund Operator's address**  
King Saudi Road, P.O Box 22216, Riyadh 11495, Kingdom of Saudi Arabia.  
Tel: +966920000232  
Fax: +966114060049
- d. **Primary roles and responsibilities of the Fund Operator**
  - The Fund Operator is responsible for operating the fund.
  - The fund manager must maintain the books and records related to the operation of the fund.
  - The Fund Operator establish and updates the Unitholder's/Waqif's register and must maintain it the Kingdom of Saudi Arabia in accordance with the Investment Fund Regulations.
  - The Fund Operator is responsible for dividends distribution; if any, in accordance with the Distribution Policy stipulated in the Fund's Terms and Conditions.
  - The Fund Operator performs the subscription procedures as stipulated in Fund's Terms and Conditions.
  - The Fund Operator must fully and fairly value the assets of the fund and to calculate the unit prices as stipulated in paragraph (10) of the Fund's Terms and Conditions.
- e. **The Fund Operator's right to appoint a Sub-Operator of the Fund**  
The Fund Operator may delegate one or more third parties or affiliates licensed to engage in fund operation activity as a sub-operator of the Fund. The remuneration of any fund sub-operator must be paid by the Fund Operator out of its own resources.
- f. **Functions to which the Fund Operator has delegated to a third party**  
None. However, the fund operator may, delegate one or more third parties or affiliates as a fund sub-operator. The remuneration of any fund sub-operator must be paid by the fund operator out of its own resources.

## 23) Custodian

- a. **Custodian's name**  
AlBilad Investment Company (AlBilad Capital).
- b. **Authority authorization number and date**  
License no. (08100-37) dated Sha'ban 1<sup>st</sup>, 1428H (Corresponding to August 14<sup>th</sup>, 2007G).
- c. **Custodian's address**  
King Fahad Road, P.O. Box 8162, Riyadh 12313, Kingdom of Saudi Arabia.  
Tel: +966 92000 3636  
Fax: +966112906299  
Website: [www.albilad-capital.com](http://www.albilad-capital.com).
- d. **Primary roles and responsibilities of the Custodian**
  - Notwithstanding the delegation by a custodian to one or more third parties under the provisions of the Investment Funds Regulations or the Capital Market Institutions Regulations, the custodian shall remain



fully responsible for compliance with its responsibilities in accordance to the provisions of the Investment Funds Regulations.

- The custodian shall be held responsible to the fund manager and Unitholders/Waqifs for any losses caused to the investment fund due to the custodian fraud, negligence, misconduct or wilful default.
- The custodian shall be responsible for taking custody and protecting the fund's assets on behalf of Unitholders/Waqifs, and taking all necessary administrative measures in relation to the custody of the fund's assets.

**e. The Custodian's right to appoint a Sub-Custodian**

A custodian, may delegate one or more third parties or affiliates as a fund sub-custodian. The remuneration of the fund sub-custodian shall be paid by the custodian out of its own resources.

**f. Functions to which the Custodian has delegated to a third party**

The Custodian provides custody services and settlement of sale and purchase transactions, as well as following up corporate actions' procedures, money transfer and exchange. The Custodian of the Fund (AlBilad Capital) has assigned a third party, Standard Chartered Co., to provide international custody services for dealings conducted abroad. The sub-custodian shall provide the above services with regard to international dealings.

**g. Provisions governing the removal or replacement of the Custodian**

- The Authority shall have the power to remove the custodian which was appointed by the fund manager of an investment fund and take any other measures it deems necessary, as appropriate, in the event of:
  1. The custodian ceasing to carry out custody activity without notification to the Authority under the Capital Market Institutions Regulations;
  2. The cancellation or suspension by the Authority of the custodian's relevant authorization to carry out custody activity;
  3. A request by the custodian to the Authority to cancel its authorization to carry out custody activity;
  4. The Authority believing that the custodian has failed, in a manner which the Authority considers material, to comply with the Capital Market Law or its Implementing Regulations; or
  5. Any other event determined by the Authority - based on reasonable grounds- to be of sufficient significance.
- The custodian appointed by the fund manager may be subject to removal by written notice by the fund manager upon the fund manager forming the reasonable opinion that the removal is for the interest of the Unitholders/Waqifs, the fund manager shall notify the Authority and the Unitholders/Waqifs in writing immediately.

## 24) Fund Board

**a. Names of Fund Board members**

The Board member's term will start following the approval by the Board of the CMA and the members will serve for a renewable term of three (3) years. The Fund Board consists of the following members:

- |                     |                                   |
|---------------------|-----------------------------------|
| ● Ali Al AlMarzouki | Chairman - Non-Independent Member |
| ● Mishari AlSayouhi | Non-Independent Member            |
| ● Omar AlSadhan     | Non-Independent Member            |
| ● Badr Al- Jawid    | Independent Member                |
| ● Noura Al-Hokair   | Independent Member                |
| ● Abdullah Al-Naimi | Independent Member                |



## b. Qualifications of the Fund Board members

- **Ali Al Marzouki (Chairman - Non-Independent Member)**

Mr. Ali Al Marzouki is the Head of Compliance at SNB Capital Company. He is responsible for overseeing and managing compliance issues for all of SNB Capital's businesses, in addition to playing an advisory role to various SNB Capital businesses, Committees and the Board of Directors. Mr. Ali Al Marzouki is also responsible for enhancing the firm's compliance culture and managing regulatory risk in order to protect the firm's reputation, capital, investments and clients. In addition, he participated in developing many products and services for the Company and sits in a number of internal and external committees. He is responsible for liaison with local and international regulatory bodies. Mr. Ali Al Marzouki is an experienced compliance professional with more than ten years of hand-on experience in the regulatory field and as a specialist within asset management, wealth management, private banking, investment banking and brokerage. Mr. Ali Al Marzouki holds an MBA and a BA degree in Industrial and Systems Engineering from King Abdulaziz University, with a number of executive certifications from several international institutions, such as Pennsylvania State University.

- **Mishari AlSayouhi (Non-Independent Member)**

Head of Corporate Investments at SNB Capital. Mr. Mishari AlSayouhi joined SNB Capital in 2008. During his journey with the company, he held several leadership positions, including Head of Retail Sales as of 2012 through 2015, Head of Institutional Savings Consulting as of 2015 through 2017, and Head of Corporate Brokerage as of 2017 through 2018. Prior to working for SNB Capital, he worked at the Saudi British Bank (SABB) in financial planning services for 3 years. He holds bachelor's in business administration, Marketing and Management from the University of Maine in the United States and a Diploma in Business Administration from the Institute of Industrial Management and Information Technology in Dhahran.

- **Omar AlSadhan (Non-independent Member)**

Mr. Omar has over 19 years of experience in developing and operating digital products and platforms, in the government and private sectors. He started his career at the Saudi Telecom Company, then moved to the Communications, Space and Technology Commission, where he promoted until he assumed the position of Manager of Applications Department. Thereafter, Mr. Omar joined THIQA Company as General Manager of Business Consulting, where he was responsible for supervision of the design of many government products and platforms, as well as private-sector products.

Mr. Omar currently holds the position of Executive Vice President of Ehsan Platform, and holds a Bachelor's degree in Computer Science from King Saud University. He has been awarded many professional and leadership certificates from a number of prestigious international institutes and universities.

- **Badr Al- Jawid (Independent Member)**

He holds a PhD in Finance and Investment from Loughborough University in UK, and MA in Finance from Brandeis University in the United States of America. Mr. Al-Jawid also holds leadership positions in several entities and committees. He currently serves as the CEO of the Investment Fund at King Faisal University, Vice Chairman of the Board of Directors of AL-Ahsa Valley Investment Company, and Supervisor of Investment and Resource Development Department. In addition, Mr. Badr Al-Jawid has vast experience in the fields of financial management and investment management, especially investment funds in the Kingdom of Saudi Arabia, and has many publications on local and international investment funds.

- **Noura Al-Hokair (Independent Member)**

Noura has more than 10 years of experience in the field of investments and asset management. Ms. Noura Al-Hokair started her career in 2014 with Abdulmohsen Alhokair Tourism Group in the Financial Management and Investment Department, where she contributed to preparation of feasibility studies and analysis of investment opportunities for the Group. In 2019, she joined Awqaf Investment Company and currently works as a Senior Deputy Director of Alternative Investments, where she is responsible



for managing the local and global private market investment portfolio. Noura has been appointed as Secretary of the Investment Committee of Awqaf Company since 2022 to the present date.

Noura holds a BA with honors from the College of Business Administration, major in Financial Management from King Saud University, and a Master's degree in Business Administration (MBA) from Prince Sultan University, major in Financial Management. She also holds a certificate in Financial Analysis from Wharton School, Building Financial Models from Fitch, and Leadership Skills from Columbia University and INSEAD.

- **Abdullah Al-Naimi (Independent Member)**

Abdullah has over 11 years of experience in investments and portfolio management. He started his career at Saudi Aramco in the Treasury Investments Department where he contributed to management of investment portfolios in global equity markets, bonds, private equity, real estate, infrastructure, and hedge funds. In 2018, Abdullah joined Wisayah Investment Company (an Aramco subsidiary) and specialized in private markets. He managed to gather solid knowledge in investment strategies and asset allocation. In 2023, Abdullah joined Awqaf Investment Company as a Senior Manager where he was responsible for overseeing the public and private markets and development of investment strategies, asset allocation, development of policies and procedures for investment. Abdullah graduated from King Fahd University of Petroleum and Minerals with honors in Mathematics and Financial Management, and holds an MBA from the Wharton Business School of the University of Pennsylvania in the United States. Abdullah is also a Chartered Financial Analyst (CFA) charterholder.

**c. Roles and responsibilities of the Fund Board members**

Fund board of directors' responsibilities include, but are not limited to, the following:

1. Approving all of the Fund's' material contracts, reports and decisions to which the Fund is a party at.
2. Overseeing, and where appropriate, approving or ratifying any conflict of interest the Fund Manager has identified in accordance with the Investment Funds Regulations.
3. Meeting at least twice annually with the Fund Manager's Compliance Officer and AML/CFT Reporting Officer to ensure the Fund Manager's compliance with applicable laws and regulations.
4. Approving any recommendations made by a liquidator in the event of appointed him;
5. Ensuring the completeness, accuracy and compliance the Fund's Terms and Conditions, and any other related documents in accordance with the Investment Funds Regulations.
6. Ensuring that the fund manager carries out its obligations in the best interests of the Unitholders/Waqifs in accordance with the Terms and Conditions, and Investment Funds Regulations.
7. Acting for the benefit of the Fund and its Unitholders/Waqifs.
8. Approving the appointment of the external Auditor nominated by the Fund Manager.
9. Approving all changes stipulated in Articles (62) and (63) of Investment Fund Regulations before the fund manager obtains the approval or notification of the Unitholders/Waqifs and the Authority (as applicable).
10. Reviewing the report that includes assessment of the performance and quality of services provided by the parties involved in providing significant services to the fund, and the report containing all complaints and the measures taken regarding them in order to ensure that the fund manager fulfils his responsibilities in the interest of Unitholders/Waqifs in accordance with the Fund's Terms and Conditions and the provisions stipulated in Investment Fund Regulations.
11. Taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the fund's board of director.
12. The Fund board of directors decide a percentage of dividends distribution and the mechanism of paying it out.
13. Executing all the powers and rights of the Unitholders/Waqifs upon its death or loss of eligibility.



**d. Remuneration of Fund Board members**

The Fund shall be charged the remuneration related to the services of the Independent Fund Board Members. The Independent Board Members shall receive together a maximum amount of SAR 4,000 for every meeting they attend. It is expected to hold a minimum of 2-4 meetings per year; noting that the number of meetings is not expected to exceed 12 meetings per year, depending on the exceptional circumstances that the Fund is going through and based on the best interest of the Unitholders/Waqifs. In the case of holding 12 meetings a year, the remuneration of the Fund Board shall amount to SAR 48,000 per annum. Additionally, where applicable and if needed, the Fund Manager shall pay the traveling and personal expenses necessary to attend the meeting at a maximum amount of SAR 5,000 for each independent member per meeting. For more clarification, kindly refer to paragraph (9) of these Terms and Conditions.

**e. Conflict of interest or potential conflict between the Fund Board members and the Fund**

Members of the Fund Board are able to be members of other funds that may seek investment objectives similar to those of the Fund. Therefore, in the exercise of its business, a member of the Fund Board may find himself in a situation of potential conflict of duties or interests with one or more funds. However, in such cases, the member shall take into account his obligations to act in the best interests of the Unitholders/Waqifs to the maximum practicable extent and not to overlook his obligations to his other clients when he considers any investment that may involve a potential conflict of interest, and in situations requiring voting, that member shall refrain from doing so. To the date of issuing the Fund’s Terms and Conditions, there is no significant business or other interest to the members of the Fund Board, which is likely to conflict with the interests of the Fund.

**f. Fund Boards in which the relevant members of this Fund Board participates**

Name of Fund/Board Member	Ali AlMarzouki	Mishari AlSayouhi	Omar AlSadhan	Badr Al- Jawid	Noura Al-Hokair	Abdullah Al-Naimi
SNB Capital AlBasateen Real Estate Fund	✓					
SNB Capital AlDhefaf Real Estate Fund	✓			✓		
SNB Capital AlRabwah AlRamz Real Estate Fund	✓	✓				
SNB Capital Wees Irqah Real Estate Fund	✓					
SNB Capital Real Estate Fund		✓				
AlAhli Makkah Hospitality Fund		✓				
SNB Capital Alurubah Real Estate Fund		✓				
SNB Capital Real Estate Income Fund		✓				
SNB Capital Tier One Sukuk Fund III		✓				
Ehsan Waqf Fund	✓	✓	✓	✓	✓	✓

**25) Shariah Committee**

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

- Prof. Saad bin Nasser Al-Shithri (Chairman)





He holds a Ph.D. degree from the college of Sharia at Imam Muhammad ibn Saud Islamic University. He has authored works on jurisprudence and its fundamentals and has contributed to various conferences, symposiums, research papers, and publications. Additionally, he is a member in several academic committees.

- **Dr. Muhammad bin Ali Elgari (Vice President)**  
Previous professor in the Department of Islamic Economics at the College of Administration and Economics, at King Abdulaziz University, and a member of the Board of Trustees and the Sharia Council of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and an expert in the Islamic Fiqh Assembly affiliated with the Organization of Islamic Cooperation, and a member of several Sharia committees in financial institutions, his eminence holds a Ph.D. in Economics from the University of California, USA, and has contributions to several conferences, symposiums, research, and publications in contemporary financial transactions.
- **Dr. Salman bin Saleh Al-Dakhayyal (Member)**  
Associate Professor in the Department of Comparative Jurisprudence at The High Judicial Institute, holds a Ph.D. in Jurisprudence from the College of Sharia in Riyadh. He has several peer-reviewed research papers and studies, contributions to several Islamic conferences, symposiums, as well as being a member in various scholarly committees, in addition to being a member of various scholarly committees.

#### **b. Roles and responsibilities of Shariah Committee**

- Reviewing the Fund's offering documents, including the Terms and Conditions of the Fund, and approving any subsequent amendments;
- Preparing the Shariah guidelines to be followed by the Fund's Investments;
- Meeting as required to discuss issues related to the Fund;
- Responding to the inquiries coming from the Fund Manager regarding the Fund's investments, activities or investment structure, and compliance with Shariah guidelines;
- Supervising and monitoring the activities of the Fund to ensure compliance with Shariah guidelines or delegating that responsibility to another party; and
- Delegating some or one of its members to perform some or all of the roles required of the Committee.

#### **c. Shariah Committee remuneration**

The Fund will incur the Shariah services costs of SAR 10,000 annually. The Shariah advisory fees, if any, will be charged separately.

#### **d. Shariah guidelines**

The fund manager is required to ensure that all the investments and investment strategies meet the Shariah guidelines issued by the Shariah Committee. If the fund manager wishes to enter into a transaction that is not permissible by the Shariah guidelines issued by the Shariah Committee, he is required to obtain an approval in an independent decision from the Shariah Committee.

- **Tradable investment instruments and methods**  
The Shariah Committee considered that it is not permissible to buy and sell shares of joint stock companies with the following characteristics:
  - Conduct of financial activities that doesn't meet Shariah guidelines such as conventional banks which deal with interests or financial instruments that contradict with the Shariah Guidelines and (insurance companies except for companies approved by the Committee);
  - Manufacture and distribution of alcohol or tobacco products and similar products;
  - Manufacture and distribution of pork or its productions;
  - Manufacture and distribution of meat products not slaughtered according to Islamic Law;
  - Operating gambling casinos or manufacturing the gambling machines and equipment;
  - Operating cinemas and the creation, publication and distribution of pornography; or





- Operating hotels and restaurants that are engaged in any of the prohibited services and serve alcohol and other prohibited products.
- **Financial indicators**  
It is not allowed to invest in the shares of companies which their:
  - Total Riba deposits exceed (33%) of the market value of the company's shares or the total assets' value in the company's books; whichever is higher.
  - Riba loans; according to its balance sheet, exceed (33%) of the market value of the company's shares or the total assets' value in the company's books; whichever is higher.
  - Total shariah non-compliant income from different sources exceeds (5%) of the Company's total income; whether such sources are from Riba interests or from any other shariah non-compliant sources.
- **The following standards are applied if the Fund invests in REITs**
  - It is not allowed to invest in shares of companies' which their total Riba deposits exceed (33%) of the Company's total assets.
  - It is not allowed to invest in shares of companies' which their total Riba loans exceed (33%) of the company's total assets; and this depends on the companies' assets' market value based on a valuation conducted by an independent third party to determine the company's total assets' value; or its Book value; if the market value is not available.
  - It is not allowed to invest in shares of companies' which their total shariah non-compliant income derived from different sources exceed (5%) of the company's total income whether such sources are from Riba interests or from other shariah non-compliant sources.
  - The Fund Manager will provide the Fund's investors with the accounting method of the market value of the companies' shares and the shariah non-compliant income; upon their request and free of charge.
- **The investments in international REITs**  
The Fund will invest in the funds in accordance with the IdealRatings Global REITs which comply with the Shariah guidelines.
- **Investment standards of Money Market Funds**
  - Murabaha, Mudarabah, and Musharaka transactions in addition to other transactions which their structures are approved by the Shariah Committee or its representative.
  - Sukuk investments approved by the related Supervisory Committee after being approved by the Shariah Committee or its representative.
  - Trade finance transactions which their structures are approved by the Sharia Committee or its representative.
- **Shariah Guidelines for Project Finance Funds**
  - Project activity must be permissible;
  - If the fund includes financing, it must be restricted to shariah-complaint finance; and
  - If the fund includes investment of surplus cash, it must be restricted to shariah-complaint investments.
- **Purification**  
The Fund Manager is required to determine and deposit the Shariah Non-Compliant income in a separate account to be spent on charities. The purification process is conducted on a quarterly basis according to the regulations approved by the Shariah Committee.
- **Non-tradable investment instruments and methods**  
It is not permissible to buy and sell shares in any the following investment instruments:
  - Futures;



- Preferred stocks;
  - Options;
  - Swap; or
  - Overdrafts.
- **The Fund may invest in Sukuk, Murabaha transactions, financial certificates and investment funds which conduct their investments in accordance with the Shariah guidelines.**
  - **Periodic Review**  
The Fund's compliance with Shariah guidelines shall be examined quarterly. In the event that one of the companies owned by the Fund doesn't comply with the Shariah guidelines, it will be sold within a period not exceeding (90) days from the review date.

## 26) Investment Advisor

N/A.

## 27) Distributor

N/A.

## 28) Auditor

### a. Auditor's name

KPMG Professional Services.

### b. Auditor's address

Riyadh Front - Airport Road P.O. Box 92876, Riyadh 11663 Kingdom of Saudi Arabia.

Tel.: +966118748500

Fax: +966118748600

Website: [www.kpmg.com/sa](http://www.kpmg.com/sa)

### c. Primary roles and responsibilities of the Auditor

It is the responsibility of the Auditor to give an opinion on the financial statements based on the audit performed in accordance with Generally Accepted Auditing Standards applicable in the Kingdom, which require the auditor to comply with ethical and professional standards and to plan and perform audit activities in order to have a reasonable degree of certainty that the financial statements have no material errors. The Auditor's responsibilities also include implementing procedures for obtaining evidence to support the amounts and notes set out in the financial statements. In addition, the Auditor evaluates the suitability of the adopted accounting policies and the reasonableness of the accounting estimates, as well as the overall presentation of the financial statements.

### d. Provisions governing the replacement of the Auditor

The Fund Manager shall replace the Auditor in any of the following events:

- There are any outstanding and material allegations of professional misconduct in relation to audit functions by the auditor;
- The auditor of the fund ceases to be an independent auditor;
- The auditor of the fund is no longer registered with the Authority;
- The fund board determines that the auditor does not have sufficient qualifications and experience to perform a satisfactory auditing function, or that the replacement of the Auditor is in the best interest of the Unitholders/Waqifs;



- The Authority, in its absolute discretion, instructs the fund manager to replace the auditor appointed in relation to the fund.

### 29) Fund's Assets

- a. The assets of the Investment Fund are held by the Custodian on behalf of the Fund.
- b. The Custodian must segregate the assets of the Fund from its assets and from the assets of its other clients.
- c. The Assets of the Fund are held collectively by the Unitholders/Waqifs. A Fund Manager, Sub-Manager, Fund Operator, Custodian, Sub-Custodian, Advisor or Distributor may not have any interest in or claims against such assets, other than when the Fund Manager, Sub-Manager, Fund Operator, Custodian, Sub-Custodian, Advisor or Distributor is a Unitholder/Waqif in the Fund, within its ownership, and for claims permitted under the Investment Funds Regulations and disclosed by way of statement in these Terms and Conditions.
- d. It is not allowed to merge the Waqf funds until an approval is granted by the Capital Market Authority and the General Authority for AWQAF.

### 30) Complaints Procedures

If the Waqif/Unitholder has any complaint related to the Fund, they should send it to SNB Capital, through the Fund Manager's website at [www.alahlicapital.com](http://www.alahlicapital.com) or by phone (920000232). The Fund Manager shall also provide a copy of the policies and procedures to address customer complaints upon request in writing free of charge. If the Fund Manager does not settle the complaint, the Waqif/Unitholder may file their complaint with the CMA - Investor Complaints Department. The Waqif/Unitholder may file a complaint with the Committee for the Resolution of Securities Disputes after (90) calendar days from the date of filing the complaint with the CMA. Unless the CMA has notified the complainant that it may be deposited with the Committee before the expiration of the period. Procedures to address complaints shall be provided free of charge, upon request.

### 31) Beneficiary/Beneficiaries

Ehsan Platform for Charitable Work, established under the Royal Decree No. 43496, aiming to provide sustainable Waqf opportunities for benefactors, providing financial sustainability for charities, investing donations for Waqf purposes and using the yields for charitable works as well as satisfying wishes of the benefactors.

The Fund Manager declares that all Beneficiaries added during the Fund term are licensed by the relevant supervisory authority.

### 32) Other Information

- a. 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 and free of charge.
- b. The "Committee for The Resolution of Securities Disputes" has the jurisdiction to adjudicate disputes arising from investing in the investment funds.
- c. **A List of the documents available for the Waqifs/Unitholders**  
The list shall include the followings:
  - The Fund's Terms and Conditions;
  - Contracts mentioned in the Fund's Terms and Conditions; and
  - The Fund Manager's financial statements.



- d. Up to the date of preparing these Terms and Conditions, there is not any other information known to, or that ought reasonably to be known to the current or prospective Waqifs/Unitholders, the Fund Manager, the Fund Board or the professional advisors upon which an investment decision is to be made.
- e. Any waivers from limitations in the Investment Funds Regulations approved by the Capital Market Authority, except those stipulated in investment policies and practices  
N/A.
- f. **Confidentiality of Information of the Fund**  
The Fund's business and the Investments of its subscribers are managed with the highest degree of confidentiality at all times. This does not limit the right of the Fund's regulatory authority (CMA and the General Authority for AWQAF) to have access to the Fund's records for regulatory purposes.
- g. **Death of Waqifs/Unitholders**  
The Waqif/Unitholder's consent to these Terms and Conditions shall not terminate automatically upon their death or disability. Upon the death or the loss of the capacity of the Unitholder/Waqif, all powers and rights of the Waqif/Unitholder will be transferred to the Waqf Manager (the Fund's Board) in accordance with Article (4.1), Paragraph (7) of the Instructions for Approval on Establishing Waqf Investment Funds issued by the General Authority for AWQAF.
- h. **AML and CFT Law**  
The Fund Manager will comply with the Anti-Money Laundering (AML) Law and the implementing regulations thereof issued by the Royal Decree No. M/20 dated 05/02/1439H corresponding to 26/10/2017G, the Law on Combating the Financing of Terrorism (CFT Law) and the implementing regulations thereof issued by the Royal Decree No. (M/21) dated 12/02/1439H, any relevant circulars and changes thereto. The Unitholders hereby confirm that the amounts used to subscribe to the Fund are not coming from any suspicious or illegal sources. If the Fund Manager is in doubt as to the legal source of funds used in the investment transactions initiated by the investor, the Fund Manager shall suspend or decline such transactions for investigation purposes and reporting to the Saudi competent anti-money laundering and counter-terrorist financing bodies and to provide any information or document required by such bodies. However, according to the Saudi Law, the Fund Manager may not inform Unitholders of any suspected transactions reported to competent official bodies.
- i. **Sharing of Information**  
The information required to open and operate the Investor's account and to comply with the applicable regulations will be shared between the Fund Manager and other parties as determined by the Fund Manager. The Unitholder also agrees that such information may be shared with the competent regulatory authorities.
- j. **Language**  
Pursuant to Paragraph (a) of Article (61) "Requirements for Providing the Fund's Terms and Conditions" of the Investment Funds Regulations, the Terms and Conditions of the Fund shall be in Arabic and shall be made available upon request free of charge. The Fund Manager may issue these Terms and Conditions in English. However, in case of any conflict between the Arabic and English versions, the Arabic version shall prevail.



### 33) Waqif/Unitholder Declaration

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I/We have read and understood Ehsan Waqf Fund Terms and Conditions, and approved the characteristics of the Units in which I/We have subscribed.

Name:

Signature:

Date:

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